

Item 4.3 FC 12/03/18

Special Meeting of the Finance Committee 24th January 2018 101 Park Street Coatbridge Campus

Minute

Present: Kenneth Anderson, Moira Jarvie, Martin McGuire

In Attendance: Iain Clark, Keith McAllister, Stewart McKillop, Diane McGill, Linda McTavish, Penny Neish, Lucy Nutley (Mazars).

1. Chair's Welcome

Kenneth Anderson welcomed everyone to this meeting of the committee and thanked them for coming to this specially convened committee to consider the NCL accounts for 2016-17.

2. Apologies

There were apologies from Paul O'Donnell and Stuart Reid.

3. Declaration of Interest

There were no declarations of interest.

5. NCL 2016-17 Consolidated Regional Accounts

4.1 Draft Annual Audit Report to Board of Management and the Auditor General for Scotland

4.1.1 Lucy Nutley informed the committee that she had agreed at the Audit Committee to revisit the recommendation in Appendix 3 of the report at P 27 in the light of the ongoing regional finance review being led by the Chair of the Finance Committee. She would recommend that the Lanarkshire Board consider the review findings in order to ensure that as the regional board continues to evolve, the governance arrangements support the structure of the region and provide appropriate levels of assurance. She also agreed to amend the wording at P 18 to reflect that fact that there are written reports and not verbal reports to each meeting of the NCL Audit and Finance Committees from the SLC Head of Finance and Principal who are also in attendance to give those committees a report on the latest meetings of the SLC Audit and Finance committees. She also agreed to make reference in the report to the Financial Memorandum between NCL and SLC.

4.1.2 Lucy Nutley informed the Finance Committee that there was an unqualified opinion on the Financial Statements and that the Regularity Opinion and the Opinion on Other Prescribed matters were also both unqualified. The Lanarkshire Board has effective arrangements, including budgetary control, that help Board Members scrutinise finances. The Lanarkshire Board has adequate planning arrangements in place – however, this report reflects the same financial sustainability points as in the NCL annual audit report which the Audit Committee considered at the meeting on the 7th December 2018. The Lanarkshire Board has governance arrangements in place that provide appropriate scrutiny of decisions made by the Board. The Board should consider the findings of the review of regional finance. The Lanarkshire Board has an effective performance management framework in place that supports progress towards the achievement of value for money.

4.1.3 The Finance Committee was informed that the Audit Committee had agreed to recommend the Consolidated Regional Accounts to the Board. They had also agreed that given the short timescales

to approve and submit the accounts that this would be done by written procedure. Lucy Nutley would make the changes to the Draft Annual Audit Report noted at Item 5.1.1 above and agree the wording with the Chair of the Audit Committee and both Principals by 5pm Friday 26th January 2018. The Board Secretary would send out an email after the Finance Committee meeting today to the Board sending out the Financial Statements and setting out the procedure and timescales. She would send the amended Draft Annual Audit Report out on Friday 26th January 2018 and ask the Board to agree the accounts by noon on Monday 29th January 2018. The accounts would be signed by the Chair and the Principal of NCL on the 30th January 2018 and then they would be couriered to Mazars for submission by the 31st January 2018.

4.1.4 The Chair of the Finance Committee thanked the Finance Team and Mazars for all their efforts in producing the accounts to such a tight deadline and noted the procedure agreed at the Audit Committee.

4.2 Draft Financial Statements to the year ended 31st July 2017 first.

4.2.1 Iain Clark updated the committee as follows:

- These are the first set of Regional Financial Statements and are in the name of NCL following OSCR confirmation that they had to be presented in this way. Next year NCL will have one set of accounts only and they will be consolidated.
- Both sets of accounts for NCL and SLC have been approved by each Board and the consolidated regional financial statements prepared from these under merger accounting rules.
- P 37 shows a consolidated Total Income of £69,925 million.
- P 16 shows a review of the financial position and page 17 sets out the underlying operating position – an operating deficit of £1,033,000 which is 1.5% of total income. This is an improved position on the previous year and the committee is aware of the ongoing financial discussions with NCL and the SFC.
- The Financial Statements include sections on Performance Analysis, Human Resources and Environmental Sustainability.

Decision: The Finance Committee agreed to recommend the Consolidated Regional Accounts for 2016-17 to the Board.

4.2.2 The Chair of the Board thanked the Finance Teams and Mazars for their efforts in producing the Consolidated Financial Statements in a very tight timescale.

5. AOB

The Chairs of the Board and the Committee informed the committee that they had met with the SFC re the regional finance structure and are looking for external support for this. They will report at the next meeting on progress.

6. Date of the next meeting.

The next meeting of the Finance Committee will be Monday 12th March 2018 at 5pm in the Boardroom at the Cumbernauld Campus.