



Minutes of the Finance Committee Meeting of 19 December 2014

PRESENT: Provost (in the Chair), Vice Provost-Chief Academic Officer, Bursar, Interim Chief Operating Officer, Registrar, Professor Peter Coxon, President of the Students Union, Mr. J. Gorringe, Chief Financial Officer (CFO) – Secretary of the Committee.

IN

ATTENDANCE: Deputy Chief Financial Officer

APOLOGIES Dean of Arts, Humanities & Social Sciences, Ms. C. Curtis

The Committee noted and approved the minutes of the Finance Committee meeting of 4 December 2014 and matters arising are minuted separately below (minute FN/14-15/52 refers).

Section A

FN/14 - 15/51 **Policy, Practice and Regulations on Intellectual Property**
XX (Minute FN/13-14/111.1 of 12.06.2014 refers)

The Dean of Research attended for this item.

The Dean of Research presented the paper entitled Policy, Practice and Regulations on Intellectual Property as attached, which was previously approved by Research Committee on 2 December 2014.

The Committee were advised by the Dean that the revised policy was now more streamlined and there were no substantive changes to the previous policy document other than formalising the previous derogation for Campus Company formation and the introduction of new principles for open engagement. The Committee agreed that the guidelines for personal consultancy should be reviewed and updated by the Dean of Research in conjunction with HR, particularly in relation to insurance, and be reissued to all relevant stakeholders in College.

In welcoming the status of the Student Company Incubator, the Committee recommended that a policy be developed by the Dean of Research and the Technology Transfer Manager in this regard, acknowledging the President of the Student's Union's offer of support and input to the policy.

The revised policy was approved by the Committee for onward submission to Board.

It was agreed that a process of tracked or highlighted changes would be beneficial to allow for more informed deliberation of revised policy documents where possible in future.

Action

- 51.1** The Dean of Research, in conjunction with HR, to review and reissue the guidelines for personal consultancy, particularly in relation to insurance.
- 51.2** A policy on the status of the Student Company Incubator to be developed by the Dean of Research and the Technology Transfer Manager, with input from the Students Union.
- 51.3** The updated paper on Policy, Practice and Regulations on Intellectual Property to be forwarded to Board for approval.

Section B

FN/14 - 15/52

Consolidated Accounts

(Minute FN/14 - 15/44 of 4.12.2014 refers)

The Committee noted that the C&AG audit issues in relation to the Consolidated Financial Statements for 2011/12 and 2012/13 were not resolved by the FSD in time for the Audit Committee and Board meetings in December 2014 and it is now anticipated that they will be circulated to the next Finance Committee meeting on 4 February 2015 for onward consideration by Board on 25 February 2015.

Action

52.1 Consolidated Financial Statements for 2011/12 and 2012/13 to be considered at the next Finance Committee meeting.

FN/14 - 15/53

Trinity Long Room Hub (TLRH)

(Minute FN/13 - 14/112 of 12.06.2014 refers)

The TLRH Director and Institute Manager attended for this item.

The Committee considered the first of the bi-annual reports from the Director of the TRLH, dated December 2014 as circulated, which set out an update under the following headings:

- Update since the last report
- Financial Summary
- Risk
- Sustainability
- Grant Applications

The Committee noted the outturn for 2013/14 and the achievement made in philanthropic fundraising, however agreed that sustainability risks remain for future years. The Committee, recognising the key role played by the TLRH in supporting research applications, agreed on the importance of such activities being underpinned by financial support from relevant Schools. The CFO commented that the issues experienced by the TLRH are mirrored in other TRIs and the Committee recommended that the sustainability of TRIs be examined by the Dean of Research as part of the review of College's overhead policy.

Having noted the financial details provided along with the schedule of research proposals submitted during the reporting period, the Committee thanked the TLRH Director and the Institute Manager for their report and, in line with College policy, invited them to provide an update in Trinity Term 2015.

Action

53.1 The sustainability of TRIs to be examined by the Dean of Research as part of the review of College's overhead policy.

53.2 In line with College policy, the TLRH Director and Institute Manager to provide an update in Trinity Term 2015.

FN/14 - 15/54

Science Gallery

(Minute FN/13 - 14/90 of 15.05.2014 refers)

The Science Gallery Interim Director and Operations Manager attended for this item.

Having been presented with an update on the financial status of the Science Gallery dated 8.12.2014 as circulated, the Committee acknowledged the level of visitors for 2013/14, the programmes hosted and the financial outturn achieved, including 99% of the philanthropic/sponsorship target and 99% of the budgeted figure for income from activities.

The Committee noted that, while the financial activities of the Science Gallery have resulted in a year end position that enabled the payment of the agreed contribution to the start-up deficit, the Gallery was however obliged to curtail certain strategic projects, which it considers necessary to pursue to ensure its ongoing success and sustainability.

The Committee thanked the Science Gallery Interim Director and Operations Manager for their report and, in line with College policy, invited them to provide an update in Trinity Term 2015.

Action

54.1 The Science Gallery Interim Director and Operations Manager to provide an update in Trinity Term 2015.

**FN/14 - 15/55
XX**

Singapore Institute of Technology (SIT) Planned Expansion of Programmes

The SIT Academic Director attended for this item.

The Committee, having been circulated with a memorandum from the SIT Academic Director and the Financial Planning Manager dated 12.12.2014, noted the details of the planned expansion of programmes, the financial implications, the risk analysis and assessment and the draft Heads of Agreement between Trinity College and SIT for the new proposal.

The Committee approved the financial arrangements as proposed and requested the SIT Academic Director to provide further detail on staffing and HR issues associated with activity in Singapore for inclusion in the final paper to be forwarded to Board for approval.

The Committee thanked the Vice President for Global Relations, the SIT Academic Director and the Financial Planning Manager for their significant efforts in bringing the initiative to this advanced stage.

Action

55.1 The SIT Academic Director to provide further detail on staffing and HR issues associated with activity in Singapore for inclusion in the final paper to be forwarded to Board for approval.

FN/14 - 15/56

Financial Information System (FIS) Project Update

(Minute FN/14 - 15/8 of 22.09.2014 refers)

The FIS Project Manager attended for this item.

The FIS Project Manager presented an update on the FIS Project dated 12.12.2014 as circulated, whereby the Committee noted the extension of the timetable to the end of February 2015 in relation to Phase 1, in order to provide sufficient time for the Project to:

- Engage with the small number of areas not yet live on iProcurement to agree on their implementation timetable
- Provide further time for the FIS Team to finalise the transfer of key operational activities to the FSD.

The Committee's attention was also drawn to the challenges associated with the completion of the first financial year end and the fact that a review of the year end accounts highlighted a number of key monthly activities, particularly in relation to procurement and inventory that will require inclusion in the monthly close out processes going forward.

The Committee acknowledged that further development is underway to extend the range of Business Intelligence Reports and that a revised set of cost centre related reports will be distributed during December with an updated set for projects/award reports planned for January 2015.

In noting the recent establishment of a College-wide FIS User Group, chaired by Dr Diarmuid O'Brien, to provide a forum for the communication of issues, the Committee were further advised that this User Group will also support the formation of best practice focus groups in early 2015 to make recommendations on the most efficient deployment of resources to achieve optimum use of the new financial system. The FIS Project Manager further notified the Committee that the minutes of the FIS User Group meetings will travel to the Finance Committee for noting.

The Committee considered the timetable for the implementation of Phase 2 and noted that a series of workshops to review the business requirements of the Fixed Asset Register were planned for early 2015 and the implementation date would be agreed following this review.

The Committee were also informed about the recent rollout of the iExpenses module to over 2,600 users and the planned April 2015 go-live date for the Budgeting & Planning module. The Committee were further advised that there is no longer a requirement to deploy the Treasury module as the functionality already available in the Cash Management module can facilitate this process, with the funding, having received approval by the FIS Steering Committee, to be redirected to support the close out of the remaining Phase 1 issues and the transfer of functions to the FSD.

Furthermore, the Project budget as at 31 October 2014 was noted along with the Project's current status of amber, due to the fact that the key milestone dates for the implementation of the Fixed Asset Register had not yet been agreed with the relevant stakeholders.

The Committee were informed that Internal Audit, as part of their agreed work programme, had engaged BDO Simpson Xavier to undertake a review of the FIS Project, with the final report to the Audit Committee due in January 2015. In addition, the Committee noted that the terms of reference for the next Quality Assurance Review by PricewaterhouseCoopers, scheduled for January 2015, had been recently approved by the FIS Steering Committee.

The Committee thanked the FIS Project Manager for his report and invited him to provide an update in Trinity Term 2015.

Action

- 56.1** The FIS User Group to form best practice focus groups in early 2015 to make recommendations on the most efficient deployment of resources to achieve optimum use of the new financial system.
- 56.2** The minutes of the FIS User Group meetings to be forwarded to Finance Committee for noting.
- 56.3** The FIS Project Manager to provide an update to Finance Committee in Trinity Term 2015.

**FN/14 - 15/57
XX**

EU Postgraduate Fee Increase for 2015/2016

The Committee considered the circulated memorandum from the Financial Planning Manager dated 12.12.2014 in respect of the proposal to increase EU Postgraduate fee levels by 3% for the academic year 2015/16, noting that the proposal was also considered and approved by Planning Group at their meeting on 15 December 2014. The Committee also noted that a 3% increase for 2015/16 had been recently approved for Non EU Postgraduate and other Non EU Undergraduate fees.

Taking into account that, at this stage of the registration process, the fee increase for 2014/15 had no notable impact on EU Postgraduate student numbers, the Committee agreed the recommendations as set out for onward submission to Board.

Having enquired about postgraduate student representation at future Finance Committee meetings, the Student's Union President was requested by the Committee to discuss the issue with the Registrar.

Action

57.1 The Committee agreed the recommendation to increase the EU Postgraduate fee level by 3% for onward submission to Board.

57.2 The Student's Union President and the Registrar to discuss postgraduate student representation at future Finance Committee meetings.

FN/14 - 15/58 Quarterly Accounts to 30.09.2014

The Committee was circulated with a memorandum dated 12.12.2014 from the Management Accountant, Interim Research Accounting Manager and the Financial Planning Manager, reporting on the Quarterly Accounts Schedules along with key issues and trends to 30.09.2014 for the following areas:

- Financial Analysis of College Divisional Areas (excl. Research)
- Research
- Analysis of Capital Projects

The Committee noted the accounts as presented, including the outcome versus budget for pay and non-pay within Faculties/Divisions/Other Areas for the year ended 30 September 2014.

In considering the Research accounts, the Committee agreed on the requirement for the Technology Transfer Office to provide more frequent reporting to the Executive Officer Group on pre-award research contract information, including the level of submissions and success rates of applications for research funding.

In relation to Capital Projects, the Committee also noted the emerging risk of building inflation in the context of the large scale capital developments in the College's Strategic Plan 2014-19.

Action

58.1 Technology Transfer Office to provide more frequent reporting to the Executive Officer Group on pre-award research contract information, including the level of submissions and success rates of applications for research funding.

FN/14 - 15/59 Summary Update to Financial Forecasts 2014/15 to 2019/20

Referring to the memorandum dated 12.12.2014 as circulated, the CFO presented an update on the high level May 2014 financial forecasts and advised that a more detailed set of projections, prepared by the FSD, would be provided in Hilary Term 2015.

The Committee welcomed the improved financial forecast position, taking into account the significant impact of the updated GRS II Strategy forecasts, and noted that they would be provided with regular high level updates on financial targets and key financial indicators over the course of the College's Strategic Plan 2014-19. The Committee also noted the level of provision in the forecasts for maintenance and asset renewal.

The CFO drew the Committee's attention to the fact that the approval and successful implementation of voluntary severance over the next two years is critical to the achievement of the financial targets to 2019/20.

Action

59.1 A detailed set of projections from 2015/16 to 2019/20 to be presented to Finance Committee in Hilary Term 2015.

FSD Risk Assessment December 2014
(Minute FN/13 - 14/121 of 12.06.2014 refers)

The Committee considered the circulated memorandum from the Financial Planning Manager dated 12.12.2014, which, in accordance with the College's Risk Management Policy, outlined a review of the financial risks associated with College activity along with the monetary value estimate for each risk. The Committee, noting that there were no critical risks, considered the following high risks:

- Funding and Financial Sustainability
- Research Funding Environment
- Processing, systems and infrastructure projects

In considering the medium risks as circulated, the Committee noted that the CFO will bring forward a paper on the Procurement Strategy in Hilary Term 2015. The CFO briefed the Committee on the inherent risks associated with College's Purchasing Cards in a highly devolved environment, as identified in a recent review by Internal Audit and indicated that the FSD will, following the introduction of FIS, now conduct a fundamental review of the Purchasing Card, with the outcome to be presented to the Finance Committee in Hilary Term 2015.

In conclusion, the Committee agreed the risks as presented to be forwarded to the COO for inclusion in the College's overall risk register.

Action

- 60.1** CFO to provide a paper on the Procurement Strategy to Finance Committee in Hilary Term 2015.
- 60.2** The outcome of the Purchasing Card Review to be presented to Finance Committee in Hilary Term 2015.
- 60.3** Risks to be forwarded to the COO for inclusion in the College's overall risk register.

Section C

Analysis of Income and Expenditure of Research Accounts for 2013/14 (Extract from the Research Section of the Green Book)

The Committee noted the circulated memorandum from the Interim Research Accounting Manager dated 12.12.2014, incorporating an extract of the Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for the year ended 30.09.2014, including information on income and expenditure for all individual research accounts by Faculty/School/Discipline, the number of active research accounts and research income by source.

Control Exception Report

The Committee noted the bi-annual Control Exception Report for the period to November 2014 from the Finance Operations Manager 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. 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.

Action

- 62.1** 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/14 - 15/63
XX Treasury Management Update**

In noting the quarterly Treasury Management update as set out in the circulated memorandum from the Financial Planning Manager dated 12.12.2014, the Committee welcomed the provisional approval from the EIB for an additional €70m loan to finance future capital projects secured by the FSD. The Committee recommended that, given the low interest rate environment, other alternatives should be considered by the Financial Planning Manager, including the use of corporate bonds.

Action

63.1 The Financial Planning Manager to consider alternative sources of finance, including the use of corporate bonds.

**FN/14 - 15/64
XX Financial Services Division Annual Report 2013/14**

The Committee noted the Annual Report of the FSD for 2013/14 as circulated outlining key statistics along with goals and targets achieved in the year, as well as planned objectives/targets for 2014/15. The contribution by the staff of the FSD, in particular the Director of Financial Planning and Risk Management and the Service Liaison Officer, was acknowledged. It was also noted that the Report will be forwarded to Board in electronic format for noting in January 2015.

Action

64.1 The Annual Report of the FSD for 2013/14 to be forwarded to Board in electronic format for noting in January 2015.

FN/14 - 15/65 Provost's Expenses

The circulated memorandum from the Secretary to College, dated 9.12.2014, setting out the bi-annual report of the Provost's expenses for the period 1.01.2014 to 30.06.2014 was noted. Furthermore, the Committee noted that, as indicated, all expenses incurred were approved in line with relevant College policies, no exceptional items of expenditure were incurred and that reimbursement claims (and associated supporting documentation) were available for review at the meeting.

FN/14 - 15/66 Capitation Committee Annual Report

The Committee noted the Capitation Committee's Annual Financial Report 2013/14, circulated for oversight purposes at the request of Board.

FN/14 - 15/67 2014/15 SFI and EI OIP Allocations

The Committee noted the 2014/15 SFI and EI OIP Allocations (previously approved by the Indirect Cost Planning Group and noted by the Planning Group), as set out in the schedules circulated by the Interim Research Accounting Manager, dated 12.12.2014.

FN/14 - 15/68 Finance Committee Self-Evaluation Process 2013/14 - Outcomes

The Committee noted the memorandum from the CFO dated 12.12.2014 as circulated, outlining the formal response to the analysis and findings of the Finance Committee Self-Evaluation Process 2013/14 and agreed the actions and timelines as proposed.

The Committee noted that the next Finance Committee meeting is scheduled for Wednesday, 4 February 2015 at 2.30p.m. in the Provost's Library.

PROVOST.....

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