

West College Scotland

FINANCE AND GENERAL PURPOSES COMMITTEE

TUESDAY 3 SEPTEMBER 2019 at 4.00 p.m. in
Abercorn Room 1, Paisley Campus

AGENDA

General Business

1. Apologies
2. Declaration of Interests
3. Minutes of the meeting held on 27 May 2019 Enclosed JH
.1 Actions arising from the Minutes Enclosed JH
4. Matters arising from the Minutes
(and not otherwise on the agenda)

Main Items for Discussion and/or Approval

Agenda items 8 and 9 are deemed to be reserved business under the Freedom of Information Act as being commercially sensitive

5. Committee Membership, Remit and Meeting Dates Paper 5 GM
6. Monitoring of Regional Outcome Agreement Paper 6 DA
7. 2019-20 Budget and Financial Strategy Paper 7 DA
To follow
8. Catering and Cleaning Services Paper 8 AR
9. Contract Approval Paper 9 AR
To follow
10. Strategic Risk Register Paper 10 AR

Items for Information

11. Annual Update Report – 2018-19 Taxation Matters,
Banking Arrangements and Bad Debt Write Off Paper 11 VM
12. Audit Scotland Report – Scotland's Colleges 2019 Paper 12 DA
13. 2018-19 Accounts Direction for Scotland's Colleges Paper 13 VM
14. Internal Audit Plan 2019-20 Paper 14 AR

15. Schedule of Business 2019-20

Paper 15 AR

16. Any other business

Next meeting: Tuesday 24 September 2019 at 4.00 p.m. in Abercorn 1, Paisley Campus

Gwen McArthur
Secretary to the Committee

FINANCE AND GENERAL PURPOSES COMMITTEE

MINUTES: 27 May 2019

Present: Jim Hannigan (in the Chair), Liz Connolly, John Leburn, Angela Wilson.

Attending: David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), David Black (Director of IT), Vivienne Mulholland (Head of Finance and Student Funding), Gwen McArthur (Secretary to the Committee).

Apologies: Keith McKellar.

FPM255 DECLARATION OF INTERESTS

Jim Hannigan declared an interest as NMIS Programme Manager, Skills Development Scotland. Liz Connolly declared an interest as a Trustee of the West College Scotland Foundation. David Alexander declared an interest as a Board member of the Scottish Funding Council and as Chair of the Scottish Funding Council Audit and Compliance Committee.

FPM256 MINUTES

The minutes of the meeting held on 5 March 2019 were approved.

FPM257 ACTIONS

The Committee noted a report on actions taken since the last meeting, and particularly the following:

.1 National Bargaining (FPM240)

The Principal updated the Committee on the current situation regarding negotiations and developments being progressed by the Employers Association. The Vice Principal Operations provided the Committee with a paper that set out the main elements of the 3 year pay offer for teaching staff – to cover the period until 31 August 2020 - made by the Management side of the Employers Association to the EIS. There had been no feedback yet but it was known that there would be another meeting of the Employers Association later in the week where it was hoped that some progress could be made.

The Committee was also advised that the process of national job evaluation for support staff remained ongoing with job profile questionnaires for all roles to be submitted by the end of June 2019. Further updates would be provided to the Committee as this project progressed.

.2 Business Transformation Plan (FPM226.1)

The Principal informed the Committee that discussions with the Scottish Funding Council (SFC) were continuing. The SFC had sought further information on the re-shaping of curriculum activity and this was being supplied to them. The Committee would be kept informed of progress in the discussions with the SFC. **[Action: LC]**

.3 Corporate Plan and Regional Outcome Agreement (FPM204)

It was noted that the College Executive were still considering how the Regional Outcome Agreement (ROA) linked to the Strategic Plan 2019-25, as agreed by the Board earlier in the session. The Committee was aware that the ROA was essentially an operating plan for the year ahead, while the Strategic Plan set out the longer term vision and strategic aims of the College. It was the intention to show how the annual objectives, as set out in the ROA, tied in with the longer term vision in the Strategic Plan. The College was currently going through the annual operational planning process at present and all areas had been asked to show how their plans linked to the Strategic Plan. Once this exercise was complete then this information could be provided to the Committee and the Board. **[Action: LC]**

FPM258 VICE PRINCIPAL UPDATE (FPM243)

The Vice Principal Operations provided the Committee with an update on a range of matters relating to the financial position of the College and IT developments. This included an update on the following:

- .1 Funds Arising from Net Depreciation** – it was noted that, in light of the SFC funding allocation for 2019-20 the College would again need to use funds arising from net depreciation to meet the costs of core activities.
- .2 Voluntary Severance** – the Committee noted the savings that would be achieved through the Voluntary Severance (VS) scheme. The staff establishment would reduce by 24.5 FTE by 31 July 2019. The VS scheme was available until 31 July 2019 and there was a small sum of funds still available to support VS until that time.
- .3 SFC Funding Allocation 2019-20** – the Vice Principal provided an overview of the main points emerging from the SFC funding allocation for 2019-20. The Committee would return to discuss this matter later when considering the Budget for 2019-20 – see FPM 261 below.
- .4 Information Technology: SFC Strategic Funding** – the Committee noted that, following the presentation from Martin Kirkwood, Assistant Director of Capital and Climate Change at SFC, to the College's Estates Committee meeting in February 2019, the College had volunteered to work with the SFC in looking at how possible future investment in ICT across the sector might be identified in a consistent way and prioritised. SFC were proposing to conduct a survey, similar to the estates condition survey, to determine the level of ICT infrastructure currently in place across the sector and to identify future requirements. This survey should set the baseline of where the colleges are now, identify future needs and inform the analysis to quantify the gap. The discussion with the SFC had focussed on the role of ICT in supporting the student experience, and the Committee agreed with this, recognising the importance that any investment identify the platform that students needed and teaching staff could use to deliver the overall learning experience required. Dialogue with the SFC on this was at an early stage and it was recognised that in progressing matters there may be difficulties in managing sector needs and expectations in relation to ICT investment given the current challenging financial climate. The Committee would be kept informed of progress. **[Action: DA; DB]**

FPM259 OVERVIEW OF COLLEGE PENSION SCHEMES (FPM188)

The Committee received the annual report which provided an overview of the pension schemes currently in operation within the College. It was noted that the number of staff in the pension schemes had shown a very slight reduction overall. The total cost to the

College of operating the pension schemes would be £5.2M in 2018-19. The Committee noted that employer contributions to the Local Government Pension Scheme (LGPS), which was the scheme for Support staff, were currently 19.3% and would remain in place until at least March 2020. However, the Scottish Public Pensions Agency (SPPA) scheme, for Teaching staff, was scheduled to change on 1 September 2019 from the current rate of 17.2% to 23.0%. This was due to UK changes to public service pension schemes. The SFC had indicated that, at present, colleges may likely receive only 50% of the funding required to meet these additional costs. This would have a significant impact on the budget for 2019-20 as the College would have to find another £500k to meet the increase in pension costs if only 50% of funding was provided. The Committee was disappointed at this information and expressed the view that Colleges Scotland should take this matter up on behalf of the sector and press the SFC and the Scottish Government to fund this rise in pension costs in full. The Committee was advised that Colleges Scotland had made representation on these costs to the SFC and Scottish Government and it was a matter impacting across all areas of the public sector where staff were members of this pension scheme. It was **agreed** that this point should be raised at the next Board meeting when it would be considering the budget for next session. **[Action: JH; DA]**

FPM260 MANAGEMENT ACCOUNTS TO 30 APRIL 2019 (FPM244)

The Committee received the Management Accounts for the year to 30 April 2019. The College was on track to achieve the required savings target of █████ by the end of session 2018-19 in order to deliver a breakeven underlying operating position. The Management Accounts presented forecast a financial deficit of █████ for 2018-19 with an underlying operating surplus of █████. The Director of Finance and Estates drew the Committee's attention to the key points emerging and the key performance indicators included in this report. The Committee welcomed this information and congratulated the Team for the financial management which had gone into achieving this forecast position in light of the challenging financial circumstances. The Committee **approved** the Management Accounts for the period to 30 April 2019.

FPM261 2019-20 BUDGET AND FINANCIAL STRATEGY (FPM241)

.1 SFC Funding Allocation 2019-20

The Vice Principal Operations provided the Committee with an overview of the key points emerging from the SFC funding allocation for 2019-20, including the following points:

- Overall the core funding had been reduced by 3.23% as compared to the previous year's budget.
- This was due mainly to the significant reduction in funding for estates life cycle maintenance and also for high priority maintenance. The funding provided for estates life cycle maintenance was insufficient to meet the operating costs of the buildings and so discussions with the SFC were underway in order to determine how high priority and lifecycle maintenance priorities might be met given these levels of 2019-20 funding.
- Net depreciation funding would have to be used to meet core operational costs, as had been the case in 2018-19.
- There was a slight reduction in teaching activity, of 104 credits.
- Last year the College had received significant demand on funding to support care experienced students and had received one-off additional funding from SFC to help meet these costs. However, the SFC had not confirmed that the College might receive

the same additional level of financial support to help meet these costs in session 2019-20 and so discussions regarding this were underway with SFC.

- It was the intention to raise the funding allocated to the Students Association [REDACTED] in session 2019-20, the allocation had been [REDACTED] in session 2018-19.
- Overall the College was facing a challenging financial situation and would require to make savings [REDACTED] in session 2019-20 in order to balance its budget and achieve an underlying breakeven position.

.2 2019-20 Budget and Financial Strategy

In proposing the budget to be set for session 2019-20 account had been taken of all the above factors and other factors, including any additional funding that the College might receive. Only additional income that was known at this stage had been included in the budget, but any further income achieved during the year would be taken into account and, if achieved, would help meet the funding gap already identified. In considering the Financial Strategy for the period to 2023-2024 a number of assumptions had been made (as outlined in the paper presented). It was noted that the SFC had not provided any information on funding assumptions beyond session 2019-20. However it was noted that this information would follow over the next few weeks. In relation to staff costs, annual salary uplifts had been included in the future plans with these being based on public sector pay policy. If pay awards above this were to be approved then the savings the College would need to make would increase. In relation to income from the European Social Fund (ESF) this had been assumed to continue until 2021-22, as the position beyond this was not known yet. It was also noted that College loan repayments would reduce over the planning period and some would come to an end. Based on current knowledge it was estimated that there would be a funding gap [REDACTED] over the next 3 years for the College and savings would require to be delivered to address this. The Committee was aware that the College had produced a Business Transformation Plan which showed how the College intended to meet the challenges ahead. This was under discussion with the SFC and would require further development and review following confirmation of 2019-20 final funding and receipt of financial planning assumptions to be used over the 5 year period from the SFC (with this information being expected sometime before the end of June 2019).

The Committee was disappointed that the College was in such a challenging financial position and would have to make savings again over the next few years in order to ensure its sustainability. However, the Committee was clear that the actions proposed would help address the funding gap and thanked the Team for all their hard work and efforts in achieving the savings so far and identifying the actions being taken to address the future challenges.

The Committee

RECOMMENDS to the Board that

- i. The budget for the Students Association in session 2019-20 be set at £91,000;
- ii. The overall College budget for 2019-20 be approved as presented;
- iii. The five year Financial Strategy and the assumptions underlying it be noted as presented. **[Action: DA; AR]**

The Committee considered that it would be helpful to hold an additional meeting to consider the information emerging from the SFC relating to the assumptions for the financial planning period to 2024 – see FPM269 below.

FPM262 GOVERNANCE COMPLIANCE AND ROA OUTCOMES 2018-19

The Committee noted the report on governance compliance and Regional Outcome Agreement outcomes for 2018-19. This had also been considered at the Audit Committee the previous week. The Committee welcomed this information.

FPM263 DRAFT SCOTTISH PUBLIC SECTOR CYBER RESILIENCE FRAMEWORK (FPM245)

The Committee had previously discussed the Scottish Government's Public Sector Action Plan on Cyber Resilience. A key government action in this plan was for the Scottish Government to develop a Cyber Security framework for all public sector organisations. The consultation papers now set out the security standards and frameworks that the Scottish Government were basing their framework on. This included the development of a self-assessment tool to help public sector organisations identify key areas of strength and weakness in their current cyber resilience arrangements so that action could be taken to address these as appropriate. The College had provided a response to this consultation. It was noted that the Scottish Government intended to prepare a final version of the framework for implementation during financial year 2019-20, with relevant requirements incorporated into the Scottish Public Finance Manual (SPFM). The Committee would be kept informed of progress. **[Action: DB]**

FPM264 STRATEGIC RISK REGISTER (FPM247)

The Director of Finance and Estates provided the Committee with an update on the changes made to the Strategic Risk Register in light of the recent review conducted by the SMT. It was noted that the SMT had been of the view that risk 15, which related to carbon management, could be removed from the risk register as the College had achieved its reduction target early. This would be considered by the Estates Committee at its meeting the following day, along with a proposal to merge two risks relating to the Estate Strategy. It was also noted that Risk 16, relating to the impact of Brexit, was still a high risk due to the uncertainties around the Brexit arrangements which had not yet been resolved. The Committee noted the Strategic Risk Register and had no further changes or amendments to make to it.

FPM265 WHOLE OF GOVERNMENT ACCOUNTS

It was noted that the College was now required to participate in the whole of Government Accounts process. For session 2018-19 this would be done for the College so that the College was clear about the information it needed to provide in the future. The Committee acknowledged that this was a significant increase in the reporting requirements placed on the College.

FPM266 EXTERNAL AUDIT: 2018-19 AUDIT STRATEGY MEMORANDUM AND FEE PROPOSAL

The Committee noted the 2018-19 Audit Strategy Memorandum and Fee proposal from Mazars, the External Auditors. This had been approved at the meeting of the Audit Committee the previous week.

FPM267 INTERNAL AUDIT REPORT: FRAUD PREVENTION

The Committee noted the report from Internal Audit on Fraud Prevention. The Committee was pleased to note that the Internal Auditors had confirmed that the College had robust policies and procedures in place. Two minor improvements had been suggested and these had been actioned by Management. The Committee welcomed this report.

FPM268 SCHEDULE OF BUSINESS 2018-19

The Committee noted its schedule of business for 2018-19 and an indication of the potential business to be undertaken in session 2019-20.

FPM269 DATES OF MEETINGS IN SESSION 2019-20

The Committee noted its proposed dates of meetings for session 2019-20 as follows:

- 24 September 2019
- 19 November 2019 at 2.00 p.m. – Joint meeting with Audit Committee
- 10 March 2020
- 2 June 2020

All Tuesdays and to be held at 4.00 p.m. on the Paisley Campus, save that the meeting on 19 November would start at 2.00 p.m. and would be followed by the Joint meeting at 4.00 p.m.

In discussion it was **agreed** that it would be useful to hold an additional meeting on Tuesday 3 September 2019 to discuss the financial position and the 5 year financial plan in more depth in light of the assumptions emerging from the SFC. **[Action: GMcA]**

FPM270 NEXT MEETING

Tuesday 3 September 2019 at 4.00 p.m. at the Paisley Campus.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

GMcA/2.06.19/Final

Finance & General Purposes Committee: Meeting of 27 May 2019

Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
27 May 2019	FPM257.2 226.1	Business Transformation Plan – Committee to be kept informed of progress with discussion with SFC	L Connolly		September 2019 meeting
	FPM257.3 204	Corporate Plan and Regional Outcome Agreement (ROA) – information showing how annual objectives in ROA tied in with Strategic Plan to be provided	L Connolly		Future meeting
	FPM258.4	Information Technology: SFC Strategic Funding – College working with SFC on project on how possible future investment in ICT across the sector might be identified in a consistent way and prioritised. Committee to be kept informed of progress	D Alexander D Black		Future meeting
	FPM259	Overview of College Pension Schemes – Board to be informed of increase in pension costs for College	J Hannigan D Alexander	Board informed at June 2019 meeting	Complete
	FPM261 241	2019-20 Budget and Financial Strategy – recommended to Board for approval	D Alexander A Ritchie	Board approved 2019-20 Budget and Financial Strategy	Complete
	FPM263	Draft Scottish Public Sector Cyber Resilience Framework – Committee to be kept informed of progress with Scottish Government’s final version of the framework for implementation	D Black		Future meeting
	FPM269	Dates of Meetings in session 2019-20 – additional meeting to be held on 3 September 2019 to discuss	G McArthur	Arrangements made for additional meeting	Complete

		the financial position and 5 year financial forecast			
	FPM271 252	██████████ Finance System – review of the project and report on lessons learned to be brought to next meeting	A Ritchie		September 2019 meeting
	FPM272	Contract Approval: Insurance – Board to be asked to approve contract with Zurich Municipal for the provision of insurance services	J Hannigan	Board approved this contract at its meeting in June 2019	Complete
		Actions from previous minutes			
5 March 2019	FPM240 226.2	National Bargaining – consideration to be given to circulating revised offer from Employers Association to Teaching staff	L Connolly	Committee updated on progress in National Bargaining discussions at its May meeting (FPM257.1)	Complete
	FPM245 227	College Cyber Action Plan – annual accreditation to be sought through Cyber Essentials Plus scheme	D Black		Future meeting

GMcA/2.07.19

TITLE: COMMITTEE REMIT, MEMBERSHIP AND DATES OF MEETINGS IN 2019/20

Background: The Committee is invited to review its remit, which is set out in the attached paper, and to consider if any amendments are required.

The membership of the Committee and dates of meetings are also provided in the attached paper for information.

Action: The Committee is asked to confirm if it is satisfied with its remit, and to note its membership and dates of meetings in 2019/20.

Lead: Gwen McArthur, Secretary to the Committee.

Status: Open

West College Scotland

Board of Management

Finance and General Purposes Committee

Statement of Purpose

The Board provides the principal governance mechanism through which activities are managed in accordance with legislation and regulations, as well as ensuring that systems are in place to provide efficiency, effectiveness and economy. However, the Board has delegated some of its responsibilities to certain committees.

The main purpose of the Finance and General Purposes Committee will be to approve all key decisions taken in relation to finance, procurement, information technology and matters of a general nature that do not fall to other standing Committees. The Committee will further ensure that all areas of the College's financial performance, procurement and information technology are subject to best practice controls and review, ensuring solvency, sustainability, efficiency and innovation.

1. Remit

Finance

- To advise the Board of Management on key issues of the College's financial and resource management including:
 - solvency of the College
 - College cashflow
 - effectiveness and appropriateness of the utilisation of College resources
 - Financial Strategy
- To review and approve the Financial Regulations on an annual basis, or more frequently if required.
- To consider and advise the Board on:
 - financial forecasts and budgets in relation to the West Region Outcome Agreement.
 - any relevant taxation issues
- To consider the College's annual financial statements (at a joint meeting of the Audit and Finance and General Purposes committees).
- To monitor:
 - the College's financial performance against agreed budgets and make recommendations on major variations
 - all income
 - all material financial issues
 - the management accounts.
- To advise the Board on investments and borrowing and to seek appropriate external advice.

- To ensure adherence to statutory requirements related to the College's financial affairs and compliance with the Financial Memorandum, Scottish Public Finance Manual (SPFM), and related guidance.
- To receive a regular report on bad debt write offs
- To consider, review and recommend to the Board, pension arrangements for College staff, in consultation with the Organisational Development and HR Committee.
- To receive an update on banking arrangements, including the Scottish Government banking arrangements and to approve the bank signatories.

Information Technology

- To agree and approve IT strategy and policies, ensuring these support the priorities and outcomes of the College;
- To advise the Board of Management on key issues relating to the College's information technology.
- To consider and promote the effective and efficient use of IT services.
- To consider information technology initiatives and innovations for use within the College, the resources required to implement these and to identify risks and opportunities associated with proposals.

Procurement

- To agree and approve financial regulations which ensure compliance with legal obligations in respect of tendering and contract procedures
- To agree and approve procurement strategy and policies that reflect best practice, ensuring these support the priorities and outcomes of the College and the achievement of efficiencies.
- Approve the awarding of contracts above £250,000
- To support development of:
 - supplier management and contract monitoring
 - electronic procurement systems
 - procurement performance management systems
 - collaborative opportunities

Risk

- To consider risk relating to the matters that fall within the Committee's remit and to agree what mitigating factors/actions are in place and what further action, if any, needs to be taken to address such matters of risk.

General Purposes

- Any other factors as required by the Board of Management

2. Membership

Membership of the Committee will comprise:

Three members of the Board of Management, one of whom will Chair, and the Principal.

Attending:

Vice Principal Operations

The Director of Finance and Estates

The Director of Information Technology

The Committee is empowered to invite other members of the Senior Management/Executive team to attend meetings of the Committee.

The Committee is empowered to co-opt additional members, subject to approval by the Nominations Committee.

Other Board members can attend the meetings, with the approval of the Chair of the Finance and General Purposes Committee.

Committee members will be appointed to serve a four- year term, or for the period of their term of office.

The Chair of the Board of Management will be an ex- officio member of the Committee

3. Frequency of Meetings

Normally will meet four times per year, but at least three times per year. Additional meetings will be convened as necessary.

4. Quorum

A quorum will be two members of the Board of Management.

5. Secretariat

Secretary to the Board of Management.

Papers for meetings will be sent out 7 days in advance of meeting.

The Committee will report to the Board of Management and the minutes of its meetings will be circulated to the Board for information.

6. Review

The Remit will be subject to review annually

Approved by the Board of Management – 4.12.17

MEMBERSHIP 2019-20

Membership	Date appointed	Date re-appointed	End date
Jim Hannigan (Chair)	1.02.15	1.02.18	31.01.22
Liz Connolly, Principal	1.09.18		
John Leburn	1.01.17		31.12.20
Angela Wilson	1.09.17		31.08.21
Keith McKellar, <i>Ex officio</i>	4.03.14	3.03.18	2.03.20

Attending Officers

David Alexander, Vice Principal Operations

Alan Ritchie, Director of Finance and Estates

David Black, Director of Information Technology

Vivienne Mulholland, Head of Finance and Student Funding

Gwen McArthur, Secretary to the Committee

DATES OF MEETINGS 2019-20

3 September 2019

24 September 2019

19 November **at 2.00 p.m. this will be followed by the Joint meeting with Audit Committee at 4.00 p.m.**

10 March 2020

2 June 2020

All Tuesdays at 4.00 p.m., unless otherwise stated (see November timings), on the Paisley Campus.

GMcA/26.08.19

TITLE: MONITORING OF REGIONAL OUTCOME AGREEMENT

Background: The Board of Management have agreed that each Committee should monitor progress on areas of the Regional Outcome Agreement (ROA) for which they have responsibility and provide a report to the Board.

Action: The Finance and General Purposes Committee is asked to:

- note the background information provided in relation to the Regional Outcome Agreement process;
- note the key objectives of the West College Scotland Regional Outcome Agreement, which covers the period to 31 July 2020; and
- consider and agree the processes in place to enable monitoring of required ROA outcomes and to support provision of the required report to the Board of Management.

Lead: David Alexander, Vice Principal Operations

Status: Open

Monitoring of Regional Outcome Agreement Objectives

1.0 Background

1.1 Regional Outcome Agreements (ROAs) were introduced in 2012-13. They are intended to enable the Scottish Funding Council (SFC) to demonstrate the impact of the sector and its contribution in meeting:

- Scottish Government priorities as set out in the Scottish Economic Strategy; and
- The Scottish Government programme as detailed within the document '*A Nation with Ambition: The Government's Programme for Scotland*'.

ROAs are also required by the Financial Memorandum as a term of SFC grant and are intended to build better relationships between the SFC, colleges and key stakeholders to support:

- Increased accountability and confidence in the distribution of resources, ensuring that resources are targeted where there is greater need; and
- Continuous improvement, to maximise the impact on the learner, the employer and the economy.

1.2 The Outcome Agreement process is intended to enable:

- Engagement, to ensure SFC decisions account for the context within which colleges operate, so that SFC can differentiate its approach where appropriate.
- Curriculum and investment planning based on economic, industry, labour market and demographic evidence.
- Consistent methods of operating, to ensure that a fair interpretation of college impact is made, and to enable the SFC to interpret impact consistently at a regional and national level.
- A means by which college regions can discuss with SFC their broader aspirations.

1.3 Ultimately the Outcome Agreement is seen by the SFC to be a joint funding commitment, in which each college sets out:

- The regional context within which the college operates
- Outcomes and outputs a college region will deliver in response to Scottish Government priorities. In most instances these outcomes/outputs correspond to national performance measures, and include reference to a baseline position, current progress and a future ambition or target.

- 1.4 The current College ROA was finalised following the SFC 2019-20 final funding announcement on 17 May 2019 and covers the period until 31 July 2020. The ROA was confirmed as agreed by the SFC on 29 July 2019.

2.0 Monitoring of Regional Outcome Agreement Objectives

- 2.1 The objective of the West College Scotland ROA is to deliver the SFC national priority of:

'High quality learning and teaching - an outstanding system of learning that is accessible and diverse, where students progress successfully with the ability, ideas and ambition to make a difference.'

The main outcomes required by SFC in support of this priority are:

- Access – a more equal society because learning is accessible and diverse, attracting and providing more equal opportunities for people of all ages, and from all communities and backgrounds.
 - Quality – an outstanding system of learning where all students are progressing successfully and benefitting from a world-class learning experience, in the hands of expert lecturers delivered in modern facilities.
 - Skills and Employability – a more successful economy and society with well prepared and skilled students progressing into jobs with the ability, ideas and ambition to make a difference.
 - High Performing Institutions – a coherent system of high performing, sustainable institutions with modern, transparent and accountable governance arrangements. To ensure students are qualified and prepared for work and to improve and adapt the skills of the region's workforce.
 - Innovation – greater innovation in the economy – a national culture of enterprise and innovation, leading to a more productive and sustainable economy.
- 2.2 ROA guidance discontinued the inclusion of financial measures from the review process, as these are now covered by the Financial Memorandum with the SFC and this remains the case for the current ROA. Under the outcomes associated with *High Performing Institutions* the ROA guidance does continue to require that institutions provide “A coherent system of high-performing, sustainable institutions with modern, transparent and accountable governance arrangements” leading to securing a ‘...well-managed, financially and environmentally sustainable College.’

2.3 The West College Scotland ROA recognises that this will specifically be achieved through:

- a Financial Strategy which encompasses a medium term 5 year outlook and analysis of key financial risks, and which assesses resource and cash levels required to fund College operations and strategies and deliver outcomes sustainably;
- a Procurement Strategy which seeks to simplify, standardise and streamline procedures, achieve efficiencies and generate College and community benefits; and
- an IT Strategy that ensures College operations and objectives are supported by appropriate technology and infrastructure.

2.3 The remit of the Finance and General Purposes Committee (*Agenda Item 5*) includes responsibility for each of the ROA areas outlined above and the *Schedule of Business* which is presented at each Committee meeting confirms these will be considered throughout 2019-20.

3.0 Conclusion

3.1 The Finance and General Purposes Committee is asked to:

- note the background information provided in relation to the ROA process;
- note the key objectives of the West College Scotland Regional Outcome Agreement; which covers the period to 31 July 2020; and
- consider and agree the processes in place to enable Finance and General Purposes Committee monitoring of required ROA outcomes and to support provision of the required report to the Board of Management.

TITLE: RISK MANAGEMENT - STRATEGIC RISK REGISTER

Background: Under the Corporate Governance Code, the Board of Management is tasked with ensuring a framework of risk management and control is in place. This paper presents the College Strategic Risk Register for the consideration of the Finance and General Purposes Committee.

Action: The Finance and General Purposes Committee is requested to review and approve the College Strategic Risk Register and in doing so consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal;
- Whether any new risks should be considered for inclusion; and
- The further development of the College risk management framework

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Risk Management Strategy

- 1.1 The West College Scotland Risk Management Strategy was approved by the Board of Management. The College Strategic Risk Register is subject to ongoing review by the Board of Management and all Board of Management Committees, with oversight being provided by the Audit Committee.

2. College Strategic Risk Register Update

- 2.1 Each Board Committee is requested to:

- review the risks included within the register;
- the risk ratings both pre and post mitigation;
- whether any other risks should be considered for removal; and
- whether any new risks should be considered for inclusion.

- 2.2 The College Strategic Risk Register was approved at the June 2019 Board of Management meeting:

- Accepting the proposed adjustments to the Register following the Committee review process; and
- Noted the inclusion of direction of travel arrows for each risk identified.
- Noted that the Register would not show much change over the short term as it was a forward-looking document.

Development of the College Risk Strategy

- 2.3 The Board of Management risk management action plan has been implemented over the course of the previous year with the following actions remaining:

- The introduction of a target risk score

The Audit Committee view was that further development and integration of existing risk management processes was required prior to this matter being taken forward. This action will continue to be reviewed over the course of 2019-20

- Revisions to the Strategic Risk Register following finalisation of the College Corporate Plan

The Strategic Risk Register has been aligned with the new College Corporate Plan. The initial alignment will be considered by Board Committees as part of the upcoming cycle of Committee meetings.

- The introduction of a formal risk management appetite statement
The Board of Management has previously considered that further information around risk and opportunity across a range of College activities might help provide a better understanding of the risk management appetite. The October 2019 Board of Management meeting will commence with an externally facilitated session designed to inform the Board on the various options in relation to the development of a risk appetite statement. The objective of the session is to develop a risk appetite statement for incorporation into the overall Risk Management Strategy.

3. Conclusion

3.1 The Finance and General Purposes Committee is requested to review and approve the Strategic Risk Register and consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal;
- Whether any new risks should be considered for inclusion; and
- The progress made in further developing the College Risk Management framework.



Strategic Risk Register

Strategic Risk Register Dashboard Report

Risk register review period:

Aug-19

Board / Committee review period:

Sep-19

Top 5 Risks Post Mitigation						Movement in Risk Scores																								
Ref	Risk	Movement	Probability	Impact	Score																									
WCS 1	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	↔	6	4	24	<p>The chart displays the number of risks at various risk scores for two periods: Sep-19 and Jun-19. The y-axis represents the 'Number of risks' (0 to 5), and the x-axis represents the 'Risk Score' (24, 20, 16, 15, 12, 9, 6). Green bars indicate the number of risks in Sep-19, and red bars indicate the number of risks in Jun-19.</p> <table border="1"> <thead> <tr> <th>Risk Score</th> <th>Sep-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>24</td> <td>1</td> <td>1</td> </tr> <tr> <td>20</td> <td>1</td> <td>1</td> </tr> <tr> <td>16</td> <td>1</td> <td>1</td> </tr> <tr> <td>15</td> <td>1</td> <td>1</td> </tr> <tr> <td>12</td> <td>4</td> <td>4</td> </tr> <tr> <td>9</td> <td>3</td> <td>3</td> </tr> <tr> <td>6</td> <td>3</td> <td>3</td> </tr> </tbody> </table>	Risk Score	Sep-19	Jun-19	24	1	1	20	1	1	16	1	1	15	1	1	12	4	4	9	3	3	6	3	3
Risk Score	Sep-19	Jun-19																												
24	1	1																												
20	1	1																												
16	1	1																												
15	1	1																												
12	4	4																												
9	3	3																												
6	3	3																												
WCS 3	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	↔	5	4	20																									
WCS 2	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	↔	4	4	16																									
WCS 16	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	↔	5	3	15																									
WCS 4	Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	↔	4	3	12																									

The most significant risk faced by the College continues to be the volatility of SFC funding.

Continued delays to the business cases for the development of the College estate has moved up the risk register based on the latest developments in Renfrewshire and Inverclyde. This risk is closely linked to the next highest risk which is the failure to secure adequate maintenance funding.

The impact of the UK exit from Europe continues to be a significant risk faced by the College as the level of uncertainty continues.

WEST COLLEGE SCOTLAND STRATEGIC RISK REGISTER

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
1	WCS 1	1.1 1.3 3.1 3.4	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	6	4	24	1) Detail of 2019-20 final SFC funding received 17 May 2019. This shows a level of core funding which is not greater than in 2018-19; a change in the estates funding methodology which will impact upon College operations; and no specific funding in order to meet the cost of any annual pay increases. The College will continue to face a number of financial challenges arising from this settlement. 2) 2019-20 budget approved in conjunction with 5 year future financial scenario planning and detailed assumptions. 3) Transformation Plan submitted to SFC in order to address future financial challenges. Following submission of revised plan in November 2018 the College continues to engage with the SFC on the implementation of the plan. 4) Robust financial forecasting including production and review of monthly management accounts. 5) Estates Strategy including objective to improve / rationalise the College estate utilising estate maintenance funding. 6) Financial modelling of next 5 years being undertaken based upon SFC FFR assumptions. Allows the College to identify funding gap and to continue to take necessary steps to address the gap. 7) Commercial Development Group reporting to Corporate Development Committee with focus on maintaining and growing income including ESF activity. 8) Robust monitoring of current and future curriculum delivery plans (CMAF) including staffing requirements. 9) Active College representation and involvement in external SFC review groups - funding methodology, CDN Finance network; credit review; access and inclusion; rural and remoteness premium and student funding.	6	4	24	24	↔	VP Operations / VP Educational Leadership
2	WCS 3	1.2 3.1 3.3 3.4	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	6	4	24	1) The College continues to actively engage with SFC, SFT and other key stakeholders re investment and in relation to implementation of national estate condition survey review and future direction of travel. 2) Approved Estate Strategy highlights required estate investment for consideration by SFC and Scottish Government. 3) Draft Outline Business Case for Paisley estate submitted to the SFC. Response received from SFC in regard to Paisley OBC and the College is currently engaging with partners in relation to the collaborative aspects of any proposals. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC 5) Inverclyde local development plan now finalised leading to restrictions on future College developments on preferred site. College continues to engage with partners to find suitable way forward. 6) Ongoing prioritisation of College estates funding in a way which links to priority projects, with update reports being provided to each meeting of the Board of Management Estates Committee. 7) Ongoing involvement in sector/SFC capital working group enables WCS input to ongoing discussions in relation to SFC estates maintenance allocation methodology and capital allocations. 8) Ongoing engagement with SFC	5	4	20	16	↔	VP Operations

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
3	WCS 2	1.1 1.2 2.3 4.1	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	5	4	20	1) College Estate Strategy submitted to SFC, reviewed by internal audit and subject to annual review on implementation and progress by Board of Management Estates Committee. 2) 2019-20 SFC funding for estates has seen a reduction in lifecycle maintenance and priority maintenance funding. The continued reduction in lifecycle maintenance does present an operational challenge as financial modelling assumed flat cash settlement in future years. There is also a need to understand the basis of estates maintenance funding allocation beyond 2019-20. 3) WCS participation in SFC/sector Capital Working Group. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC. Implications of recently published Inverclyde local development plan now being considered and College is engaging with 5) Outline Business Case for Paisley submitted to the SFC and feedback received from the SFC. Discussion with partner organisations remains ongoing.in relation to the collaborative aspects of the proposals, and an updated OBC for Paisley will require to be submitted to SFC. 6) SFC have issued the outcome of a national College estate condition survey. College has discussed and obtained agreement with SFC as to how the 2018-19 high priority maintenance funding will be applied.	4	4	16	16	↔	VP Operations
4	WCS 16	1.3 2.2 3.1 3.4	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	5	3	15	1) College undertaken review of possible impacts of Brexit on operations. Output has been discussed at senior management level and with relevant Board Committees. To note potential impact on EU funded programmes (Modern and Foundation Apprentices). 2) The College is a member of a sector working group on Brexit allowing access to latest intelligence specific to the College sector. 3) Close liaison with SFC on future funding arrangements post 2021 when current ESF funding is due to end.	5	3	15	15	↔	Principal
5	WCS 4	1.2 2.1 3.2 3.4	Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	5	4	20	1) Positive engagement with SFC in relation to ROA development and monitoring for current and future years. 2) Effective internal monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees. 3) Good working relationships with local authorities and school head teachers in order to access attainment funding in support of College activities in this area. 4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit. 5) Blended approach to delivery of teaching and learning including online learning allowing College to address changes in recruitment and delivery. 6) Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered. 7) The Board of Management considered the College ROA during the meeting in March 2019, and considered the outcomes that will be delivered at that time. The ROA 2019-20 was submitted to the SFC and subsequently approved on 29 July 2019.	4	3	12	12	↔	Principal

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
6	WCS 5	1.1 1.2 1.3 3.4	Impact and outcome of National Pay Bargaining for both teaching and support staff.	6	3	18	1) WCS representation and involvement in national college Employers Association and national joint negotiating committee (NJNC). 2) Financial impact assessment / planning scenarios with the financial impacts of National Bargaining subject to ongoing discussion with the SFC. National Bargaining funding distribution for 2019-20 amended in year and agreed with Colleges Scotland and the Scottish Funding Council. 3) 2018-19 final SFC funding included an allocation in order to meet the cost of national bargaining. 4) Business Continuity Planning considers impact of industrial action, with specific plans in place. 5) Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on an ongoing basis in order to maintain positive College industrial relations. 6) Robust college sector and WCS communications plan including liaison with Student Association on impact on students. 7) Local workforce planning arrangements subject to positive internal audit review (June 2018). 8) Support staff pay award until September 2019 been settled.	6	2	12	12	↔	Principal
7	WCS 6	1.1 2.1 3.3 4.2	Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	4	4	16	1) IT Strategy, Policies / Procedures and system access processes in place. The Finance and General Purposes Committee have reviewed progress achieved in delivering the IT Strategy as at Year 2 and are satisfied with progress given the level of resource available to the College - although recognise that the College digital ambitions are being constrained by the level of SFC funding. Strategic dialogue with the SFC is ongoing in an effort to secure the required level of funding in order to deliver College digital ambitions. 2) Staff and student feedback and evaluation procedures in place. 3) IT Contingency Plan in place with regular review. 4) College has achieved Cyber Essentials Plus accreditation as required. 5) College Digital Strategy has been reviewed by SMT and sets out digital ambitions for the College. To be presented to the Board for approval in coming period. 6) Funding bid developed based for submission to SFC to ensure IT systems are fit for purpose. Initial discussions have been held with SFC on IT condition survey and College offered to be model for such a survey. 7) College HR department providing support to staff undertaking national support staff job evaluation, with role profile documentation to be completed by 28 June 2019.	4	3	12	12	↔	VP Operations
8	WCS 15	1.1 2.1 3.4 4.3	Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".	4	4	16	1) Transformation Plan has been developed by the College and discussed in detail with the SFC. 2) Board of Management have approved the Plan and financial objectives are monitored through the F&GP Committee. Board of Management monitor overall plan achievement. 3) Projects have been initiated in line with the plan and are directed by a specific member of SMT. 4) Detailed delivery plan has been created to allow milestones to be set and monitoring to take place. 5) College on track to meet financial objectives outlined in the plan during 2018-19. However future years remain challenging and the plan will require to be further reviewed/updated. SFC indicative funding figures have been published and have crystallised the financial challenges faced by the College. No guidance on future years.	3	4	12	12	↔	Principal

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
9	WCS 9	1.2 1.3 3.4	Inability to maintain positive staff relations	4	3	12	1) Approved Workforce Plan in place to address Audit Scotland recommendations. 2) Internal audit on internal communications reported that that the College had effective internal communication channels to staff and students 3) Clear procedures for communication and engagement with Trade Unions and College staff. 4) Staff engagement session and staff surveys undertaken on regular basis allowing issues to be addressed early. 5) Local trade union consultation and negotiation committees in place for teaching and support staff. 6) College is supportive of staff involvement in national job evaluation scheme and has open dialogue with Unions as to how staff can be supported.	3	3	9	9	↔	Principal
10	WCS 11	1.1 2.3 3.1 3.2	Ability to generate consistent levels of alternative income or to grow alternative income streams.	4	3	12	1) Alternative Income Strategy currently under development in response to requirements of Transformation Plan objectives. Strategy will be subject to review by Corporate Development Committee. 2) Annual financial budget agreed and monitored by the Corporate Development Committee. 3) Strong partnerships with local employers and stakeholders. 4) Operation planning process used to identify potential opportunities for income growth. 5) Adaption of course portfolio to meet student / employer needs. 6) Financial strategy and planning in place to address resource needs and redirect as required. 6) Review of resources required within Curriculum Development Planning procedure. 7) Commercial Development Group meets bi-monthly to review and address challenges of delivering alternative income.	3	3	9	6	↔	VP Educational Leadership
11	WCS 7	1.2 3.4	Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery.	3	4	12	1) Business Continuity webpage created to inform all staff and stakeholders of College approach to business continuity planning. 2) Business Continuity Plan available to relevant staff on OneDrive along with associated documents to assist during any incident (including creation of "battle boxes"). 3) College has achieved Cyber Essentials Plus accreditation and has in place IT recovery plans as part of overall business continuity planning process. 4) Training and scenario planning sessions undertaken on a quarterly basis with involvement from both teaching and support staff. Externally facilitates and lessons learned shared with staff. 5) Adequate insurance cover to assist in recovery after an incident. 6) Risk assessment process well embedded at strategic level now being further embedded at operational level.	3	3	9	9	↔	VP Operations

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
12	WCS 10	1.3 2.3	Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes	4	3	12	1) College Workforce Plan and associated reporting requirements approved by the Board of Management. 2) Detailed teaching resource planning through use of curriculum mapping tool (CMAP). 3) Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities. 4) Itrent HR and payroll software developed to provide staff data and reports including an establishment report. 5) Professional Development Policies are aligned to strategic priorities. 6) Roll out of College CPD review process is ongoing and supports succession planning, leadership development and assists in mitigating the impact of the loss of key staff. 7) Internal audit reviewed workforce planning as part of 2018-19 audit plan. Internal audit recommendations were subject to final report from OD&HR Committee to the Audit Committee in May 2019 allowing the closure of the issues raised. 8) Staff skills survey being developed to allow the College to identify and address future skills gaps.	3	2	6	6	↔	Principal
13	WCS 13	3.4 4.1	Inability to ensure a holistic response to data and information governance, including compliance with the General Data Protection Regulations (GDPR).	3	3	9	1) Data Protection Officer (DPO) appointed in compliance with legislative requirement. DPO is part of shared services agreement allowing the College to work collaboratively with other institutions. 2) DPO is undertaking review of departmental compliance with data legislation and addressing issues as required. Reports provided to working group on progress and issues identified / rectified. 3) College has a working group covering GDPR and data management issues with involvement from senior staff. The Group has oversight of the information risk assessment process. 4) Data Protection concepts and principles embedded within the operations of the College.	3	2	6	6	↔	Principal
14	WCS 14	1.2 3.4	Normal business activities are unduly affected due to the complexity of sequencing estates investment works	4	2	8	1) Detailed resource planning involving all relevant parties at stage to address any issues in advance of project start date. 2) Staff resource increased during 2018-19 to address the significant increase in level of expenditure and complexity of projects being undertaken. 3) Well embedded project / estate team with knowledge base that allows issues to be identified and addressed. 4) use of external professional advisors to provide oversight and critical review of proposed activities / plans.	3	2	6	6	↔	VP Operations

Corporate Strategy 2019-2025

Priorities		Objectives	
(1) Personalisation	We will deliver the skills solutions that employers are looking for and the learning outcomes that students want,	1.1	Developing Bespoke solutions, Fast
		1.2	Raising Aspirations and Enabling Students to achieve outcomes
		1.3	Recruiting and Retaining Talented People
(2) Collaboration	We will build the immersive relationships and make the connections that enhance value for	2.1	Creating Learning Pathways
		2.2	Immersive Partnerships
		2.3	Delivering Inclusive Growth
(3) Agile and Adaptive	We will develop the capability to respond to shifts in demand and seize new opportunities quickly' putting in place specialist delivery capabilities.	3.1	Developing new income opportunities
		3.2	Developing the Market
		3.3	Utilising Specialist Capabilities
		3.4	Managing for Resilience
(4) Digital	We will ensure that the College has the digital capacity and capabilities to deliver in a modern economy.	4.1	Using Data
		4.2	Inspirational Learning
		4.3	Developing the skills base

Tolerance Matrix and Scoring Grid

Probability	Score	Impact	Score
Almost Certain	6	Catastrophic	4
Very Likely	5	Critical	3
Likely	4	Marginal	2
Possible	3	Negligible	1
Very Unlikely	2		
Remote Chance	1		

Risks - Probability x Impact Score Grid

Almost Certain 6	6	12	18	24
Very Likely 5	5	10	15	20
Likely 4	4	8	12	16
Possible 3	3	6	9	12
Very Unlikely 2	2	4	6	8
Remote Chance 1	1	2	3	4
	Negligible 1	Marginal 2	Critical 3	Catastrophic 4

Risk Score - Direction of Travel

- ↔ Post mitigation risk score after review has remained static compared to the last time the register was reviewed.
- ↑ Post mitigation risk score after review has increased compared to the last time the register was reviewed.
- ↓ Post mitigation risk score after review has reduced compared to the last time the register was reviewed.

TITLE: **ANNUAL UPDATE REPORT 2018-19: TAXATION MATTERS, BANKING ARRANGEMENTS AND BAD DEBT WRITE OFF**

Background: In accordance with the remit of the Finance and General Purposes Committee this report presents an update in relation to College taxation matters, banking arrangements and bad debt write off for 2018-19.

Action: The Finance and General Purposes Committee is asked to note the content of the report.

Lead: Vivienne Mulholland, Head of Finance and Student Funding

Status: Open

(A) TAXATION MATTERS

1. Background

- 1.1 The College is a registered charity (Scottish Charity Number SC021185) and is recognised by HM Revenue and Customs as a charity for the purpose of section 467, Income and Corporation Taxes Act 2010 and as such is exempt from corporation tax on its charitable activities. The College receives no similar exemption in respect of Value Added Tax.
- 1.2 The College is not exempt from paying corporation tax on non-charitable activities where these activities are deemed to have made a profit. Non-charitable areas of activity include conference income and sponsorship; hire of accommodation; other non-core income and the rental/lease of accommodation.
- 1.3 The College has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a Charity registered in Scotland.

2. Corporation Tax

- 2.1 Based on professional advice the College annually reviews the areas of activity which are likely to be deemed as non-charitable including the provision of catering services and rent/lease of premises. The total costs of supplying such services are calculated and compared to the level of income generated by the College. The net position if it is a loss then there is no corporation tax to pay. The exercise to confirm this calculated loss will be completed during the first quarter of 2019-20. The College does not consider that any of its activities have materially changed from the previous year and anticipates that the exercise will confirm that there is no corporation tax liability on any of its non-charitable activities.

3. VAT

- 3.1 The VAT incurred by the College on purchases and overheads is called 'Input tax'. For businesses that only make taxable supplies, either standard-rate, lower-rate or zero-rate, this input tax, is generally fully recoverable, however for the College this is not the case.
- 3.2 The College, whilst being a VAT registered business, makes a material level of exempt sales (tuition fees, grant income) upon which it cannot charge VAT. The consequence of which is that the College cannot usually reclaim the input tax it incurs on purchases and overheads used in making those exempt supplies. The College makes both taxable and exempt supplies and is therefore considered as 'partially exempt'.
- 3.3 As the College is partially exempt we cannot recover input tax on purchases, costs and overheads relating to the exempt sales. Identifying the input tax that relates solely to the exempt supplies should be relatively straight forward. However, a portion of overheads such as: audit fees, light, heat, telephone and communication, and IT costs are also likely to relate to exempt sales and has to be identified.

- 3.4 When this sort of situation occurs the College and HMRC normally agree a special method for recovery of 'pot' VAT. The College has an agreed special method for the recovery of this type of VAT. This allowed the College to recover 'pot' VAT for 2017-18 of £4,000. The next claim for VAT recovery will be made for the year to 31 July 2019 and will be made in the October 2019 claim. It is anticipated that £4,000 will be recovered.
- 3.5 The College continues to carry out an annually externally facilitated VAT review encompassing an evaluation of quarterly VAT returns to ensure the returns are being submitted correctly; level of Business/Non-Business % to allow the College to continue to claim VAT at lower % rate on utility supplies; and purchasing activity to ensure VAT reclaims are made where possible.
- 3.6 The last VAT review was undertaken in October 2018 with only a few purchase invoices being identified where VAT had been charged incorrectly. The VAT was subsequently recovered. The next review is scheduled for October 2019.
- 3.7 In the past year the College has not been subject to a VAT inspection by HMRC.
- 3.8 HMRC regulations require that after 1 October 2019 the College will require to submit VAT returns digitally via the Making Tax Digital (MTD) ready software. The College finance system software is compliant with HMRC requirements and will enable this.

4 Pay As You Earn (PAYE)

- 4.1 The College has continued to operate the i-Trent payroll system which is supplied by Midland HR. The system accounts for all PAYE deductions and collates the payments required to HMRC.
- 4.2 During 2018-19 there have been no issues with either the calculation of PAYE nor in the payment of the relevant tax and national insurance.
- 4.3 The College has not been subject to a PAYE audit during the year.

Apprenticeship Levy

- 4.4 The Apprenticeship Levy came into effect from April 2017 and the College is required to contribute 0.5% of gross PAYE which remains unchanged from 2017-18. [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

5 Summary

5.1 The report highlights the main areas of taxation which the College engages with on an annual basis. The majority of the taxation matters are of a routine nature and the College has a sufficient level of in-house expertise to deal with most of them. However professional advice is taken from legal experts and/or specialist tax accountants where this is required.

(B) BANKING ARRANGEMENTS

1. Banking Service

1.1 In line with Scottish Government requirements the College banking services are provide by The Royal Bank of Scotland as part of the Scottish Government Banking Service.

1.2 Bank of Scotland and Clydesdale bank accounts were retained as part of existing loan agreements in order to service the relevant inherited debt. Cash holdings in these accounts are limited to one-year of principal and interest repayments. The College had by the end of October 2018 closed all bank accounts with Barclays Bank.

2. Bank Loans and Covenants

2.1 The inherited bank loan values being repaid by the College are as follows:

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

2.2 The result of the annual test of the bank loan covenants is noted below based on the draft 2018-19 Financial Statements:

Bank of Scotland Covenant as at 31-07-2019

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Clydesdale Bank Covenant as at 31-07-2019

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

3. Bank Signatories

3.1 The current bank signatories in place for West College Scotland are as follows:

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

3.3 The bank accounts are operated in line with the requirements of the College Financial Regulations:

- All cheque payments require two signatories from the stated list.
- Bank transfers / BACS are carried out through online software / BACS software which require two independent users to process a transaction. All requests are approved by Budget Holder and validated by the Finance Manager.

4. Credit Cards

4.1 Barclaycard credit cards have been issued to the following members of staff:

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

4.2 The card issued to Alan Ritchie acts as a corporate card with the details held by senior finance staff. This allows items to be ordered from the internet in line with current Financial Regulations.

4.3 The College intends transferring the above credit cards, that are provided through Barclaycard, to the Royal Bank of Scotland (RBS). Under the Scottish Government Banking Services provided by the RBS, the College would benefit from no charges for the cards but also be able to take advantage of the real-time and on-line facilities provided by RBS which are not available with the current supplier.

5. Summary

5.1 The College will:

- Continue to ensure the terms of the bank loan covenants are met;
- Transfer the current Barclaycard credit cards to the Royal Bank of Scotland; and
- Keep the current banking arrangements with RBS under review.

(C) BAD DEBT

1 Overview of Credit Control Procedures

1.1 The College raised 3,556 sales invoices during 2018-19 (2017-18: 3,424 invoices) for a range of goods/services with a total value of [REDACTED]. The reduction in income invoiced is primarily due to ongoing discussions with the Construction Industry Training Board (CITB) over applicable payment rates for 2018-19. At the year-end a balance [REDACTED] has been accrued and will be invoiced on the completion of negotiations.

1.2 The main area for which the College raises a sales invoice is to secure payment for tuition/exam fees. In addition to this, invoices are also raised for commercial course fees, recovery of student support funds and payments of rent primarily for the lease of the Abercorn Building.

1.3 Debt will only be written off after all avenues of recovery have been exhausted internally or where the College appointed external debt collection agency, Legal Recovery Collections Ltd, have failed to obtain payment.

1.4 The College sends out three reminder letters as and when a debt falls overdue in line with the Fees and Pricing Policy. The reminder letters are supplemented by telephone calls to the debtor reinforcing the need to make the necessary payment arrangements. As the debts reach 90 days overdue they are reviewed for passing to the debt collection agency. The debtor ledger is reviewed on a quarterly basis to identify possible debts to be written off. However, any outstanding debts removed from the College ledger will still be pursued by Legal Recovery Collection Ltd where considered appropriate to do so. The College does not pursue full time student debt where the student has withdrawn from a course before the 1 December census date.

- 1.4 As at 31 July 2019 the College had a cumulative total of 82 student debts (2017-18: 44) referred to Legal Recovery Collection Ltd (LRC) with a total debt outstanding of [REDACTED] (0.9% of total invoices raised) [REDACTED]. This total cumulative debt is still currently being sought by LRC and an analysis of this debt is provided below:

[REDACTED]	[REDACTED]	[REDACTED]

2 Bad Debt Write Off

- 2.1 During the year to 31 July 2019, 61 debts were written off [REDACTED] (0.3% of total invoices raised) (2017-18: 41 debts [REDACTED] (0.4%)). All the debts written off were under £5,000 (highest value written off was £1,285 and the lowest amount was £5) and therefore were authorised by either the Head of Finance and Student Funding or the Finance Manager in compliance with the College Financial Regulations.

3 Summary

- 3.1 The College considers that it has complied with the Financial Regulations regarding the recovery/write off of any debt owed during 2018-19. The outstanding debt position of the College is reported to the Finance and General Purposes Committee on an ongoing basis through the monthly Management Accounts and this will continue during 2019-20.

TITLE: AUDIT SCOTLAND REPORT – SCOTLAND’S COLLEGES 2019

Background: Audit Scotland published their annual report of the college sector - *Scotland’s Colleges 2019* – on 4 June 2019. This provided an update on developments taking place within the College sector and, where possible, assessed their impact.

Action: The Finance and General Purposes Committee is asked to consider:

- the Audit Scotland Report and the recommendations arising from this;
- whether there is a need to revise/update the College risk register in light of the report recommendations; and
- whether any actions require to be progressed by the Finance and General Purposes Committee at this time based on the Report.

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Background

- 1.1 Audit Scotland published a report on 4 June 2019 – *Scotland's Colleges 2019* (Appendix A) – which provided an update on developments taking place within the college sector and, where possible, assessed their impact.
- 1.2 The methodology using in producing the Audit Scotland report, which focuses mainly upon the 2017-18 college year, involved:
- Analysing relevant Scottish Government budget documentation, colleges' audited accounts and auditors' reports covering the financial periods ending July 2018.
 - Analysing information held by the SFC, including financial, performance and activity data.
 - Interviewing Colleges Scotland, student unions, trade unions, the SFC and the Scottish Government.
 - Analysing data that we requested from colleges' external auditors.
- 1.3 The report is structured into two parts, which are as follows:
- Part 1 – Financial Health
 - Part 2 – Performance
- 1.4 The key messages and recommendations arising from each of these parts are outlined within the report Summary.

2. Key Messages

- 2.1 The Audit Scotland report contains 5 key messages which can be summarised as follows:
- The college sector reported a small, but improved, underlying financial surplus in 2017-18. Colleges are operating within an increasingly tight financial environment and the sector-wide position masks particular financial challenges for some colleges. The gap between colleges' income and expenditure is widening and this is forecast to continue, with 12 incorporated colleges forecasting recurring financial deficits by 2022-23.
 - Colleges face increasing cost pressures. The increase in Scottish Government revenue funding for 2019/20 covers only the additional costs of harmonising pay and conditions across the sector (excluding cost of living increases and increases in employers' pension contributions).

- Current Scottish Government capital funding of £21m falls short of the estimated £99m (life cycle and high priority maintenance) costs of maintaining the college sector estate. The report recognises that the Scottish Government capital funding is insufficient to address colleges' maintenance requirements. The report highlights that estate funding is needed for the maintenance and improvement of College buildings and investment in digital infrastructures. In 2019/20 estate maintenance funding for the sector has fallen to £47.6m (2018-19: £76.7m). After specific capital commitments - including Forth Valley College's new campus are excluded - the SFC is allocating £21 million to address lifecycle and backlog maintenance needs within the college sector against a calculated annual lifecycle/high priority maintenance cost of approximately £100m identified in the 2017 SFC national estates condition survey. The report notes that the Scottish Government is working with the Scottish Futures Trust and the SFC to identify an appropriate funding model for future investment in the college estate.
- The proportion of non-government income that colleges generate has reduced over time, and cash balances and money held by arm's-length foundations has reduced.
- Student numbers increased, and the sector exceeded its learning activity targets. Over the past three years, colleges have been providing less learning to students aged 16-24 and more to students aged 25 and over. Colleges are widening access to disabled, ethnic minority and care-experienced students. After several years of increasing learning delivered to students from deprived areas, the proportion of learning delivered to this group fell slightly in 2017-18.
- There is considerable variation across colleges in terms of student attainment and retention and those going on to positive destinations. Average attainment rates for students in full-time education have remained relatively static in recent years. The attainment rate for full-time further education, at 66 per cent, is some distance from the Scottish Funding Council's (SFC) target of 75 per cent by 2020-21. Attainment gaps still exist for students from the most deprived areas, students with disabilities and for care-experienced students.
- There is scope for the SFC to work with individual colleges and their boards to improve financial planning and to achieve greater transparency in the sector's financial position. The SFC can also be more transparent in how it reports colleges' performance against outcome agreements and student satisfaction data. The SFC has agreed aspirational and stretching targets with colleges in their latest outcome agreements. Based on recent performance trends, achieving some of these targets will be very challenging for colleges.

- 2.2 West College Scotland is referenced within the Audit Scotland report in relation to the following:

Exhibit 6 - Financial indicators

This exhibit summarises the College financial position when compared to other colleges in the sector. The College stands out as having a break-even underlying operating position (required by SFC); a reasonable cash balance and therefore a positive net assets position.

Paragraph 43 – Attainment Targets

Only two college regions met overall attainment targets. West College Scotland met all four targets with Highlands and Islands region meeting both targets for further education.

Exhibit 18 - Performance indicators for full-time further education in colleges

This exhibit presents several performance indicators and is ranked according to the proportion of students from the most deprived areas (Glasgow Kelvin College having the highest proportion). The performance indicators include attainment rates, retention rates, positive destinations and satisfaction levels.

Paragraph 50

The College is referenced for lead involvement in a project which has considered ways of improving attainment and retention

3. Audit Scotland Report - Recommendations

- 3.1 From these key messages, the Audit Scotland report provides 12 recommendations for action by:

- Colleges – 3 recommendations
- College and regional boards – 2 recommendations
- SFC – 4 recommendations
- The Scottish Government and the SFC – 3 recommendations

- 3.2 These recommendations are detailed within the Summary section of the report and are as follows:

- Colleges – 3 recommendations
 - agree their underlying financial position with the SFC prior to finalising their accounts
 - improve data collection and response rates for student satisfaction and publish results
 - use *How good is our college?* effectively to drive improved performance and enhance the quality of service provision

- College and regional boards – 2 recommendations
 - agree medium-term financial plans that set out the mitigating actions to ensure their college's financial sustainability
 - submit agreed medium-term financial plans to the SFC along with financial forecast returns (FFRs)
- SFC – 4 recommendations
 - work with colleges to agree their underlying financial position prior to finalising their accounts
 - require colleges to submit medium-term financial plans to support FFRs in assessing financial sustainability across the sector
 - publish college region performance against all outcome agreement measures
 - publish good-quality student satisfaction data for every college
- The Scottish Government and the SFC – 3 recommendations
 - agree and publish a medium-term capital investment strategy that sets out sector-wide priorities
 - review whether targets for college provision and student outcomes, including for students from deprived areas, remain relevant and realistic, based on current performance trends
 - work with colleges to deliver the necessary improvements in performance to meet agreed outcome agreement targets

4. Conclusion

- 4.1 As outlined above, the Audit Scotland report '*Scotland's Colleges 2019*' provides an update on the various developments taking place within the college sector, and where possible, seeks to assess their impact. The report also identifies key recommendations to be progressed.
- 4.2 The Finance and General Purposes Committee is therefore asked to consider:
- the Audit Scotland Report, and the recommendations arising from it;
 - whether there is a need to revise/update the College risk register in light of the report recommendations; and
 - whether any actions require to be progressed by the Finance and General Purposes Committee at this time based on the Report.

TITLE: ACCOUNTS DIRECTION FOR SCOTLAND'S COLLEGES 2018-19

Background: The SFC issue mandatory guidance for the preparation of the annual report and accounts each year. This paper provides the Finance and General Purposes Committee with an overview of the detailed requirements for the 2018-19 financial year.

Action: The Finance and General Purposes Committee is requested to note the content of the report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1 Accounts Direction

- 1.1 The SFC issue mandatory guidance for the preparation of the annual report and accounts each year. On 5 July 2019 the Scottish Funding Council (SFC) issued specific guidance to colleges for the 2018-19 year-end. Page 2 of the guidance sets out the requirements for the preparation of the annual report and accounts along with the deadline for submission of 31 December 2019. Two copies of the College annual report and accounts also require to be sent to the Auditor General for Scotland by 31 December 2019.

2 Changes to Reporting Requirements

- 2.1 A summary of the Accounts Direction requirements and the full SFC circular (Appendix A and B) which includes all changes in reporting requirements is enclosed with this report.
- 2.2 The SFC Accounts Direction guidance advises of a new Statements of Recommended Practice (SORP) which must be adopted for accounting periods beginning on or after 1 January 2019. In line with the FE sector West College Scotland will comply with the new SORP requirement for the reporting year 1 August 2019 to 31 July 2020 and restate the 2018-19 comparative figures as appropriate. The SORP is intended to
- improve the quality of financial reporting by institutions;
 - enhance the relevance and comparability of, and the ability to understand, the information presented in institutions' financial statements;
 - provide clarification, explanation and interpretation of accounting standards and their application to sector-specific transactions; and
 - assist those who are responsible for the preparation of financial statements.

The Committee will be kept apprised of the implications of the new SORP during 2019-20.

- 2.3 The following sections outline the key points arising from the 2018-19 SFC Accounts Direction guidance.

a) Performance Report

- 2.4 In line with prior years the College is required to include a Performance Report in the annual report and accounts. This report provides information on the College, its main objectives and strategies and the principal risks that it faces in a fair, balanced and understandable way. The report contains an overview and performance analysis and requires to be signed by the College Principal.
- 2.5 The College continues to be required to include a summary of its estate management strategy in this section.

b) Adjusted Operating Position

- 2.6 In 2018-19 this was referred to as the Underlying Operating Position and is intended to reflect the underlying financial operating performance of the College after allowing for material one-off or distorting items required by the SORP or other items out with the control of the College – such as loss on disposal of assets, depreciation, impact of annual pension valuations.
- 2.7 The College intends utilising the proposed template and commentary wording, as laid out in Appendix 7 of the Accounts Direction, to present the Adjusted Operating Position (AOP); this template does not differ from how the underlying operating position has been calculated in previous years.
- 2.8 SFC have requested that all colleges submit their AOP note, along with their draft accounts, to the SFC for review prior to the College formally approving the Financial Statements. This is a new process to allow the SFC to ensure consistency of approach and presentation across the sector. The College does not anticipate this will cause any issues and discussions are continuing with the SFC around the timing of the requested submission.

d) Resource Return

- 2.9 The SFC now compile the College resource return statistics from other information supplied during the year, primarily the cash flow analysis. With this development the College is no longer required to compile an annual resource return to 31 March each year. Within the accounts there is no longer a requirement for the College to present data in relation to the fiscal year resource position.

e) Remuneration and Staff Report

- 2.10 The Accounts Direction document specifically requires that Colleges account for the full harmonisation cost of national bargaining support and middle management staff job evaluation and the associated SFC grant in 2018-19. The figures to be used for this should be based on the Colleges Scotland's February 2019 costings spreadsheet. The College is currently in discussion with the external auditors on how this requirement is to be processed through the Financial Statements. Currently the Colleges Scotland calculated figure is a set percentage of the College payroll at a point in time and there is a degree of uncertainty around the timing and quantum of the adjustment. Further guidance is expected shortly and will be reported to the Committee.
- 2.11 The SFC guidance allows for the removal of remuneration table included in the Performance Report as the information is already available in the Notes to the Accounts. Within the Performance Report the College has referenced that the remuneration information is available in the Notes to the Accounts.

f) Parliamentary Accountability Report

2.12 Following discussion with the College external auditors it has been agreed that the College will not require to provide a Parliamentary Accountability Report as part of the 2018-19 annual accounts as this relates to disclosure of:

- Fees and charges in excess of £1m annually;
- contingent liabilities; or
- total losses / special payments exceeding £250,000

and the College does not have any disclosures of nature to make.

g) Corporate Governance

2.13 The College includes in the Annual Report and Accounts a statement covering the responsibilities of the Governing Body in relation to corporate governance. The report requires to state that the College has complied with the 2016 Code of Good Governance for Scotland's Colleges (the Scottish Code). This is consistent with the SFC requirements in prior years and the College will continue to comply with this.

2.14 In May 2019, Audit Scotland published a 'Good practice note on improving the quality of college annual reports and accounts – Governance statements.' The report states that '*There should be a single, coherent narrative running through the whole of the annual report and accounts. The governance statement is a key component and should play its part in telling that single story.*' The College has complied with the Audit Scotland guidance in compiling the governance statements.

2.15 Colleges are required to prepare their annual report and accounts in accordance with an accounts direction from the Scottish Funding Council (SFC) which requires compliance with the governance statement section of the Scottish public finance manual (the SPFM). Together with the Secretary to the Board, the College has considered these requirements and made changes to the Corporate Governance statement including:

- several sections have been reworded to better direct the user towards the information that is key to their understanding of the operations of the College;
- the section on governance evaluation and compliance has been strengthened; and
- the risk management section is now focused on the movement in the risks faced by the College.

Details of the content of the revised statement will be discussed at the Audit Committee on 4 September and then circulated to members of the Finance and General Purposes Committee for review and comment upon.

(h) Overall Requirement

- 2.16 As in previous years, the College is required to comply with the requirements of the:
- SFC Accounts Direction for Scotland's College 2018-19;
 - Financial Memorandum with the Scottish Funding Council (SFC);
 - 2015 Statement of recommended Practice: Accounting for Further and Higher Education (SORP); and
 - Government Financial Reporting Manual 2018-19.
- in the preparation of the annual report and accounts for the College

3 Conclusion

- 3.1 The Finance and General Purposes Committee is requested to note the content of the report.

TITLE: SCHEDULE OF BUSINESS 2019-20

Background: This paper outlines how the Schedule of Business for 2019-20 enables the Finance and General Purposes Committee to fulfil its' remit.

Action: The Finance and General Purposes Committee is requested to note the content of the report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

REMIT	DELIVERABLES					
	3-9-2019	24-9-2019 (agenda items rescheduled to November 2019 meeting)	19-11-2019 Joint with Audit	19-11-2019	10-03-2020	2-6-2020
a) <i>To advise the Board of Management on key issues of the College's financial and resource management including:</i>						
<ul style="list-style-type: none"> • <i>solvency of the College</i> • <i>cashflow</i> <ul style="list-style-type: none"> ○ Annual review of banking arrangements ○ Cash flow report (Management accounts) 	Y			Y	Y	Y
<ul style="list-style-type: none"> • <i>the effectiveness and appropriateness of the utilisation of College resources</i> <ul style="list-style-type: none"> ○ Vice Principal Update Report ○ College Business Transformation Plan ○ Update on year-end financial position ○ Management Accounts ○ Internal Audit reports <ul style="list-style-type: none"> ○ Financial Systems Health Check 	Y Y			Y Y Y (October)	Y Y Y (January)	Y Y Y(April) Y
<ul style="list-style-type: none"> • <i>Financial Strategy</i> <ul style="list-style-type: none"> • Management Accounts • Update of 5-year Financial Forecast • SFC Funding Update 	Y			Y (October) Y Y	Y (January) Y Y	Y (April) Y Y

REMIT	DELIVERABLES					
	3-9-2019	24-9-2019 (agenda items rescheduled to November 2019 meeting)	19-11-2019 Joint with Audit	19-11-2019	10-03-2020	2-6-2020
<ul style="list-style-type: none"> Annual budget and 5-year financial forecast 				Y	Y	Y
b) To review and approve the Financial Regulations on an annual basis, or more frequently if required.						
<ul style="list-style-type: none"> Annual review of Financial Regulations Corporate Governance Statement - Financial Statements 			Y	Y Y		
c) To consider and advise the Board on:						
Financial forecasts and budgets in relation to the West Region Outcome Agreement. <ul style="list-style-type: none"> Management Accounts including forecast for year Annual Budget Update of 5-year Financial Forecast Monitoring report on Regional Outcome Objectives 	Y Y			Y (October) Y Y	Y (January) Y Y	Y (April) Y Y
Any relevant taxation issues. <ul style="list-style-type: none"> Annual update report on taxation matters Update report if any material changes – as required 	Y					

REMIT	DELIVERABLES					
	3-9-2019	24-9-2019 (agenda items rescheduled to November 2019 meeting)	19-11-2019 Joint with Audit	19-11-2019	10-03-2020	2-6-2020
<p>d) <i>To consider the College's annual financial statements (at a joint meeting of the Audit and Finance and General Purposes committees).</i></p> <ul style="list-style-type: none"> • External Audit Management Letter • Corporate Governance Statement • Financial Statements • Annual Internal Audit Report <ul style="list-style-type: none"> • Internal Audit Annual Plan 2019-20 • External Audit Planning Memorandum 	Y		Y Y Y Y			Y
<p>e) <i>To monitor:</i></p> <p><i>The College's financial performance against agreed budgets and make recommendations on major variations.</i></p> <ul style="list-style-type: none"> • Management Accounts • Update on 31 July Year End Position • Annual Financial Statements 	Y		Y Y Y	Y (October) Y	Y (January)	Y (April)
<p><i>All income</i></p> <ul style="list-style-type: none"> • Reported through Management Accounts 				Y (October)	Y (January)	Y (April)
<p><i>All material financial issues.</i></p> <ul style="list-style-type: none"> • Vice Principal Update / Overview Report 				Y	Y	Y

REMIT	DELIVERABLES					
	3-9-2019	24-9-2019 (agenda items rescheduled to November 2019 meeting)	19-11-2019 Joint with Audit	19-11-2019	10-03-2020	2-6-2020
<ul style="list-style-type: none"> Finance System Report 				Y		
<i>Monthly management accounts.</i> <ul style="list-style-type: none"> Management Accounts 				Y (October)	Y (January)	Y (April)
f) <i>To advise the Board on investments and borrowing and to seek appropriate external advice.</i> <ul style="list-style-type: none"> Annual review of banking arrangements 	Y					
g) <i>To ensure adherence to statutory requirements related to the College's financial affairs and compliance with the Financial Memorandum, Scottish Public Finance Manual (SPFM), and related guidance.</i> <ul style="list-style-type: none"> Internal Audit Annual Report External Audit Management Letter Annual report on Governance Compliance 			Y Y			Y
h) <i>To receive a regular report on bad debt write offs</i> <ul style="list-style-type: none"> Annual report on bad debt write off Further reports if/as required 	Y					

REMIT	DELIVERABLES					
	3-9-2019	24-9-2019 (agenda items rescheduled to November 2019 meeting)	19-11-2019 Joint with Audit	19-11-2019	10-03-2020	2-6-2020
i) To consider, review and recommend to the Board, pension arrangements for College staff, in consultation with the Organisational Development and HR Committee. • Overview of College pension schemes						Y
j) <i>To receive an annual update on banking arrangements, including Scottish Government banking arrangements and to annually approve the bank signatories.</i> • Annual review of banking arrangements	Y					
Information Technology						
k) To agree and approve IT strategy and policies, ensuring these support the priorities and outcomes of the College • IT Strategy Implementation Update • Scottish Government/ College Cyber resilience update				Y	Y Y	Y
l) <i>To advise the Board of Management on key issues relating to the College's information technology.</i> • IT Strategy Implementation Update					Y	

REMIT	DELIVERABLES					
	3-9-2019	24-9-2019 (agenda items rescheduled to November 2019 meeting)	19-11-2019 Joint with Audit	19-11-2019	10-03-2020	2-6-2020
<p>m) <i>To consider and promote the effective and efficient use of IT services.</i></p> <ul style="list-style-type: none"> IT Strategy Implementation Update 					Y	
<p>n) <i>To consider information technology initiatives and innovations for use within the College, the resources required to implement these and to identify risks and opportunities associated with proposals.</i></p> <ul style="list-style-type: none"> IT Strategy Review 					Y	
Procurement						
<p>o) <i>To agree and approve financial regulations which ensure compliance with legal obligations in respect of tendering and contract procedures</i></p> <ul style="list-style-type: none"> Review of Financial Regulations 				Y		
<p>p) <i>To agree and approve procurement strategy and policies that reflect best practice, ensuring these support the priorities and outcomes of the College and the achievement of efficiencies.</i></p> <ul style="list-style-type: none"> Procurement Strategy Update Procurement Annual Report including future year plan PCIP Update Report 				Y Y Y		

REMIT	DELIVERABLES					
	3-9-2019	24-9-2019 (agenda items rescheduled to November 2019 meeting)	19-11-2019 Joint with Audit	19-11-2019	10-03-2020	2-6-2020
<p>q) <i>Approve the awarding of contracts above £250,000</i></p> <ul style="list-style-type: none"> • Authorisation sought as required 	Y					
<p>r) <i>To support development of:</i></p> <ul style="list-style-type: none"> ○ <i>supplier management and contract monitoring</i> ○ <i>electronic procurement systems</i> ○ <i>procurement performance management systems</i> ○ <i>collaborative opportunities</i> <ul style="list-style-type: none"> • Reports on update of implementation of Procurement Strategy 				Y		
<p>s) <i>To consider risk relating to the matters that fall within the Committee's remit and to agree what mitigating factors/actions are in place and what further action, if any, needs to be taken to address such matters of risk.</i></p> <ul style="list-style-type: none"> • Review of strategic risk register 				Y	Y	Y
<p>t) <i>Any other factors as required by the Board of Management</i></p> <ul style="list-style-type: none"> • As required 						