



Minutes of the Finance Committee Meeting of 19 September 2013

PRESENT: Vice-Provost/Chief Academic Officer (in the Chair), Bursar, Registrar, President of the Students Union, Chief Operating Officer (for Minutes 1-5), Prof. R. Gilligan (for Minutes 1-7), Mr. J. Gorringe, Ms. Caroline Curtis, Chief Financial Officer (CFO) – Secretary of the Committee.

IN

ATTENDANCE: Research Accounting Manager

APOLOGIES Provost, Dean of Arts, Humanities and Social Sciences

The minutes of the Finance Committee meeting of 12 June 2013 and 21 June 2013 were approved and signed.

The Vice-Provost welcomed the new Students Union President and the new external member of the Committee, Ms. Caroline Curtis.

Section B

FN/13 - 14/1 Global Relations Strategy Update

(Minute FN/12-13/98 of 12.06.2013 refers)

The Vice-President for Global Relations (VPGR) attended for this item.

The Committee considered the quarterly report and accompanying schedules from the Vice President for Global Relations, dated 11.09.2013.

In reviewing the performance report for the nine months to 30 June 2013, the Committee noted the update provided across the headings of General, Office VP Global, Internationalisation Division and Alumni Development & Advancement Divisions, including the actual expenditure against target and key variances as set out.

Having noted that overall income target had been exceeded, by way of positive fee income variance and the negative student number variance against target, in addition to the risks associated with undergraduate and post graduate (research) student numbers, the Committee requested that Planning Group consider the incentivisation of Schools in terms of the ABC process along with undertaking a review of the approved GRS business case in the coming weeks. The Committee also noted that, in the context of the review of the business case, the VPGR would be meeting with the Heads of School to confirm student number targets.

The Committee acknowledged the need to take a holistic approach to the student experience in TCD in order to achieve agreed targets going forward.

In considering the updated position on key deliverables, the Committee also noted the risk arising in relation to the nature of philanthropic funding and the potential impact on targets in the future.

The Finance Committee thanked the Vice-President for Global Relations for her report and invited her to provide the next quarterly report in December 2013.

Action:

1.1 Planning Group is requested to review the Global Relations business case in the coming weeks and to consider the incentivisation of Schools in the context of the negative variance against student number targets.

1.2 The Vice-President for Global Relations to provide the next quarterly report to the December meeting of the Finance Committee.

FN/13 - 14/2

FIS Project Update

(Minute FN/12-13/101 of 12.06.2013)

The FIS Project Manager attended for this item.

The Committee considered the update on the FIS Project provided by the FIS Project Manager by way of presentation across the following headings:

- Project Background
- Key Financial Processes
- Implementation – Timetable
- Implementation – Statistics
- Project Governance
- Financial Update

Noting the 'go-live' date of 1 October 2013 and that the Project was on time, on budget and within scope, the Committee congratulated the Project Manager and, in wishing the team well, requested that a further update be provided in Hilary Term 2014.

Action:

2.1 A further update on the FIS Project to be provided in Hilary Term 2014.

FN/13 - 14/3

Trust Funds (Benefactions) Financial Statements to 30 June 2013

The Management Accountant attended for this item.

The Committee had been circulated with a copy of the draft Financial Statements of the Trust Funds (Benefactions) for the year ended 30.06.2013, along with a copy of the draft Letter of Representation to KPMG. Having received a short presentation from the Management Accountant, the Committee noted the documents and agreed that they be submitted to the Audit Committee for review and onward recommendation to Board for approval. The Committee further noted that it was the intention of the Auditors (KPMG) to issue an unqualified audit opinion following their approval by Board.

Furthermore, the Committee requested that the Chair of the Investment Committee be invited to a future meeting to discuss the investment strategy in greater detail.

Action:

3.1 The Trust Funds (Benefactions) Financial Statements and Draft Letter of Representation to be submitted to the Audit Committee for review and onward recommendation to Board for approval.

3.2 The Chair of the Investment Committee to be invited to attend a future meeting of the Committee to discuss the investment strategy in greater detail.

FN/13 - 14/4

Annual Budgetary Cycle 2013/14

The Senior ABC/FECP Accountant attended for this item.

The Committee, in considering a circulated memorandum and associated documentation from the Senior ABC/FECP Accountant dated 12.09.2013, noted the detail provided in relation to the income forecast and budget allocation for 2013/14 (based on a planned breakeven budget as requested by Board), the high level risks for Academic and Administrative and Support Areas in the context of reduced allocations, along with an update on the development of Key Performance Indicators.

Noting that the assumptions on which the income and expenditure projections were based are due to be reviewed by Planning Group, the Committee discussed the need to agree a landmark/baseline in setting KPIs along with issues around sustainability and the lack of provision for infrastructural renewal. The Committee further noted the increase on the income target versus 2012/13 forecast of 1.5%, whilst achieving a decrease of 1.2% on forecasted expenditure, thus enabling a planned balanced budget for 2013/14.

In addition, the Committee noted that the 2013/14 ABC process had been considered by Board as part of Planning Group Report #9 at its meeting of 26.06.2012 and that budgets had been communicated to Schools and Administrative and Support Areas, with a detailed breakdown of planned expenditure to be provided by each area over the coming weeks for input into the new Financial Information System (FIS).

The Committee noted the report as circulated and thanked the Senior ABC/FECP Accountant for his presentation.

FN/13 - 14/5 2013/18 Financial Update

The Senior ABC/FECP Accountant attended for this item.

In considering the circulated memorandum from the Senior ABC/FECP Accountant dated 12.09.2013, the Committee noted the update provided, which included a high-level scenario analysis of the projected cumulative College financial position over the five year period 2013-18, along with detailed information in respect of the primary factors driving the change in the most likely scenario and bases of the calculations upon which it was derived.

In noting that revised five-year forecasts will be prepared following notification of the core grant allocation from the HEA, and that updated projections will be considered by Planning Group on an on-going basis, the Committee also agreed that the projections should be produced on a GAAP basis in line with the introduction of the new primary accounting methodology under FIS. In terms of financial planning, the Committee acknowledged that the College needs to be mindful of achieving a surplus in order to underpin future financial sustainability.

Action:

5.1 The financial projections to be produced on the basis of GAAP accounting in line with the introduction of the new primary accounting methodology under FIS.

FN/13 – 14/6 FECP Status Report

The Senior ABC/FECP Accountant attended for this item.

The Committee noted the circulated report and accompanying appendices from the Senior ABC/FECP Accountant (on behalf of the FECP Steering Group) dated 12.09.2013 setting out an update on the Full Economic Cost Project (FECP) across the following headings:

- Introduction
- Sector FECP 2011/12 Outputs
- College FECP 2011/12 Outputs
- Risks
- Next Steps – 2012/13 FECP Outputs

In considering the 2011/12 Sector Outputs as submitted to the HEA in July 2013, the Committee noted that the returns were broadly similar to previous years and that AAP data continues to improve. However, the Committee were concerned to note that data in respect of the Clinical Medicine Subject Group and Dentistry did not reflect the full cost of these subject areas and that use of this data would need to be heavily caveated.

The Committee, welcoming the update provided, invited a further report in Trinity Term 2014, and in addition requested that the FECP Group consider the strategic use of this information and bring forward a report in due course.

Action:

6.1 A further FECP status report was invited for consideration in Trinity Term 2014.

6.2 The FECP Group to consider the strategic use of FEC data/information and bring forward a report in due course.

FN/13 – 14/7 Non-EU Fee Levels for 2014/15

The Committee considered the circulated memorandum from the Vice-Provost/Chief Academic Officer, on behalf of the Planning Group, dated 11.09.2013 in respect of Non-EU (PG & UG) fee levels for 2014/15 and noted the financial impact of these fees. The Committee further noted the components and the outcomes of the review that had been completed in arriving at the proposed fee levels, and discussed the positive impact increased fees would have on the College's finances.

Noting that there had been no increase in fees since 2009/10, the Committee agreed to the increases across Non-EU UG and PG as proposed. However, they requested the CFO to engage with the Director of Communications in terms of setting a context around the approved fee increases when communicating with the wider College community.

Furthermore, the Committee requested that the Vice-President for Global Relations would assimilate the information in relation the value-based fee increases into Global Relations promotional materials/programmes.

Action:

- 7.1** Non EU UG and PG Fees levels for 2014/15 as proposed were approved in full.
- 7.2** The CFO to engage with the Director of Communications in terms of setting an appropriate context around the message to be conveyed to the College community in respect of the increase in fee levels and the positive impact on College finances arising therefrom.
- 7.3** The Vice-President for Global Relations to assimilate the information in relation the value-based fee increases into Global Relations promotional materials/programmes.

Section C

FN/13 - 14/8 Quarterly Accounts to 30.06.2013

The Committee noted the circulated memorandum dated 12.09.2013 from the Treasurer's Office reporting on the Quarterly Accounts for the period to 30.06.2013, which set out a summary of the financial position in addition to enhanced information across the following categories:

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

FN/13 -14/9 Business Case for a Technology Enhanced and Online Education Initiative

In considering the circulated memorandum from the CFO dated 12.09.2013 and the accompanying extract of the Business Case for a Technology Enhanced and Online Education Programme (as approved by Board at its meeting of 19.06.2013), the Committee noted the College's financial commitment to the Programme and agreed that bi-annual financial reports would come forward for consideration in due course.

Action:

- 9.1** Financial reports on the Technology Enhanced and Online Education Initiative to come forward on a bi-annual basis in due course.

FN/13 - 14/10 Trinity Industry Engagement Strategy

Having considered the circulated memorandum from the CFO dated 12.09.2013 and the accompanying document entitled "Trinity Industry Engagement Strategy", which had been previously noted by Planning Group at its meeting of 20.06.2013, the Committee noted the financial commitment made by the College to the Strategy and that the first of the required bi-annual financial reports would come forward for its consideration later in Michaelmas Term.

Action:

10.1 The first of the required bi-annual financial reports on the Trinity Industry Engagement Strategy to come forward later in Michaelmas Term 2013.

FN/13 - 14/11 Structures for Diversification of Research Funding

The Committee considered the circulated memorandum from the CFO dated 12.09.2013 and the accompanying document entitled "Structures for Diversification of Research Funding" as circulated and noted that both the proposal contained in the document and the financial commitment requested from the College to support it had been noted by the Planning Group at its meeting of 14.06.2013. The Committee further noted that the first of the required bi-annual financial reports would come forward for consideration in Michaelmas Term 2013.

Action:

11.1 The first of the required bi-annual financial reports on the Diversification of Research Funding Strategy to come forward in Michaelmas Term 2013.

FN/13 -14/12 Fee Advances

The Committee noted the circulated memorandum from the CFO dated 12.09.2013 in relation to the level of fee advances made to the Dental School and the Lir Academy, which would be offset against future fee allocations, as agreed by Executive Officers at their meeting of 21.05.2013.

FN/13 - 14/13 2013 SFI and Enterprise Ireland OIP Allocations

The Committee noted the 2013 SFI and Enterprise Ireland OIP allocations as outlined in the circulated memorandum from the Interim Research Accounting Manager dated 12.09.2013 which had been noted by Planning Group at its meeting of 11.06.2013.

FN/13 -14/14 TCD Capital Project Governance and Processes

Having considered the circulated memorandum from the CFO dated 12.09.2013 and the accompanying document entitled "Trinity Capital Project Governance and Processes" (as approved by Board at its meeting of 26.06.201), the Committee noted the proposals as set out across the following headings:

1. Capital Project Governance
2. Infrastructure Project Process Methodology
3. PMO Implementation – Interim Arrangements
4. Financials

FN/13 - 14/15 Related Entity Financial Reporting

The Committee considered the circulated Annual Report and audited Financial Statements from the National Institute for Bio-Processing Research and Training Limited (NIBRT) for the year ended 31.12.2012 and requested that the documents be forwarded to Board for noting.

Action:

15.1 The Annual Report and audited Financial Statements from the National Institute for Bio-Processing Research and Training Limited (NIBRT) for the year ended 31.12.2012 to be forwarded to Board for noting.

The Committee noted that the next Finance Committee meeting is scheduled for 14 November 2013, at 2.30p.m. in the Provost’s Library.

PROVOST.....

DATE.....