Minutes of the Finance Committee Meeting of 16 May 2012

PRESENT: Provost, Vice-Provost/Chief Academic Officer, Chief Operating Officer, Bursar, Registrar, Dean of Arts, Humanities and Social Sciences, Ms. Helen Keelan (for minutes 79 – 83), Mr. Ryan Bartlett, Treasurer – Secretary of the Committee.

IN ATTENDANCE: Research Accounting Manager

APOLOGIES: Prof. D. Singleton

The minutes of the Finance Committee meeting of 23 March 2012 were approved and signed.

Section A

FN/11 - 12/79 Review of Hospitality & Entertainment Policy and Travel Policy

The Committee considered the circulated memorandum from the Finance Operations Manager dated 08.05.2012 regarding a post-implementation review of the College’s Hospitality and Entertainment Policy and the Travel Policy, following consultation with relevant College stakeholders. The Committee approved the proposed amendments and clarifications arising therefrom, which had been noted and approved previously by the Executive Officers on 29.03.2012. Both of the updated policies (attached herewith), were recommended by the Committee for onward consideration and approval by Board, noting that the updated policies would be communicated to the College immediately thereafter. Furthermore, it was agreed that the Treasurer’s Office would consider mechanisms to streamline the authorisation process for reimbursement claims made under these policies, reporting back to the Committee in this regard in due course.

Action
79.1 The Committee recommended the updated Hospitality & Entertainment and Travel Policies (attached to these minutes) for onward consideration and approval by Board.

79.2 The Treasurer’s Office to give consideration to mechanisms to streamline the authorisation process for claims made under both the Hospitality and Entertainment Policy and the Travel Policy and to report back to the Committee in this regard in due course.

FN/11 - 12/80 Student Contribution

The Committee noted the HEA’s request that the sector facilitate the payment of the student contribution in two instalments as set out in the circulated memorandum from the Finance Planning Manager dated 09.06.2012. The Committee noted the benefits of payment in two instalments, the associated costs and risks as set out along with the impact on the Student Contribution Refund Policy.

On the basis of the information provided and the balance of benefits over cost, the Committee, in the context of the rollout of the new student system, noted and approved the following changes for onward consideration and approval by Board:
1. Students may have the option to pay the student contribution in two instalments from the 2012/13 academic year, with a review of the policy after the first year to assess the impact of the change.

2. The current late payment penalties for fees will also apply to the second instalment of the student contribution once introduced.

3. From 2012/13, students who withdraw by 31 January (in accordance with College regulations) will be entitled to a refund of 50% of the total student contribution charge.

Action
80.1 The Committee recommended the proposed changes to the payment of the Student Contribution, and associated amendments to College regulations, for onward consideration and approval by Board.

80.2 There will be a review of the payment of the Student Contribution in two instalments after the first year to assess the impact of the change.

FN/11 - 12/81 Commencement Charge

Having been circulated with a memorandum from the Registrar dated 09.05.2012, the Committee considered the proposals to reform procedures in relation to commencements as outlined therein, noting that they had been approved previously by Council. The Committee noted that, at present, the commencement charge is payable at the time of application by graduands for conferral, which heretofore has lead to significant inefficiencies since all outstanding charges must be paid in full to allow conferral to proceed. The Committee agreed to the proposed change to the scheduling of commencement fee collection on the basis that, in future, students would be automatically scheduled for conferral and that associated charges would be collected as part of the student registration process. Furthermore, the Committee noted the clarification provided by the Registrar in relation to the collection of commencement fees in other Universities.

In the context of the potential benefits as set out, the Committee noted and approved the following proposals for onward consideration by Board:

1. The commencement fee to be charged as a once-off payment and to be levied at the same time as the tuition fee each year as follows:
   a) Junior Sophister/Year 3 of the degree program for all undergraduate (degree) students who are eligible to proceed,
   b) Year 1 for all postgraduate (degree) students.

2. Payment by the student (or sponsor) will be a requirement in order to complete on-line registration in the given year.

3. The commencement fee will be fully refundable to all students who become ineligible to proceed with conferral.

Action
81.1 The Committee recommended the proposed changes to the charging of Commencement fees for onward consideration and approval by Board.
Section B

FN/11 – 12/82 Quarterly Accounts to 31 December 2012
(Minute FN/11-12/74 of 23.03.2012 refers)

The Committee noted the update provided by the Chief Operating Officer in relation to the final financial position on a specific capital project.

FN/11 - 12/83 Global Relations Strategy

The Vice-Provost for Global Relations and GRS Project Accountant attended for this item

The Committee, in considering the Global Relations Strategy (GRS) as circulated, noted that it had previously been considered and approved by Planning Group on 03.05.2012 and by Executive Officers on 10.05.2012.

The Committee reviewed in detail the financing model for the GRS as presented noting the investment required along with the associated change to the current non-EU student incentivisation policy. Furthermore, the Committee noted that the investment in years 1 and 2 will achieve full payback by 2015/2016.

In examining the GRS financial projections, the Committee noted that success was based on the achievement of international student intake/fee income and philanthropic income targets as outlined. It further noted that no investment in Schools or Support Services would be forthcoming until 2013/14. The Committee agreed that the allocation to Schools/Support Areas of resources arising from the strategy would be determined by the Faculty Deans/COO respectively, as part of the Annual Budgetary Cycle process.

It was further agreed that the Vice-Provost for Global Relations, as sponsor of the GRS, would report quarterly to the Committee on key milestones and in particular on all income and expenditure versus target.

Having considered the financial projections and assumptions presented and the risks as outlined, the Committee recommended the financial projections of the GRS for onward consideration and approval by Board.

Action

83.1 The allocation to Schools of resources arising from the strategy would be determined by the Faculty Deans as part of the Annual Budgetary Cycle process.

83.2 The Vice-Provost for Global Relations, as sponsor, to provide quarterly reports on key milestones and on all income and expenditure versus target.

83.4 The Global Relations Strategy was recommended for onward consideration and approval by Board.
The Committee considered the circulated memorandum and supporting schedule from the Vice-Provost/Chief Academic Officer dated 09.05.2012 (considered previously by the Planning Group at its meeting of 19.04.2012). The Committee noted the total resources available in 2012/13 across the three Faculties, COO areas and Non-COO/Non-Faculty Areas along with the allocations primarily based on estimated 2011/12 expenditure, adjusted for the agreed re-allocation from COO areas to Faculties.

The Committee, having received advice from the COO on the challenge to reduce expenditure within the areas under her remit given the fixed nature of existing commitments, agreed that the issues arising should be considered as part of the overall Annual Budgetary Cycle process for 2012/13. Furthermore, the Committee recommended that expenditure in the Non-COO/Non-Faculty areas should be reviewed in detail by the Planning Group.

Action

84.1 Issues arising from the reduction in expenditure within the areas under the COO’s remit should be considered as part of the overall Annual Budgetary Cycle process for 2012/13.

84.2 Expenditure in Non-COO/Non-Faculty areas to be reviewed in detail by the Planning Group.

The Committee noted the bi-annual report from the Director of TCIN dated 08.05.2012 as circulated and the financial position as reported. The Committee, having considered the issues in relation to research overheads and sustainability as outlined, confirmed that overheads should follow activity in line with College policy in this regard. Further to specific issues raised in relation to sustainability, the Committee requested that the Dean of Engineering, Mathematics and Science engage with the Director of TCIN and the relevant Head of School in this regard. Further to a specific query raised regarding the structure of MRI funding, the Research Accounting Manager agreed to clarify the matter with the COO directly.

The Committee invited the Director of the TCIN to update the Finance Committee in Michaelmas Term 2012.

Action

85.1 The Dean of Engineering, Mathematics and Science to engage with the Director of TCIN and the relevant Head of School in relation to specific sustainability issues outlined.

85.2 The Research Accounting Manager agreed to clarify the structure of MRI funding directly with the COO, further to a specific query raised.

85.3 The Director of the TCIN to update the Finance Committee in Michaelmas Term 2012.
Section C

FN/11 – 12/86 Quarterly Accounts to 31 March 2012

The Committee was circulated with a memorandum dated 09.05.2012 from the Treasurer's Office reporting on the Quarterly Accounts for the period to 31.03.2012 and noted the summary of the financial position and the enhanced information provided across the following categories:

- Areas under the remit of the Chief Academic Officer (CAO)
- Areas under the remit of the Chief Operating Officer (COO)
- Areas outside the remit of the CAO and COO
- Research
- Capital.

FN/11 - 12/87 Control Exception Report

The Committee noted the bi-annual Control Exception Report for the period to May 2012, as circulated, which included issues in relation to the repetitive nature of certain control exceptions (namely non-use of preferred suppliers and the use of reimbursements for items purchased by staff), breaches of policy, issues associated with unrecorded liabilities and the status of internal and external audit recommendations. In accordance with normal practice, the Control Exception Report will be circulated to the Faculty Deans for Heads of School and the Chief Operating Officer for Heads of Service and Support areas.

Action:
87.1 The Control Exception Report to be circulated to the Faculty Deans for Heads of School and the Chief Operating Officer for Heads of Service and Support areas.

FN/11 - 12/88 Treasurer’s Office Risk Assessment Update

The Committee considered the circulated memorandum from the Financial Planning Manager dated 09.05.2012 which set out an update of financial risks. The Committee noted the new high and medium risks as highlighted by the Treasurer, further noting that all risks will be forwarded to the Chief Operating Officer for inclusion in College’s overall risk process.

Action:
88.1 The financial risks outlined to be forwarded to the Chief Operating Officer for inclusion in College’s overall risk process.

FN/11 - 12/89 Postgraduate Fees and Non-EU Undergraduate fees 2012/13

(Minute FN/11-12/37 of 14.12.2011 refers)

Noting the circulated memorandum from the Financial Planning Manager dated 09.05.2012, the Committee agreed that there would be no change to the fee levels already set for 2012/13.
The Committee noted the circulated memorandum from the Senior FECP Accountant, dated 09.05.2012, regarding the submission of provisional FECP outcomes for 2010/11 to the IUA following their consideration and approval by the FECP Steering Group at its meeting on the 30.04.2012. In particular, the Committee noted the Research Overhead Rates and the overall FECP cost per Student FTE for 2009/10 and 2010/11 respectively. The Committee acknowledged the next stages in the process before final FECP outcomes are submitted by the College to the IUA, following which the sectoral data will be compiled and presented for approval to the IUA National Steering Group and the IUA Council in early June before being released to the HEA at the end of June 2012.

The Committee noted the memorandum from the Financial Planning Manager, dated 09.05.2011, and the associated unqualified audit opinion issued by the Auditors for the year ended 30 September 2011 in relation to the College’s compliance with the Federal Family Education Loan Program (Stafford Loan Program) as circulated.

Further to the circulated memorandum from the Treasurer dated 09.05.2012, the Committee noted the current audit of the Consolidated Financial Statements 2010/11 will conclude with KPMG sign-off in May 2012 however, as a result of a notified delay in sign-off by the C&AG, the Consolidated Financial Statements will not be presented to the Committee until September 2012, with Audit Committee and Board to follow thereafter.

As proposed in the circulated memorandum from the Treasurer dated 10.05.2012, the Committee approved Professor Phillip Lane (Whatley Chair of Political Economy - 1832) as new member of the Investment Committee to fill a current vacancy.

The Committee noted that the next Finance Committee meeting is scheduled for 13 June 2012, at 2.00pm in the Provost’s Library.