

Performance and Resources Committee Meeting

Date of Meeting	Monday 9 October 2017
Paper Title	Service Agreement with SFC
Agenda Item	11
Paper Number	PRC1-L
Responsible Officer	Jim Godfrey, Interim Finance and Resources Director
Status	Disclosable
Action	For Decision

1. Report Purpose

- 1.1. To seek approval of the Service Agreement with SFC.

2. Recommendations

- 2.1. The Committee is asked to:

- **review** the Service Agreement with the Scottish Funding Council; and
- **recommend** it for approval by Board.

3. Report

- 3.1. A service agreement with SFC was drawn up following a recommendation of the External Auditor. The agreement was prepared by an external legal advisor, has been approved by SFC and underpins the fully operational status of GCRB.
- 3.2. The agreement refers to the GCRB bank account, and Bankline facility, which became fully operational in September 2017. Therefore, we are now in a position to formally agree the arrangements between SFC and GCRB.
- 3.3. A copy of the agreement is attached as an annex to this report.

4. Risk Analysis

- 4.1. The implementation of this agreement will mitigate against some of the risks identified within the GCRB Risk Register, in particular:
- There is a breach of legislation/guidance/code of practice and this results in a failure of governance.

5. Legal Implications

- 5.1.** The agreement specifies the relationship between SFC and GCRB in respect of the administration of GCRB's bank account. Whilst the agreement is formal in nature, it is expected that both parties will use it in a spirit of partnership working.

6. Resource Implications

- 6.1.** There are no financial implications as a result of the recommendation above. Legal expenses have been incurred in preparing this agreement.

7. Strategic Plan Implications

- 7.1.** This services agreement contributes to Glasgow Regional Strategic Plan for College Education. In particular, it supports the aim of Realising Ambition: governance and management by formalising the working arrangements with a key strategic partner.

Service Level Agreement

This is a Service Level Agreement (“SLA”) between:

- (1) The Regional Board for Glasgow Colleges, commonly referred to as Glasgow Colleges’ Regional Board (“GCRB”); and
- (2) The Scottish Funding Council (“SFC”)

GCRB and SFC hereby agree this SLA is the service level agreement referred to in paragraph [20] of Section [3] of GCRB’s Financial Procedures Manual (the “Financial Procedures”) and is intended to set out agreed arrangements and procedures related to the administration by SFC of GCRB’s bank account as envisaged by the Financial Procedures.

1. General

- 1.1 GCRB has opened a bank account with The Royal Bank of Scotland (RBS), Glasgow City Branch, 5th Floor, Bath Street, G2 4RS (Account Number: [19623362; Sort Code: 83-07-06] (the “Bank Account”). GCRB and SFC have agreed that SFC will administer the Bank Account on GCRB’s behalf.
- 1.2 From [the date of this SLA,] SFC will at no cost to GCRB manage the Bank Account and make payments from it for and on behalf of GCRB in accordance with the instructions of GCRB, this Agreement and the relevant sections of the Financial Procedures (as it may be amended from time to time).

Comment [CC1]: Date to be confirmed.

2. Bankline

- 2.1 The Bank account will be administered electronically, through the RBS provided platform Bankline. SFC will not request nor obtain, nor allow any of their staff to request or obtain, any cheque books for the Bank Account.
- 2.2 SFC will have and maintain at all times a list of Bankline users with access to the Bank Account, along with details of their access rights.
- 2.3 GCRB will be entitled to maintain at all time the right to access the Bank Account to view balances and transactions through Bankline, but will not be set-up by SFC to authorise payments from the Bank Account or carry out other administrative activities relating to the Bank Account.

3. Administration resources

- 3.1 SFC agrees to provide resources (payment raisers, payment authorisers and Bankline administrators) available to administer the Bank Account (the “Resources”).
- 3.2 SFC will provide at least [5] of Resources to act as authorised signatories to make payments from the Bank Account (the “Authorised Signatories”) solely through RBS’s Bankline system. At all times, two authorised signatories provided by SFC will be required to raise and authorise payments from the Bank Account.

3.3 SFC is responsible for ensuring that each of the Resources are appropriate to provide the administration services relating to the Bank Account as set out in this SLA based on staff vetting procedures, concerns about an individual's behaviour and personal activities and/or any knowledge or suspicions of involvement with fraudulent activity.

4. Changes to Personnel

4.1 SFC will inform GCRB in writing of any changes to the Resources, including Authorised Signatories.

4.2 Any changes to the Authorised Signatories must be notified to RBS by way of mandate. SFC will fully co-operate with GCRB to complete and submit within a timely manner a mandate to RBS noting changes in Authorised Signatories in a timely manner, which for any staff leaving shall mean that a new mandate is completed and submitted to RBS prior to the relevant staff member leaving their employment with SFC.

5. Payment Processing

5.1 Payment templates will be set up and amended for all payments from the Bank Account by SFC in the manner envisaged by Section [3] of the Financing Procedures.

5.2 SFC will have sufficient number of Resources, including Authorised Signatories, to enable SFC to administer and make payments from the Bank Account on behalf of GCRB on any working day (Monday to Friday, excluding public holidays in Scotland). SFC shall promptly organise payments from the Bank Account in the manner envisaged by Sections [3] and [4] of the Financing Procedures.

Comment [CC2]: Timing requirements to be confirmed.

6. Security Measures

6.1 SFC will ensure that the Resources are provided (as necessary) with an RBS smartcard and smartcard reader.

6.2 SFC will be responsible for ensuring the administration resources and Authorised Signatories guard and maintain the security of the smartcard, smartcard reader and the Bank Account.

6.3 SFC is required to ensure that access to the Bank Account is promptly revoked (whether by disabling the Bankline user account, deleting the Bankline user account or co-ordinating with GCRB to change the existing mandate) for any relevant SFC staff member who a) leaves SFC or b) whose duties no longer require the staff member to access the Bank Account.

7. Documentation

7.1 SFC will ensure that the each of the Resources are provided with a copy of:

7.1.1 the Financial Procedures to the extent they relate to the Bank Account (and any updates to the Financial Procedures);

7.1.2 this SLA; and

7.1.3 terms and conditions of the Bank Account,
(together, the “**Documentation**”).

7.2 The SFC will be responsible for ensuring that each of the Resources comply with the Documentation in the administration of the Bank Account.

8. Amendment of the Financial Procedures

8.1 By signing this SLA, SFC confirms that it has received the Financial Procedures as at the date hereof.

8.2 GCRB maintains the right and ability to change the Financial Procedures at any time. In the event of any such change, GCRB will provide SFC with a copy of the Financial Procedures (as amended).

8.3 SFC will confirm to GCRB in writing each time it receives any updates to the Financial Procedures.

9. Ongoing Information

9.1 SFC will advise GCRB in writing of any of the following:

9.1.1 any changes in Bankline users or user rights;

9.1.2 any changes in Bankline payment templates;

9.1.3 any issues or concerns that SFC has with any matter relating to their operation of the Bank Account; and

9.1.4 on the same date as the date of payment, of the amounts that have been paid out of the Bank Account and the names of the payees

10. Audit

10.1 SFC acknowledges that the Bank Account and the administration thereof may be subject to audit from time to time by GCRB and it agrees to keep and maintain records of the matters and arrangements contemplated by this SLA, which GCRB will be entitled to access on reasonable notice. SFC will provide all reasonable co-operation, access and assistance (including copies of records) in respect to each such audit at no cost to GCRB.

10.2 Any right exercisable under paragraph 10.1, may also be exercisable by the Auditor General for Scotland.

11. Maintenance of Financial Control

11.1 In the event of any failure by SFC to manage the Bank Account in the manner envisaged by this SLA and the Financial Procedures, SFC will co-operate with GCRB to identify the cause of the issue and shall use all reasonable efforts to take such remedial action as is necessary to rectify the failure and to prevent it from recurring.

12. Fraud

12.1 SFC will advise GCRB immediately if it becomes aware of any incident involving any fraud or reasonably suspected fraud by any person (including without limitation any SFC employee or member of staff) in relation to the arrangements envisaged by this SLA. SFC shall investigate any such fraud expeditiously and the parties shall fully co-operate with each other and with any authority in relation thereto.

13. GCRB contacts for notices and correspondence

13.1 All SFC notices and correspondence under this SLA will be sent by SFC in writing (by email or as otherwise agreed) to:

13.1.1 Robin Ashton (Executive Director) (); and

13.1.2 Jim Godfrey (Interim Finance & Resources Director of Finance).

13.2 All GCRB notices and correspondence under this SLA will be sent by GCRB in writing (by email or as otherwise agreed) to

13.2.1 Fiona O'Neill (Assistant Director of Finance) and Kevin Nicholls (Payment and Procurement Officer); or

13.2.2 any other SFC staff member as may be notified in writing from time to time by Kevin Nicholls (Payment and Procurement Officer).

14. Review

14.1 The arrangements outlined above will be subject to a joint review which is scheduled to take place in April 2019.

Signed by:

Signed by:

On behalf of
The Regional Board for Glasgow Colleges

On behalf of
The Scottish Funding Council