



**Minutes of the Finance Committee Meeting of 21 September 2011**

**PRESENT:** Provost (in the Chair), Vice-Provost/Chief Academic Officer, Registrar, Chief Operating Officer, Professor M. Marsh, Mr. Ryan Bartlett, Ms. Helen Keelan, Mr. Fred Cowzer, Treasurer – Secretary of the Committee.

**IN**

**ATTENDANCE:** Research Accounting Manager

**APOLOGIES:** Bursar

The minutes of the joint meetings of the Estates and Finance Committees on 14 and 21 June 2011 respectively, along with the minutes of the Finance Committee meeting of 14 June 2011 were approved and signed.

The Provost welcomed the VP-CAO, Registrar; the President of the Student Union, Mr. Fred Cowzer and the Bursar as new members of the Finance Committee.

**Section A**

**No Items**

**Section B**

**FN/11 - 12/1 Consolidated Financial Statements for year ended 30.09.2010**

The Financial Resources Manager attended for this item

The Committee had been circulated with:

- (i) Memorandum from the Financial Resources Manager dated 14.09.2011;
- (ii) Draft Consolidated Financial Statements (including KPMG Audit Report) for the year ended 2009/10.
- (iii) Draft Letter of Representation to Comptroller & Auditor General (C&AG) for the year ending 2009/10.

A Draft Letter of Representation to KPMG for the year ending 2009/10 was tabled at the meeting.

In presenting the Consolidated Financial Statements, the Financial Resources Manager outlined the following:

- College's current financial reporting requirements;
- Main differences to the Funding Statements
- Audit status
- Basis for the different audit opinions expressed by KPMG and the C&AG
- Overall financial position
- Pension-related issues
- Next steps

The Committee noted that there were no adjusted or unadjusted audit differences and no material control weaknesses identified by the external auditors.

In the context of its revised Terms of Reference (FN/10-11/14 of 03.11.2010 refers), the Finance Committee noted the draft consolidated financial statements as presented, along with the draft letters of representation to KPMG and the Comptroller & Auditor General. The Committee requested that these documents be submitted to Audit Committee for review and recommendation to Board for approval following receipt of final audit clearance and noted that the Treasurer would advise the Committee at a future meeting of any significant changes should they arise.

Similar to 2008/09, the Committee specifically requested the Treasurer to highlight to Board the basis of the technical audit qualification expressed by KPMG when the Consolidated Financial Statements are being presented for approval and again recommended to Board that it authorise the Treasurer to continue to explore all options with the HEA in relation to this matter to ensure no audit qualification arises in the future.

The Committee thanked the Treasurer and the Treasurer's Office for their role in bringing the financial statements to this stage of completeness.

Arising from its discussions, the Committee requested the Treasurer to provide details of the agreement with the EIB for its next meeting.

The Treasurer briefed the Committee on the requirement by the US Government, for foreign institutions in receipt of monies through student federal loans schemes, to prepare financial statements under US GAAP in the future.

**Action:**

- 1.1 The Consolidated Financial Statements and Draft Letters of Representation to be submitted to Audit Committee for review and recommendation to Board for approval once final audit clearance has been received. The Treasurer to brief the Committee of any significant changes, should they arise.
- 1.2 The Treasurer to highlight to Board the basis of the technical audit qualification expressed by KPMG when the Consolidated Financial Statements are being presented for approval and for Board to consider the recommendation that it again authorise the Treasurer to continue to explore all options with the HEA in relation to this matter to ensure no audit qualification arises in the future.
- 1.3 The Treasurer to provide details of the College's agreement with the EIB for the next meeting.

**FN/11 - 12/2**

**Financial Sustainability**

The Financial Resources Manager attended for this item

The Committee noted the content of the circulated memorandum from the Treasurer dated 14.09.2011 in relation to the financial sustainability of the College which included a definition of the term, key financial challenges facing universities and guidance in assessing financial sustainability and interpreting financial indicators. In considering the issues outlined in the memorandum, the Committee requested the Treasurer to seek comparative information, where available, from Irish and global sources.

The Committee endorsed the recommendation that Planning Group should be requested to consider the appropriateness of current financial indicators as part of future financial planning.

**Action:**

- 2.1 The Treasurer to seek comparative information on financial indicators from Irish and global sources, where available.
- 2.2 Planning Group to consider the appropriateness of current financial indicators as part of future financial planning.

**FN/11 - 12/3 Trust Funds (Benefactions) Financial Statements to 30.06.2011**

The Financial Resources Manager 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 30.06.2011 and noted that it was the intention of the Auditors (KPMG) to issue an unqualified audit opinion. Having received a short presentation from the Financial Resources Manager, the Committee noted the Trust Funds (Benefactions) Financial Statements and agreed that they be submitted to Audit Committee for review and recommendation to Board for approval.

**Action:**

- 3.1** The draft Trust Funds Financial Statements to be submitted to Audit Committee for review and recommendation to Board for approval.

**FN/11 - 12/4 Annual Budgetary Cycle 2011/12**

(Minute FN/10-11/52 of 16.03.2011 refers)

The Committee considered a circulated memorandum and associated documentation from the Treasurer dated 14.09.2011 which set out the outcomes of the first annual budgetary cycle for 2011/12 including the savings made and the opportunities identified for further savings.

The Committee noted the benefits arising from the exercise, such as a more strategic approach to budgeting and increased communication between College decision making and Schools/Heads of Administration and Services. Furthermore, the Committee noted the actions to be considered in advance of the 2012/13 cycle as outlined.

In the context of significant fixed costs and previous savings not fully embedded, the Committee agreed that financial flexibility available to the College should be utilised to ensure a breakeven position for the year ended 30 September 2012 if required.

**Section C**

**FN/11 – 12/5 Financial Plan 2011-15**

The Finance Committee noted the Financial Plan 2011 – 2015, as circulated, which was considered and approved by Board at its meeting of 29 June 2011 (Minute BD/10-11/266 refers).

**FN/11 - 12/6 Quarterly Accounts to 30 June 2011**

The Committee noted the circulated memorandum from the Treasurer's Office, dated 15.09.2011, reporting on the Quarterly Accounts for the period to 30.06.2011 which provided a high level summary of available balances across the following categories:

- Areas under the remit of the Chief Academic Officer (CAO)  
Areas under the remit of the Chief Operating Officer (COO)  
Areas outside the remit of the CAO and COO
- Research
- Capital Projects (including an update from the Director of Buildings dated 14.09.2011)

**FN/11 - 12/7 Student Fees and Other Charges 2011/12**

The Committee considered the circulated memorandum from the Financial Planning Manager dated 15.09.2011, which outlined that, whilst no increase would apply to student fees at undergraduate level for 2011/12, the student registration charge, however, had increase by €500 to €2,000 as communicated by the HEA in their letter of 9.03.2011. In this context, the Committee noted and approved the fees set out under the headings of "Undergraduate Degree Courses", "Postgraduate Degree Courses" and "Other Miscellaneous Fees".

The Committee also noted and approved a zero increase to the income limits and concessions for Financial Assistance for 2011/12 in accordance with the practice approved by the Finance Committee of linking such limits and concessions to the undergraduate fee increase.

**FN/11 - 12/8 Treasury Management Quarterly Update June 2011**

The Committee was circulated with a memorandum and accompanying appendices from the Financial Planning Manager dated 14.09.2011 which, in accordance with the Treasury Management Policy, sets out a quarterly Treasury Management update to June 2011 as well as a review for the period from 1.10.2010 to 31.08.2011.

**FN/11 - 12/9 Related Entity Financial Reporting**

The Committee considered the circulated 2010 director's reports and financial statements in respect of:

- i) Molecular Medicine Ireland (MMI, formerly DMMC)
- ii) NDRC

Noting in particular the emphasis on a matter in the Auditors Report relating to uncertainty over the ability of the MMI to continue as a going concern, the Committee recommended the documents be forwarded to Board for noting.

**Action:**

**9.1** The 2010 director's reports and financial statements in respect of Molecular Medicine Ireland (MMI, formerly DMMC) and NDRC Limited to be forwarded to Board for noting.

**FN/10 - 12/10 Minutes of Sub-Committees**

The Committee noted and approved the minutes of the Investment Committee meetings of 31.05.2011 and 6.09.2011 as circulated.

The next meeting of the Finance Committee will take place on 2 November 2011 at 2.30pm – venue to be confirmed.

PROVOST.....

DATE.....