Minutes of the Finance Committee Meeting of 18 December 2013

PRESENT: Provost (in the Chair), Vice-Provost/Chief Academic Officer, Bursar, Dean of AHSS, Registrar, Prof. R. Gilligan, President of the Students Union, Mr. J. Gorringe, Ms. Caroline Curtis, Interim COO, Chief Financial Officer (CFO) – Secretary of the Committee.

IN ATTENDANCE: FSD Project Manager

APOLOGIES None

The minutes of the Finance Committee meeting of 14 November 2013 were approved and signed subject to two minor amendments.

Further to the Provost’s introduction, the Committee welcomed the Interim Chief Operating Officer.

Section A
No items

Section B

FN/13 - 14/37 Consolidated Financial Statements 2009/10
(Minute FN/13-14/22 of 14.11.2013 refers)

The Committee noted that the CFO had again written to the HEA on 15 November 2013 in order to progress the ongoing qualification on the College’s Consolidated Financial Statements arising from unresolved sectoral pension issues and that he will update the Committee on the HEA’s response when received.

Action:
37.1 The CFO will update the Committee on the HEA’s response when received.

FN/13 – 14/38 Financial Services Division (FSD) Risk Assessment Update
(Minute FN/13-14/27 of 14.11.2013 refers)

Further to an update provided by the CFO, the Committee noted that the risks associated with the Casual Payroll will be considered as part of an end-to-end review under the START Program.

Having considered the updated position in relation to the risk associated with the repayment of the College’s investment in a specific capital project, the Committee requested that the CFO would engage directly with the relevant Faculty Deans and Heads of School to satisfactorily progress this matter and report the outcome at the next meeting.

Action:
38.1 The risks associated with the Casual Payroll to be considered as part of an end-to-end review under the START program.

38.2 The CFO to engage directly with the relevant Faculty Deans and Heads of School to satisfactorily progress the risks associated with the repayment of the College’s investment in a specific capital project and report the outcome at the next meeting.
The Committee had been circulated with:

(i) Memorandum from the CFO dated 11.12.2013
(ii) Draft Funding Statements for the year ended 30.09.2013
(iii) Draft Funding Statements - Additional Information for the year ended 30.09.2013
(iv) Draft Letter of Representation to KPMG dated 22.01.2014

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 October 2013).

The CFO briefed the Committee on the audit status of the Funding Statements and advised that the Board-appointed external auditors (KPMG) are expected to issue an unqualified audit opinion following approval by Board in January 2014. The Committee noted that revised wording associated with the Audit Report issued by KPMG, as outlined by the CFO, will be incorporated into the version to be considered by the Audit Committee and Board in January 2014.

The Committee welcomed the financial highlights for 2012/13 presented by the CFO including:

- Summary Financial Highlights
- Key 5-Year Statistics
- Financial Risk Management
- Outturn 2012/13
- Income & Expenditure
- Research
- Ancillary Services
- Balance Sheet

Furthermore, the Committee noted in detail the information as set out under the following headings:

- Cash Balances and Cash Flow
- European Investment Bank
- Funding Model
- Pension Costs
- Trust Funds
- New Financial Information System
- Financial Challenges
- Net Cost/Contribution to the State
- Financial Outlook
- Conclusion

In considering the Funding Statements, the Committee noted the College has continued to be extremely diligent and proactive in the manner in which it has managed its finances, by controlling costs and diversifying its income. The Committee further noted that a scenario where the College is operating at a level which results in an underlying deficit is not sustainable, however it has limited capacity to reduce its expenditure further without taking on additional risk.

Having drawn the Committee’s attention to the level of cash outflow in the year, the CFO highlighted that the income generating and cost management strategies in which the College has made such significant investment (although in the early stages of implementation) need to deliver a return and will require careful monitoring and oversight in this regard.

Noting that a break-even outturn on core activity in both 2011/12 and 2012/13 relied upon the planned use of retained reserves and with a break-even budget planned for 2013/14 , the Committee agreed with the CFO’s recommendation that a prudent approach to resource allocation be adopted and that the College should once again plan for a break-even budget in 2014/15. The Committee further agreed that a period of financial consolidation is now necessary and that the College should set objectives/actions that are consistent with available resources. The Committee noted that the CFO is currently engaging with the...
College auditors to seek options to minimise the impact of GAAP requirements on the reported outturn going forward. The Committee further noted that in order to enable the College to continue to compete on the international stage, it must generate sustainable funding sources and seek both a remuneration framework and operational flexibility that mirrors international peer experience.

The role of the staff of Financial Services Division and the College as a whole for the continuing efficient and effective stewardship of the College’s finances was acknowledged.

In the context of its 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:**
39.1 The draft Funding Statements and Letter of Representation to KPMG as presented to be submitted to the Audit Committee for review and recommendation for approval by Board.

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**FN/13 - 14/40 Quarterly Accounts to 30.09.2013**
The Financial Resources Manager attended for this item

The Committee was circulated with a memorandum dated 11.12.2013 from the Financial Services Division reporting on the Quarterly Accounts for the period to 30.09.2013, 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, including the variances of actual against estimated expenditure.

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**FN/13 - 14/41 Global Relations Quarterly Report**
(Minute FN/13 - 14/18 of 14.11.2013 refers)
The Vice President for Global Relations attended for this item

The Committee considered the circulated quarterly report along with a tabled update in respect of student numbers from the Vice President for Global Relations, dated 03.12.2013 and 11.12.2013 respectively.

In reviewing the performance report for the year to 30.09.2013, 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 expressed concern in relation to undergraduate numbers, the Committee agreed that the Planning Group, in the context of its review of the GRS business case in Hilary Term 2014, would re-asses the overall Strategy and update the targets as appropriate. The Committee also requested that Planning Group should consider “growing” the undergraduate/visiting student numbers. In considering the outlined proposal to utilise unspent non-pay balances as a “flexibility fund”, the Committee further requested the Planning Group to explore a co-ordinated approach to Scholarships.

Having noted the overall financial position, the updated position on key deliverables along with the financial risks and sustainability issues as set out, the Finance Committee thanked the Vice-President for Global Relations for her report and invited her to provide the next quarterly report in February 2014.
Action:
41.1 In the context of its review of the GRS business case in Hilary Term 2014, Planning Group are requested to re-assess the overall Strategy and update the targets as appropriate. Planning Group is also requested to consider “growing” the undergraduate/visiting student numbers.

41.2 Planning Group is requested to explore a co-ordinated approach to Scholarships.

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

FN/13 - 14/42 Online Education Strategy
(Minute FN/13 - 14/9 of 19.09.2013 refers)
The Associate Dean for Online Education attended for this item

The Committee noted the circulated memorandum from the Associate Dean for Online Education dated 18.12.2013, the first report to Finance Committee on the Online Education Strategy, welcoming the increased number of online courses available under the pilot programme. Having considered the status report provided, and noting the financial position and key issues/risks outlined, the Committee thanked the Associate Dean for his report and invited him to submit an updated report in Trinity Term 2014.

Action:
42.1 The Associate Dean for Online Education to provide a further update in Trinity Term 2014.

FN/13 - 14/43 START Program Update
The Director of Change Management attended for this item

Welcoming the first report from the Director of Change Management on the START Program, dated 09.12.2013, the Committee considered the status of Phase 1 as outlined, including an introduction and background to the strategy, key deliverables achieved to date and an update on the budget, costs and savings. In considering the process for tracking costs and benefits, the Committee noted the fundamental importance of the successful implementation of the HR Strategy in realising the benefits under the START Program.

Noting the cost/benefit summary and risk register as circulated, the Committee thanked the Director of Change Management for his report and invited him to provide an updated report in Trinity Term 2014.

Action:
43.1 The Director of Change Management to provide a further report in Trinity Term 2014.

FN/13 - 14/44 Trinity Long Room Hub (TLRH)
(Minute FN/12 - 13/104 of 12.06.2013 refers)
The Director of TLRH attended for this item (apologies were received from the TLRH Manager)

The Committee considered the first of the bi-annual reports from the Director of the TRLH, dated 18.12.2013, which set out an update on financial activity during the year 2012/13 along with a budget for 2013/14 and financial projections for 2014-17. The Committee noted the information provided in relation to philanthropic income and School contributions and, in particular, the requirement for reduced investment from College for the coming year as outlined by the Director.

Having noted the financial details provided along with a schedule of research proposals submitted during the reporting period, the Committee thanked the Director for his report and, in line with College policy, invited him to provide an update in Trinity Term 2014.
Action:
44.1 In line with College policy, the Director of the TLRH to provide an update in Trinity Term 2014.

**FN/13 - 14/45 Industry Engagement Strategy**  
(Minute FN/13 - 14/26 of 14.11.2013 refers)

Noting that the circulated document had been approved by Board at its meeting of 11.12.2013, the Committee considered the memorandum from the Dean of Research and Director of Trinity Research and Innovation of the same date. The Committee noted the revisions to the Strategy, including the reduction in costs, and requested that an updated status report on the Strategy be provided in Trinity Term 2014.

Action:
45.1 The Dean of Research and Director of Trinity Research & Innovation to provide a further report in Trinity Term 2014.

**Section C**

**FN/13 – 14/46 Analysis of Academic Recurrent Expenditure and Research Accounts (Extract from Green Book) for year ended 30.09.2013**

The Committee noted the circulated memorandum from the CFO, incorporating an extract of the Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for the year ended 30.09.2013, including information on recurrent expenditure in academic areas along with income and expenditure for all individual research accounts by Faculty/School/Discipline, an electronic copy of which will be made available on the FSD webpages in early 2014.

Action:
46.1 An electronic copy of the Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for the year ended 30.09.2013 will be made available on the FSD webpages in early 2014.

**FN/13 - 14/47 Control Exception Report**

The Committee noted the bi-annual Control Exception Report for the period to November 2013 as circulated, which included issues in relation to the repetitive nature of certain control exceptions along with a number of new exceptions occurring in the reporting period and further noted that a number of the issues arising will be resolved following the full implementation of the new financial information system. 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 Interim Chief Operating Officer for Heads of Service and Support areas.

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

**FN/13 - 14/48 Centre for Research on Adaptive Nanostructures and Nanodevices (CRANN)**  
(Minute FN/12 - 13/96 of 12.06.2013 refers)

The Committee, having been circulated with a report and related appendices from the Interim Executive Director of CRANN dated December 2013, considered the overview of the current financial position of CRANN, including updates provided under the following headings:

- Background
- General Commentary
- Funding Diversification
- Financial Concerns – risk management
Having noted the additional risks and funding requirements identified, the Committee agreed that the CFO should engage with the Dean of Research in this regard.

The Committee requested the Interim Executive Director of CRANN to provide an updated report to the Committee in Trinity Term 2014 in accordance with the College policy on Trinity Research Institutes (TRI's).

**Action**

**48.1** The CFO to engage with the Dean of Research regarding the additional funding requirements identified by CRANN.

**48.2** The Interim Executive Director of CRANN to provide an updated report to the Committee in Trinity Term 2014 in accordance with College policy on Trinity Research Institutes (TRI's).

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**FN/13 - 14/49** Trinity Biomedical Sciences Institute (TBSI)

(Minute FN/12-13/97 of 12.06.2013 refers)

The Committee considered the circulated report from the Executive and Technical Director of TBSI dated 11.12.2013, which set out a high level update on its activities under the following headings:

- Update on previous report
- Challenges
- Current Plans
- Finances

In considering the challenges outlined, particularly the funding and space issues arising, the Committee requested the CFO to engage with the Dean of Research to explore the matter further.

Having noted the updated financial position as set out, the Committee invited the Executive and Technical Director to update the Committee in Trinity Term 2014 in accordance with College policy on Trinity Research Institutes (TRI's).

**Action**

**49.1** The CFO to engage with the Dean of Research to explore funding and space issues arising in TBSI.

**49.2** The Executive and Technical Director to update the Committee in Trinity Term 2014 in accordance with College policy on Trinity Research Institutes (TRI's).

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**FN/13 - 14/50** Financial Services Division (FSD) Annual Report 2012/13

The Committee noted the Annual Report of the FSD for 2012/13 as circulated outlining goals and targets achieved in the year as well as planned objectives/targets for 2013/14. The contribution from the staff of the FSD in the preparation of the report was acknowledged and the Committee noted that the report will be forwarded to Board in electronic format for noting in January 2014.

**Action**


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**FN/13 - 14/51** Related Entity Financial Reporting

The Committee noted circulated documents (as set out below), in particular the "emphasis of matter" identified in the audit report of MMI, and recommended that they be forwarded to Board for noting.

- Molecular Medicine Ireland (MMI) - Directors’ Report and audited Financial Statements for the year ended 30.09.2012
• Irish Universities Association (IUA) - Directors’ Report and audited Financial Statements for the year ended 30.12.2012
• National Digital Research Centre (NDRC) - Directors’ Report and audited Financial Statements for the year ended 30.12.2012

Action:
51.1 The circulated Financial Statements and associated documents from the Haughton Institute, MMI, IUA, NDRC and Ghala Limited to be forwarded to Board for noting.

FN/13 - 14/52 GeneSIS Update  
(Minute FN/12 - 13/110 of 12.06.2013 refers)

Noting that they had been considered previously by Board at its meeting of 11.12.2013, the Committee noted the circulated reports from the External Monitor of the GeneSIS Project, dated 08.10.2013 and 15.11.2013 respectively. The Committee further noted the report from the Project Sponsor (on behalf of the GeneSIS Project Board) dated 11.12.2013, setting out a response to the External Monitor’s reports in addition to providing an update on the GeneSIS Project (G1), which had also been considered by Board on 11.12.2013.

FN/13 - 14/53 Communications Strategy Status Report  
(Minute FN/11 - 12/57 of 27.01.2012 refers)

The Committee welcomed the first report on the Communications Strategy from the Director of Communications and Marketing, dated 11.12.2013, and noted the update provided under the headings of key achievements, budget (main items in the financial schedule) and the future. Noting the financial position as set out in the circulated document, the Committee invited the Director to provide an updated report in Trinity Term 2014.

Action:
53.1 The Director of Communications and Marketing to provide an updated report in Trinity Term 2014.

FN/13 - 14/54 Provost’s Expenses  
(Minute FN/12 - 13/62 of 20.02.2013 refers)

The circulated memorandum from the Secretary to College, dated 30.10.2013, setting out a report of the Provost’s expenses for the period 1.01.2013 to 30.06.2013 was noted. Furthermore, the Committee noted that all expenses incurred were approved in line with relevant College policies and that reimbursement claims (and associated supporting documentation) were available for review at the meeting.

FN/13 - 14/55 Reports of Audits of Research Accounts Requested by Funding Agencies in 2012/13

The Committee noted the memorandum from the Interim Research Accounting Manager, dated 11.12.2013 as circulated, which set out the satisfactory outcome of research audits during 2012/13.

FN/13 - 14/56 Minutes of Audit Committee and Annual Report to Board 2012/13

The Committee considered the Audit Committee’s Annual Report to Board 2012/13, along with the minutes of its meeting of 12.11.2013 as circulated, noting that this was the first time the Audit Committee minutes had been circulated to Finance Committee arising from a need to support greater financial oversight identified as part of the Committee’s self-evaluation process.
The Committee noted the Capitation Committee’s Annual Financial Report 2012/13, circulated for oversight purposes at the request of Board.

The Committee noted circulated documents as follows:

(i) FECP Minutes dated 30.10.2013
(ii) Investment Committee Minutes dated 12.11.2013
(iii) Memorandum from the CFO dated 11.12.2013, which enclosed the Investment Committee’s Annual Report for the year 2012/13.

Noting the circulated report from the course facilitator dated 21.11.2013 in respect of the “Essentials of Finance” training course arranged for Finance Committee and Board members, the Committee acknowledged the quality and relevance of the course delivered for the third successive year.

The Committee noted that the next Finance Committee meeting is scheduled for 19 February 2014, at 2.30p.m. in the Provost’s Library.

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

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