



A meeting of
Argyll College Finance & General Purpose Committee
to be held at 2pm on Friday 12 June 2020 at
by Webex Teams
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A G E N D A

Agenda item no		Status	Papers
20.2.1	Welcome		
20.2.2	Apologies for absence & declarations of interest & to identify any items deemed confidential		
20.2.3	Minutes of the meeting held on 28 February 2020	For information	Attached
20.2.4	Matters arising i) Update on Nursery ii) Update on Helensburgh funding draw down	For information For information	Oral Oral
20.2.5	Internal audit plan	For information	Attached
20.2.6	Update on appointment of external auditor	For information	Attached
20.2.7	SFC Mid Year Return 2019/20	For information	Attached
20.2.8	Management Accounts to 30 April 2020	Consideration	To follow
20.2.9	Draft Budget 2020/21	For approval	Attached
20.2.10	AOCB		
20.2.11	Date of next meeting: Friday 11 September 2020 – location TBC.	To note	

**FINAL VERSION Minutes of the
Finance & General Purpose committee
held at 2.00pm on Friday 28th February 2020
at CERC, Lochgilphead**

Present: John Colston (JC), Chair, Andrew Campbell (AC), Jim Findlay (JF) by VC, Martin Jones (MJ)
Apologies: No apologies
In Attendance: Elaine Munro (EM), Ailsa Close (AEC), Vicky Daveney (VD) (Board Secretary)

No	Item	Action
20.1.1	Welcome – JC welcomed all committee members to the meeting.	
20.1.2	Apologies & declarations of interest. JF declared his position as a local authority councillor.	
20.1.3	Minutes of previous meetings. Minutes of Joint Audit and F&GP meeting on 29 November 2019 were approved (signed at Dec 2019 Board Meeting).	
20.1.4	<p>Matters arising.</p> <p>i) Update on nursery MJ confirmed that the nursery will close at the end of current school year. All avenues have been explored to keep the nursery open with no viable solution. A 3 week consultation period was held with parents and staff during which a meeting was held by MJ for parents to attend, AC and EM also attended. Meetings have also been held with affected staff.</p> <p>Communication with the local press and all relevant parties has been maintained throughout the process. The next part of the agenda is how supportive can the college be to a successor. The college has a strong social conscience and wants the facility to be used as a nursery, and the terms of lease for the land state that it has to be a nursery. JC asked if we will have lost our expertise in running a nursery, MJ said that the college has an important role to play in training childcare practitioners but no longer by running a nursery.</p> <p>JC reminded the committee that MJ was delivering policy approved by the board and his manner of engagement with the board has been good practice. JC also said that media coverage had been well handled by the college. AC thanked MJ and the team for all they had done in relation to the nursery and the meeting with parents.</p> <p>ii) Update on Helensburgh funding draw down MJ due to meet with Crichton Lang and will discuss this. MJ suggested an email from the Chair of the Committee to CL would be helpful.</p> <p>ACTION: MJ to provide JC with main points for email.</p>	MJ/JC

20.1.5	Internal auditors discussion with Committee - postponed until board meeting on Friday 13 th March.	
20.1.6	Management Accounts to 31st January 2020 AEC confirmed there is a surplus of £61k. There has been an increase in creditors but mainly due to deferred grants being received. This reflects the fact that the accounts now follow an Education SORP rather than Charities SORP. There is still a degree of uncertainty due to National Bargaining. . JC asked what the status is with regard to signing up to NRPA. MJ said no further forward at this time but there is still work to be done on compliancy, eg structure of promoted lecturers. There are still some other colleges who haven't signed up. MJ said that there is a need to invest in growth, and the Dunoon portacabin may need replacing at some point in the very near future. JC asked if there is a possibility of bad debts from the nursery. AEC confirmed the nursery income has been reduced instead of forecasting an amount for bad debts.	
20.1.7	Confidential item	
20.1.8	AOCB External Audit Service – mini competition has been put out in collaboration with West Highland College and SMO. The deadline is 16 th March, tenders will be evaluated by 25 th March and will be awarded by 30 th March. JC asked if any cost efficiency is expected. AEC said there wouldn't be a huge efficiency gain. AEC to inform Board who new External Auditor will be at May Board Meeting	
20.1.9	Date of next meeting Committee Meetings – Friday 22nd May, Location TBC Board Meeting – Friday 5th June, Location TBC	
20.1.10	Signed by Chair of Finance & General Purpose Committee	Date



Argyll College UHI Ltd

**Strategic Internal Audit Plan 2019 to 2022 and
Outline Internal Audit Annual Plan 2019/20**

Internal Audit Report 2020/01

Draft Issued: 13 April 2020

Final Issued: 20 May 2020



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1. Introduction

- 1.1 We have been appointed as Internal Auditors of Argyll College UHI Ltd ('the College') for the period from 1 August 2019 to 31 July 2022, with an option available to the College to extend for a further 24 months thereafter.
- 1.2 Internal audit primarily provides an independent and objective opinion to the Board and to the Principal on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the College's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the College.
- 1.3 Internal audit also provides an independent and objective consultancy service specifically to help line management improve the College's risk management, control and governance.
- 1.4 The purpose of this document is to present to the members of the Audit Committee the Strategic Plan for 2019 to 2022 and the outline annual internal audit plan for the financial year ending 31 July 2020.
- 1.5 We see completion of the ANA as very much a partnership process in order to ensure that the risks facing the College are fully and properly identified and therefore covered in the work cycle.
- 1.6 Through discussions with management and review of key documentation (including key strategies, the strategic risk register and previous internal and external audit reports) we have built up a picture of the key issues facing the College. This analysis informed discussions between the Executive Management Team and the Chair of the Audit Committee and MHA Henderson Loggie's Head of Public Sector and Internal Audit Services and Audit Manager to discuss the key risks, issues and priorities for the College over the next three years.
- 1.7 Undertaking this work allows us to consider the level of risk and complexity of each area of your operations and to assess the internal audit resources required to allow adequate coverage of the elements of the audit universe where it is appropriate for internal audit to focus attention. The audit universe utilised has been tailored specifically for the circumstances of the College. From this we have drawn up a three year Strategic Plan setting out proposed areas for audit over the routine internal audit cycle.

Introduction (Continued)

- 1.8 The Strategic Plan places the risk based planned coverage under three main strands: Governance, Financial and Performance. The planned coverage should be reviewed annually prior to finalisation of the Annual Plan and the associated detailed audit planning for individual assignments.
- 1.9 There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems and controls. This has been taken into consideration in formulating the Strategic Plan.
- 1.10 Value for Money (VFM) is an integral part of all audits and has been mentioned at key points within this ANA. Specific VFM reviews will be carried out in areas agreed with management and the Audit and Risk Committee although VFM is considered as an integral part of any audit work that we are undertaking.
- 1.11 We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate and relevant to the specific audit assignment.
- 1.12 For discussion purposes, at Section 2 we have included proposed coverage for the three years commencing in 2019/20, which has been determined from the ANA process. This considers previous internal audit coverage and other sources of assurance available to the College.
- 1.13 At Section 3 we have included high-level outline scopes for each of the proposed areas to be covered in the 2019/20 internal audit programme.
- 1.14 Separate reports will be issued for each assignment. Recommendations are graded in each report to reflect the significance of the issues raised.
- 1.15 We can confirm that our audit service complies with Public Sector Internal Audit Standards (PSIAS).



2. Strategic Plan 2019 to 2022

The Strategic Plan covers the financial years 2019/20 to 2021/22. Audit days have been allocated to the categories identified from our review of key risk areas in order to produce a rolling programme of internal audit activity. Frequency of visits, the number of days allocated, and the position in the audit cycle has been determined with reference to the combined risk factors identified in the ANA, and also factors in any previous internal and external audit coverage.

Audit Methodology

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with College management and the Audit Committee.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and will define an agreed timeframe for completion.
- Follow-up of action plans in future years.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

	Category	Priority	Planned 19/20 Days	Planned 20/21 Days	Planned 21/22 Days
Reputation					
<i>Publicity and Communications</i>	Gov	M			
<i>Health and Safety</i>	Gov	M	4		
Student Experience					
<i>Curriculum planning**</i>	Perf	M			4
<i>Quality assurance**</i>	Perf	M			
<i>Student support</i>	Perf	M			
<i>Student recruitment and retention</i>	Fin/Perf	H		4	
Staffing Issues					
<i>Staff recruitment and retention</i>	Perf	H			
<i>Staff development</i>	Perf	M	4		
<i>Sickness absence</i>	Perf	M			
<i>Workforce planning</i>	Perf	M			
<i>Payroll</i>	Fin	L/M	4		
Estates and Facilities					
<i>Building maintenance</i>	Fin/Perf	M/H			4
<i>Estates strategy / capital projects</i>	Fin/Perf	M			
<i>Space management</i>	Perf	M			
<i>Asset / fleet management</i>	Perf	M/H			
Financial Issues					
<i>Budgetary control</i>	Fin	L/M			
<i>Financial planning</i>	Fin	M			
<i>Student fees and contracts / registry</i>	Fin	M			
<i>General ledger*</i>	Fin	L/M			
<i>Procurement and creditors / purchasing</i>	Fin	M		4	
<i>Debtors/ Income</i>	Fin	L/M			
<i>Cash & Bank / Treasury management*</i>	Fin	M			4
<i>Fraud prevention, detection and response</i>	Fin	M			
Commercial Issues					
<i>Business Development*</i>	Fin/Perf	M		4	
Organisational Issues					
<i>Risk Management</i>	Perf	M			
<i>Business Continuity</i>	Perf	M			
<i>Corporate Governance</i>	Gov	L/M			
<i>Corporate Planning</i>	Perf	L/M			
<i>Performance reporting / KPIs</i>	Perf	M			
<i>Partnership Working</i>	Gov/Perf	L			
<i>Equalities</i>	Gov	M			

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

	Category	Priority	Planned 19/20 Days	Planned 20/21 Days	Planned 21/22 Days
Information and IT					
<i>Cyber Security</i>	Perf	M			
<i>Data protection</i>	Gov	M			
<i>FOI</i>	Gov	L			
<i>IT strategy</i>	Perf	M			
Other Audit Activities					
Management and Planning)			2	2	2
External audit / SFC)					
Attendance at Audit & Risk Committee)					
Follow-up reviews		Various	1	1	1
ANA and Strategic Plan			1		
			_____	_____	_____
Total			16	15	15
			=====	=====	=====

Key:

Category: Gov = Governance; Perf = Performance; Fin = Financial

*reviews to be undertaken at the same time with a single output produced

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3. Annual Plan 2019/20 - Outline Scope and Objectives

Audit Assignment:	Health & Safety
Priority:	High
Audit Committee Meeting:	TBC
Days:	4

Scope

This audit will review the arrangements in place within the College to deal with Health and Safety (H&S) issues.

Objectives

The main objective of this audit will be to review the College's overall arrangements for dealing with H&S issues and to consider whether these are adequate and operating effectively in practice at each campus site.

We will seek to obtain reasonable assurance that the College has:

- a H&S policy and documented procedures which are communicated to all staff;
- a formal risk identification and assessment process;
- a H&S training programme which includes induction training, refresher training and training for new equipment and legislation;
- regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive;
- an incident and accident recording system with follow-up and implementation of new controls where required; and
- regular reporting of H&S to senior management and to the Board of Management.

Our audit approach will be:

From discussion with the Health and Safety Officer, and review of procedural documentation, we will identify the internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing where considered necessary. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Staff Development
Priority:	High
Audit Committee Meeting:	TBC
Days:	4

Scope

This audit will consider whether the College is making best use of its staff and include a review of workforce planning; training; and the personal development plan system.

Objectives

The objective of our audit will be to obtain reasonable assurance that:

- the College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these;
- the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps;
- the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact;
- there is a systematic approach for translating business objectives into actions / tasks for members of staff;
- a systematic approach is used for communicating objectives and performance expectations to staff; and
- a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance;

Our audit approach will be:

The Depute Principal, Heads of Curriculum, and a sample of curriculum and support staff will be interviewed, and the College's policies, procedures and structure will be reviewed, to assess compliance with the above objectives.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	HR / Payroll
Priority:	Low/Medium
Audit Committee Meeting:	TBC
Days:	4

Scope

This audit will consider the key internal controls in place over the College's spend on staff costs of approximately £1.25m per annum. Our audit will cover the procedures in place within both Human Resources and Finance.

Objectives

The objective of our audit will be to obtain reasonable assurance that systems are sufficient to ensure:

- correct calculation of gross pay and deductions;
- correct calculation of employer national insurance and superannuation contributions;
- part-time lecturers, overtime and travel & subsistence payments are properly authorised;
- approval and checking of changes to employee standing data;
- starters and leavers are properly treated and enter and leave the system at the correct dates; and
- proper authorisation, processing and recording of payments.

Our audit approach will be:

From discussion with the Finance and Human Resources staff, and review of procedures documentation, we will identify the key internal controls in place within the College's Human Resources / Payroll systems and compare these with expected controls. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Compliance testing will then be carried out to ensure that the controls in place are operating effectively, concentrating on starters, leavers and variations to pay.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Audit Committee Meeting:	TBC
Days:	1

Scope

This review will cover reports from the 2018/19 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

Objectives

To establish the status of implementation of recommendations made in previous internal audit reports.

Our audit approach will be:

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit Committee.



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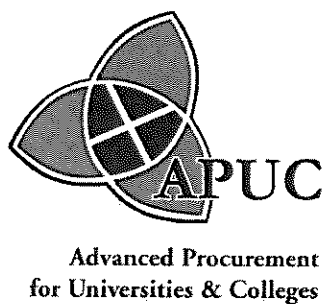
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RESTRICTED - COMMERCIAL



CONTRACT AWARD RECOMMENDATION REPORT FOR:

**PROVISION OF EXTERNAL AUDIT SERVICE
CS-AC-17500**

FOR ARGYLL COLLEGE

Julie Fraser
APUC Supply Chain Manager
29th May 2020

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Introduction

A contract for Provision of External Audit Service has been tendered by APUC on behalf of Argyll College (AC) to provide a compliant and efficient route for the procurement of a service.

It was agreed the most efficient route to market was through running a Collaborative Mini Competition, CS-UHI-10221 using Framework PFB-1028-AP Lot 3 and was published on Public Contract Scotland on the 24th February 2020, this route was unsuccessful and no bids were received.

Following consultation with the Finance Director and discussion with suppliers the decision was taken to run a Request for Quote by emailed which was done on the 27th March to all suppliers named within the Framework, this resulted in only receiving one bid.

After further consultation with the Finance Director the decision was taken to run an independent Invitation to Tender (ITT) CS-ARG-17500 and publish on Public Contracts Scotland on the 4th May 2020

This report summarises the process undertaken during the procurement exercise and recommends that the Contract is awarded to the following tenderer:

PROCUREMENT TIMETABLE

The Invitation to Tender (ITT) was distributed via the Public Contracts Scotland portal on 4th May 2020

The procurement timetable was as follows:

PROCUREMENT ACTIVITY	DATE
Tender Issued	4 th May 2020
Deadline for Supplier Questions	12:30 8 th May 2020
Deadline for Publication of Question Responses	12:30 13 th May 2020
Tender Return	12:30 22 nd May 2020
Evaluations	25 th – 28 th May 2020
Tender Award	1 st June 2020

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PURPOSE

This report summarises the process undertaken during the procurement exercise and recommends that **Armstrong Watson Audit Ltd** be awarded the contract.

The objectives of this procurement are as follows:

- Achieve a value for money solution
- Award to a supplier with the correct technical capabilities

The Contract shall commence on 1st June 2020.

Invitation to Tender

The following suppliers submitted a bid by return through the Public Contract Scotland portal:

Submission received:

Suppliers	Response Date
Armstrong Watson Audit Ltd	22 nd May 2020
Mazars	22 nd May 2020

EVALUATION

The following weightings were used to evaluate the tender submissions. These weightings were communicated to bidders in the ITT documentation.

Award Criteria	Weighting
Technical	40%
Service Delivery Management	10%
Key Personnel	10%
Value Added Services	5%
Quality Assurance & Continuous Improvement	10%
Fair Work Practise	5%
Commercial	60%
	100%

Commercial Evaluation

The tenderers were required to price: Attached Price Schedule



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Commercial Evaluation Results (weighting 60%)

The results of the Commercial evaluation were as follows:
Maximum Score available – 60%

Rank	Supplier	Total Score 60%
1	Armstrong Watson Audit Ltd	60
2	Mazars	39

Armstrong Watson Audit Ltd submitted the lowest commercial bid and therefore received the maximum 60% score, with the remaining suppliers receiving a prorated percentage based on their commercial proposal.

Technical Evaluation:

The Technical Evaluation was undertaken by Ailsa Close
on behalf of Argyll College (AC).

The Technical evaluation was conducted by scoring the submissions received against criteria attributed to individual questions detailed within the Invitation to Tender document. The evaluations were conducted electronically using Microsoft Excel.

The Responses were assessed and scored (0-3) in line with the following scoring methodology:

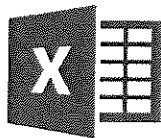
Good	3	The response fully meets the requirement and demonstrates Tenderer's relevant ability, understanding, experience, skills, resource & quality measures required to supply the goods / services. The response identifies factors that will offer potential added value, with evidence to support the response.
Acceptable	2	The response addresses most of the key points in detail OR the Tenderer has provided all the key points but lacks detail in answering the question fully. The response provides confidence that the supplier is capable of supplying the required equipment/service to the satisfactory level.
Minor Concerns	1	Considerable reservations of the Tenderer's relevant ability, understanding, experience, skills, resource & quality measures required to supply the goods / services, with little or no evidence to support the response.
Major Concerns	0	The Tenderer has failed to address the question, submitted a nil response or any element of the response gives cause for major concern.

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The results of the Technical Evaluation were as follows:
Maximum Score available – 40%

Rank	Supplier	Total Score
1	Armstrong Watson Audit Ltd	30
2	Mazars	20

The technical scores and commercial outcomes are detailed in the attached sheet.



As per the scoring methodology provided to Tenderers in the Invitation to Tender document, all evaluations were carried out using information provided in their original submission, along with clarifications on costings and best and final offers submitted.

AWARD RECOMMENDATION

Rank	Supplier	Commercial Score	Technical Score	Overall Score
1	Armstrong Watson Audit Ltd	60	30	90
2	Mazars	39	20	59

Based on the above evaluation, it is recommended that this contract is awarded to **Armstrong Watson Audit Ltd** as they have provided the most economical advantageous bid to meet the College's requirements.

FURTHER ACTIONS

Award Recommendation Report sign off by 12.30 on 1st June 2020

Award a contract to Armstrong Watson Audit Ltd no later than 1st June 2020 with the work to commence by mutual agreement.

A meeting/teleconference to be held between Ailsa Close and Armstrong Watson Audit Ltd, Ailsa Close to discuss contract implementation plan.

RISKS TO BE MANAGED

Contract/Supplier management is an area that needs to be monitored by AC upon commencement and for the duration of the contract in order to ensure the supplier provides the service agreed within the contract terms.

BENEFITS & SAVINGS

- Compliance obligations under procurement regulations met.
- Using an open procedure to advertise to the market
- Full Audit trail of the process through Public Contracts Scotland
- Saving of £6000 achieved

Award Recommendation Report agreed by Argyll College (AC):

Signed: *Ailsa E Close*

Name: *AILSA E CLOSE*

Title: *FINANCE DIRECTOR / COMPANY SECRETARY*

Date: *1/6/20*

Draft Budget 2020/21

The income figures for grants from SFC and UHI are based on figures provided by UHI, so it would appear to be safe to include them in the budget as confirmed and accurate.

We are forecasting income of £5.8m for the year, with almost £1.675m of that for National Bargaining funding.

Pay rise of 1.5% forecast for salaries, and movement of majority of teaching staff to FTE contracts has been budgeted.

Assumptions for other costs has been noted against expense headings.

All figures carry a COVID warning, but we are budgeting for a £35k surplus for 2020/21.

Ailsa Close
05/06/2020

Argyll College UHI Ltd

	Expected Outturn 2019/20	Budget 2020/21	
INCOME			
SFEFC SUMs Income	2,587,070	2,808,952	Per UHI No funding for ESIF credits due to Region not meeting Credit target in 19/20
UHI Income - RAM less Microram	362,331	383,775	Per UHI
UHI Income - PGDE	47,238	53,831	Per UHI
UHI Income - Other	128,550	129,000	Flatrate £20k, SSC£109k
SAAS Income	259,000	259,000	Based on 2019/20 actual
ILA Income	6,000	6,000	
DYW income	140,000	140,000	
Bursary Income/Student support	50,000	50,000	
Modern/Foundation Apprenticeships	72,000	36,000	Unclear for 2020/21, assumed 50% reduction
Maintenance/Capital Grant income	62,000	106,086	Per UHI HE £26262 FE £119824 less £40k capital expenditure
MITC funding	13,000	52,000	From Council for staffing
Bank Interest Received	3,000	2,000	Interest rates minimal
FE Student Fees	95,000	66,500	Expected reduction of 30% due to COVID
HE Student Fees - Taught	35,000	24,500	Expected reduction of 30% due to COVID
Commercial Training Activity	17,000	8,500	Expected reduction of 50% due to COVID
Commercial Training Activity - CSCS Income	1,500	750	Expected reduction of 50% due to COVID
Nursery Income - Fees	105,000	0	
Property Lease Income	3,959	0	
Room/Facility Hire - With Own Insurance	929	465	Expected reduction of 50% due to COVID
Room/Facility Hire - Without Own Insurance	810	405	Expected reduction of 50% due to COVID
Vending Machine Income	800	400	Expected reduction of 50% due to COVID
Hairdressing Income - General	5,000	2,500	Expected reduction of 50% due to COVID
Catering Income	5,000	2,500	Expected reduction of 50% due to COVID
Feed-In Tariff	4,000	4,000	
Other income	2,200	0	
National Bargaining Grant funding	1,166,269	1,675,000	Per UHI
Income from Staff	0	700	
Graduation Income	400	550	
Branded clothing income	1,000	700	
	5,174,056	5,813,414	
LESS: EXPENDITURE			
Staffing Costs - Salaries	1,417,333	1,380,093	Payrise of 1.5% included. No nursery staff, but includes DYW
Staffing Costs - Employer's NI	125,560	136,904	
Staffing Costs - Employer's Pension	181,744	298,100	Assumption that everyone is in Local Authority Pension scheme
Staffing Costs - Maternity cover	1,000	0	
Staffing Costs - Sickness cover	10,000	30,000	2 staff members on average on long term sick leave
Staffing Costs - Travel and Subsistence	20,000	10,000	Reduction through COVID for at least half of year?
Staffing Costs - Training	6,000	22,500	Intention to improve staff training and devlpt in 2020/21 Av spend £500 per FTE
Staffing Costs - Disclosure	1,000	1,000	
Staffing Costs - Recruitment	3,000	3,000	Not thought that recruitment will be high this year
Staffing Costs - Other	55,263	18,000	Apprenticeship Levy
Teaching Staff Costs - Salaries	1,713,000	1,935,662	With current staffing levels but move towards FTE contracts 1.5% payrise
Teaching Staff Costs - Employer's NI	134,000	174,210	
Teaching Staff Costs - Employer's Pension	313,000	445,202	Teachers pension contributions are at 23%. Assumed all staff join
Teaching Staff Costs - Maternity cover	1,000	5,000	
Teaching Staff Costs - Sick Pay	10,000	30,000	
Teaching Staff Costs - Travel and Subsistence	12,000	7,000	Reduction through COVID for at least half of year?
Teaching Staff Costs - Training Other	12,000	22,500	Intention to improve staff training and devlpt in 2020/21 Av spend £400 per FTE
Teaching Staff Costs - Disclosure	1,300	2,000	
Teaching Staff Costs - Recruitment	3,000	3,000	Not thought that recruitment will be high this year
Teaching Staff Costs - Other	42,000	12,000	Joint marketing with WHC
Payments to Subcontractors	65,000	25,000	MITC project costs
Learning Resources/Matls	50,000	40,000	COVID reduction expected in materials costs
Student PPE/Kit	10,000	30,000	This may be higher than usual because of COVID
Payments to Awarding Bodies - SQA	60,000	60,000	
Payments to Awarding Bodies - CITB	3,000	5,000	
Payments to Awarding Bodies - BCS	8,000	8,000	
Payments to Awarding Bodies - Activ Training	3,500	3,500	
Marketing and Promotion	50,000	60,000	Increased marketing required to help with student recruitment
Health and Safety Costs	20,000	80,000	Expected to increase exponentially because of COVID requirements
Non Chargeable Catering Costs	2,000	3,000	
Property Costs - General maintenance	40,000	70,000	
Property Costs - Lease Costs	57,500	50,000	Arran, C'town, Bute, Dunoon

Property Costs - Venue Costs	8,000	5,000	COVID reduction
Property Costs - Rates and Water Charges	17,000	17,000	Will be no change
Property Costs - Utilities	65,000	65,000	Lower for 2 months as centres shut until Sep likely
Property Costs - Cleaning	30,000	50,000	Cleaning expected to be intensified when we return
Property Costs - Other Property Costs	4,000	4,000	
Insurance	31,000	31,000	
ICT Maintenance and Support	117,000	117,000	
Equipment repairs	5,000	5,000	
Equipment Lease Costs	40,000	40,000	Printers
Company Vehicle Costs - Fuel	2,500	5,000	
Company Vehicle Costs - Repairs and Maintenance	3,000	3,000	
Company Vehicle Costs - Road Tax	300	300	
Company Vehicle Costs - Other	40,000	40,000	EV lease costs
Supplies and Copying	12,000	10,000	
Postage	4,000	4,000	
Telecoms	18,000	18,000	
Other expenses	4,000	4,000	
Donations	500	0	
Subscriptions	27,000	30,000	HISA, Celcat, Cascade, other software
Professional Fees - Audit and Accountancy	20,000	30,000	New auditors both internal and external
Professional Fees - Legal	30,000	20,000	
Professional Fees - Other	5,000	5,000	
Payments To/On Behalf of Students - Travel & Subsist	20,000	10,000	Lower travel costs through COVID
Payments To/On Behalf of Students - Hardship	10,000	20,000	Higher hardship costs through COVID
Payments To/On Behalf of Students - Sanitary product	3,000	10,000	
Payments To/On Behalf of Students - Graduation	7,000	7,000	
Payments To/On Behalf of Students - Other	3,500	3,500	
Governance Costs - Travel & Subsistence	500	1,500	
Governance Costs - Other	500	500	
Bank Charges	550	550	
Loan Interest - BoS Fixed Rate	2,000	0	Loan paid off
Bad debts	1,500	5,000	
Vending Machine Costs	2,300	2,300	
Hairdressing Supplies - General	500	500	Likely to be low until COVID regulations ease
Hairdressing Supplies - Retail	0	0	
Hairdressing Costs - Other	400	400	
Food Purchases	8,500	8,500	Likely to be limited until COVID regulations ease, no nursery lunches
	4,974,750	5,543,721	
Operating surplus	199,306	269,693	
Non Capital Fixed Assets	15,000	50,000	Move to laptops replacing PCs in centres
Loss on sale of asset (building)	0		
Depreciation	185,000	185,000	
Net surplus/(deficit) for the year	(694)	34,693	

Agenda Item 20.2.8



Management accounts to 30 April 2020

The accounts to date are showing a surplus of £76k. There has been an increase in our creditors of around £400k since the year end. Around half of this is for the Microram for 2019/20, nursery redundancies and other staffing costs.

Our HE numbers for the year are confirmed at 190, so we have reduced the income from that budgeted. We had reforecast a figure of £160k for Microram for the year which was based on previous years, but the final figure has been confirmed at £209k. We have verified this figure against the taught and hosted students for the year.

National Bargaining funding appears to be included in our Credit payments from UHI, other than the cumulative payments for increases in previous years, which is why the expected Credit figure is higher than budget. Continued receipt of this is dependent on the College signing up to NRPA at some point in the near future. Job evaluation process for support staff is commencing in other colleges, but until we are formally signed up for NRPA, the College will not be able to progress with this. There appears to be some dispute with Unison at present over the payrise which was applied to Support staff salaries in April, and they are also looking for fairly significant changes to terms and conditions (shorter working week, increased annual leave, etc) but these discussions are ongoing with the Employers Association and we will watch with interest.

The decision has been taken, for well documented reasons, to close the nursery at the end of June. We will incur redundancy costs and the recovery of some fee income debts may be difficult.

The Balance Sheet shows unrestricted reserves at the period end of £1.78m, but this is before any adjustment for pension liability, which for 2018/19 was £815k.

Ailsa E Close
11/06/20

Argyll College UHI Ltd

	Actual 2019/20	Budget 2019/20	Expected Outturn 2019/20	
INCOME				
SFEFC SUMs Income	2,358,606	2,697,403	3,343,100	Incls NB
SFEFC SUM's Income - ESOL	0	0	0	
UHI Income - RAM	420,576	633,235	530,909	
UHI Income - PGDE	34,011	67,000	47,238	Per UHI
UHI Income - Other	92,906	130,000	128,550	Flatrate £20k, SSC£108550
SAAS Income	258,704	309,000	259,000	Lower HE numbers
ILA Income	5,716	11,000	5,716	No more expected
DYW income	71,898	180,000	140,000	2 qtrs still to be received
MITC funding	21,667		21,667	5 months year 1
Modern/Foundation Apprenticeships	21,642		30,000	
Bursary Income/Student support	27,665	50,000	30,000	
Other PPE reimbursement/CITB	0	10,000	0	
Maintenance/Capital Grant income	62,027	80,000	62,027	
ESF	54,389		54,389	ESIF income for previous years
Bank Interest Received	96	3,000	3,000	
FE Student Fees	104,540	105,000	104,540	
HE Student Fees - Taught	33,743	20,000	33,743	
Commercial Training Activity	24,382	40,000	24,382	
Commercial Training Activity - CSCS Income	3,690	8,000	3,690	Lower because we had to stop tests in all but 1 centre
Nursery Income - Fees	91,454	0	105,000	Closure from March - bad debts very likely
Property Lease Income	3,959	0	3,959	Leased building delay in sale
Room/Facility Hire - With Own Insurance	1,104	1,500	1,104	
Room/Facility Hire - Without Own Insurance	1,210	500	1,210	
Vending Machine Income	896	3,000	896	
Hairdressing Income - General	6,143	9,100	6,143	
Hairdressing Income - Retail	0	0	0	
Hairdressing Income - Other	0	0	0	
Catering Income	5,149	11,500	5,149	
Feed-In Tariff	2,336	6,500	2,336	
Other income	65,430	0	65,430	Greenfleet grants
National Bargaining Grant funding	367,033	860,000	403,604	Incls £64k for Superann
Income from Staff	321	700	321	
Graduation Income	375	550	375	
Branded clothing income	1,017	700	1,017	
	4,142,685	5,236,988	5,418,495	
LESS: EXPENDITURE				
MicroRam	208,894	150,000	208,894	
Staffing Costs - Salaries	1,052,903	1,200,000	1,417,333	staff costs not included in original budget, backfill for MITC post from Apr 20
Staffing Costs - Employer's NI	85,287	108,000	125,560	
Staffing Costs - Employer's Pension	130,604	168,000	181,744	
Staffing Costs - Maternity Pay	(14,493)	1,000	(15,000)	
Staffing Costs - Sick Pay	0	10,000	0	Costs still to be analysed
Staffing Costs - Travel and Subsistence	7,022	20,000	8,000	
Staffing Costs - Training	1,370	6,000	1,500	
Staffing Costs - Disclosure	385	1,000	400	
Staffing Costs - Recruitment	360	15,000	360	
Staffing Costs - Other	13,062	0	53,000	Other & Redundancy costs
Teaching Staff Costs - Salaries	1,303,435	1,677,040	1,737,000	
Teaching Staff Costs - Employer's NI	101,761	150,934	134,000	
Teaching Staff Costs - Employer's Pension	241,488	335,408	322,000	
Teaching Staff Costs - Maternity Pay	0	1,000	0	
Teaching Staff Costs - Sick Pay	0	10,000	0	Costs still to be analysed
Teaching Staff Costs - Travel and Subsistence	6,994	12,000	7,500	
Teaching Staff Costs - Training Other	4,317	12,000	6,000	
Teaching Staff Costs - Disclosure	403	1,300	500	
Teaching Staff Costs - Recruitment	0	3,000	0	

Teaching Staff Costs - Other	25,097	12,000	30,000	Predominantly cost of subcontractors for Maritime courses
Payments to Subcontractors	59,643	65,000	65,000	Additional costs for Nursery secondment and external contractors
Learning Resources/Matls	41,934	60,000	44,000	
Student PPE/Kit	8,890	20,000	10,000	
Payments to Awarding Bodies - SQA	63,497	60,000	65,000	
Payments to Awarding Bodies - CITB	2,703	5,000	3,000	
Payments to Awarding Bodies - BCS	5,285	8,000	6,000	
Payments to Awarding Bodies - Activ Training	1,741	3,500	1,800	
Apprenticeship levy	11,724	16,000	16,000	
Marketing and Promotion	18,966	50,000	50,000	
Health and Safety Costs	27,660	25,000	35,000	
Non Chargeable Catering Costs	2,380	5,000	2,400	
Property Costs - General maintenance	44,149	70,000	50,000	
Property Costs - Lease Costs	36,952	72,000	57,500	Move from WHHA back to Centre in Dec
Property Costs - Venue Costs	3,371	10,000	3,500	
Property Costs - Rates and Water Charges	4,246	17,000	17,000	
Property Costs - Utilities	72,835	80,000	85,000	
Property Costs - Cleaning	24,882	30,000	26,000	
Property Costs - Other Property Costs	3,342	4,000	4,000	
Insurance	27,664	31,000	31,000	
ICT Maintenance and Support	93,627	117,000	117,000	
Equipment repairs	4,374	5,000	5,000	
Equipment Lease Costs	33,975	40,000	45,000	
Company Vehicle Costs - Fuel	1,647	5,000	2,500	
Company Vehicle Costs - Repairs and Maintenance	2,992	3,000	3,000	
Company Vehicle Costs - Road Tax	30	300	300	
Company Vehicle Costs - Other	36,153	40,000	40,000	
Supplies and Copying	13,015	10,000	15,000	
Postage	3,592	7,000	4,000	
Telecoms	6,785	18,000	8,000	
Other expenses	3,248	4,000	4,000	
Donations	277	0	500	
Subscriptions	31,841	27,000	35,000	
Professional Fees - Audit and Accountancy	12,210	20,000	25,000	
Professional Fees - Legal	17,556	12,000	16,000	
Professional Fees - Other	1,399	5,000	5,000	
Payments To/On Behalf of Students - Travel & Subsistence	15,076	20,000	20,000	
Payments To/On Behalf of Students - Hardship	2,643	10,000	10,000	
Payments To/On Behalf of Students - Disclosure	147	3,000	3,000	
Payments To/On Behalf of Students - Graduation	5,522	5,000	7,000	
Payments To/On Behalf of Students - Other	190	3,500	300	
Governance Costs - Travel & Subsistence	80	1,500	500	
Governance Costs - Other	300	500	500	
Bank Charges	480	550	550	
Loan Interest - BoS Fixed Rate	2,979	2,000	2,979	
Bad debts	0	1,500	1,500	
Vending Machine Costs	1,610	5,000	1,700	
Hairdressing Supplies - General	300	8,500	500	
Hairdressing Supplies - Retail	0	0	0	
Hairdressing Costs - Other	36	400	36	
Food Purchases	8,805	15,000	10,000	
	3,931,641	4,914,932	5,174,856	
Operating surplus	211,044	322,056	243,639	
Non Capital Fixed Assets	8,726	40,000	60,000	New laptops to replace the PCs
Depreciation	126,368	185,000	185,000	
Net surplus/(deficit) for the year	75,950	97,056	(1,361)	

Argyll College UHI Ltd
Statement of Comprehensive Income
For the period ended 30 Apr 2020

	Actual 2019/20 £	Reforecast 2019/20 £	2018/19 £
Income			
SFC grants	2,725,639	3,746,704	3,616,214
UHI grants	455,015	614,219	630,334
Tuition fees and education contracts	424,345	432,999	872,390
Other operating income	300,624	384,607	340,250
Commercial training activity	28,072	28,072	51,534
Release of deferred capital grant	0	0	126,188
Investment income	96	3,000	7,145
Total income	3,933,791	5,209,601	5,644,055
Expenditure			
Staff costs	2,959,995	4,009,897	4,236,833
Other operating expenses	768,019	1,011,036	1,250,050
Depreciation	126,368	185,000	184,842
Interest and other finance costs	3,459	5,029	9,720
Total expenditure	3,857,841	5,210,962	5,681,445
Income/(Deficit) before other gains and losses	75,950	(1,361)	(37,390)
Impairment loss	0	0	(122,639)
Total comprehensive income for the period	75,950	(1,361)	(160,029)

Argyll College UHI Ltd
Balance Sheet
As at 30 Apr 2020

	30/04/2020	2018/19
Tangible fixed assets	3,685,585	3,836,896
Debtors		
Trade debtors	44,605	18,282
Other debtors	123,913	130,635
	<u>168,517</u>	<u>148,917</u>
Cash at bank	2,467,582	1,701,517
	<u>2,636,099</u>	<u>1,850,434</u>
Creditors <1yr		
Trade Creditors	98,259	115,704
Bank Loans	0	15,105
Accruals	950,223	553,633
Deferred Grants	3,366,817	3,171,082
Tax & Social Security creditor	61,949	67,017
Other creditors	61,016	57,319
	<u>4,538,264</u>	<u>3,979,860</u>
Net current assets	(1,902,165)	(2,129,426)
Net Assets	<u><u>1,783,419</u></u>	<u><u>1,707,470</u></u>
Reserves		
Unrestricted funds	1,707,470	1,707,470
Comprehensive income for the period	75,950	0
	<u><u>1,783,420</u></u>	<u><u>1,707,470</u></u>