



Minutes of the Finance Committee Meeting of 23 March 2012

PRESENT: Provost, Vice-Provost/Chief Academic Officer, Chief Operating Officer, Registrar, Dean of Arts, Humanities and Social Sciences, Ms. Helen Keelan, Treasurer – Secretary of the Committee.

IN

ATTENDANCE: Research Accounting Manager

APOLOGIES: Bursar, Prof. D. Singleton, Mr. Ryan Bartlett

The minutes of the Finance Committee meeting of 22 February 2012 were approved and signed.

Section A

FN/11 - 12/71 US GAAP Financial Statements

The Treasurer drew the Committee's attention to the circulated memorandum dated 16.03.2012 setting out the detail of enacted US legislation in relation to Federal Student Aid programmes (i.e. Stafford Loans). Under this legislation, foreign institutions in receipt of funding from this programme (in the range of €2.2m - €7.4m p.a.) are now required to submit accounts prepared in accordance with US GAAP once every three years, in addition to the submission of audited GAAP financial statements on an annual basis. The Committee noted that other international universities are proceeding with the preparation of US GAAP accounts and that Higher Education Institutions in Ireland impacted by the legislation are currently scoping their preparation. The Provost agreed to explore options available to the College regarding exemption from the requirement to produce US GAAP Financial Statements.

In considering the key issues and risks associated with this new reporting requirement, the value of the Stafford Loan Scheme to the College and the likely increase in the number of US students, the Committee agreed to recommend to Board that the College proceed with the preparation of the US GAAP accounts, noting and approving the additional resources required for their preparation and audit.

Action

71.1 A recommendation to be made to Board that the College proceed with the preparation of the US GAAP accounts.

71.2 The Provost to explore options available to the College regarding exemption from the requirement to produce US GAAP Financial Statements.

Section B

FN/11 - 12/72 2012 Estimates of Income and Expenditure

The Financial Resources Manager attended for this item.

A memorandum from the Treasurer dated 16.03.2012 had been circulated to the Committee with the following accompanying documentation and appendices:

- 2011/12 Financial Year Estimates with highlights and detailed notes
- 2012 Calendar Year Estimates

The Treasurer, having advised that Executive Officers had previously considered and approved the Financial Year and Calendar Year Estimates, drew the Committee's attention to the current projected financial outturn and the options available to College to achieve a break-even position at the end of the financial year (Minute FN/11-12/4 of 21.09.2011 refers). The Committee noted that the estimates of Income and Expenditure reflected the recommendations of the Planning Group and the outcomes of the Annual Budgetary Cycle approved in March 2011. In addition, the Committee reviewed in detail the reconciliation between the original and revised estimates and in particular the variances between forecast v actual in relation to fee income (student numbers), state grant and energy costs.

The Treasurer advised the Committee that the 2012 core recurrent grant reflected a 10% reduction in the College's year-on-year calendar recurrent grant after taking account of a 5% reduction in the allocation in the 2012 Book of Estimates for the HEA sector and additional top-slices including €5m set aside for allocation at a future date to support the implementation of the recommendations arising from the National Strategy. The Committee also noted, as advised by the HEA, that the grant allocation may be reduced in due course to take account of unauthorised payments. This matter, along with the level of top-slicing will be raised directly with the HEA.

Noting that Executive Officers had endorsed the presentation of a balanced budget for 2011/12, the Committee, approved and recommended to Board:

- 2011/12 Financial Year Estimates, subject to a revision to the format of the reconciliation between original and revised estimates.
- 2012 Calendar Year Estimates

The contribution by the Treasurer's Office staff was acknowledged in the preparation of the 2012 Estimates process.

Action

- 72.1** The Treasurer to forward the 2011/12 Financial Year Estimates and 2012 Calendar Year Estimates to Board, subject to a revision of the reconciliation between the original and revised estimates.
- 72.2** The issue of top-slicing and the unauthorised payments to be raised directly with the HEA.

FN/11 - 12/73 Annual Budgetary Cycle 2012/13

The Financial Resources Manager attended for this item.

The Committee considered a circulated memorandum and associated documentation from the Vice-Provost/Chief Academic Officer dated 16.03.2012 which set out the process of the annual budgetary cycle for 2012/13 under the following headings:

- Introduction
- Feedback and lessons learned
- ABC 2012/13 (including key principles to be applied when making allocations)
- RPM Planning/Allocations
- Key Indicators
- Risk Review
- Conclusion
- Next Steps.

In considering the budgetary cycle process, the Committee agreed that a final additional step to support accountability and monitoring was required. Having considered the risks outlined and as requested, the Committee noted the Annual Budgetary Cycle principles for determining the allocation of budgets in 2012/13.

Section C

FN/11 – 12/74 Quarterly Accounts to 31 December 2011

The Committee was circulated with a memorandum dated 16.03.2012 from the Treasurer's Office reporting on the Quarterly Accounts for the period to 31.12.2011, which provided a summary of the financial position 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

The Committee noted the update provided by the COO of potential expenditure over the agreed budget on a specific capital project and the status of ongoing interactions with the contractor.

FN/11 - 12/75 Borrowing Framework and Loan Guarantees

In accordance with Section 6 of the Framework for Borrowing and Loan Guarantees, the Committee noted the circulated memorandum from the Financial Planning Manager dated 15.03.2012 and accompanying schedules setting out full details of borrowing, underwriting and guarantee arrangements in the format requested by the HEA.

FN/11 - 12/76 Residential Rent Review 2012/13

The Committee considered the circulated memorandum from the Director of Accommodation and Catering Services dated 15.03.2012 in relation to proposed residential rent levels for the 2012-2013 academic year as agreed with the Chief Operating Officer. The Committee approved the recommendation that rents would remain unchanged for the next academic year.

FN/11 - 12/77 Finance Committee Evaluation/Self Assessment 2011/12

The Committee agreed to review the draft self assessment questionnaire as circulated and revert with any amendments within the timeframe specified in order that the outcome of the evaluation/self-assessment process may be considered at the June meeting of the Committee.

Action:

- 77.1** Committee members to revert with any amendments to the draft self-assessment questionnaire within the timeframe specified.

FN/11 - 12/78 Minutes of Sub Committees

The Committee noted and approved the minutes of the Investment Committee meeting of 14.02.2012 as circulated.

The Committee noted that the next Finance Committee meeting is scheduled for 16 May 2012, at 2.30pm in the Provost's Library.

PROVOST.....

DATE.....