



Minutes of the Finance Committee Meeting of 26 September 2012

PRESENT: Provost, Vice-Provost/Chief Academic Officer, Bursar, Chief Operating Officer, Registrar, Dean of Arts, Humanities and Social Sciences, Prof. R. Gilligan, President of the Students Union, Chief Financial Officer (CFO) – Secretary of the Committee.

IN

ATTENDANCE: Research Accounting Manager

APOLOGIES: Ms. Helen Keelan, Mr. Jon Gorringe

The minutes of the Finance Committee meeting of 13 June 2012 were approved and signed.

The Provost welcomed the President of the Student Union, the Dean of Arts, Humanities and Social Sciences, Prof. Robbie Gilligan and Mr. Jon Gorringe as new members of the Finance Committee.

Section A

No Items

Section B

FN/12 - 13/1

TBSI

(Minute FN/11-12/96 of 13.06.2012 refers)

The Committee noted that reporting associated with the TBSI in the College's Governance structure needs to be finalised and requested that the Dean of Research submit a paper addressing this issue early in Hilary Term 2013.

Action

1.1 The Dean of Research to submit a paper addressing the reporting associated with the TBSI in the College's Governance structure early in Hilary Term 2013.

FN/12 - 13/2

Trust Funds (Benefactions) Financial Statements to 30.06.2012

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 30.06.2012, along with a copy of the draft Letter of Representation to KPMG, and noted that it was the intention of the Auditors (KPMG) to issue an unqualified audit opinion following their approval by Board.

Having received a short presentation from the Financial Resources Manager, the Committee agreed that a review of the funds, as proposed by the CFO, to ensure maximum utilisation was timely. Noting their key role in supporting the College's objectives, the Committee also requested that a report on the Trust Funds be prepared to establish the underlying performance of the portfolio. In addition, it was agreed that further information on the level of financial support provided to Academic Chairs from the Trust Funds would be submitted to the Committee in due course.

The Committee noted the Trust Funds (Benefactions) Financial Statements and Draft Letter of Representation as circulated and agreed that they be submitted to the Audit Committee for review and recommendation to Board for approval, subject to a minor amendment to the Chief Financial Officer's (CFO's) Report as proposed.

Action

- 2.1 The Treasurer's Office to undertake a review of the funds to ensure maximum utilisation.
- 2.2 A report to be prepared on the fund's performance for further consideration.
- 2.3 Information on the level of financial support provided to Academic Chairs from the Trust Funds to be provided.
- 2.4 The draft Financial Statements of the Trust Funds to be submitted to the Audit Committee for review and recommendation to Board for approval, subject to a minor amendment in the CFO's report.

FN/12 - 13/3

Annual Budgetary Cycle 2012/13

(Minute FN/11-12/84 of 16.05.2012 refers)

The Financial Resources Manager attended for this item.

The Committee, in considering a circulated memorandum and associated documentation from the Vice-Provost/Chief Academic Officer dated 18.09.2012, noted the outcome of the annual budgetary cycle process for 2012/13, including the breakdown of the resources allocated across the three Faculties, COO Areas and Non Faculty/Non COO Areas. In considering the forecasted expenditure and income, the Committee agreed that once-off financial flexibility available to the College should be utilised to ensure a breakeven position for the year ended 30 September 2013 if required.

The Committee further noted that the 2012/13 ABC process was considered as part of Planning Group Report #7 (BD/11-12/290 of 27.06.2012 refers) and furthermore, lessons learned/emerging issues will form part of a discussion paper on ABC 2013/14 to be considered and finalised by Planning Group at its next meeting.

FN/12 - 13/4

CRANN

(Minute FN/11-12/101.2 of 13.06.2012 refers)

The Executive Director of CRANN attended for this item.

The Committee, having been circulated with a report from the Executive Director of CRANN dated September 2012, considered detailed information in relation to the strategy adopted by CRANN to diversify its income in the context of a dependency, previously noted by the Committee, on funding from a specific sponsor. The Committee noted CRANN's success in recent years, which had resulted in significant diversification of its income base, acknowledging that this does not necessarily provide financial stability to support core operational costs due to the defined nature of the income/funding awarded.

The Executive Director updated the Committee on the recent submission of the "AMBER" proposal for the SFI Centres call, which contains significant investment from industry.

The Committee, following detailed discussion regarding the negotiation process around the split of the contribution to indirect costs between CRANN and the related Schools, thanked the Executive Director of CRANN for his report, noting that he will be providing a financial update to the Committee in December 2012 in accordance with College policy on TRI's.

Section C

FN/12 – 13/5

Quarterly Accounts to 30 June 2012

The Committee noted the circulated memorandum dated 19.09.2012 from the Treasurer's Office reporting on the Quarterly Accounts for the period to 30.06.2012, which set out a summary of the financial position in addition to enhanced information across the following categories:

- Areas under the remit of the Faculty Deans
- Areas under the remit of the Chief Operating Officer (COO)
- Other Areas outside the remit of the Faculty Deans and COO
- Research
- Analysis of Capital Projects

The Committee welcomed the new reporting format and the enhanced visibility on the performance of individual areas, including comparisons with agreed budget/KPI's/targets for 2011/12, where available (Minute FN/11-12/20 of 2.11.2011 refers).

FN/12 – 13/6

eStrategy – Financial Update

(Minute FN/11-12/104 of 13.06.2012 refers)

The Academic Secretary attended for this item.

The Committee, having considered the circulated report dated 19.09.2012 from the Chief Operating Officer, noted the financial position of four eStrategy Projects including the expenditure to date against projected budget and welcomed the detail in respect of the budget versus project milestones for each project.

Arising from the budgetary issues reported at a specific Project Steering Group meeting on 21.09.2012, the Committee noted the supplementary budget document dated 26.10.2012, and the accompanying chart entitled "Cost Estimate Accuracy vs % of Engineering Design Completed" tabled by the Academic Secretary. Noting the items listed in the circulated budget report that had not been identified within the original budget, the Committee expressed concern at the emerging budgetary position as reported.

Following detailed discussion, the Committee requested that a full analysis of the budgetary situation along with a comprehensive financial report outlining additional funding (if any) required to deliver the agreed scope of the project, the use of the contingency funds and options now available be submitted for consideration in Michaelmas Term 2012.

The Committee agreed that further discussion on the matter should follow at the next Executive Officers meeting.

The Committee noted that an overall update on all four eStrategy projects will be provided by the COO at the last meeting of the Committee in Michaelmas Term 2012.

Action:

- 6.1** A detailed analysis of the budgetary situation along with a comprehensive financial plan outlining the additional funding needs of a specific project to be submitted for consideration by the Committee in Michaelmas Term 2012.
- 6.2** The COO to provide an update on the four eStrategy projects, with the next report due at the last meeting of the Committee in Michaelmas Term 2012.

FN/12 - 13/7

Planning Group Report #7

The Committee noted the circulated memorandum from the Vice-Provost/Chief Academic Officer dated 17.09.2012 and the accompanying Report #7 of the Planning Group for the period mid-February to mid-June 2012, which had been considered and approved by Board on 27.06.2012.

FN/12 – 13/8

Treasury Management Update

In accordance with the Treasury Management Policy, the Committee was circulated with a memorandum and accompanying appendices from the Financial Planning Manager dated 19.09.2012, setting out an update for the period 1.09.2011 to 31.08.2012. The Committee noted the report and, in particular, detail provided by the Treasurer under the heading of "Current Deposits, Credit Ratings and Deposit Limits".

FN/12 - 13/9 Provost's Expenses

The circulated memorandum from the Secretary to College, dated 24.08.2012, setting out a report of the Provost's expenses for the period 1.01.12 to 30.06.12 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 for review at the meeting.

FN/12 - 13/10 Related Entity Financial Reporting

The Committee considered the circulated 2011 Director's Reports and audited Financial Statements in respect of:

- i) Central Applications Office Limited (CAO)
- ii) National Digital Research Centre Limited (NDRC)

The Committee requested that the documents be forwarded to Board for noting.

Action:

10.1 The 2011 Director's Reports and audited Financial Statements in respect of CAO Limited and NDRC Limited to be forwarded to Board for noting.

FN/12 - 13/11 Minutes of Sub Committees

The Committee noted and approved the minutes of the Investment Committee meeting of 19.06.2012 as circulated.

FN/12 - 13/12 Finance Course

Following on from the success of a similar course in 2011, the CFO invited members of the Committee to attend a course entitled "Essentials of Finance" to be hosted on 23.10.2012, the aim of which is to provide guidance and support for non-financial members of the Committee in terms of their oversight role.

The Committee noted that the next Finance Committee meeting is scheduled for **17 October 2012**, at **2.30p.m.** in the Provost's Library.

PROVOST.....

DATE.....