Minutes of the Finance Committee Meeting of 19 December 2012

PRESENT: Provost, Vice-Provost/Chief Academic Officer, Bursar, Chief Operating Officer (COO), Registrar, Dean of Arts, Humanities and Social Sciences, Professor R. Gilligan, Ms. Helen Keelan (by telephone), Mr. Jon Gorringe, President of the Students Union, Chief Financial Officer (CFO) – Secretary of the Committee.

IN ATTENDANCE: Research Accounting Manager

APOLOGIES: The minutes of the Finance Committee meeting of 8 November 2012 were approved and signed, subject to a minor amendment.

Section A
No Items

Section B

FN/12 - 13/30 FECP Status Report
(Minute FN/12-13/26 of 8.11.2012 refers)

Further to a query raised at a previous meeting, the CFO briefed the Committee on the Clinical Medicine Subject Group costs as outlined in the FECP Status Report dated 1.11.2012.

FN/12 - 13/31 Student Maintenance Grants 2012/13
(Minute FN/12-13/27 of 8.11.2012 refers)

Following discussion at the November meeting and the continuing issues affecting students arising from the introduction of the new national grant award system (SUZI), the Committee agreed to a further extension of dates associated with late payment/withdrawal regulations to the end of January 2013.

Action:
31.1 The application dates associated with regulations on late payment/withdrawals to be extended to the end of January 2013.

FN/12 - 13/32 Global Relations Strategy- Quarterly Update
(Minute FN/11-12/83 of 16.05.2012 refers)
The Vice Provost for Global Relations attended for this item.

Further to the approval of the Global Relations Strategy in May 2012, the Committee considered the first of the associated quarterly reports and accompanying schedules from the Vice Provost for Global Relations, dated 10 December 2012.

The Committee, in reviewing the financial performance report (actual vs. budget) for the year ended 30 September 2012 along with a financial forecast for 2012/13, noted the cumulative budget position as set out. Furthermore, the Committee noted the challenges around achieving the agreed targets for student numbers along with the current position in relation to philanthropic funding.

The Vice-Provost for Global Relations drew the Committee's attention to the update on key deliverables as set out in the circulated memorandum, including the recruitment of new staff members, marketing activities, travel undertaken, GRS governance and capital expenditure along with a series of factors that will be critical to the Strategy's success.
The Finance Committee thanked the Vice-Provost for Global Relations for her report, noting the assistance provided by the Treasurer’s Office, and invited her to provide the next quarterly report in Hilary Term 2013.

**Action:**
32.1 The Vice-Provost for Global Relations to provide the next quarterly report in Hilary Term 2013.

**FN/12 - 13/33** Consolidated Financial Statements 2010/11  
(Minute FN/12-13/92 of 16.05.2012 refers)

The Committee noted the circulated memorandum from the Chief Financial Officer dated 12.12.2012 and the accompanying documentation setting out an issue raised by the C&AG in relation to the Consolidated Financial Statements along with steps taken to address it. Having considered the proposal made by the CFO, which had been approved by Board at its meeting of 5.12.2012, the Committee noted that information in relation to the Trust Funds would be released to the C&AG at an early date. The Committee also noted that the Trustees of the Trinity Foundation had agreed to provide the relevant information to the C&AG.

**FN/12 - 13/34** Postgraduate Fees and Undergraduate Non-EU Fees 2013/2014

The Committee, having considered the circulated memorandum from the Financial Planning Manager dated 12.12.2012 with attached schedules, and noting the feedback received from the Schools in each Faculty, approved the proposed EU and non-EU Postgraduate Fees and other non-EU Fees for the academic year 2013/14, agreed that they would remain at 2012/13 levels. Given that fees had not increased in a number of years, the Committee agreed that strong consideration should be given to a value and evidence based methodology/model in setting fees for 2014/15. In addition, the Committee agreed that the decision in relation to setting fees annually should in future be taken early in Michaelmas Term (as recommended by Planning Group).

**Action:**
34.1 Finance Committee approved the proposed fee levels for the academic year 2013/4 and agreed that strong consideration should be given to a value based methodology/model in setting fees for 2014/15.

34.2 The decision in relation to setting the fees should in future be taken early in Michaelmas Term each year.

**FN/12 - 13/35** US GAAP Financial Statements to 30.09.2011  
(Minute FN11-12/71 of 23.03.2012 refers)

The Senior Financial Accountant attended for this item

The Committee considered the circulated memorandum from the Senior Financial Accountant dated 12.12.2012, and accompanying US GAAP Financial Statements for the year ended 30.09.2011, which set out the background to the College’s reporting obligations under US GAAP, and noted the steps taken by the College in implementing US GAAP requirements following approval for the process in March 2012 (Minute FN11-12/71 of 23.03.2012 refers).

Having considered the key reconciling items between Irish and US GAAP, the Committee noted the US GAAP Consolidated Financial Statements for the year ended 30.09.2011 as presented, along with the draft letter of representation to KPMG and requested that they be submitted to Audit Committee for review and recommendation to Board for approval. The Committee noted that, once approved by Board, the US GAAP Consolidated Financial Statements will be sent to the US Department of Education, satisfying a requirement associated with the US Student Aid Programme.
Action:
35.1 The US GAAP Consolidated Financial Statements for the year ended 30.09.2011, along with the draft letter of representation to KPMG, to be submitted to Audit Committee for review and recommendation to Board for approval.
35.2 Once approved by Board, the US GAAP Consolidated Financial Statements will be sent to the US Department of Education.

FN/12 - 13/36 Funding Statements for year ended 30.09.2012
The Senior Financial Accountant attended for this item

The Committee had been circulated with:

(i) Memorandum from the CFO dated 12.12.2012
(ii) Draft Funding Statements for year ended 30.09.2012
(iii) Draft Funding Statements - Additional Information for year ended 30.09.2012
(iv) Draft Letter of Representation to KPMG dated 23.01.2013

The Committee noted that the Funding Statements represent Part 1 of the financial reporting requirements under Section 37 of the Universities Act (the format of which was approved by the Higher Education Authority in September 2012).

The CFO briefed the Committee on the audit status of the Funding Statements and advised that the Board-appointed external auditors (KPMG) expected to issue an unqualified audit opinion following approval by Board in January 2013.

The Committee welcomed the financial highlights for 2011/12 presented by the CFO including:
- Net Core Activity Outturn
- Net Underlying Core Activity Outturn after adjusting for once-offs
- Net Assets
- Cash Balances
- Academic Reserves
- Long-term Debt
- Planned Projected Outturn on Core Activity for 2012/13
- Key Financial Risks
- Plans and Structures in place/development to address future financial challenges
- Regular monitoring and oversight of key approved strategies
- Approach to be adopted to 2013/14 Resource Allocation

Furthermore, the Committee noted in detail the information as set out under the following headings:
- Outturn for 2011/12,
- Research
- Ancillary Activities
- Balance Sheet
- Financial Risk Management
- Cash Balances
- Funding Model
- Pension Costs
- Trust Funds
- Financial Strategy and Outlook.

In considering the Funding Statements, the Committee requested that in future years, a breakdown of student fee income would be included.

The Committee noted that while the College has continued to be extremely diligent and proactive in the manner in which it has managed its finances, more financial challenges lie ahead in the form of further reductions in Exchequer funding, the Government’s refusal to re-introduce tuition fees and the constraints of working within National Pay Agreements. The CFO highlighted to the Committee that a scenario where the College is operating at a level
which results in an underlying excess of expenditure over income is not sustainable in the medium to long term. The Committee, noting that a breakeven outturn on core activity in both 2011/12 and 2012/13 relies upon the use of retained reserves, agreed with the CFO’s recommendation that a conservative approach to resource allocation in 2013/14 be adopted to ensure that planned expenditure is not significantly in excess of projected income. The Committee further agreed that the College should aim to generate recurrent revenue from non-State sources that exceeds 50% of operating budget to ensure a greater degree of financial autonomy and sustainability going forward.

Whilst the accomplishments as evidenced by the College’s mid-term review of the Strategic Plan (2009-14) are notable despite the continuing budgetary pressures, the Committee agreed that the College must be realistic about what can be achieved going forward given the funding constraints and that it must continue to focus and deliver on its academic mission and vision whilst operating in a financially responsible and sustainable manner. In that context, the Committee agreed that strong oversight and regular review of all approved financial strategies regarding income generation and cost management was a prerequisite to ensure that projected returns/benefits are realised.

On behalf of the Committee, the Provost thanked the staff of Treasurer’s Office and the College as a whole for the continuing efficient and effective stewardship of the College’s finances.

In the context of the revised Terms of Reference (FN/10-11/14 of 03.11.2010 refers), the Committee, having considered and noted the draft Funding Statements and Letter of Representation to KPMG as presented, requested that they be submitted to the Audit Committee for review and recommendation for approval by Board.

Action:
36.1 The draft Funding Statements and Letter of Representation to KPMG as presented to be submitted to the Audit Committee for review and recommendation to Board for approval.
36.2 A breakdown of student fee income to be included in future funding statements.

FN/12 – 13/37 Quarterly Accounts to 30.09.2012
The Senior Financial Accountant attended for this item

The Committee was circulated with a memorandum dated 12.12.2012 from the Treasurer’s Office reporting on the Quarterly Accounts for the period to 30.09.2012, which provided a summary of the year-end financial position across the following categories:

- Areas under the remit of the Faculty Deans
- Areas under the remit of the Chief Operating Officer (COO)
- Areas outside the remit of the Deans and COO
- Research
- Analysis of Capital Projects

The Committee noted the Quarterly Accounts as presented along with the additional information outlined by the CFO in respect of a specific capital project.

Section C

FN/12 - 13/38 Analysis of Academic Recurrent Expenditure and Research Accounts (Green Book) for year ended 30.09.2012

The Committee noted the circulated Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for the year ended 30.09.2012, which included the extensive additional information on recurrent expenditure in academic areas along with income and expenditure for all individual research accounts by Faculty/School/Discipline.
**FN/12 - 13/39**

**eStrategy Quarterly Update**

(Minute FN/12-13/6 of 26.09.2012 refers)

The Committee considered the circulated report dated 12.12.2012 from the Chief Operating Officer setting out the financial position of three of the four eStrategy Projects, noting the expenditure to date along with forecasted expenditure against projected budget and welcomed the detail in respect of the budget versus project milestones for each project. Furthermore, the Committee noted that a detailed external report on the GeneSIS budget will be circulated to Finance Committee for consideration at a future meeting, having been considered by Executive Officers in the first instance.

A further update on the eStrategy projects will be provided by the COO in Hilary Term 2013.

**Action:**

39.1 The COO to provide an update on eStrategy projects, with the next report due at the last meeting of the Committee in Hilary Term 2013.

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**FN/12 - 13/40**

**CRANN**

(Minute FN/12-13/4 of 26.09.2012 refers)

The Committee, having been circulated with a report and related appendices from the Executive Director of CRANN dated December 2012, considered the overview of the current financial position of CRANN, including updates provided under the following headings:

- SFI Centre Application
- Funding Diversification
- Capital Infrastructure
- Financial Concerns – risk management

The Committee noted the significant recent investment by SFI in the Institute in addition to CRANN’s competitive position in relation to obtaining new SFI Centre funding for the period 2014-2019.

The Committee thanked the Executive Director for his comprehensive report and invited him to update the Committee in Trinity Term 2013 in accordance with the College policy on Trinity Research Institutes (TRI’s).

**Action**

40.1 In line with College policy, the Executive Director of CRANN to provide an update in Trinity Term 2013.

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**FN/12 - 13/41**

**Trinity Biomedical Sciences Institute (TBSI)**

(Minute FN/11-12/94 of 13.06.2012 refers)

The Committee considered the circulated report from the Executive and Technical Director of TBSI dated 12.12.2012 (the first of the required bi-annual reports from TBSI to Finance Committee since gaining Trinity Research Institute Status in June 2012), which set out a high level update on its activities under the following headings:

- PRTLI Cycle 5
- International Stature & Visibility
- Opportunity for Interdisciplinary Research
- Finance

The Committee, noting the financial position to the end of 2012 as outlined, requested that TBSI finalise negotiations with related Schools regarding its overhead income stream at an early date in order to regularise its finances going forward.
The Committee thanked the Executive and Technical Director for his report and invited him to update the Committee in Trinity Term 2013 in accordance with the College policy on Trinity Research Institutes (TRI’s).

**Action**

41.1 TBSI to finalise negotiations with related Schools regarding its overhead income stream at an early date in order to regularise its finances going forward.

41.2 In line with College policy, the Executive and Technical Director of TBSI to provide an update in Trinity Term 2013.

**FN/12 - 13/42 Control Exception Report**

The Committee noted the bi-annual Control Exception Report for the period to November 2012 as circulated, which included issues in relation to the repetitive nature of certain control exceptions along with a number of new exceptions occurring in that period. In accordance with normal practice, the Control Exception Report will be circulated to the Faculty Deans for Heads of School and also circulated to the Chief Operating Officer for Heads of Service and Support areas.

The Committee expressed its appreciation to the Finance Operations Manager for the clear and concise information included in the circulated documentation.

**Action**

42.1 The Control Exception Report to be circulated to the Faculty Deans and also to the Chief Operating Officer for onward circulation to Heads of School and Heads of Service and Support areas respectively.

**FN/12 - 13/43 Treasurer’s Office Annual Report 2011/2012**

The Committee noted the Annual Report of the Treasurer’s Office for 2011/12 as circulated outlining goals and targets achieved in the year as well as planned objectives/targets for 2012/13. The contribution from the staff of the Treasurer’s Office in the preparation of the report was acknowledged and the Committee noted the Report will be forwarded to Board.

**Action**

43.1 The Treasurer’s Office Annual Report 2011/12 to be forwarded to Board for noting.

**FN/12 - 13/44 Sub-Committee Membership**

As proposed in the circulated memorandum from the Treasurer dated 12.12.2012, the Committee approved Ms. Gráinne Dooley (Pioneer Investments) as a new member of the Investment Committee to fill a current vacancy.

**FN/12 – 13/45 Annual Report of Sub-Committee 2011/12**

The Committee noted the circulated Investment Committee annual report for the year ended 30.09.2012, which set out the achievements in 2011/12 and the planned activity for 2012/13.

**FN/12 – 13/46 Audit Committee - Annual Report to Board 2011/12**

The Committee noted the Audit Committee’s Annual Report for 2011/12, dated December 2012, as circulated.
FN/12 – 13/47  Related Entity Financial Reporting

The Committee noted circulated documents as follows:

- IRIS Electronic Information Services Limited - report and Financial Statements for the year ended 31 December 2011
- Ghala Limited Financial Statements for the year ended 30 September 2012 and Letter of Representation to KPMG dated 12 December 2012

and recommended that they be forwarded to Board for noting.

Action
47.1 The Financial Statements of the Haughton Institute and IRIS Electronic Information Services Limited to 31.12.2011 along with Ghala Limited Financial Statements to 30.09.2012 and the associated Letter of Representation to KPMG to be forwarded to Board for noting.


The Committee noted the circulated report from KPMG dated 12.12.2012 indicating that, in their opinion, College had complied in all material aspects in 2011/12 with the provisions of the Prompt Payment of Accounts Act, 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002 as disclosed in College's Statement of Payment Practice and recommended it for onward circulation to Board.

Action
48.1 The KPMG report in relation to College compliance with the provisions of the Prompt Payment of Accounts Act, 1997, to be forwarded to Board.

FN/12 – 13/49  Minutes of Sub-Committees

The Committee noted and approved the minutes of the Investment Committee meeting of 13.11.2012 as circulated.

The Committee noted that the next Finance Committee meeting is scheduled for 20 February 2013, at 2.30p.m. in the Provost's Library.

PROVOST.................................

DATE.................................