

Finance Community of Practice – Lead Group Update

October 2009

The purpose of this note is to provide a summary of developments on a range of matters that we've been working on. If you have any queries please do not hesitate to contact me (godfreyj@dumgal.ac.uk or by telephone 01387 734007) or another member of the Lead Group.

Community of Practice Network Events

Thanks to everyone who attended the recent CoP Network Event. We hope that you found the day useful and informative. The next Community of Practice network event will be held on Wednesday, 10 December 2009. A further event is scheduled for Wednesday, 16 March 2010. Please keep these dates free in your diary.

Communications

Thanks also for your input in terms of the communication session. The Lead Group have considered the suggestions made and agreed that we will:

- Send the agenda for lead group meetings to all members of the CoP in advance of the lead group meetings.
- Make the draft note of the lead group meeting available following the meeting (i.e. we will not wait until it is formally approved at our following meeting). The note of the meeting (2 October) is now available via http://www.sfeu.ac.uk/communities_of_practice/finance
- Publish the contacts list on the website so that it is available for all members of the CoP.
- Circulate regular update briefings to all members of the CoP.
- Ensure that copies of slides, notes from CoP events are made available to all members of the CoP (regardless of whether they attended the event or not). Copies of the presentation slides and notes of the communication session from the last event are available via www.sfeu.ac.uk/communities_of_practice/finance/finance_minutes_meetings
- Encourage participation of CoP members in Lead Group Meetings, event planning/delivery etc
- Include 'communications' as a standing item on the Lead Group agenda and continue to work through the remaining ideas and suggestions.

Future Meetings of the Finance CoP Lead Group

The forthcoming meetings of the Lead Group are 6 November and 10 December. The meetings are normally held at 10.30am at Argyll Court, Stirling. However, the meeting on 10 December will take place at 8.30am before the Community of Practice event. Members of the CoP are very welcome to attend these meetings and/or raise items for discussion.

Financial Memorandum

You may recall a letter in September 2008 from the Scottish Funding Council (SFC) regarding procurement related indemnities and the Financial Memorandum. This is just to advise that the SFC are now proposing that the Financial Memorandum is amended so that Colleges only require SFC approval for indemnities/contracts above a certain threshold. Further details will be announced shortly.

CIPFA FE/HE Panel

Pete Smith (Borders College) has recently agreed to take a place on this national panel and will represent Scotland's Colleges. Further Information about the work and remit of the panel can be found by following the link below:

<http://www.cipfa.org.uk/panels/fehe/?CFID=90653832&CFTOKEN=91512241>

Institutional Sustainability

A circular is due to be issued shortly by SFC on the broader topic of Institutional Sustainability.

You should also have received an email from SFC offering guidance on the OFR. The Lead Group was consulted upon a set of core performance indicators that should be included in the OFR statement within the annual accounts. Whilst the financial indicators are fairly straightforward the non-financial indicators are less so.

Feedback from the Lead Group was provided to SFC recommending that consultation regarding the non-financial indicators should take place with other relevant parties, e.g. HR CoP, Quality CoP. Unfortunately, SFC chose not to take this comment on board and published the OFR guidance including the original indicators. In effect SFC have overlooked some very positive work that has already been done by HR CoP on performance indicators and benchmarking.

I know there is concern in the sector about some of the non-financial indicators and Colleges are reminded that they are not obliged to publish the list of indicators.

Public Procurement Policy Forum

I recently attended a meeting of the forum on behalf of the sector. The purpose of the forum is to consider the implementation of procurement policy across the whole public sector in Scotland. The group effectively provides the link between the Scottish Procurement Directorate (SPD), the Centres of Procurement Expertise (such as APUC) and the public service providers.

There were a number of interesting points which I would like to highlight:

- There is a growing understanding of the scale and divergence of the different service providers in Scotland. Too often in the past developments have been implemented on a 'one size fits all basis' but attitudes are changing.
- SPD is beginning to understand the problems facing smaller institutions (e.g. FE Colleges). For the last couple of years, national public sector procurement policy has been influenced by the largest public sector organisations (e.g. NHS, Councils etc). The FE/HE Sector has tended to be represented by APUC but I'm not sure that APUC necessarily represented the views of the sector. This is something that is being taken up with Angus Warren and SPD.
- In some respects, Scotland's Colleges have been at arm's length from the SPD. As a result, I'm not sure how many Colleges are up to speed with developments at this level. I suggest we invite SPD to the next Community of Practice Event.
- In the meantime here are a few issues to look out for:
 - Colleges are advised to make sure they are compliant with the Policy Notes issued by the Scottish Procurement Directorate:
<http://www.scotland.gov.uk/Topics/Government/Procurement/policy/SPPNSSPANS/policy-notes>)
 - In particular, all Colleges must use the Public Procurement Portal to advertise tenders above £50,000. The Quick Quote facility is available for tenders below this threshold (a minimum contract value of £20,000 has been suggested for this facility).
 - The new Remedies Directive comes into force in December 2009. Seminars for the public sector are being held in November and December – details will be announced in October.
 - A Procurement Toolkit has been in place for a while now but this is too detailed for many college contracts. However, work is now taking place to develop an 'Abridged Low Value Toolkit' which will hopefully prove useful to colleges.
 - College representatives might also be interested in attending the national procurement conference on 28 October 2009. Further details are available via the following link <http://www.scottishppc.co.uk/agenda.html>

SFC Update

Martin Smith and Andrew Millar attended the Lead Group meeting on 2 October.

The most significant topic was the shortfall in terms of Student Funding and colleagues in the Lead Group provided practical examples of the difficulties faced. Further details relating to this item and other issues discussed are detailed in the note of the meeting.

Technical Accounting Group

The purpose of this group is to consider and review technical accounting issues. Scotland's Colleges are represented on this group by Alistair Molloy (James Watt), Derek Banks (Coatbridge), Iain Macmillan (Lews Castle) and Jim Godfrey (Dumfries and Galloway). The current membership also includes representatives of SFC, Audit Scotland, Auditors and HE Finance Directors. SFC are currently consulting with the group with regard to the future of the group and its aims/objectives.

Governance Framework

CIPFA have been employed by Scotland's Colleges and the Funding Council to create a bespoke Governance Framework for the sector. A short life working group to advise CIPFA has been established.

The members of the group are : Angela Scott (Head of CIPFA Scotland), Brian Keegan (Chairs Congress), Mark McPherson (Audit Scotland), Chris Brown (Scott Moncrieff), Ben McLeish (Finance CoP), Gerry Watters (Secretary of Board CoP), George Reid (Scottish Government), Heather Dunk and Ian Graham (Principal's Convention) and Neil Cuthbert (Scotland's Colleges).

The group's remit is to advise CIPFA on the creation of a College Sector Governance Framework. The framework will be based on the revised Combined Code and it is anticipated it will include references to the recently published Walker report, dealing with Non Executive Directors responsibilities and their approach to risk management. It is anticipated that a consultation draft will be available for the sector to comment upon in early Spring 2010.

Further information will be provided once there is more to report.

Lead Group

The minutes of the Lead Group Meetings and contact details of all the members of the Lead Group are available from the SFEU website.

Jim Godfrey

On behalf of the Lead Group