



Minutes of the Finance Committee Meeting of 22 February 2012

PRESENT: Provost (in the Chair), Vice-Provost/Chief Academic Officer, Chief Operating Officer (for minutes 59–62), Bursar, Registrar, Dean of Arts, Humanities and Social Sciences (for minutes 60–61), Prof. D. Singleton (for minutes 59–62) Mr. Ryan Bartlett, Treasurer – Secretary of the Committee.

IN ATTENDANCE: Research Accounting Manager

APOLOGIES: Ms. Helen Keelan

The minutes of the Finance Committee meeting of 27 January 2012 were approved and signed.

The Committee noted the circulated Status Report on the Finance Committee Action List as at February 2012 and the report on the status of certain open actions provided by the Treasurer.

Section A

No Items

Section B

FN/11 - 12/59 Funding Statements for year ended 30.09.2011
(Minute FN/11-12/43 of 14.12.2012 refers)

The Treasurer drew the Committee's attention to the circulated memorandum from the Chairperson of the Audit Committee along with the accompanying letter from KPMG, both dated 11.12.2011. The Committee noted the opinion of the Audit Committee, based on the advice of the auditors, that College had sound procedures in place to ensure the integrity of the financial statements produced for the year ended 30 September 2011. In considering the letter from KPMG, the Committee noted the key audit issues highlighted by the auditors and that no material weaknesses in internal control had come to their attention.

FN/11 - 12/60 Consolidated Financial Statements 2009/10
(Minutes FN/11-12/1 of 21.09.2011 and FN/11-12/18 of 02.11.2011 refer)
The Financial Resources Manager attended for this item.

The Committee had been circulated with the following:

- (i) Memorandum from the Treasurer and Financial Resources Manager dated 15.02.2012
- (ii) Draft Consolidated Financial Statements (including KPMG Audit Report) for the year ended 2009/10
- (iii) Draft Letters of Representation to KPMG and the Comptroller & Auditor General (C&AG) for the year ending 2009/10.

The Financial Resources Manager presented the revised Consolidated Financial Statements for the year ended 2009/10 having outlined that audit clearance had now been received from both KPMG and the Comptroller & Auditor General (C&AG),

The Committee, noting the outturn for the year and the level of net assets at 30.09.2011, requested that the revised Consolidated Financial Statements as presented, along with the draft letters of representation to KPMG and the Comptroller & Auditor General, be submitted to the Audit Committee for review and recommendation to Board in line with the Finance Committee's Terms of Reference.

Furthermore, the Committee reiterated its request that the Treasurer highlight to Board the basis of the audit qualification expressed by KPMG. In addition, the Committee recommended to Board that it once again authorise the Treasurer to explore all options with the HEA to ensure an audit qualification does not arise in the future in relation to this matter.

The Committee thanked the Treasurer, the Financial Resources Manager and their team for their role in finalising the Consolidated Financial Statements.

Action

- 60.1** The revised Consolidated Financial Statements for 2009/10, along with the draft letters of representation to KPMG and the Comptroller & Auditor General, to be submitted to the Audit Committee for review and recommendation to Board.
- 60.2** The Treasurer to highlight to Board the basis of the audit qualification expressed by KPMG.
- 60.3** A recommendation to go to Board once again to authorise the Treasurer to explore all options with the HEA to ensure an audit qualification does not arise in the future in relation to this matter.

FN/11 – 12/61 Finance Committee Self-Evaluation
(Minute FN/11-12/29 of 30.11.2011 refers)
Dr. Eoin O'Dell attended for this item.

Referring to her circulated memorandum dated 15.02.2012, the Registrar outlined the background to the accompanying documentation in the context of the 2010 revision of the 1966 Consolidated Statutes. At that time, detailed provisions in relation to Principal Committees had been simplified and divided into a Chapter on Committees, which retained the statutory establishment of the Finance Committee, and Schedule 1, which provided for its membership and functions.

In the context of the background provided by the Registrar, the Committee considered the detailed memorandum and accompanying documentation as follows:

1. Revised Schedule 1
2. Extract from Chapter on Committees
3. Existing Schedule 1
4. Terms of Reference Finance Committee

The Committee noted that the revisions to Schedule 1 allow for a more straightforward statement of the membership of the Committee and that, in preparing a revised version of Schedule 1, the Schedules Work Party had sought to merge the existing Schedule 1 with the Terms of Reference replacing both with one single document. Furthermore, the Committee, noting the changes that had been made to the Committee's Terms of Reference in 2010 (Minute FN/10-11/2 of 22.09.2010 refers) as outlined by the Treasurer, also acknowledged the inclusion of an amendment to provide for an increase in the number of external members, which reflected recommendations arising from the Finance Committee self-evaluation process.

The Committee, having considered the revised Schedule 1 in detail and noting the observations made in relation to Board representation, recommended it for onward consideration by Board. (The revised Schedule 1 is attached to these minutes for the record).

Action

- 61.1** The Committee recommended the revised Schedule 1 to the Chapter on Committees for onward consideration by Board.

FN/11 - 12/62 Planning Group Report # 6

The Vice-Provost/Chief Academic Officer, invited the Committee's attention to Report #6 of the Planning Group dated February 2012, covering the period September 2011 to mid-February 2012, as circulated. The Committee considered the issues set out in the Report under the following headings:

- Introduction
- Strategy
- Enablers (including a financial update 2012-2015)
- HR
- Planning Group Report #5 – Update on Recommendations
- Conclusion

In the context of a detailed discussion in relation to a specific area of income generation, the Committee noted that significant progress had been made in terms of advancing legal and procurement issues associated with the proposed new activity and the basis on which income targets had been calculated. The Committee noted that detailed discussions about resource planning are ongoing at both Planning Group and Executive Officers.

Furthermore, in considering the review the recommendations of Report #5, the Committee noted the update in relation to specific allowances and the ongoing consideration of a number of options in this regard. Whilst acknowledging that no specific recommendations were being made at this time, the Committee noted the Planning Group Report #6 as circulated.

Section C

FN/11 - 12/63 HEA Sustainability Report

The Committee considered the memorandum from the Treasurer dated 15.02.2012 and accompanying letter from the Chairperson the HEA dated 12.12.2011 along with the HEA report entitled "Sustainability Study – Aligning Participation, Quality and Funding in Higher Education", as circulated.

The Committee noted current projections which indicate that access to Higher Education will continue to grow and that significant resources will be required to meet demand. Furthermore, whilst various mechanisms have been utilised within the Sector to address the decrease in funding, the Committee were concerned that the scale of the increased demand will be very challenging in terms of delivering quality outcomes for graduates, particularly in the context of the further decline in public funding. The Committee acknowledged that funding sustainability must be addressed if the decline in quality is to be stemmed, noting the significant difference in funding per student between the UK and Ireland.

The Committee noted the findings in the report whereby funding allocation models need to be reviewed and that the student contribution may need to be increased to compensate for further declines in public funding. Furthermore the Committee welcomed the finding that there is an urgent need to prepare for a Higher Education system with a sustainable funding base.

FN/11-12/64 eStrategy – Financial Update

The Committee considered and noted the circulated report dated 14.02.2012 from the Chief Operating Officer which sets out the financial status of each of the eStrategy strands.

FN/11-12/65 Pay Rates for Part-Time, Hourly-Paid Staff

The Committee were circulated with a memorandum from the Staff Secretary dated 15.02.2012 and noted that no change was to be effected in the College’s published rates of pay in the year 2012/13 for hourly-paid part-time academic staff.

FN/11-12/66 Treasury Management Quarterly Update

The Committee was circulated with a memorandum and accompanying appendices from the Financial Planning Manager dated 15.02.2012 which, in accordance with the Treasury Management Policy, sets out a Treasury Management update to 31 January 2012 in addition to a review for the period from 1.09.2011 to 31.01.2012.

FN/11-12/67 Provost’s Expenses

(Minutes FN/10-11/80 of 14.06.2011 and FN/11-12/16 of 2.11.2011 refer)

The circulated memorandum from the Secretary to College, dated 13.02.2012, setting out a report of the Provost’s expenses for the period 1 August – 31 December 2011 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 to the Committee for review at the meeting.

FN/11-12/68 Audit Report – Capital Projects, Monitoring and Reporting

(Minute FN/11-12/32 of 30.11.2011 refers)

The Committee, noting the circulated memorandum from the Chief Operating Officer dated 7.02.2012 and the accompanying Internal Audit Report to the Audit Committee entitled “Capital Projects – Monitoring and Reporting”, requested the Treasurer to bring forward a response to the recommendations at a future meeting.

Action

68.1 The Treasurer to bring forward a response to the recommendations of the Internal Audit report entitled “Capital Projects – Monitoring and Reporting” at a future meeting.

FN/11-12/69 Accommodation & Catering Services Annual Report 2011

The Committee noted the comprehensive Accommodation & Catering Services Annual Report 2011, which had previously been approved by the Chief Operating Officer. The Report set out highlights/developments during the year, including financial outcomes in respect of Accommodation, Catering, and Housekeeping. The Report also outlined the future objectives, which have been aligned with the College’s Strategic Plan, and also challenges for the Area.

FN/11-12/70 Travel & Subsistence Rates for Ireland and Abroad 2012

The Committee noted the circulated memorandum from the Treasurer dated 15.02.2012 and that, as there were no revisions to Department of Finance travel and subsistence rates for 2012, existing rates continue to apply.

The Committee noted that the next Finance Committee meeting is scheduled for 23 March 2012, at 2.30pm in the Provost’s Library.

PROVOST.....

DATE.....