



### **Minutes of the Finance Committee Meeting of 8 June 2015**

**PRESENT:** Vice Provost-Chief Academic Officer (in the Chair), Bursar, Registrar, Dean of Arts, Humanities & Social Sciences (from FN/14-15/126 onwards), Professor P. Coxon, President of the Students Union, Mr. J. Gorringe, Ms. C. Curtis, Chief Financial Officer (CFO) – Secretary of the Committee

**IN**

**ATTENDANCE:** Deputy Chief Financial Officer, President of the Graduate Students Union

**APOLOGIES:** Provost, Chief Operating Officer

The Committee noted and approved the minutes of the meeting of 25 May 2015.

### **Section A**

**FN/14 - 15/125  
XX**

#### **Regulations on Outside Earnings**

(Minute FN/14-15/51.1 of 19.12.2014 refers)

The Dean of Research attended for this item.

The Committee welcomed the Dean of Research who presented his paper dated 02.06.2015 as circulated (attached to the Minutes).

The Committee considered the proposed new Regulations under the following headings:

- Purpose
- Policy
- Professional Indemnity Insurance
- Annual Procedure
- Out of Course Procedure
- Conflict of Interest
- Campus Companies
- Outside Earnings Request Form for Academic Staff Only

The Committee agreed a number of actions were required as set out below.

- HR to seek guidance from the Taxation Officer, in relation to advising staff members who undertake work in a personal capacity of their obligation to comply with tax regulations and include an appropriate wording in the Policy in this regard.
- HR to liaise with Estates & Facilities to advise on the appropriate professional indemnity insurance limit to be included in the Regulations and to consider whether the Approval Form should indicate the possible requirement for separate insurance given the limit in place in the Regulations.
- HR to hold a record of outside employment by academic staff members and amend the Approval Form to require staff members who undertake work in a personal capacity to confirm that such work does not exceed the permitted levels.
- HR to forward the revised Regulations to the HR Committee for approval.

The Committee requested the VP-CAO to bring the draft amended Regulations to the Heads of Schools for further discussion.

The Committee recommended that, once approved by HR Committee, the Regulations should be communicated to all academic staff members by HR.

**Action**

**125.1**

HR was requested to carry out a number of actions as set out below:

- Forward the revised Regulations on Outside Earnings Policy to the HR Committee for approval.
- Amend the policy on Outside Earnings, with guidance from the Taxation Officer, to reflect staff member's responsibility in relation to taxation.
- Liaise with Estates & Facilities and advise on the appropriate limit of professional indemnity insurance to be included in the Regulations.
- Consider whether the Approval Form should indicate the possible requirement for separate insurance, given the limit in place in the Regulations.
- Amend the Approval Form to require staff members who undertake work in a personal capacity to confirm that such work does not exceed the permitted levels.
- Once approved by the HR Committee, the Regulations to be communicated to all academic staff members.

**125.2**

The VP-CAO to bring the revised draft Outside Earnings Policy to the Heads of School for discussion.

**Section B**

**FN/14 - 15/126  
XX**

**Sustainability of Trinity Research Institutes (TRIs)**

(Minute FN/14-15/53 of 19.12.2014, FN/14-15/69.1, 70.1 and 71.3 of 04.02.2015 refer)  
The Dean of Research attended for this item.

Following a presentation by the Dean of Research of his paper dated 02.06.2015 as circulated, which outlined the principles to ensure the sustainability of Trinity Research Institutes, the Committee, noting the need for TRIs to have funding streams to cover their costs and access to funding to ensure sustainability, welcomed the proposal that Schools and TRIs provide a five year business plan which clearly demonstrates the sustainability of the TRIs. The Committee advised that principles regarding cessation of TRIs be clearly set out in the principles for Schools and Institutes.

The Committee, agreeing that Schools should have responsibility for underpinning the financial sustainability of TRIs, requested the Dean of Research to amend the paper to include this responsibility (including the requirement for a five year business plan) and forward to the Heads of Schools for discussion, with a view to presenting the finalised paper to a future Board meeting.

**Action**

**126.1**

The Dean of Research to amend the paper to include the responsibility of Schools to underpin the financial sustainability of TRIs and forward to the Heads of Schools for discussion, with a view to presenting the finalised paper to a future Board meeting.

**FN/14 - 15/127**    **Review of the College's Indirect Cost Policy**  
**XX**

The Dean of Research attended for this item.

The Committee noted the memorandum from the Dean of Research dated 02.06.2015 as circulated, which outlined a number of proposals and recommendations in relation to the College's Indirect Cost Policy.

The Committee considered the paper under the following headings:

- Current Policy
- Full Economic Cost
- Current Allocation
- SFI OIP Allocation to Shared Academic Costs
- Split of Indirect Costs between Schools and Trinity Research Institutes / SFI Research Centres
- Proposal to create a Strategic Fund from Indirect Costs
- Draft Recommendations

The Committee, in noting that the policy remains largely unchanged (including the 50:50 split of indirect costs), recommended the following:

- The current mechanism for funding the 'shared academic costs' to be reviewed by the Indirect Cost Planning Group (ICPG) in advance of the 2015/16 allocation
- Schools should conclude over-arching agreements for a fixed period of time with Trinity Research Institutes and SFI Research Centres on the allocation of indirect costs, which would underpin the TRIs business plans

The Committee did not support the proposal to create a Strategic Fund from Indirect Costs to support those Schools/Disciplines which may have been disadvantaged due to changes in the Exchequer's funding strategy.

The Committee agreed that there is no compelling case for change to the current Indirect Cost policy and recommended that the paper be presented to the Heads of Schools for discussion and onwards to Board for consideration.

**Action**

**127.1**            The Review of the College's Indirect Cost Policy to be presented by the Dean of Research to the Heads of Schools for discussion and onwards to Board for consideration.

**FN/14 - 15/128**    **Consolidated Financial Statements for the year ending 30.09.2014**  
**XX**

The Deputy CFO and the Manager of Financial and Management Accounting attended for this item.

The Committee considered the circulated memorandum from the CFO and Deputy CFO dated 02.06.2015 and the accompanying documents including:

- Draft Consolidated Financial Statements for the year ended 30 September 2014 which include the HEA approved harmonised format Funding Statements as an appendix to the Consolidated Financial Statements
- Draft Letters of Representation to KPMG

An additional slide presentation was tabled setting out the key details of the Consolidated Financial Statements 2013/14 which were outlined by the Deputy CFO under the following headings:

- Financial Reporting Requirements
- Audit Status
- Pension Issues
- Financial Highlights including analysis of income and expenditure
- Consolidated Financial Statements – Outcome
- Reconciliation between GAAP Financial Statements and Funding Statements

In response to concerns expressed at the increased staff costs across a range of categories, the Committee was advised that cost containment is a key focus for the College with a number of measures being considered and being put in place to deliver a reduction in pay costs.

Having noted the continuing reduction in State funding, the Committee welcomed the President of the Student's Union's timely recommendation for the College to highlight the challenges facing the HE sector in this regard and recommended that the College engage with the HEA and sector in relation to State funding.

The Committee was advised at the closing audit meeting on 5 June the C&AG requested two changes to the Statement of Governance and Internal Control relating to risk and procurement further noting that C&AG sign-off is expected in advance of the Board meeting on 24.06.2015.

As in previous years, the Committee, noting the qualified opinion from KPMG (in respect of FRS12 and the recognition of pension assets), considered the Draft Consolidated Financial Statements and Draft Letters of Representation and agreed they should be forwarded to Audit Committee for approval and onward to Board for approval.

#### **Action**

**128.1** The Draft Consolidated Financial Statements for the year ended 30 September 2014 and Draft Letters of Representation to be submitted to Audit Committee for approval and onward to Board for approval.

**128.2** The College to engage with the HEA and sector in relation to State funding.

**FN/14 - 15/129  
XX**

#### **Update to Financial Forecasts 2015/16 to 2019/20**

(Minute FN/14-15/59 of 19.12.2014 refers)

The Director of Financial Planning and Risk and the Senior ABC/FECP Accountant attended for this item.

The Committee noted the memorandum from the Senior ABC/FECP Accountant dated 28.05.2015 as circulated and considered the revisions to the financial forecasts from 2015/16 to 2019/20 which included the following:

- Impact of the revised ABC process agreed by Planning Group in December 2014
- Re-forecasting of all College income categories
- Delayed Voluntary Severance Scheme costs and benefits
- Updated estimates of depreciation

The Committee, in acknowledging the ambitious income targets, noted the significant growth in projected income from 2017/18 onwards. However the Committee was advised that in order to meet the original target of a 2% surplus by 2018/19 further intervention is required to address the College's cost base and acknowledged that Planning Group is currently considering immediate options to address the current deficit, including the request that HR drafts a set of guiding principles for each Faculty Dean/Head of Area to drive the process to manage a reduction in pay costs over the short, medium and more longer term.

**FN/14 - 15/130  
XX**

#### **FIS Project Update**

(Minute FN14-15/56 of 19.12.2015 refers)

The FIS Project Manager attended for this item.

The Committee welcomed the new FIS Project Manager who presented the FIS Project Update dated 02.06.2015 as circulated, under the following headings:

- iProcurement Deployment
- Corporate Planner Update
- Phase 1 Outstanding Deliverables
- Reporting
- CODA System Update
- Audit Committee Recommendation Updates
- Fixed Assets
- Ghala
- Timelines
- Budget

The FIS Project Manager outlined for the Committee the scale of the Project and advised that the Project Team is currently working to close out remaining deliverables over the coming months.

The CFO advised that following the appointment of a new project manager, a review of the work plan, timeline for completion and budget is underway and advised of the possibility of expenditure in excess of the approved budget of a minor nature if full project scope is to be completed. Work is also underway to quantify and minimise the appropriate ongoing resourcing levels required to support the system into the future and a proposal will be submitted to the Strategic Staffing Subgroup in this regard.

The Committee noted the level of stakeholder engagement, the establishment of the College, Faculty and Divisional User Groups, the increased refresher training provided for users and the level of support provided by FSD and FIS project.

The FIS Project Manager was requested to provide an update in Michaelmas term 2015.

**Action**

**130.1** The FIS Project Manager to provide an update in Michaelmas term 2015.

**FN/14 - 15/131 Consolidated Financial Estimates – Energy Costs**

(Minute FN/13-14/109.1 of 12.06.2014 refers)

The Engineering Services Manager attended for this item.

The Committee welcomed the Engineering Services Manager who presented the circulated memorandum dated 27.05.2015, which outlined the Electricity and Gas consumption trends over 12 months in TBSI having applied consumption reduction measures to that building over the period following a specific request by the Finance Committee in 2014.

The Committee, in noting the reductions in consumption and cost from 2012 onwards, welcomed the ongoing energy reduction programme undertaken by Estates & Facilities and recommended that a College wide communication be issued setting out the results of this pilot initiative and providing guidance in relation to improving energy consumption across College.

The Committee requested an update from the Engineering Services Manager in Trinity Term 2016.

**Action**

**131.1** Estates & Facilities to issue a College wide communication setting out the results of this pilot initiative and providing guidance in relation to improving energy consumption across College.

**131.2** The Engineering Services Manager to provide an update in Trinity Term 2016.

**FN/14 - 15/132 Trinity Business School**

**XX**

(Minute FN/14-15/116.1 of 08.05.2015 refers)

The Committee noted the memorandum from the Bursar dated 02.06.2015 and appended documentation from the Capital Review Group meeting of 27 May 2015 as circulated.

The Bursar advised that key risks, including the risk of expenditure in excess of the approved budget, will be noted in the project's risk register. Following consideration of the risks as presented by the Bursar, the Committee confirmed that the Project remain within the approved budget and for no increase to the contingency budget at this time for the identified risks.

The Bursar was requested to provide an update in relation to the Trinity Business School in Michaelmas term 2015.

**Action**

**132.1** The Bursar to provide an update in relation to the Trinity Business School in Michaelmas term 2015.

*The CFO and Deputy CFO left the meeting*

**FN/14 - 15/133 Finance Committee Self-Evaluation – Outcomes Report**  
(Minute FN/14-15/94 of 12.03.2015 refers)

The Committee considered the report from the College Secretary dated 21.05.2015, which set out in detail the results of the Finance Committee Self-Evaluation process for 2015, in accordance with its terms of reference and as previously approved by the Committee, under the following headings:

- Role of Finance Committee
- Finance Committee Meetings
- Oversight of Financial Issues, Risk Management and Reporting
- Support for Members

The Committee, noting the overall response rate, welcomed the conclusion in the report that the Committee conducts its business effectively in all matters. In addition, the Committee noted that a greater emphasis on briefing and orientation for new members and further communication to College stakeholders in relation to Finance Committee matters is recommended. The Committee therefore requested that the CFO provide a comprehensive induction to new members on the expectations of their role as well as an introduction to current members of the Committee.

The Committee was also advised that some responses indicated a need for more focus on the College's capital projects, developing performance indicators, grant application success levels and consideration of Sub Committee minutes.

The Committee thanked the College Secretary and his Office for the analysis and presentation of the findings and requested the CFO to provide a formal response at the next scheduled Finance Committee meeting.

**Action**

- 133.1** The CFO to provide a comprehensive induction to new members on the expectations of their role as well as an introduction to current members of the Committee.
- 133.2** The CFO to provide a formal response to the analysis and findings of the Finance Committee Self-Evaluation report 2015 at the next scheduled meeting.

*The CFO and Deputy CFO rejoined the meeting*

**Section C**

**FN/14 - 15/134 Quarterly Accounts to 31.03.2015**

The Committee was circulated with a memorandum dated 02.06.2015 from the Manager of Financial and Management Accounting, the Projects Accounting Manager and the Financial Planning Manager, reporting on the Quarterly Accounts Schedules along with key issues and trends to 30.03.2015 for the following areas:

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

The Committee, in noting the accounts as presented, welcomed the notable increase in research income and new awards and agreed also that the Quarterly Accounts should be presented as a B item going forward.

**Action**

- 134.1** The Quarterly Accounts to be presented as a B item going forward.

**FN/14 - 15/135 Procurement Strategy 2015 - 2019**  
(Minute FN/14-15/108 of 08.05.2015 refers)

The Committee noted the updated Procurement Strategy from the Procurement Officer dated May 2015 as circulated and requested the Procurement Officer to provide an update on progress of the implementation in Michaelmas Term 2015.

**Action**

**135.1** The Procurement Officer to provide an update on progress of the implementation in Michaelmas Term 2015.

**FN/14 - 15/136 FSD Risk Assessment Update**  
(Minute FN/14-15/60.1 of 19.12.2014 refers)

The Committee considered the circulated memorandum from the Financial Planning Manager dated 29.05.2015, 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

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

**Action**

**136.1** Risks to be forwarded to the COO for inclusion in the College's overall risk register.

**FN/14 - 15/137 Treasury Management Update**  
(Minute FN/12-13/77.1 of 22.05.2013 and FN/14-15/63.1 of 19.12.2014 refers)

The Committee noted the quarterly Treasury Management update as set out in the circulated memorandum from the Financial Planning Manager dated 29.05.2015.

**FN/14 - 15/138 Stafford Loan Programme – Auditors Report**

The Committee was circulated with a memorandum from the Financial Planning Manager dated 29.05.2015 along with the Report of Independent Auditor, Bender, Ciccotto & Co. for the year ended 30 September 2014 in relation to the College's compliance with the Federal Family Education Loan Program (Stafford Loan Program) and noted the unqualified opinion issued by the auditors for the year under review.

**FN/14 - 15/139 Trinity Long Room Hub (TLRH)**  
(Minute FN/14-15/53.2 of 19.12.2014 refers)

The Committee considered the second of the bi-annual reports from the Director of the TLRH, dated June 2015 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 financial details provided, including TLRH's continued dependence on School and College income contributions along with the schedule of research proposals submitted during the reporting period, and in line with College policy, requested the TLRH to provide an update in Michaelmas Term 2015.

**Action**

**139.1** In line with College policy, the TLRH to provide an update in Michaelmas Term 2015.

**FN/14 - 15/140 Global Relations II**  
(Minute FN/14-15/46 of 04.12.2014 refers)

The Committee noted the memorandum from the Vice President for Global Relations dated 28.05.2015 as circulated under the following headings:

- GRSII Expenditure Report
- Current non-EU student registrations
- Student Recruitment Report

Having noted the key issues as set out in the memorandum, the Committee expressed concern at the reducing level of acceptances for 2015/16 in relation to the level of offers of student places and requested the Planning Group to consider this as a matter of urgency. The Committee also noted that, in order to facilitate coherence in financial planning and review of non-EU recruitment targets, it had been agreed that the Global Relations Office will participate in the School ABC meetings in 2016/17.

**Action**

**140.1** Planning Group to consider the GRO's reduction in the level of student place acceptances for 2015/16 in relation to the level of offers as a matter of urgency.

**140.2** Global Relations Office to participate in the School ABC meetings in 2016/17.

**FN/14 - 15/141 Online Education and OEP II Financial Projections**  
(Minute FN/14-15/45 of 04.12.2014 refers)

The Committee was circulated with a memorandum from the Associate Dean for Online Education dated 01.06.2015 and noted the updated financial projections for the Online Education Pilot, the Online Education Project II (OEP II) along with the progress of OEP II including the set-up of Trinity Online Services Ltd. and reviewed the student numbers for 2015/16.

**FN/14 - 15/142 FIS/GeneSIS/EA & HR Project Updates**

The Committee noted the circulated memorandum from the ISS Projects Office dated 28.05.2015 and the accompanying financial updates in respect of each of the four College Projects to May 2015.

**FN/14 - 15/143 Minutes of Sub Committees**

The Committee noted the draft minutes of the Investment Committee meeting of 12.05.2015 as circulated.

The Chair, on behalf of the Committee, thanked Dr. Gerard Lacey, Bursar, Mr. Domhnall McGlacken-Byrne, President of the Student's Union and Ms. Megan Lee, President of the Graduate Student's Union for their constructive contribution to the Finance Committee meetings during their respective terms.

The Committee noted the next Finance Committee meeting is scheduled for Friday, 25 September 2015 at 2.30pm in the Provost's Boardroom.

PROVOST.....

DATE.....