

FINANCE & RESOURCES MINUTES

Draft Minutes of the meeting of the Finance & Resources Committee held on 24th February 2022 following on from the Joint Meeting with the Audit and Risk Committee held in the Boardroom and also via Microsoft Teams.

Agenda Item	
	<p>Present:</p> <p>C Gibb (Committee Chair) L McIntyre (Acting Principal) H Anderson T Donnelly P Hutchinson (Acting Chair of BOM) F Whittaker</p> <p>In attendance:</p> <p>K McAllister L Gifford S McManus S Inglis (HLCA) L Nutley (Mazars) P Scott (Clerk)</p>
03.22	<p>Apologies:</p> <p>None</p>
04.22	<p>Declaration of any Potential Conflicts of Interest in relation to any Agenda Items</p> <p>None</p>

05.22	<p>Minutes of Previous Meeting – 18th November 2021</p> <p>The minutes were approved as a true and accurate record.</p>
06.22	<p>Matters Arising from the Previous Meeting</p> <p>The Clerk advised that the action recorded under Item 4.1 had been somewhat overtaken by the new format of agenda and minutes and a new system would now be considered as part of the Board Development Plan which was currently being drafted</p> <p>The Clerk advised that the action recorded under Item 4.4 had been completed as part of the February Training Day on 1st February</p>
	<p>Matters for Decision</p>
01.22	<p>Draft Financial Statements for year to 31st July 2021 [Joint with ARC]</p> <p>After discussion the Committee agreed to recommend the Financial Statement tot the Board of Management for approval but noted that there would be minor changes to the Governance Statement as discussed with the Auditors</p> <p>Joint with</p>
02.22	<p>Annual Audit Report of the External Auditors [Joint with ARC]</p> <p>Members noted the terms of the amendments which had been discussed and noted that an updated Annual Audit Report would be presented to the Board of Management. These would be monitored by the members of the Audit & Risk Committee prior to issue to the Board .</p> <p>The Committee Chair counselled, as Finance Committee matter that care should be taken to ensure that nothing be incorporated in the Report which might appear to anticipate the outcome of the current investigation which, it was stressed, was to enable the Board to make informed decisions</p>
	<p>Matters for Decision [FRC only]</p>

07.22	<p>Financial Strategy & Cash Management</p> <p>The Committee considered the report as submitted and which is referred to for its detailed terms. The Committee noted that SLC has adequate resources to set up and support a future strategic planning fund and has procedures in place to assess and approve funding bids. The Committee approved the proposal and commented that it was fully consistent with Best Practice but asked management to ensure that there was an agile approach to funding and effective Business Planning so as not to miss out on strategic funds which might be available in the future. The committee would however want to see a High Level Plan and be able to track performance against plan.</p> <p>The Committee also identified a need for a Training session on Modern Risk Management and asked the Clerk to take this into account in Planning ahead for Board Training needs</p>
8.22	<p>Review of Procurement Thresholds</p> <p>The Committee considered and approved a management recommendation that the limit for procurements to be referred for Board approval be increased to £125,000. The Committee noted that this was fully consistent with current good practice in the sector by reference to practices in similar Institutions. The Committee however was concerned to ensure that there would be a mechanism for flexible reporting to the Committee and the Committee Chair agreed to liaise with the Head of Finance to establish a mechanism for this.</p> <p>Although the Committee was satisfied that adequate internal checks and balances were in place it was important to ensure clear identification of the end signatory.</p> <p>It was also felt important that there be clarity as to the period of review of Procurement Procedures in these dynamic times and the committee Chair would clarify this with Head of Finance</p>
9.22	<p>Review of Bank Overdraft Facility</p> <p>Members reviewed the requirement to hold an overdraft facility and after discussion agreed that it would be beneficial to make no change to the current arrangement . Head of Finance was instructed to renew the current facility</p>
	<p>Matters for Discussion</p>
10.22	<p>Forecasting Scenario Planning</p> <p>The Committee considered and approved a scenario Planning tool developed to be utilised as part of a more robust approach to financial scenario planning in increasingly challenging times. The committee agreed that this would be a useful management tool and would improve the quality of information available to the Board.</p>

<p>11.22</p>	<p>Report of Finance and Resources Committee</p> <p>The Committee considered the Committee Chair's draft Report as attached and referred to for its terms.</p> <p>This was agreed as being a fair summation of the work of the Committee and the Committee noted that there had been no annual Report last year as a result of COVID lockdown.</p>
<p>12.22</p>	<p>Professional Fees</p> <p>The Acting Chair of the Board advised the Committee that it was not possible at the moment to quantify fees incurred as a result of ongoing investigations. For the moment he would continue to have oversight. The Committee accepted this for the moment but indicated that it would require to take control of this matter once there was a little more clarity. Accordingly, the Committee required management to ensure that a special risk register was created for this matter so that the committee could monitor costs</p>
	<p>Matters for Information</p>
<p>13.22 - 17.22</p>	<p>Management Forecast 2021 – 22</p> <p>The very detailed papers were considered and are referred to for their terms. The possibility of a separate session for this item was something to be considered.</p> <p>The Committee felt that it would be useful to have a Training Day session on interpretation of accounts. It was appreciated that Public Sector Accounts required a specific format but it was important not to lose sight of the need for a Business Model.</p> <p>The Committee noted particularly that SLC needed to meet its Credit Target. At the moment there was a deficit but management was working on a mitigation plan.</p>
<p>18.22</p>	<p>Estates Report</p> <p>The Committee noted the terms of the estates report and were pleased to note good progress with the management of risk.</p> <p>The Committee cautioned, however, there was a need to keep an eye on expired contracts</p>
	<p>Actions and Date of Next Meeting</p> <ol style="list-style-type: none"> 1 Clerk to incorporate a session on Modern Risk Management in a future training session and possibly a session on interpreting Public Sector Accounts 2. Committee Chair to work with Head of Finance to develop a mechanism for flexible reporting on Procurement 3. Committee Chair to clarify with Head of Finance an appropriate review period for review of Procurement Procedures

	<p>5. Head of Finance to renew current overdraft facility.</p> <p>4. Management to create a Special Risk Register to enable the Committee to monitor professional fees</p> <p>The next scheduled meeting to take place on 25th April 2022 at 1730 in the Boardroom and via Teams</p>
	<p>Reserved Items of Business – None</p>
	<p>Any Other Business</p> <p>There being no other competent business the meeting was declared closed</p>