

Public Audit Committee

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

Submission from M Rose Livingstone

Response

Following your letter of 15 September 2015 I would like to make the following comments regarding the above.

I entered into a Settlement Agreement with the Board of Management of Coatbridge College as part of the termination of my employment. However I believe that under the Public Interest Disclosure Act 1998 I am entitled to disclose the following:

Audit Content	Comment
Page 4 para 5	<p>Regarding the comment "...difficulties in securing information relating to the severance arrangements ...", I would draw your attention to several facts:</p> <p>Continuity was provided by Janice MacAuley, Director of Finance for New College Lanarkshire (NCL) who was previously Finance Manager for Coatbridge College (CC) and had access to all information.</p> <p>Biggart&Baillie acted as Secretary to the Board and were legal advisors on all severance arrangements.</p> <p>Tom Keenan and Carol McCarthy were on the boards of both CC and NCL.</p> <p>Kathryn McDowall and Derek Banks were also available to advise as part of their compromise agreements.</p>
Page 7 para 13	<p>Business case for Principal's severance payment – I can attest to the fact that the Principal's post was effectively made redundant as he was advised to leave by Scottish Funding Council/Scottish Government (SFC/SG) advisor.</p> <p>Business case for senior management team – applications for voluntary severance were considered by the following:</p> <ul style="list-style-type: none">- Linda McTavish, Regional Lead- John Kemp, Director of Scottish Funding Council- Laurence Howells, Chief Executive of Scottish Funding Council- Martin McGuire, Principal of New College Lanarkshire <p>Business case for member of staff in the Principal's office – was considered by CC Human Resources Committee.</p> <p>All of the above detail should have been made available to Henderson & Logie as CC External Auditors.</p> <p>Accrued leave – records were held in Human Resources files and calculations were included in compromise agreements.</p>

Page 7 para 14	A full business case was requested by and submitted to Tom Keenan to take to the Remuneration Committee. This was originally supported by Mr Keenan and subsequently rejected after Martin McGuire, Principal Designate attended the Remuneration Committee and advised that Senior Managers should be given a 10% uplift in their salaries to absorb additional duties and responsibilities.
Page 9 para 20	The senior management team had already agreed to the 13 month scheme.
Page 10 para 23	I would attest that SFC advice was presented to the Board of Management at their meeting of 23 October 2013. Laurence Howells and Sharon Drysdale attended the meeting – I suggest you ask for a copy of these minutes. Mr Keenan wrote to Mr Howells thanking him for his input.
Page 11 para 25	5 th bullet – see minutes of Remuneration Committee and Board of Management, 23 Oct 2013. Please also refer to Audit report provided by Biggart & Baillie.

I would confirm that the postal address above can be used to contact me and would ask that this address is not released as stated, under the Data Protection Act 1998.

I would be obliged if you can keep me informed of the outcome of your review of this additional information.

Yours sincerely

M Rose Livingstone