**Present:** Brian Lawrie, Chair (BL)

Derek Bottom (DB)

Councillor Lesley Backhouse (LB)

David Caldwell (DC)

**Attending:** Kirsty Keay, Director of Corporate and Commercial Development (KK)

 Heather Stuart, CEO (HS)

Martina Kutzer-Prenzlow, Head of Finance (MKP)

Joanne Tierney, Operations Manager (JoT)

Julie Aitchison, Corporate Business Coordinator (JA)

Eleanor Hodgson, Fife Council Accountant (EH)

Claire Gardiner, Scott-Moncrieff (CG)

1. **Welcome and Apologies**

BL welcomed everyone to the meeting, there were no apologies.
2. **Declarations of Interest**

There were no declarations of interest.

1. **Minutes of the meeting of 19th February 2019**

The minutes were accepted as an accurate record of the meeting.

1. **Matters Arising/Action Points**

|  |  |  |
| --- | --- | --- |
| Action Reference | Description | Status |
| 1 | Trading Sub – Annual Accounts  | Closed |
| 2 | FC In Kind Costs | Outstanding  |
| 3 | Process Mapping  | Ongoing |
| 4 | Board Development Day – Agenda  | Ongoing |
| 5 | Gift Aid | Closed |
| 6 | Strategic Overview for Board | Ongoing |
| 7 | iTrent Issues - HR | Closed |
| 8 | Capital Investment Risk | Ongoing |
| 9 | Finance Team Risk | Closed |
| 10 | Corporate Risk Register Reviewed Annually | Closed |
| 11 | Next Meeting Focus – Budget | Complete |
| 12 | Budget Info Shared With Committee | Ongoing |

**5. Audit Action Point Update**

MKP provided an outline of the action points covering the work completed to date and control mechanisms in place to ensure good business practice going forward.

MKP answered question from the committee in relation to bank reconciliation, suspense accounts, deferred income and asset tracking.

**6. Finance Performance Report – Paper 1**

BL advised that the Management Accounts for the Trading Subsidiary had previously been reviewed and discussed in detail at the Board Meeting of the Trading Subsidiary but he was happy to take any questions regarding this.

MKP advised that an adjustment was made for theatres deferred income, this partly accounts for the significant deficit in the accounts for theatres, but will be evened out next year.

It was agreed that the budget for DCLG will be reviewed as this remains in deficit due to staffing costs. JoT advised that they were actively reviewing how staff were assigned to services and the benefits of casual staff cover v agency staff. It was also noted that staff sickness has had a major impact on the budget.

There was discussion around the transfer of gift aid from the Trading Subsidiary to the Trust. CG confirmed that a transfer can be made at any time prior to year-end, however there is a legal requirement to ensure that sufficient reserves are available.

MKP answered questions from the committee in relation to advance payments, payroll analysis and annual review of charges.

1. **Brewin Dolphin – Annual Performance Report**

The paper was a summary of the year’s activity and, following the detailed discussion at the last meeting, was primarily for noting. BL requested that the letter from Brewin Dolphin was circulated to committee members.

1. **Management Fee Update – Paper 2**

Savings proposal has been submitted to FC, to date no response has been received. KK advised that as we have passed the deadline for most of the savings proposed, budget re-profiling will be required over the next 3 years once savings areas are agreed.

An internal strategic budget group will be established to manage the change control process for agreed savings.

BL noted that the lack of pace around this is disappointing considering that the savings proposal was shared with FC prior to the budget being set.

1. **2019/20 Budget – Paper 3**

KK recognised MKP for the work required to pull the budget together and ensuring it was reflective of the agreed savings for the year. The budget this year showed significant changes from previous years as it had been developed from the ground up, eg the detail from the library hours review led to the detailed payroll information.

MKP outlined the budget detailing the allocation of the management fee, allowance for sick/maternity leave and fixed costs.

DB requested a breakdown of the items listed under miscellaneous and debt write off. These were provided by KK, primarily it was a result of narratives in the system not reflecting the actual detail

There had been a lengthy and detailed discussion on the budget and the committee approved the position, which included all our current savings, eg SLS, closures, etc but may be subject to amendment following further engagement with the Council. BL requested that the budget was reviewed by the committee again when the saving and spend to save proposals have been agreed.

1. **Organisational Performance Report – Paper 4**

Whilst some of the content was relevant to clarifying some of the issue sin the financial performance it was agreed that this paper would be addressed at the next Board Meeting.

1. **Risk**

BL suggested adding business continuity in terms of failure to follow due process and operational allocation of resource to the register. KK advised of the internal processes for discussing and reviewing risk and invited committee members to participate if they wished. Due to the extent of information in the paper it was agreed that members could seek further clarification out with the meeting.
2. **Audit of Accounts 2018/19**

CG provided an outline of the audit plan including the strategy and timetable.

BL requested that a reconciliation between the management accounts and the audited account be completed and form part of the audit report. CG advised that this will be included as part of the appendix.

1. **Chair’s Business**

As there had been a lot of discussion on a number of items BL requested that if there are any remaining questions regarding any of the papers from this meeting they be submitted to KK, a schedule of question will then be compiled and shared with all committee members. This was a practice that could be adopted in future.

1. **AOCB**

There was no other Competent Business

**Date of Next Meeting: 20th Aug 2019**