

# Finance and General Purposes Committee

## Draft Minutes

**Meeting reference:** FGP2017-18/02  
**Date and time:** Wednesday 29 November 2017 at 4.30pm  
**Location:** Room 019

**Members present:** Margaret Cook, Harold Gillespie, David Littlejohn, Grant Myles (from item 13),

**In attendance:** Jackie Mackenzie, Chief Operating Officer (COO)  
Ian Martin, Head of Finance  
Debbie Hutchison, New Board Member  
Maureen Masson, Secretary to the Board of Management

**Apologies:** Jim Crooks

**Chair:** David Littlejohn  
**Minute Taker:** Maureen Masson  
**Quorum:** 3

Summary of Action Items			
Ref	Action	Responsibility	Time Line
7.1	<b>Budgets</b> As in previous years, prepare, as part of the normal cycle of business, a paper with indicative budgets for next AY with key assumptions and sensitivity analysis.	COO	For 30 May 2018 meeting
15	<b>External Audit Annual Report 2016-17</b> Work to agree the underlying assumptions and methodology for the future treatment of actuarial pension calculations.	COO/EY	For next year's financial statements

## Minutes:

### Item

#### 1. Welcome and Apologies

The Chair welcomed everyone to the meeting, in particular, to new Board Member, Deborah Hutchison, who was attending her first F&GP meeting.

Apologies were noted.

### Action

## **2. Additions to the Agenda**

There were no additions to the agenda.

## **3. Declaration of Interest in any Agenda Item**

There were no declarations of a conflict of interest.

## **4. Minutes of Meeting held on Wednesday 27 September 2017**

The minutes were approved as a correct record subject to a correction on page 3 and actions page noting that the 'L' in 'LUPs' was 'Lowlands' and not 'Lothian'.

## **5. Matters Arising from Previous Minutes**

### **\*8.1 and 10.1 Human Resources Update**

CPD report – update to F&GP

**Action ongoing:** Work to develop HR policies and procedures was ongoing and the recording and reporting of HR data was being looked at as part of that wider review.

### **\*6.1 Accounts**

The credits and associated funding from Lowlands and Uplands Scotland (LUPS) should be identified in the management accounts to ensure the College continues to have sight of it.

**Action complete:** LUPS now identified within the management accounts

### **\*6.2 AST Board**

Closed

### **\*7.1 Budgets**

Closed

## **8 Estates Update**

Keep under review any opportunities for sharing services/expertise among the partner group.

**Action ongoing.**

## **\*6.1 Perth College Management Accounts – 3 months to 31 October 2017**

COO

The Committee discussed the paper and the key considerations in the management accounts at the end of the first quarter. There were no particular concerns at this stage, although the College continued to work in a difficult financial climate. The Committee noted:

- The Group operating position and the continuing development of the management accounts report;
- The balance sheet remained healthy;
- The variances in the accounts for catering would be adjusted at the year-end as the full costs of catering became known. The COO held quarterly meetings with Sodexo to ensure income remained on track;
- Any opportunities for potential income generation were being explored such as ASW membership amongst the community. The Committee noted that these memberships could not compromise academic agenda/ curricular activity; and
- Timing for the payment of bursaries tended to be variable but this evened out across the year and was closely monitored.

## **\*6.2 AST Management Accounts – 3 months to 31 October 2017**

Closed

## **7 Human Resources**

### **\*7.1 Human Resources Update**

The Committee noted key HR data. There was a big increase in staffing numbers between 2013 and 2017 and HR would be looking into this to understand the figures. Going forward, the HR staffing structure had been approved by the Senior Management Team and new appointments to strengthen HR would be made soon. There was considerable work to do to improve HR processes and systems and this was ongoing. A more active approach to sickness management had started.

The Depute and Vice Principal posts have been advertised.

## **8 Committee Business**

### **8.1 Forward Calendar for F&GP Committee**

The Committee noted and approved a paper which set out the forward business of the Committee.

## **9. Standing Committees**

### **9.1 Joint Negotiating Committee 26 October 2017**

The Committee noted the JNC minutes for the following meetings:

- Support Staff
- Lecturers

The Principal commented that the meetings with Unions had been positive and that a Redundancy Procedure and an Organisational Change Procedure had been agreed.

### **10 Date and Time of Next Meeting**

7 March 2018

### **11 Review of Meeting**

The Committee agreed the meeting had covered its Terms of Reference.

### **12 Joint Meeting – The Committee was joined by the Audit Committee at 5.30pm**

The Chair of F&GP welcomed the Audit Committee to the joint meeting to review the 2016-17 Financial Statements. Introductions were made and apologies noted. The Chair of F&GP would continue in the role of chair for the joint meeting.

### **13 Perth College Management Accounts Year to 31 July 2017 – Final Report and Commentary**

Closed

### **14 Draft Perth College Group Report and Financial Statements for the year Ended 31 July 2017**

Closed

### **15. External Audit Annual Report 2016-17**

Keith Macpherson of Ernst & Young presented the External Audit Report for 2016-17. As the College's external auditors, Ernst & Young prepare the annual audit report to summarise key findings and conclusions from its audit work, for the College's Board of Management and the Auditor General. The scope of the audit was agreed in the Annual Audit Plan that was presented to the Audit

Committee in May 2017.

Keith Macpherson confirmed that EY had issued an unqualified opinion that the financial statements were prepared in accordance with the legislative and compliance framework and that there were no concerns. The Annual Report was very positive.

This was the first year that EY had acted as the College's external auditors and there had been few transitional issues with no material adjustments to processes. The external auditors raised one matter in relation to treatment of pension costs and the impact of that on the final accounts. Whilst the external auditors recognised that the approach to accounting for this was appropriate for 2016-17, as it is normal practice, they would work closely with the senior team in the coming months to review that methodology. An update would be provided to a future F&GPC meeting.

COO/EY

The Chair of Audit Committee asked whether there was any best practice to share from other FE colleges. As this was the first year that EY had acted as external auditors to the sector, this may take shape after a year or so. The Committee noted that the Principal was active in a College Principals' network and close attention was paid to financial sustainability amongst other matters.

**F&GP Committee approved the External Audit report to Audit Committee for onward approval to the Board.**

The Chair of F&GP thanked Keith Macpherson from EY and colleagues in the Finance Team for their work in preparing the financial statements and for a successful overall position.

**F&GP Committee concluded its business and left the joint meeting at this point.**

Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

**Status of Minutes – Open  with removal of marked closed items      Closed**

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 1998. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998?      **Yes**       **No**