

**John Wheatley College**  
**Board of Management**  
**Financial Control Committee**

**Minutes of the Financial Control Committee held on Wednesday 10 November 2004 at 5pm in the Alex Viola Room (S/09), Easterhouse Campus.**

**1. Sederunt**

The meeting commenced at 5pm and was attended by:

J Graham (Chair)  
M Axford  
I Graham (Principal)

In attendance:

B Forrest (Chief Accountant)  
A Kirk (Depute Principal)  
M Brennan (Financial Adviser)  
A Sherry (Assistant Principal)  
Laura Crouchman (for recording purposes only)

**2. Apologies**

J Cope (Chair of Board)  
P Craig

**3. Terms of Reference**

Members noted the terms of reference for the Financial Control Committee. It was confirmed the meeting was quorate with 3 members in attendance.

**4. Declaration of Interest**

There were no declarations of interest.

**5. Minutes of previous meeting held on 14 October 2004.**

Minutes of the previous meeting were taken as read. The minutes were accepted as an accurate record of the meeting held on 14 October 2004.

**6. Matters arising from minutes of previous meeting**

A Kirk informed members that there was a matter arising but that it was addressed later in the agenda as item 7 a).

**7. Correspondence:**

**a) SFEFC – Estates capital formula funding 2003-04: Report of Expenditure**

A Kirk informed members that the Scottish Further Education Funding Council had requested additional information regarding this report and that this document was SFEFC confirmation that the information which the College had provided was satisfactory.

Members noted the details of the correspondence.

**b) Scottish Executive – Efficient Government Fund**

I Graham spoke to this document informing members that the Further Education Sector had agreed to participate in this initiative under the auspices of the Association of Scottish Colleges (ASC).

The Principal further reported that there would be three phases to this initiative which were as follows: to conduct an audit of the sector's approach to procurement (which had previously been conducted in England & Wales), a review of the procurement of ICT and the operation of management information systems.

I Graham expressed concern over the review of management of information systems reminding members that the history of central government procurement of such system was littered with failures and cost overruns. This, he suggested, was a potential area of interest for the Efficient Government Initiative. He reported, however, that there appeared little enthusiasm for this in SFEFC.

The Principal further confirmed that he is a member a working group that the Association of Scottish Colleges has set up for this purpose and that he would ensure that members were kept informed of progress.

In response to questions the Principal confirmed that College had participated, to date, in the SFEFC/KPMG Benchmarking Exercise. It was awaiting an indication of the priorities which might emerge in this respect.

**8. Financial Monitoring for Period 2.**

B Forrest spoke to his report and reminded members that the College is required to report its financial performance on a regular basis.

The Chief Accountant explained that Support Staff costs appear to be understated and this may be due to a failure to appropriate allocate increased superannuation contributions however he was currently investigating this matter. He confirmed that this increase had been budgeted for within teaching salaries.

B Forrest informed members that the variances in overheads in materials and supplies cost centres were as a result of increased demand at the beginning of the teaching year. He assured members that these budgets would be back on track in subsequent reports.

B Forrest informed members that the figure included in the Grants sector is likely to be permanently. This is a result of the phasing of the Adult Literacy Grant which is at 80% of the previous 2 year figure.

B Forrest drew members' attention to the balance sheet and informed them that at this reporting point the College had approximately £1.2 million in cash at the bank.

Members of the Financial Control Committee agreed to:

- i) note the contents of the report and its appendices;
- ii) note College's financial position for the period; and
- iii) request the College to bring forward a further report on progress at a future meeting of the Committee.

#### **9. Report on Cash Flow Forecast for Period 3**

B Forrest spoke to his report and informed members that there has not been a great deal of change since the last reporting period with little if any change in the College anticipated position.

In response to questions the Chief Accountant informed members that this report excluded bursaries as was required by SFEFC guidance.

Members agreed to:

- i) note the contents of this report and its appendices; and
- ii) note College's forecast cash flow for the current financial year.

#### **10. Audit of Student Activity Undertaken in Session 2003/04**

I Graham spoke to his report informing members that this was the Internal Audit report which confirmed the level of the College's student activity for session 2003/04. He further informed members that this report had previously been considered by at a meeting of the Executive Committee. He reported that the College had exceeded its agreed wsum target with SFEFC by 4.26%. He confirmed that the College would receive no additional grant-in-aid for this extra activity. In response to questions the Depute Principal informed members that as the College offered mainly part-time provision it was not possible to state exactly how many programmes would be required to meet the wsum target. He also informed members that there was evidence that retention rates for both full and part-time students had improved when compared to previous sessions and that this had increased the wsum activity.

The Principal reminded members SFEFC operated a clawback system for those colleges who failed to reach their agreed wsum target by a margin of more than 2%. In these circumstances it was preferable to over shoot the target than not to reach it.

I Graham informed members that this return had now been submitted to the SFEFC.

Members noted the contents of the report and its appendices.

## **11. Bursary Funds and Education Maintenance Allowances (EMAs)**

B Forrest spoke to the Bursary Officer's report informing members that the gross bursary grant allocated to the College for financial year 2004/05 was £493,197. He further confirmed that this was subject to clawbacks of £88,304 and £79,016 from the underspend in sessions 2002/03 and 2003/04.

B Forrest informed members that there have been 318 bursary/EMA applications and that the appendices to this report show a detailed analysis of bursary funds awarded and the EMA awards. He reported that it was anticipated that applications for Bursary funding would exceed the monies available and that the College would not be able to support additional students on full time programmes (the Principal reminded the Committee of the context of this situation where participation in post-school education, especially Higher Education, was below national norms in the College's catchment areas). The Principal informed members that this would have an impact on the College's ability to recruit to full-time programmes in January 2005. He reminded members that SFEFC operated a cap on Bursary support and that this limited the College's ability to expand full-time provision.

A Kirk reminded members that EMAs were not cash limited therefore it was anticipated that full-time provision for those under 18 years old and eligible for this support would still be offered in January 2005.

Members agreed to:

- i) note the contents of this report; and
- ii) request the Principal and Chief Accountant to report back to future meetings as appropriate on the progress of any further allocations of funds.

## **12. Hardship Fund**

B Forrest reported that at the time of writing the number of applications for support from this fund had not been finalised. He added that there would be a more detailed analysis of applications, awards and funds committed brought to the next scheduled meeting.

Members agreed to note the contents of the report.

### **13. Mature Student Bursary Fund and Higher Education Hardship Fund**

Members noted the contents of the report.

### **14. Childcare Funds**

B Forrest spoke to this report informing members that at the date of this report (1 November 2004) there had been 74 childcare applications. The Chief Accountant informed members that the childcare support allocated to the College for financial year 2004/05 was £163,812 and that this allocation is to be used entirely for providing support towards the cost of the College's full and part-time FE students. He further confirmed that this support comprises the initial allocation before clawback of surpluses from previous years. He further added that the funds available for 2004/05 are £203,403.

B Forrest confirmed to members that this report included students who had not yet completed all the necessary paperwork confirming their childcare arrangements. However he anticipated that these students would supply the required information therefore they were included for the purposes of this report.

Following discussion members requested that the report be altered to record the number of male and female students who received support from this fund. The Chief Accountant agreed to ensure that this change was made.

Members agreed to:

- i) note the contents of the report; and
- ii) request the Principal and Chief Accountant to report back to future meetings as appropriate on the progress of any future allocations of childcare funds.

### **15. Closure**

The meeting closed at 6pm with the Chair thanking all members for their contribution.

### **16. Date of next meeting**

The next meeting is scheduled for Monday 6 December 2004 at 5pm in Room S09, Easterhouse Campus.