

Meeting Minutes

Meeting Title: Finance Committee Meeting

Date: 16th February 2018

Members Present:	Trustees: Nigel Fairhead (NF) Shona Munro (SM) Valerie Hughes (VH)
In Attendance:	Staff: Maddy Halliday (MH), CEO; Mark Dobson (MD), Business Manager; Debbie Watson (DW), Senior Finance Officer; Protector: Douglas Graham (DG); Advisor: Mike Connor (MC) Investec Investment Managers: John Hildebrand (JH)– attended for item 4
Apologies:	None
Chair:	Nigel Fairhead
Minutes:	DW, MD, MH

	Minutes	Action
1. Welcome and Introductions	NF welcomed everyone to the meeting and VH to her first Finance Committee meeting.	

2. Declaration of Any Conflict of Interest	None declared	
3. Minutes of Previous Meeting (November 2017)	<p>3.1 Accuracy</p> <p>Point 4.2 to be amended to: FC to recommend to December 2017 Board a shift in investment risk from "low" to "medium – low" risk from April 2018.</p> <p>Point 4.3 to be amended to: Committee members reviewed Investment Fund Manager services and agreed to recommend to the December 2017 Board that the Trust continue to use Investec as our Fund Manager.</p> <p>3.2 Action Update and Matters Arising</p> <ul style="list-style-type: none"> • Item 3 – Digital Authority: Finance Procedure manual to be reviewed at May 2018 Finance Committee. • Item 3 – Business Manager to discuss with Barclays additional electronic authorisation availability • Item 6 – Subscription Schedule to be amended to show a time allocation for year ahead against each membership and shared with Board. To be updated and reviewed annually. 	<p>MD</p> <p>MD</p> <p>MD</p> <p>MD</p> <p>MH</p>

<p>4. Investments (standing item)</p>	<p>4.1 Investment Fund Management Report (report from Investec)</p> <p>4.1.1 The Committee discussed with Investec the latest report and valuation agreeing the fund was performing well against market indicators/relevant benchmarks.</p> <p>4.1.2 Investec confirmed, due to volatility in markets, they have begun moving towards the April 2018 risk profile.</p> <p>4.1.3 Through discussion the Trustees agreed the following:</p> <ul style="list-style-type: none"> • Reduce the April 2018 benchmark for UK Bonds from 42% to 38% and increase Cash from 6% to 10% • Agree to purchase of US Bonds up to 2.5% of total holdings • Scale of percentage rates for Investec management quarterly fee charges to be shared with committee members 	<p>JH</p> <p>JH</p> <p>MD</p>
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<p>5. Financial Management (standing item)</p>	<p>5.1 The 3rd Quarter 2017-18 Financial report was noted. Trustees discussed the programme underspends and agreed the following action:</p> <ul style="list-style-type: none"> • Quarterly finance papers to include a combined colour coded forecast of programme spend against budget. <p>5.2 The 2018-19 Draft Budget was noted with the following actions agreed:</p> <ul style="list-style-type: none"> • Members to receive full budget detail by email and Dropbox • Members agreed to recommend the Management and Operations section of Budget 2018-19 the Board, with Programme Committees to recommend their relevant Draft Budget for 2018-19 for Board approval. <p>5.3 Reserve Policy was noted and the following action agreed.</p> <ul style="list-style-type: none"> • The Policy's management table to be updated to include review annually by Board during budgeting process from April 2018 onwards. <p>5.4 Cash Flow report was noted and the drawdown of £2m in April 2018 from Trust cash held by Investec was approved.</p> <p>5.5 Income and Expenditure Analysis was noted and the following action agreed.</p> <ul style="list-style-type: none"> • Summary report updated to show funding awards for each programme separately for each financial year. 	<p>MD/DW</p> <p>MD</p> <p>MD/MH/AB/HC</p> <p>MD</p> <p>MD</p> <p>DW</p>
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<p>6. Risk (standing item)</p>	<p>6.1 Risk Management Policy and schedules were noted and Trustees proposed the following updates.</p> <ul style="list-style-type: none"> • Risk Management Policy - Section 1.3 update wording to remove "weaknesses and difficulties". • Corporate Risk Management Schedule – Agreed that FC should recommend to the Board that External Environmental Risks should be removed with collective understanding of latter supported through our External Environment Analysis paper, which will be updated and reviewed at least annually. • Medium to High Risks - Section H to include ICT Fraud and Data Protection & GDPR Policy • Medium to High Risks – Noted that in Section I the risk level re skills and knowledge is low and the medium risk relates to staffing capacity • Medium to High Risks – Section M to include low broadband speed for our Edinburgh Office as a high risk to staff productivity • Low Risks – Section F to include Procurement Policy 	<p>MH</p> <p>MH</p> <p>MH</p> <p>MD/MH</p> <p>MH</p> <p>MD/MH</p> <p>MH</p>
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<p>8. Any Other Competent Business</p>	<p>8.1 Budgeting Terminology for Presentation of Programme Expenditure (paper 3-18) The Trustees approved the standardisation of budgeting terminology.</p> <p>8.2 Audit Timetable 2018 Martin Aitken will conduct an interim audit 22nd-23rd February and Year-end audit week commencing 25th June.</p>	<p>MD</p> <p>MD</p>
<p>9. Dates of Future Meetings</p>	<ul style="list-style-type: none"> • 18th May 2018 13.30-16.00pm Edinburgh • 17th August 2018 13.30-16.00pm Edinburgh • 16th November 2018 13.30-16.00 – Edward House, Glasgow 	

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