



Minutes of the Finance Committee Meeting of 22 May 2013

PRESENT: Provost, Vice-Provost/Chief Academic Officer (for Minutes 77- 82), Bursar, Dean of Arts, Humanities & Social Sciences, Registrar, President of the Students Union, Chief Operating Officer, Prof. R. Gilligan (for Minutes 77-82), Mr. J. Gorringer, Ms. H. Keelan, Chief Financial Officer (CFO) – Secretary of the Committee.

IN

ATTENDANCE: Research Accounting Manager

The minutes of the Finance Committee meeting of 20 March 2013 were approved and signed.

Section A

FN/12-13/77 Treasury Management Policy

(Minute FN/09-10/73 of 25.05.2010 refers)

The Financial Planning Manager attended for this item.

The Committee considered the circulated memorandum from the Financial Planning Manager dated 15.05.2013, which set out the background to the current Treasury Management Policy, originally approved in October 2011 (Minute FN/09-10/73 of 25.05.2010 refers) by way of context for the proposed changes. The Committee noted the unprecedented changes in the Irish banking sector in recent years, including the removal of the Government Guarantee for all new deposits from 28 March 2013, which has resulted in a credit rating for Irish banks below investment grade. In considering the proposed changes to the Policy, the Committee further noted the benefits and risks as outlined along with the underlying priority of managing deposit investment risk conservatively. In this context, the Committee suggested the possibility of utilising counterparties beyond the Eurozone should be investigated for consideration in the future.

The Committee agreed to the proposal to amend the Treasury Management Policy to facilitate the continued placement of funds with Irish pillar banks, subject to specific conditions, and recommended it for onward consideration and approval by Board.

Action:

77.1 The possibility of utilising counterparties beyond the Eurozone to be investigated for consideration in the future.

77.2 The Committee noted and agreed the proposal to amend the Treasury Management Policy to facilitate the continued placement of funds with Irish pillar banks and recommended it for onward consideration and approval by Board.

FN/12-13/78 Student Fee Payment Terms and Fee Management Policy

The Financial Planning Manager attended for this item.

The Committee considered the circulated memorandum from the Financial Planning Manager dated 15.05.2013 setting out the background to a proposal to integrate the management of all aspects of student payments/fee collection through the student account in the new student administrations system (SITs), resulting in the improvement and streamlining of existing processes. The Committee noted the input from the Academic Secretary, Director of Accommodation & Catering and the Genesis Student Finance team in developing the proposed policy.

In considering the Policy to support the proposed changes, the Committee noted the key changes, benefits along with the risks as outlined and requested that should the College seek to engage external debt collection services in the future, a protocol would first have to be considered and agreed by the Committee. Furthermore, the Committee requested that the use of debt collection agencies would only apply to students who had fully completed their studies and were no longer registered with the College.

The Committee, noting the policy as presented, including the request to apply the same penalties for all forms of debt (regardless of the source), recommended it for onward consideration and approval by Board, subject to a change in title to "Student Fee Payment Terms and Fee Management Policy".

Action:

- 78.1** A protocol to be considered and agreed by the Committee, should the College seek to engage external debt collection services in the future.
- 78.2** Use of debt collection agencies will only apply to students who have completed their studies.
- 78.3** The Committee noted the policy as presented and recommended it for onward consideration and approval by Board, subject to a change in title to "Student Fee Payment Terms and Fee Management Policy".

Section B

FN/12 - 13/79 TBSI
(Minute FN/12-13/67.1 of 20.03.2013 refers)

The Committee noted that negotiations in relation to overhead contributions in TBSI had concluded to the satisfaction of all parties involved.

FN/12 - 13/80 Global Relations Strategy
(Minute FN/12-13/68.1 of 20.03.2013 refers)

The Committee noted that, contrary to the issue raised at the last meeting, no additional resources would now be required to speed up the admissions process for overseas students as there was no clear evidence in relation to delays in registration.

FN/12 - 13/81 Science Gallery
(Minute FN/12-13/15.1 of 17.10.2012 refers)

The Committee considered the second of the bi-annual reports from the Director of the Science Gallery dated 08.05.2013 as circulated, including the recent additional strategic funding it had been awarded and other further fundraising measures that would reduce funding support by the College. Noting the financial position as set out and the plans to reduce the start-up costs in the coming years, the Committee requested that should the Science Gallery report a positive variance against their budget at the end of any financial year, it would accelerate the repayment of its start-up costs in that year. In line with College policy, the Committee invited the Director of the Science Gallery to provide an update in Michaelmas Term 2013.

- 81.1** Should the Science Gallery report a positive variance against budget at the end of any financial year, it will accelerate the repayment of its start-up costs in that year.
- 81.2** The Director of the Science Gallery to update the Committee in Michaelmas Term 2013.

FN/12 - 13/82 Consolidated Financial Statements 2010/11

The Senior Financial Accountant attended for this item.

The Committee considered the circulated memorandum from the CFO dated 15.05.2013, and the accompanying documents, including:

- Draft Consolidated Financial Statements (including KPMG Audit Report) for the year ended 30 September 2011;
- Draft Letter of Representation to KPMG 2010/11;
- Draft Letter of Representation to the Comptroller & Auditor General 2010/11;
- HEA letter dated 22 May 2012 - Audit Qualification FRS12 'Provisions, Contingent Liabilities & Assets';
- Draft Comptroller & Auditor General Audit Report 2010/11.

The key details of the Consolidated Financial Statements 2010/11 were outlined by the Senior Financial Accountant, by way of presentation, under the following headings:

- financial reporting requirements
- audit status
- pension issues
- consolidation of Endowment Funds
- Consolidated Financial Statements - outcome
- heritage assets
- next steps

In discussing the details of the Consolidated Financial Statements as presented, the Committee noted the risks associated with the Board approved arrangements regarding the timing of the repayment of the EIB loan as outlined by the CFO. The Committee further noting the unqualified audit opinion provided by the Comptroller and Auditor General (including specific reference to the consolidation of the endowment funds and the treatment of pension assets) and the qualified opinion from KPMG (in respect of FRS12 regarding the recognition of assets), agreed that the Consolidated Financial Statements and Letters of Representation should be forwarded to Audit Committee for review and onward recommendation to Board for approval.

Action:

82.1 The Consolidated Financial Statements for the year ended 30 September 2011 and Draft Letters of Representation to be submitted to Audit Committee for review and onward recommendation to Board for approval.

FN/12 – 13/83 Financial Sustainability

The Senior Financial Accountant attended for this item.

The Committee noted the content of the circulated memorandum from the CFO dated 15.05.2013 setting out indicators of the financial sustainability of the College, which included a definition of the term, background to the information provided and guidelines in relation to the interpretation of financial indicators and their appropriateness.

As requested, the Committee noted the financial challenges facing the College, its relative position compared to Universities within the Irish, UK and Global HE Sector and the importance of generating new income streams and continued efficiencies.

FN/12 - 13/84 Residential Rent Review

The Accommodation Officer attended for this item.

The Committee considered the circulated memorandum from the Accommodation Officer dated 15.05.2013, in relation to proposed residential rent levels for the 2013/14 academic year, which were informed by the need to address cost increases in the period since the last increase in residential rents in 2009/10 and the additional costs arising from new legislative requirements.

The Committee noted and approved the administrative changes outlined in the memorandum, including discontinuance of the application fee and residential deposit, to streamline the interface of the residential system with the GeneSIS system, and the

associated financial impact.

Having considered rental market data along with current economic conditions, the Committee approved the increase in residential rents for 2013/14 as proposed.

Action

- 84.1** The increase in residential rents for 2013/14 was noted and approved as requested.
- 84.2** Administrative changes, including discontinuance of the application fee and residential deposit, to streamline the interface of the residential system with the GeneSIS system, were approved.

Section C

FN/12 - 13/85 HEA Annual Accountability and Budget Meeting 2013

The Committee noted the circulated memorandum from the Senior ABC/FECP Accountant and Senior Financial Accountant dated 15.05.2013, which outlined the main topics, as discussed at the Accountability and Budget meeting with the HEA on 11 April 2013 as follows:

- 2011/12 Financial Outcome
- 2012/13 & 2013/14 Financial Projections
- FTWA Credit
- Sector Top-Slices
- Unauthorised Allowances
- Draft Public Service Agreement
- Once-Off Sector reduction
- HEA Funding Model
- Financial Reporting Standard
- Statement of Recommended Practice
- Financial Information System.

FN/12 - 13/86 Review of Streamlined Authorisation Process for Reimbursement Claims
(Minute FN/12-13/14.2 of 17.10.2012 refers)

The Committee noted the circulated memorandum from the Finance Operations Manager dated 15.05.2013 including the benefits, concerns and outcomes of the change to sample checking for certain types of reimbursement claims introduced following approval by the Committee in October 2012. The Committee endorsed the continuation of the policy of sample checking, until the implementation of the online claims process under the new Financial Information System in 2014, and requested that it would be notified to the Faculty Deans and the COO, for onward notification to Heads of School and Heads of Administrative and Support Areas respectively.

Action:

- 86.1** The Committee endorsed the continuation of the policy of sample checking certain types of reimbursement claims as requested, until the implementation of the online claims process (iExpenses module) under the new Financial Information System in 2014.
- 86.2** The continuation of the policy of sample checking certain types of reimbursement claims to be notified to the Faculty Deans and the COO, for onward notification to Heads of School and Heads of Administrative and Support Areas respectively.

FN/12 - 13/87 Quarterly Accounts to 31 March 2013

The Committee was circulated with a memorandum dated 15.05.2013 from the Treasurer's Office reporting on the Quarterly Accounts for the period to 31.03.2013 and noted the summary of the financial position and the enhanced information provided 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.

In particular, the Committee noted the potential impact on specific Support Areas following a sizable reduction in operating budget in 2012/13 and also the key research statistics set out, along with the supporting information provided by the Research Accounting Manager. The Committee further noted the risks associated with a number of large capital projects.

FN/12 - 13/88 Control Exception Report

The Committee noted the bi-annual Control Exception Report for the period to May 2013, as circulated, which included new exceptions (relating to over/duplicate payments, penalty charges and disallowed costs on research projects, reporting of capital projects) and further, repetitive, control exceptions (namely non-use of preferred suppliers and the use of reimbursements for items purchased by staff), along with breaches of policy, issues associated with unrecorded liabilities and the status of internal and external audit recommendations. In accordance with normal practice, the Control Exception Report will be circulated to the Faculty Deans and the COO, for Heads of School and Heads of Administrative and Support areas respectively.

Action:

88.1 The Control Exception Report to be circulated to the Faculty Deans for Heads of School and the Chief Operating Officer for Heads of School and Heads of Administrative and Support areas respectively.

FN/12 - 13/89 Taxation of Payments to External Examiners, Quality Assurance Reviewers and Interview Board Members

Memorandum from the Finance Operations Manager dated 15.05.2013.

The memorandum from the Finance Operations Manager dated 15.05.2013, regarding the outcome and settlement of a Sector-wide process to agree the tax treatment of payments to non-staff members (including travel expenses, subsistence and other types of payments to visiting academics, speakers, examiners, assessors, etc) with the Revenue was noted as circulated. The Committee requested the outcome be circulated to the Faculty Deans and the COO, for notification to Heads of School and Heads of Administrative and Support Areas respectively.

Action:

89.1 The tax treatment of payments to non-staff members to be circulated to the Faculty Deans and the Chief Operating Officer, for Heads of School and Heads of Administrative and Support areas respectively.

FN/12 - 13/90 Stafford Loan Programme-Auditors Report for the Year Ended 30 September 2012

The Committee noted the memorandum from the Financial Planning Manager, dated 15.05.2013, and the associated unqualified audit opinion, dated 18.02.2013, issued by the Auditors for the year ended 30 September 2012 in relation to the College's compliance with the Federal Family Education Loan Program (Stafford Loan Program) as circulated.

FN/12 - 13/91 Related Entity Financial Reporting

The Committee, noting the Financial Statements and Director's Report of the Academy of Dramatic Art for the year ended 30 September 2012 along with the Annual Report and Financial Statements for HEAnet for 2011 as circulated, recommended them for onward consideration by Board.

Action:

91.1 The Financial Statements of the Academy of Dramatic Art for the year ended 30 September 2012 along with the Annual Report and Financial Statements for HEAnet for 2011 to be forwarded to Board for noting.

FN/12 – 13/92 Minutes of Sub-Committees

The Committee noted and approved the minutes of the Investment Committee meeting of 07.05.2013 as circulated.

The Committee noted that the next Finance Committee meeting is scheduled for 12 June 2013, at 2.30p.m. in the Provost's Library.

PROVOST.....

DATE.....