

## **NORTHERN REGIONAL COLLEGE**

### **FINANCE AND GENERAL PURPOSES COMMITTEE**

Minutes of the meeting of the Finance and General Purposes Committee held on 24 February 2014 at the Ballymena Campus.

Present Mrs K Collins, (Chairperson), Mr S Davidson, Dr D Lennox, Mrs G McConnell and Mr T Neilands (Principal)

In Attendance Mr G Gilpin, Mrs B Crotty, Mrs C Moore and Mr J Hunter.

### **UNRESERVED BUSINESS**

#### **41.1 Apologies**

There were no apologies

#### **41.2 Declaration of Interests**

There were no declarations of interests.

#### **41.3 Minutes of the Last Meeting**

The unreserved minutes of the last meeting of the Finance and General Purposes Committee held on 27 January 2014 were approved.

#### **41.4 Matters Arising**

There were no matters arising from the minutes of the last meeting

#### **41.5 Correspondence**

There was no correspondence to report

#### **41.6 Chairperson's Communication**

There were no Chairperson's communications

#### **41.7 Estates Issues**

Mrs Crotty, Director of Planning and Customer Services, provided an update for the Committee. She referred to:

a) Disposal of Antrim Campus. The property is valued at £450,000 and BTW Shiells will place it on the market in the near future.

b) Disposal of Lands at Newtownabbey. An addendum to the economic appraisal for the appointment of a consultant for the disposal of the lands has been sent to DEL. The Department has replied indicating that it requires a rewrite of the economic appraisal.

c) Disposal of Portrush Campus. There is a possibility that NEELB has ownership of the property. A meeting to settle ownership has been arranged before the end of the NEELB financial year at the end of March 2014.

#### 41.8 Monthly Management Accounts

Mrs Moore, Director of Finance and Corporate Development, presented the Monthly Management Accounts for the period up to 31 January 2014 indicating that the College has an historic surplus of £942k, which is £80k ahead of budget. The bank balance as at 31 January 2014 was £1.5m.

Members made a number of observations regarding the Accounts:

- Staff costs were £75k more than budget
- Building maintenance was £40k more than budget
- Catering income is £26k behind budget. It was noted that consultation in relation to outsourcing was currently taking place. A full report would be provided for the next meeting.

#### 41.9 Corporate KPIs

The Committee received a Progress Report regarding the following Corporate KPIs as at 24 February 2014:

a) College Operations. All milestones are complete in relation to the Outline Business Case; the Antrim sale is being progressed; ownership of the Portrush property remains unresolved; and a consultant has still to be approved for the disposal of land at Newtownabbey.

b) Finance. Most Finance KPIs are in line with or better than targets. External Grant Funded income is £107k behind budget but this is matched by an underspend in expenditure. It was noted that Training income for the six months up to 31 January 2014 was £1,341k against a target of £1,244k. Mrs Moore advised that the retention rate for trainees was higher than expected and it is anticipated that the College will reach its year-end target of £1,862 by 31 July 2014.

#### 41.10 Non-Departmental Public Body (NDPB) Submission

The Committee received a copy of the NDPB Forecast Expenditure Schedule forwarded on a monthly basis to the Department. It was noted that the Return had been reconciled with the Monthly Management Accounts and there was no variation between the Accounts and the NDPB Return for January 2014.

#### 41.11 FE College Health Check Issue 1, 2013/2014

The Committee received the FE College Health Check Report Issue 1 2013/2014 prepared on the 2012/2013 Final Accounts and the 2013/2014 1st Quarter information submitted to the Department in December 2013. The Report provides a range of comparative information in financial, economic, staffing, learning and quality areas.

The Committee gave consideration to Section 1 Comparative Performance Information. It was noted that the comparative ratios for the 1<sup>st</sup> Quarter of 2013/2014 indicate that staff costs as a % of total income (72%) and staff costs as a % of total costs (69%) are still above the sector average. Mrs Moore drew attention to the staff costs as a % of student related income, which, at 82%, was above the sector average. She added that the ratio had been higher than anticipated due to the method of calculation employed by DEL. Reference was also made to the FTE staff per £1m income, which was the worst in the sector. **It was agreed that this matter should be discussed at the forthcoming Strategic Workshop.**

The Committee noted a number of encouraging ratios such as the low estate costs and absenteeism rates.

#### 41.12 Northern Regional College Corporate Governance

It was noted that the Internal Auditors had undertaken a Review of Corporate Governance in January 2014, the objective of which was to assess the appropriateness and effectiveness of key processes and controls over Corporate Governance. Based on the work performed the Internal Auditors have

issued a Substantial rating. The Internal Auditors have noted two priority 3 issues and have recommended that management should update and implement robust procedures to ensure the following:

- policy documents are subject to regular review
- evidence of this review is to be retained
- staff are notified of changes; and
- the most recent policies and procedures are retained on NRC's website/intranet

The Internal Auditors made particular mention of Standing Orders, which were dated July 2007 although they noted that Standing Orders had been subject to a more recent review, which had not been documented. They have also noted that the Standing Orders make no mention of the Rules of Debate, Proposals and Gifts and Hospitality. A target date of March 2014 has been issued for the implementation of their recommendations.

The Committee gave consideration to the following documents:

a) Standing Orders. It was noted that Standing Orders had been revised to reflect the recommendations of the Internal Auditors; they have also been adjusted to reflect best practice in the Sector. Members suggested a number of additional adjustments. **It was agreed that the Secretary should revise the Standing Orders to reflect these suggestions and forward the amended document to the Governing Body for approval (see revised Standing Orders at Appendix 1).**

b) Governance Document. The Committee noted that minor adjustments had been made to the Governance document in recent months to update membership and terms of reference of committees. **It was agreed that this document should be replaced at the end of the calendar year by the Governance Statement extracted from the Annual Report and Financial Statements (see revised Governance document attached at Appendix 2).**

c) Governance Website. It was noted that the website contains a considerable amount of information relating to the Articles of Government, Instrument of Government, Policy Documents, Terms of Reference and Minutes of the Governing Body and all its Committees and Financial Statements. The website can be accessed at: [www.nrc.ac.uk/nrc/governance](http://www.nrc.ac.uk/nrc/governance)

#### **41.13 Any Other Notified Business**

There was no other notified business

#### **41.14 Next Meeting**

The Chair reminded Members that the next meeting is scheduled for Monday 31 March 2014 at the Newtownabbey Campus **commencing at 6.30 pm**. The Committee will join Members of the Staffing Committee to discuss items of Reserved Business.