



**FINANCE COMMITTEE  
MINUTES OF THE MEETING HELD ON 3<sup>rd</sup> DECEMBER 2019 @10.00  
FOR GENERAL RELEASE**

Present: Alan Doyle, Finance Director, Chair  
Chris Mayo, Principal  
Paul McKibbin, Accountant  
Ben Norris, Vice Principal, Clerk

In attendance: Kate Sayer, Secretary

1. **WELCOME BY THE CHAIR AND APOLOGIES FOR ABSENCE:**  
None
2. **DECLARATIONS OF INTEREST:**  
None.
3. **MINUTES OF PREVIOUS MEETINGS:**

Confirmation of the minutes of the previous meeting (doc1a and 1b) – the minutes were confirmed to be accurate and were approved.

**ITEMS FOR CONSIDERATION, DISCUSSION AND/OR RESOLUTION:**

4. **REVIEW OF ARRANGEMENTS FOR QUARTERLY MANAGEMENT ACCOUNTS:**

The quarterly accounts will be prepared by the Finance Team and reviewed by the Finance Director six weeks after the end of the fiscal quarter. When these have been signed off by the Finance committee they will go to the Board of Directors. The August Quarter accounts (prepared in November each year) are the year-end management accounts which will go to the external auditor for audit

The Financial Performance update (doc 5) will form part of the August end of year accounts. Further information in the KPI section will be provided before going before the Board of Directors. The committee was satisfied with the current progress of the accounts.

5. **VERBAL UPDATE ON THE ACCOUNTS:**

It was reported that the external auditors were over halfway through their audit of the end of year accounts, and the date of 18<sup>th</sup> December had been suggested as a closure date to discuss and review the work. The accounts would then be signed off in January in advance of the February deadline.

The new internal database was mentioned as being a very useful tool for accessing student enrolment data in relation to accrued or deferred income.

**[Action: Secretary to contact Chair of the Audit and Risk Assurance committee to check availability on 18<sup>th</sup> December.]**

6. **RISK REGISTER AND STUDENT PROTECTION PLAN:**

The Risk Register was discussed and it was determined that no amendments were currently needed. It is possible that in some areas it may be over cautious, but this was judged to be prudent. It was noted that institutionally Futureworks was becoming more risk focussed. Further work to be done on the Risk Register will include creating separate departmental registers e.g. Finance, Academic, Facilities, which will leave the main register with more overarching



institutional risks such as Environmental and Reputational risks. Any residual red flagged risks need to be reported regularly to the Board of Directors and to the Audit and Risk Assurance committee. This work is to commence in January, led by the Vice Principal.

The Student Protection Plan was discussed and the associated risks within this plan were deemed to be appropriate. A discussion took place regarding the risks associated with the closure of courses.

**[Action: Secretary to update review dates on Student Protection Plan document.]**

**7. CURRENT ASSESSMENT OF FINANCIAL PERFORMANCE AGAINST BUDGET:**

The financial update document (doc 5) included the cashflow which was up to date to the end of October 2019. Items on the cashflow were discussed:

[Redacted]

[Redacted]

b) A discussion took place regarding a piece of software that had originally been budgeted for but as yet not purchased. The company that owns the software has recently been bought by Adobe from whom Futureworks buys an annual licence, so it is expected that this software will soon become part of the general licence and would not need to be purchased as a separate item. There has been feedback from Academic staff about the software not being up to date. A report on the impact on academic standards is therefore required before a decision can be made on the purchase of this software.

c) Fit-out costs specified on the budget are to be paid out in December.

[Redacted]

e) It was noted that marketing spends on the budget have been brought forward.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

The financial performance update pack was reviewed and was deemed very useful. The KPIs will be altered to relate to the Profit and Loss rather than the cashflow. A version of this data, updated for the year end will be presented to the Board of Directors.

**[Action: Facilities Manager and Heads of School in Art and Design, and Film, Television and Media to produce a report evidencing the impact on academic performance if the software upgrade is not purchased this academic year. This is to be provided to the Executive Team via the Vice Principal as soon as possible.]**

**[Action: [Redacted]]**

**[Action: FD to amend the KPIs in relation to Profit and Loss, and update the data for the year end for presentation to the Board of Directors.]**



**8. PROPOSED FINANCIAL REGULATIONS:**

The committee noted that the general contents of the financial regulations document were comprehensive. [REDACTED]

[REDACTED] A number of minor grammatical alterations within the document are required before it can be presented to the Board of Directors for approval.

[Action: Accountant to make changes to Financial Regulations document then forward to Secretary to correct any grammatical errors.]

**9. FINANCIAL KPIS:**

The Financial KPIS were discussed by the committee. The current list was deemed to be suitable. It was suggested that the staff/student ratio was important, particularly in relation to future growth, but this could be covered within the area of staff costs. An additional header for Access and Participation spend targets was required, which would be reported on a quarterly basis. Invoices related to Access and Participation are to be marked so are easier to identify.

[Action: FD to add Access and Participation spend targets to the KPIS.]

**10. AOB**

- a. The audited accounts are to include a section on corporate governance and internal control.
- b. The OfS Accounts Direction is to be used closely for guidance in producing audited accounts
- c. A meeting is scheduled for the afternoon of 3<sup>rd</sup> December to discuss the Annual Financial Return to the Office for Students.
- d. A discussion took place regarding the most suitable way for publishing financial data online.

**11. ITEMS FOR FUTURE DISCUSSION**

None.

**12. DATE OF NEXT MEETING**

11<sup>th</sup> February 2020 at 1.30pm