

## FINANCE & RESOURCES COMMITTEE

Approved Minutes of the meeting of the Finance & Resources Committee held on Wednesday 02 December 2020 at 1120 hours via Teams.

<b>Agenda Item</b>	
	<p><b>Present:</b>          Neil Cowie          Martin Dear          Abdul Elghedafi          Susan Elston          John Henderson – Chair          Neil McLennan          Ken Milroy          Sheena Ross - Vice Chair</p> <p><b>In attendance:</b>          Peter Smith, Vice Principal Finance &amp; Resources          Jim Kirkwood, Financial Controller (Business Management) (for Agenda Item 36-20 only)          Paul Smith, Director of IT &amp; Technical Services (for Agenda Item 33-520 only)          Pauline May, Secretary to the Board          Susan Lawrence, Minute Secretary</p>
	<p><b>Matter for Decision</b></p>
24-20	<p><b>Financial Statements for the Year to 31 July 2020</b>          Members of the Board's Finance &amp; Resources Committee joined the preceding meeting of the Audit &amp; Risk Committee for the consideration of the College's Financial Statements for the Year to 31 July 2020.</p> <p>P Smith highlighted that a number of matters are still to be concluded and that the Statements therefore remained draft at this stage. P Smith advised Members that he was content with the EY Report.</p> <p>S Reid presented the Annual Audit Report to the members of the Board and the Auditor General for Scotland, acknowledging the impacts of the current challenging external environment on the audit work undertaken. Members were advised that EY expected to issue an unqualified opinion on the Financial Statements.</p> <p>S Croft provided information regarding audit risk and focus, highlighting a number of key conclusions.</p> <p>It was noted that work related to going concern was still to be concluded in consultation with the College's Finance Team.</p> <p>With reference to the addendum presented to the Committee at its last meeting, S Reid advised that an estimate of additional fees had been shared with P Smith, but that this required to be discussed prior to being finalised. A discussion followed with attendees seeking further information on additional</p>

	<p>time and costs identified by EY which are attributed to the impact of the COVID-19 pandemic.</p> <p>A discussion was held around the revaluation of the site of the former Balgownie Centre. P Smith advised that the College had conceded with EY's view on the treatment of this, and it was agreed that this matter would be recorded in the Statements to avoid concerns raised by the Committee regarding commercial sensitivity.</p> <p>A further discussion was held in relation to additional fees. In response to a query S Reid advised that the additional fees were currently estimated at £13K, with comparative fees for previous years provided. Members requested that concerns regarding the negative impact of additional fees on delivery to students be fed back to the regulators by EY, and that P Smith reference this when following up the provision of the awaited letter from the SFC. Information was shared on an awaited letter from the SFC providing certain financial assurances to the sector for the current academic year. It was noted that the provision of the SFC letter would remove the need for College management to undertake additional work in response to the recommendations contained in the external reports considered by the Committee at its last meeting.</p> <p>It was noted that clarity regarding the key points raised at the Committee meeting need to be reached prior to the December Board Meeting to enable the Financial Statements to be signed off.</p> <p>Members of the Audit &amp; Risk Committee confirmed that there were no discrepancies between the work undertaken by EY and obligations highlighted in the two extremal reports considered at the Committee's last meeting.</p> <p>The Committees agreed to recommend the Financial Statements for adoption by the Regional Board at its December Meeting, subject to relevant updates and the requested points of clarity.</p>
25-20	<p><b>Apologies:</b> There were no apologies.</p>
26-20	<p><b>Declaration of any Potential Conflicts of Interest in relation to any Agenda</b> N McLennan declared a potential conflict of interest by virtue of his role at the University of Aberdeen.</p>
27-20	<p><b>Minutes of Previous Meeting – 20 May 2020</b> The minutes were approved as a true and accurate record.</p>
28-20	<p><b>Matters Arising from the Previous Meeting</b> Members noted the Matters Arising Report.</p> <p>P Smith provided an update on the progression of the sale of the site of the former Balgownie Centre, noting that little progress had been made since late September 2020 and advising that new planning consent was currently being sought by the preferred bidder.</p> <p>No further matters were raised.</p>

	<b>Matters for Decision</b>
29-20	<p><b>Committee Terms of Reference</b>            Members reviewed the Committee's Terms of Reference and confirmed the specific duties continued to accurately reflect the main areas of the Committee's focus. The Committee readopted the Terms as presented.</p>
30-20	<p><b>Programme of Business AY2020-21</b>            Members considered the proposed Programme of Business for AY2020-21. The Committee approved the Programme of Business as presented, noting that additional items would be added as required.</p>
31-20	<p><b>Course Fees AY2021-22</b>            The Committee considered a paper providing information to enable the Committee to set Course Fees for AY2021-22.             P Smith highlighted the recommendation that fees remain as per the current academic year, adding that given the current uncertainty caused by the ongoing pandemic that it was felt this was the appropriate approach to adopt.</p> <p>P Smith advised that further considerations may need to be made in due course in relation to the impacts of Brexit on EU students. A lack of guidance from the Scottish Government and the SFC on the impact of EU withdrawal on EU students was highlighted by the Chair. Members requested that P Smith raise this issue through the Finance Directors Network to support the reaching of a sector position.</p> <p>After some discussion Members agreed to set course fees for AY2020-21 in accordance with Appendix 1.</p>
	<i>M Dear left the meeting at this time.</i>
	<b>Matters for Discussion</b>
32-20	<p><b>Estates Strategy Annual Report 2020</b>            Members considered a paper providing information on progress in implementing the College's Estates Strategy 2019-2029.             P Smith presented the Estates Strategy Annual Report, highlighted key estates developments over the last year and ongoing refurbishment works and plans. Members were advised that backlog maintenance continued to be addressed. The implementation of the move to the Aberdeen Heat and Power Scheme was also highlighted, noting the positive contribution this will make to the delivery of the College's Carbon Management Plan.             It was suggested that lessons learned during the COVID-19 pandemic and considerations from the ongoing Business Priorities work be reflected upon in relation to progression of the College's Estates Strategy. It was agreed that it would be helpful to develop a position statement in due course.</p>
	<i>P Smith (Director of IT &amp; Technical Services) joined the meeting at this time.</i>
33-20	<p><b>IT Strategy Annual Report 2020</b>            Members considered a paper providing progress in implementing the College's IT Strategy 2018-2021.</p>

	<p>The Director of IT &amp; Technical Services presented the IT Strategy Annual Report, highlighting key challenges addressed and changes to operations and projects in light of the COVID-19 pandemic.</p> <p>Members were also advised of key considerations for future IT improvement plans and developments relating to information security and cyber resilience.</p> <p>The Director of IT &amp; Technical Services and his team were thanked for their response in supporting students, staff and the Board in relation to new ways of working in response to the pandemic. The speed in which IT support adapted to the challenging circumstances was commended.</p> <p>In response to a query, P Smith confirmed that the College had implemented all recommendations which were shared with the sector following a major cyber-attack at Dundee and Angus College.</p>
	<i>P Smith (Director of IT &amp; Technical Services) left the meeting at this time.</i>
34-20	<p><b>Committee Evaluation Feedback</b></p> <p>The Committee noted a paper providing the collated feedback gathered through an online questionnaire on Committee performance, with Members provided with an opportunity to provide any additional comment.</p> <p>The Chair noting that the feedback received from Members supported the view that the Committee continues to operate and perform effectively.</p>
35-20	<p><b>Summation of Business and Date of Next Meeting</b></p> <p>The Secretary gave a summation of the business conducted. The next meeting of the Finance &amp; Resources Committee is scheduled to take place on Wednesday 03 March 2020 at 1000 hours.</p>
	<b>Reserved Item of Business – Matter for Discussion</b>
	<i>S Ross left the meeting at this time. J Kirkwood joined the meeting at this time.</i>
36-20	
	<i>J Kirkwood left the meeting at this time.</i>
	<p><b>Any Other Business</b></p> <p>No other business was raised.</p>
	<p><b>Summation of Reserved Items of Business</b></p> <p>The Secretary gave a summation of the reserved business conducted.</p>
	Meeting ended 1300 hours

Agenda Item	Actions from Finance & Resources Committee 02/12/2020	Responsibility	Deadline
31-20	Raise through the Finance Directors Network the reaching of a sector position regarding impacts of Brexit on course fees for EU students	P Smith	In due course

32-20	Reflect upon lessons learned during the COVID-19 pandemic and considerations from the ongoing Business Priorities for progression of the College's Estates Strategy	P Smith	In due course
32-20	Develop an Estates Strategy Position Statement	P Smith	In due course

**Signed:**.....

**Date:** .....03.03.21.....