

NORTHERN REGIONAL COLLEGE

FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of the meeting of the Finance and General Purposes Committee held on 1 December 2010 at the Farm Lodge Ballymena Campus.

Present Mr P McCudden (Chairperson), Mr T Neilands (Director),
Mr S Davidson, Mr I Goldsworthy and Mrs L Wallis

In Attendance Mrs C Moore and Mr J Hunter.

Members of the Finance and General Purposes Committee and the Staffing Committee combined to discuss Item 17.14

UNRESERVED BUSINESS

17.1 Apologies

An apology was received from the Chairperson, Mrs Collins. In her absence Mr McCudden, Vice-Chairperson, chaired the meeting. An apology was also received from Mr A Watt.

17.2 Declaration of Interests

There were no declarations of interests.

17.3 Minutes of the Last Meeting

The minutes of the last meeting held on 29 June 2010 were approved.

17.4 Matters Arising

There were no matters arising.

17.5 Chairperson's Communications

There were no Chairperson's communications.

17.6 Correspondence

The Committee received correspondence, dated 26 August 2010, from the Department for Employment and Learning providing details of the Reports to be submitted to DEL and their due dates during 2010/2011.

The Committee noted that the Director of Finance had prepared the Timetable of Returns for 2010/2011 and a Table showing the returns made to the Department during 2009/2010. It was noted that all returns had been made by their due dates with the exception of the Annual Audit Assurance Report, which is currently being forwarded to DEL.

17.7 Catering Arrangements

The Director of Finance reminded the Committee that the Governing Body (6 October 2010) had received a Management Action Plan, which had been prepared in response to the Internal Auditors' recommendations regarding catering arrangements. The Governing Body agreed that the Finance and General Purposes Committee would be responsible for monitoring progress in relation to the Plan. It was noted that a final report would be submitted to the Executive Management Team in March 2011 and forwarded subsequently to the Governing Body.

The Director of Finance provided Members with a Report, which indicates that satisfactory progress has been made towards achieving the targets set by Management. She advised that a number of steps had already been taken to enhance sales income and the Working Group was currently giving consideration to the three strands of provision within the College: internally operated canteens; curriculum canteens; and an external canteen service with a third party provider.

17.8 Monthly Management Accounts

The Director of Finance presented two sets of Monthly Management Accounts, one for the period up to 30 September 2010 and one for the period up to 31 October 2010.

The Committee concentrated on the more recent Accounts for the period up to 31 October 2010. The Accounts show a deficit of £537k on continuing operations and an historic deficit of £288k, which is £265k ahead of budget. Referring to income the Director of Finance advised that total income was £308k ahead of budget. She mentioned, however, that Education Contracts were £127k behind budget due to a profiling issue, which was being investigated. Expenditure was in line with budget with the exception of premises expenses, which were £277k more than budget due mainly to furniture costs for the New Build at Newtownabbey, which have been funded by DEL.

The Committee noted that the Bank Balance as at 31 October 2010 was £4.2m.

17.9 Committee Terms of Reference

The Committee noted that it is necessary for all Committees of the Governing Body to review their Terms of Reference annually. The Committee's Terms of Reference were last reviewed and agreed at its meeting on 10 November 2009.

The Director of Finance recommended a number of adjustments to the Terms of Reference. She suggested the removal of student discipline from the Committee's remit (the Education Committee performs this function), a revision to the Chairmanship of the Committee as the Chair of the Governing Body no longer chairs the Committee and the deletion of certain clauses from the following sections: Treasury and Planning, Financial Management, Financial Policy & Procedures and Budget Monitoring and Management.

The Committee agreed that the Governing Body Terms of Reference be revised as suggested by the Director of Finance and forwarded to the Governing Body (see Appendix 1 for revised version of the Terms of Reference).

7.10 Any Other Business

There was no further notified business to transact.

17.11 Next Meeting

The Chairperson reminded the Committee that the next meeting is scheduled for Tuesday 1 February 2010 at the Ballymena Campus commencing at 5.30 pm

FINANCE AND GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE

Constitution

The Governing Body has established, in accordance with the provisions listed at Part IV of the College's Articles of Government, a committee known as the Finance and General Purposes Committee.

Remit

The Committee shall be responsible, under delegated authority, to the Governing Body for overseeing the College Development Plan and determining or advising the Governing Body on such matters as the Governing Body may from time to time remit to it, including in particular matters relating to: estimates, budget and presentation of accounts.

Membership

The Committee shall consist of at least four members of the Governing Body and the Director of the College; a quorum shall be three members. The Committee shall include, where possible, an accountant. In addition non-governors may be co-opted by the Governing Body to provide specialist expertise.

The Chairperson and the Vice-Chairperson shall be elected by the Committee. In the absence of the Chairperson the Vice-Chairperson of the Governing Body will assume the role.

The Director of Finance will be in attendance at all meetings and Deputy Directors as and when required.

Duties

The Committee shall, in relation to:

Treasury and Planning

1. provide guidance and assistance to the Director and Governing Body in all matters relating to budget planning, financial management, corporate development planning and estates management;
2. exercise the challenge function to management with regard to budgetary and corporate planning assumptions;
3. ensure that the annual Treasury Management process is adhered to, and when satisfied with the outcome, recommend to the Governing Body adoption of the College Development Plan and Financial Forecasts;
4. recommend to the Governing Body the funds that may be used as operating income for the College in any financial year;
5. contribute towards, and regularly monitor the agreed College Development Plan against identified key output areas, and obtain explanations for any material deviation from the plan;
6. recommend to the Governing Body the budget for the financial year for approval;
7. provide, before the commencement of each financial year, a three year financial forecast showing the income and expenditure account and balance sheet effects of the College Development Plan;

Financial Management

8. monitor and report on the effectiveness of the College's management of resources, particularly with regard to value for money issues;
9. receive a report at each meeting on the Income and Expenditure account and balance sheet of the College;

10. receive and review at each meeting a three-month rolling cash flow forecast, with a report on the current cash position;
11. receive reports on the financial ratios of the College and monitor progress towards long term financial health;
12. provide, by means of committee minutes, a summary of and commentary to the Governing Body on the financial reports received;
13. approve, where appropriate, long-term financial agreements between the College and outside organisations;
14. receive and agree updated financial forecasts as the year progresses, having obtained explanations from management as to the need for changes thereto;
15. monitor and recommend for approval to the Governing Body all long term contracts;
16. be responsible for College banking issues and control investment of any surplus cash;
17. be responsible for placement of Insurance contracts;

Financial Policy & Procedures

18. approve and review financial policy statements, and regulations including the consideration of long term planning and resourcing;
19. monitor the effectiveness of the College financial procedures;
20. prepare a lettings and fees charging policy annually for the approval of the Governing Body;
21. authorise the writing off of bad or doubtful debts in line with the Financial Memorandum

Budget Monitoring and Management

22. receive at each meeting summary reports of the College's actual financial position against budget, and require management to provide explanation or revised plans where variances are material;
23. commission ad hoc analyses and reports as may be occasionally required to gain further insight into College business;

Estates & Safety

24. prepare, monitor and review the College's estates strategy in light of present and projected student numbers and curriculum policies;
25. ensure that regular health and safety checks take place and receive regular reports on such checks;

26. monitor the implementation of health and safety legislation within the College;
27. monitor the implementation and performance of estates contracts, energy conservation and rolling health and safety development programmes;

General Purposes

28. receive reports on appropriate legal issues pertaining to the College;
29. liaise with other College committees through the Chairperson;
30. receive and consider reports, consultation papers and circulars concerning matters financial, estates and planning from the Department for Employment and Learning;
31. comply with any guidance and/or direction issued by the Department with regard to the remit and/or workings of the committee;
32. carry out any responsibilities delegated by the Governing Body in accordance with the Articles and Instruments of Government and the Financial Memorandum.

