

John Wheatley College

Board of Management

Financial Control Committee

**Minutes of the Financial Control Committee held on Thursday 24 May 2007
at 5.00pm in Room SO9, Alex Viola Suite, Easterhouse Campus.**

THIS MEETING WAS AQUORATE

1. Sederunt

The meeting commenced at 5pm and was attended by:

A Woolley(Acting Chair);
Ross Blythe (co-opted member);
Ian Graham (Principal)

In Attendance

A Kirk (Depute Principal);
J Gow (Chief Finance Officer);
A Sherry (Assistant Principal); and
S Wilkie (for recording purposes only)

2. Apologies

T Burton;
J Sweeney;
J Cope; and
S Double

3. Terms of Reference

Members noted the terms of reference for the Financial Control Committee. It was confirmed that the meeting was aquorate due to the attendance of only two members. The Chair proposed that the Committee should proceed with the business of the meeting but no decisions would be taken.

4. Declaration of Interest

There were no declarations of interest expressed at this Committee meeting.

**5. Minutes of the previous meeting of the Financial Control
Committee held on 15 February 2007**

The Acting Chair asked that the minutes be brought back to the first meeting of this Committee in the new session.

6. Matters arising from Financial Control Committee Minutes held on 15 February 2007

Item 13 - Statement of Recommended Practice – Accounting for Further & Higher Education

The Principal reported that the revised SORP would be published soon. A report would be brought back to a future meeting of the Committee attaching the new final, approved version. He confirmed that the accounts would be placed in the public domain.

7. Correspondence

**a) Scottish Funding Council
(i) Re-profiling of College's Main Recurrent Grant Payments**

The Principal informed members that this item of correspondence was for information purposes only as they had previously been informed of the re-profiling schedule for grant-in-aid payments.

(ii) Circular 24/07 – Financial Forecast Return (FFR)

The Principal reported that the FFR require to be returned to the Scottish Funding Council by the 30 June 2007 and that work was already underway to meet that deadline. He further informed members that a report on the FFR return would be considered at the Board of Management scheduled for 21 June 2007.

b) Glasgow City Council Audit & Examination Requirements

Members noted this item of correspondence from Glasgow City Council.

8. Budget Monitoring Report - 9 Month Progress Report 2006/07

The Chief Finance Officer informed members of the analysis of expenditure against budget for the first 9 months of the current financial year along with the College Balance Sheet as at 30th April 2007.

He reported that the Vocational School gross expenditure budget for the year was set at £ 2.3m, this amounts to 27% of the College total revenue budget. He further reported that the projected income for the year is expected to be approximately £44k less than the budgeted amount as a consequence of sources of income existing in previous years not being available in the current year. He further reported that expenditure on Supplies and Services included £11k relating to the temporary hire of mobile heaters to heat the Queenslie Construction property. Overall

expenditure on Supplies and Services are anticipated to be £16k higher than budget for the year.

J Gow further reported that the Core School expenditure budget is £1.8m. The School is projected to be underspent against this budget by circa £9k for the year.

The Chief Finance Officer informed members that to date, the College was currently underspent by £140k on staff costs against budget. This was as a result of vacancies and the efficient use of teaching staff.

The Chief Finance Officer reported that a surplus of circa £26k was currently being projected for the 2006/07 financial year.

Following discussion the Chair reminded members that though they could note the contents of report they were not able to make decisions as the meeting was aquorate.

Members of the Financial Control Committee agreed to note the contents of the report and its appendices.

9. Report on Cash Flow to 30 April, 2007

The Chief Finance Officer spoke to this report apprising members of the College cash position as at 30th April 2007 and his projection to the end of the current financial year.

(Mr Kirk joined at the meeting at this point (5.15pm).)

He reported that the College had received grants and asset sales proceeds totalling £6,299k to finance the new campus and that £7,829k had been spent on the new building during that period.

J Gow further reported that the total in the bank amounted to £1,052,755 as of 30 April 2007. He informed members that the high cash balance was due to the Scottish Funding Council re-phrasing a proportion of the June and July grant-in-aid payments to March and April 2007. He also reported that the College is anticipating a positive cash balance at the year end.

Members of the Financial Control Committee agreed to note the contents of this report and its appendices.

10. Statement of Recommended Practice

The Chief Finance Officer spoke to this report reminding members that they had considered the revised Statement of Recommended Practice (SORP) in detail at the previous meeting. He informed members that the College response to the draft SORP was attached as appendix 1. He further informed members that this response was broadly in line with the views of the Sector.

Members of the Financial Control Committee agreed to note the contents of this report and its appendix.

11. Bad Debt Write Off

It was agreed that this item be placed on the next agenda of the Executive Committee as the meeting was aquorate.

12. In-Year Fee/Fee Waiver Update

The Chief Finance Officer reported on the progress to date on the collection of fees/fee waiver forms. He reminded members that procedural changes had been made for academic/financial year 2006/07 following a review of the approach used in the previous session. He reported that these changes included making greater of the Unit-e management information system to assign fees to individual learners and a further development of the review process undertaken by the Finance Team. In addition a shared folder had been created on the College network accessible by the Finance, Administration and Student records teams.

J Gow reported that the collection rate for fee waiver forms was currently 88% an improvement of 4% over the total fee waiver forms collected in the previous year. In response to questions he informed members that it was anticipated that this would increase further before the end of the current session. Furthermore the Finance team had experienced a reduction in the number of reminder letters sent to students this session which was seen to be an indication of an improvement in the collection of fee waiver forms.

The Chief Finance Officer reported that to date 73 students had outstanding fees a total of some £8990 however a number of learners had made part payment and it was anticipated that these would pay the remainder of their fees in due course. In addition steps were being taken to obtain payment from those learners who had not yet made any contribution to the cost of their course.

In response to questions the Chief finance Officer informed members that no fees would be written off without the prior authorisation of the Financial Control committee.

Members of the Financial Control Committee noted the contents of the report.

13. Draft Financial Strategy

The Chief Finance Officer spoke to his report informing members that the draft financial strategy provided financial estimates and targets for academic/financial years 2007/08 -2009/2010. He reported that the strategy sets out how the College would seek to maintain its financial sustainability throughout the period of the plan. He informed members

that the draft would be revised following the completion of the Financial Forecast return (FFR) as was previously discussed under item 7 a) ii.

Members of the Financial Control Committee noted the contents of this report and its appendix.

14. Student Support Funds: Carry Forward, Clawback and Redistribution

The Chief Finance Officer informed members that this report had been referred to the Committee from the Executive Committee. He reported that of a bursary underspend of £23k during session 2005/06 it was necessary to return £1k to the Funding Council under the existing clawback arrangements.

The Principal informed members that the College was able to carry forward its £12k underspend on the Childcare and Hardship funds with no clawback due to SFC.

Members noted the contents of the report.

15. 2007 Budget Report

The Chief Finance Officer informed members that this report was for information purposes only.

Members noted the contents of the report.

16. Changes to Scottish Teachers Superannuation Scheme

The Chief Finance Officer reminded members that the teaching staff employed by the College, are entitled to join the Scottish Teachers Superannuation Scheme (STSS). He further apprised members of the main change to the pension scheme from 1 April 2007 was an increase in employer's contributions rates from 12.5% to 13.5% with a further rise to 14.25% from 1st April 2008. Both of these increases have been provided for in the 2007/08 College budget and will cost the College an additional £30k. He reported that the Scottish Funding Council was not providing any additional grant-in-aid to cover this increased cost in 2007/08.

J Gow further reported that the contribution for members of the STSS would also increase from 6% to 6.4% as of 1 April 2007.

Member of the Financial Control Committee noted the contents of the report and its appendices.

17. Childcare Funds – Financial Year 2006/07

J Gow informed members of the disbursement of funds from the Further Education Childcare Fund (FECF) during the current session. He reported that the College allocation for financial year 2006/07 was initially £210,000. In addition, he reported that the College had been invited to apply from a redistribution of funds from the Funding Council and as a

result had received a further £70,000 towards the cost of childcare support. This brought the total combined funds available for 2006/2007 to £280,000. To date the College had spent £205,000 on childcare support for 107 students within the College.

The Chief Finance Officer reminded members that the College's previous childcare provider had ceased trading in January 2007 and as a result there was a period of two weeks in which no fees were paid until alternative arrangements were put in place.

Members noted the contents of the report and its appendix.

18. Bursary Funds and Education Maintenance Allowances

J Gow spoke to this report informing members of the allocation of bursary funds for 2006/07 and apprising members of the bursary and Education Maintenance Allowance (EMA) commitment for the current year.

He reported that the initial grant allocated to the College for financial year 2006/07 was £477,900. In addition the College had made a bid for additional funds of circa £50k. with a further £42,000 in bursary funds being awarded to the College. This, added to £29,677 in respect of unused funds brought forward from the previous year, produced a total of £598,664 available for student support during academic year 2006/07.

The Chief Finance Officer reported at the date of compiling the report there had been 383 bursary/EMA applications. Bursaries have been awarded to 326 full time students resulting in a commitment of £474k. EMAs have been awarded to 124 students resulting in a commitment of £87k.

Members of the Financial Control Committee noted the contents of the report.

19. Further Education Hardship Fund

The Chief Finance Officer reported that to date there has been a total of 224 applications for support from the FE Hardship Fund. Of these, 195 students have been awarded support with total funds of £138k being committed. A total of 29 students had been refused support because they were unable to provide sufficient evidence of financial hardship.

The Chief Finance Officer reported that 75 students would receive assistance on an instalment basis throughout the academic year and that a further 120 had been awarded one off payments.

Members noted the contents of the report and its appendix.

20. HE Childcare Fund & HE Hardship Fund

J Gow informed members of the disbursement of funds from the Higher Education Childcare Fund (HECF) and the Higher Education Hardship

Fund (HEHF) for session 2006/07. He reported that the College allocations for HECF and HEHF for session 2006/07 were £11,171 and £6,800 respectively. In addition, he reported that £2,152 in respect of unallocated funds had been carried forward, however he highlighted that the clawback from SAAS in respect of previous year's underspend was £1,027. This brought the total combined funds available for 2006/2007 to £19,096.

He reported that to date there had been 26 awards from the resulting in a commitment of £11,050. To date there have been 3 applications for support from the HECF. All applicants have been awarded support resulting in a commitment of £3,650.

Members agreed to note the contents of the report and its appendix.

21. Risk Management

This item would be discussed alongside item 22.

22. Review of College Risk Register

The Principal reminded members that as part of the Board's Strategic Planning process Standing Committees were invited to consider the College Risk Register within the context of their remit.

The Principal informed members that the payment of a number of support staff salaries had been delayed due the failure to transfer funds from the College account to the employee's bank account. In these circumstances it was the view of College managers that this risk required to be upgraded. Members endorsed this proposal.

In response to questions the Chief Finance Officer informed members that the College was currently reviewing its procedures for this area.

The Depute Principal reported that he had written to all staff concerned apologising for the delay in their receiving payment and that alternative arrangements had been made for those staff who would have experienced hardship as a consequence.

There were no further proposed changes to the Risk Register.

The Depute Principal informed members that the revised College risk register would be considered at the June Board meeting.

20. Closure

The meeting closed at 5.45pm with the Acting Chair thanking all members for their attendance.

21. Date of Next Meeting

The date of the next meeting would be confirmed at the June Board meeting.