

**BOARD OF MANAGEMENT
[FINANCE COMMITTEE]**

Minute of the Meeting of the Finance Committee held on Monday 3 November 2008 at 9.00 am in the Boardroom.

PRESENT: B Keegan (Chair), A G Hyslop, A Struthers, G Fraser, J Hamilton, B Miller

IN ATTENDANCE: R W Paterson, S Bruce, C M Thomson (Secretary to the Board)

ITEM

ACTION

1. **APOLOGIES**

None.

2. **DECLARATION OF INTEREST**

None.

3. **MINUTE OF PREVIOUS MEETING AND MATTERS ARISING**

The minute of the meeting held on Monday 15 September 2008 was approved. There were no matters arising.

4. **REVENUE BUDGET 2007/08 - PROJECTED YEAR END POSITION**

Mr Hyslop introduced the report and highlighted a number of

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issues. He stated that while there were a small number of outstanding figures issues, this was very close to the year end figures. He referred to the exceptional circumstances this year with respect to accelerated depreciation, in particular, and stated that discussions with external auditors on presentational issues would be undertaken. He stated that the underlying position was strong.

Mrs Bruce referred to the summary report and supporting documentation and identified a number of areas which would be examined in detail including bad debt, examination fees, fee waiver grant and some salary issues. Mrs Bruce explained a number of very positive improvements in income including a great increase in contracts engaged by the faculty of Education, Care and Sport. On the expenditure side, Mrs Bruce referred to the control of staff salary costs as particularly successful. Mr Hyslop indicated that lecturing staff costs had been effectively 'flatlined' since 2005/06. Mrs Bruce answered a number of questions including the surplus leaving aside the exceptional costs. It was agreed to consider the presentation of SVQ assessors as a separate line in the annual accounts and also look again at the issue of the student residences contract.

Mr Hyslop summarised four significant features of the College performance. These were the 'flat lining' of staff costs due to the sustainable curriculum model, the Fair Treatment and security with respect to part time- staff agreement with the Trade Unions on promoting flexibility, the balance of lecturing staff to support staff and the control of student activity levels.

Following a full discussion, the Finance Committee agreed to:

- (i) note the report;
- (ii) instruct the Principal to carry out a budget review for 2008/09 to address any issues which will include continued investigation of this report and discussions with budget holders; and
- (iii) instruct the Principal to amend the final version for the

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audited accounts if appropriate once final investigations have been conducted.

5. **PROJECT REPORTS (CAPITAL AND REVENUE) 07/08 and 08/09**

Mr Hyslop referred to the summary report and supporting documentation relating to the above. He stated that this report was also presented to the Property & Estates Committee. He referred to the development of project control over a five year period and stated that the report showed that the overall project portfolio was on target. Mrs Bruce provided some details of the management of project spending and members asked a number of questions on the impact of the new build on revenue.

Mr Keegan complimented Mrs Bruce on the useful detail contained in the report and following a discussion, the Finance Committee agreed to:

- (i) note and approve the reports.

6. **CASHFLOW REPORT (as at 30 September 2008)**

Mrs Bruce referred to the summary report and supporting documentation relating to the above. She stated that there was no problem with cash flow. Mrs Bruce outlined the range of deposits held by the College and advised that the auditors had reviewed the amounts held in separate accounts. She stated that the College would consider moving some of the money between accounts.

Following a discussion, the Finance Committee agreed to:

- (i) note the report.

7. **REVISED FRAUD POLICY**

Mrs Bruce referred to the summary report and supporting documentation relating to the above. She highlighted the

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changes which the Committee had requested and the Finance Committee agreed to add the Depute Principal wherever the Principal was referred to in the policy. Mr Hyslop stated that the policy would be lodged with the LJNC (Lecturing Staff) at the meeting to be held today and that Mrs Bruce would carry out a similar action with Support Staff representatives.

Following a discussion, the Finance Committee agreed to:

- (i) approve the revised policy.

8. **PROPERTY & ESTATES COMMITTEE MINUTE: 18/09/08**

The above minute was noted. Mr Hyslop reported on the activities of a small group which was looking at raising additional capital monies for the new build project. This was included in the conditions of grant action plan. Mr Hyslop outlined the approach made to former Langsiders and stated that he was not over confident about the success of the 'charm' offensive.

9. **SCOTTISH FUNDING COUNCIL**

- (i) **SFC/35/2008: Accounts Direction for Scotland's Colleges and Universities;**
- (ii) **SFC/37/2008: Benchmarking of Costs: Output for 2006/07**
- (iii) **SFC/39/2008: Allocation of Additional ESOL Funding for Colleges in Academic Year 2008/09; and**
- (iv) **SFC/44/2008: Financial Performance Indicators for Scotland's Colleges 2006/07**

The above Circulars were noted.

ITEM**ACTION**10. **DATE OF NEXT MEETING**

Monday 8 December 2008 at 9.00 am.

Checked	
Dispatched	
Draft Approved (Chair)	
Dispatched (Members)	

Copied to Library	
Copied to Assistant Principals	