

## **Public Audit Committee**

### **2013/14 audit of Coatbridge College: Governance of severance arrangements**

#### **Submission from David Craig**

#### **Response**

The following comments are provided as a personal recollection of the events relating to the issues raised in the Auditor General's report entitled " the 2013/ 14 Audit of Coatbridge College: Governance of Severance Arrangements"

They have been offered without recourse to any minutes or papers provided for the various meetings over the two year period covered by the report relating to the severance package discussions as I have no access to them since leaving the College Board in 2014.

#### **Introduction**

The Auditor General's report has raised several governance issues which have been commented on and I have noted below my recollections of the events surrounding the decision making process. During the period covered by the report in addition to being a member of the Board I also chaired the Boards Estates Committee which was heavily involved in completing the college's estates redevelopment. As a board member I, along with the other members of the board, relied on the senior management team and in particular the Principal, to provide appropriate and accurate advice and support to allow them to function as a board. Until the publication of the Auditor General's report I had no indication that they had not carried out their responsibilities in an appropriate manner. Notwithstanding this, this is clearly not the case in relation to the issues raised in the report and I have the following comments to make on some of them as far as I can recall.

#### **Comment on specific Issues Raised**

##### **Item 9**

Prior to the publication of the Auditor General's advice on the "Managing of Early Departures within the Scottish Public Sector" the Colleges Remuneration Committee met on the 28<sup>th</sup> January 2013 to discuss severance packages for staff. My recollection of the meeting was that the committee members were advised that no specific guidance was available and that sector norms were difficult to acquire due to the sensitivity some colleges had with regards severance packages. The general advice was that the college would require developing its own package which it was entitled to do under its current constitution.

The report highlighted additional payments made to staff, from memory I did not relate these to the severance package at the time. My understanding was that these were a one off payment related to the additional effort staff had put into taking the

merger forward. In other words not part of the substantive salary for the purposes of any future calculations.

#### **Item 10**

The report indicates that a further 3% pay rise was made to the Principal I cannot recall this being approved by the remuneration committee although an inspection of the meeting minutes may prove this to be correct.

#### **Item 12**

I agree that at the meeting of the remuneration committee of the 23<sup>rd</sup> October 2013 discussion around the agreed details of the minutes of the January 2013 meeting were debated and some disagreement of the details arose. However I recall that it was my understanding that the revised package was intended to be implemented across all staff grades including the senior management team. I do not recall any approval given to exceed these terms other than the one of performance payments previously indicated, which I considered to be of a non-substantive nature.

#### **Item 13**

I was unaware of either the Auditor General's advice on early departures or the SFC concerns re the package developed for the college staff and in particular the way it was implemented for senior managers. In fact since the SFC undertook to provide funds of £1.3m towards the severance package with the balance coming from college funds I had no reason to question the terms of the package at that time.

#### **Item 14**

As previously indicated I was of the opinion that the salary enhancements made to the senior management team as a result of undertaking additional duties when the deputy post was not filled were of a non-substantive salary nature. I was not made aware at the time that these payments would alter the severance package previously discussed by the remuneration committee.

#### **Conclusion**

I have attempted to recall as accurately as possible the circumstance surrounding the development and approval of the severance package for the college but as I have stated earlier the minutes and documents on record may differ from these.