



Minutes of the Finance Committee Meeting of 20 November 2014

PRESENT: Vice-Provost/Chief Academic Officer (VP/CAO) in the Chair, Bursar, Registrar, Professor Peter Coxon, President of the Students Union, Mr. J. Gorringer, Ms. C. Curtis, Chief Financial Officer (CFO) – Secretary of the Committee.

IN

ATTENDANCE: Deputy Chief Financial Officer

APOLOGIES Provost, Interim Chief Operating Officer, Dean of Arts, Humanities & Social Sciences,

The Committee noted and approved the minutes of the Finance Committee meeting of 29 October 2014, with matters arising minuted separately below (minute FN/14-15/31 refers).

Section A

No items

Section B

FN/14 - 15/31 **START Programme – Review of Governance Arrangements**
(Minute FN/14 - 15/19 of 29.10.2014 refers)

Following a review of the governance arrangements by Chief Officers in relation to Board-approved Strategy (and other) reports, the Committee agreed that the reporting framework for key College Strategies would revert to the original bi-annual report for consideration by the Finance Committee.

Action

31.1 Updates on key College Strategies (and other) reports to be considered bi-annually by the Finance Committee.

FN/14 - 15/32 **Online Education Strategy II**
(Minute FN/13 - 14/107 of 12.06.2014 refers)

The Associate Dean for Online Education and the Secretary to the College attended for this item.

The Committee were circulated with the following documents:

- The business case for developing the Online Education Project II
- The case for the creation of a special-purpose subsidiary company to enable delivery of online education
- Report from the Online Education Project Working Group October 2014

In acknowledging that the business case had been previously considered by the Executive Officer Group and Board, the Committee noted the key aspects of the proposed strategy under the following headings:

- Fee Structures
- Achieving Student Numbers – Market Analysis
- Achieving Student Numbers – Marketing and Course Selection
- Collaboration Opportunities
- Commercial Partnership with Non-Associated Companies

The Committee also noted the detailed financial projections and the risk assessment undertaken as well as the recommendations of the Online Education Project Working Group for the approach to the delivery of the strategy.

The Committee noted that an independent review of the Strategy had been completed by an education technology investment advisor.

Various financial scenarios were presented showing different levels of return to Schools along with the governance arrangements in relation to the organisational structure of the new entity. The VP/CAO requested the Dean for Online Education to consider the substantive issues raised including: the rationale and linkage to Schools; suitability of delivering online education via a new entity; potential scale of the initiative; IT future-proofing; the appropriate level of provisioning for marketing and removal of programmes; and the basis of the contribution to student services and that a further Finance Committee meeting would be scheduled in advance of the December Board meeting to consider a revised version of the strategy.

Action

32.1 Finance Committee meeting to be scheduled in advance of the next Board meeting in December to discuss further issues in relation to the Online Education Strategy.

**FN/14 - 15/33
XX**

Global Relations Strategy II

(Minute FN/13 - 14/101 of 12.06.2014 refers)

The Vice President for Global Relations (VPGR), the Director of Internationalisation and the Financial Planning Manger attended for this item.

The Committee reviewed the paper as circulated noting the following:

- Objective of doubling the non-EU students arriving at 18% of student population by 2018/19
- Business Plan (including income generation and costs)
- Cost of recruiting a Non-EU student
- Impact of Global Officers
- Risk Register

In relation to the additional student numbers and revenue generation highlighted in the report, the Committee agreed on the importance of this strategy being successful in the overall context of College's financial sustainability. The Committee also noted the assumption around fee increases in the model; however it was agreed that a yearly fee should be set to take account of both inflation levels and any significant foreign exchange movements. The International Office was requested to undertake an external comparison of fee levels every three years.

The VPGR briefed the Committee on the recent recommendation by the ABC Group to amend the basis of allocation of fees and the percentage of additional fee income to be provided to each School. The Committee also noted the consequential impact on ABC resources of increasing the percentage allocation to Schools.

The Committee requested that this change be incorporated into a revised strategy to be circulated at the next Finance Committee meeting before Board circulation in December 2014.

Action

33.1 Global Relations Office to undertake an external comparison of fee levels every three years.

33.2 Revised Global Relations Strategy to be circulated to Finance Committee in advance of Board circulation in December 2014.

FN/14 - 15/34

Commercialisation Strategy

(Minute FN/13 - 14/104 of 12.06.2014 refers)

The Commercial Director attended for this item.

The Committee received a presentation by the Commercial Director who outlined the following in relation to the Commercial Revenue Unit (CRU):

- Background to Commercial Revenue Unit
- Linkage to Strategic Plan and Student Life

- Strategic focus
- Results for 2013/14 versus prior year and against budget
- Budget Target for 2014/15
- Long Term Forecasts 2014-2019

The Committee welcomed the overall increase in revenue and contribution achieved in 2013/14 and noted the targets and key assumptions with regard to growing the CRU revenue and contribution in the period to 2019.

**FN/14 - 15/35
XX**

Consolidated Financial Statements 2011/12 & 2012/13

The Committee considered the circulated memorandum from the CFO and Deputy CFO dated 14.11.2014 and the accompanying Consolidated Financial Statements and Draft Letters of Representation for 2011/12 and 2012/13. The key details of the Consolidated Financial Statements were outlined by the Deputy CFO as follows:

- Financial reporting requirements
- Adoption of SORP – Accounting for Further and Higher Education requiring the consolidation of the College's endowment funds and other entities
- Audit status: KPMG and Comptroller & Auditor General
- KPMG's ongoing audit qualification re. FRS 12 – Provisions, Contingent Liabilities & Assets
- Outcome for 11/12 and 12/13
- Delayed timeline in bringing the Consolidated Financial Statements forward for approval

The Committee noted with concern that the on-going audit qualification by KPMG was not satisfactory and requested the CFO to follow up once again with the HEA in this regard. The Committee agreed that the Consolidated Financial Statements and Letters of Representation should be forwarded to the Audit Committee for review and onward recommendation to Board for approval

Action

35.1 The Consolidated Financial Statements for the years ending 30th September 2012 and 30th September 2013 and the Letters of Representation to be submitted to the Audit Committee for review and onward recommendation to Board for approval.

35.2 The CFO to follow up the on-going audit qualification with the HEA.

**FN/14 - 15/36
XX**

Trinity Business School

(Minute FN/14 - 15/5 of 22.09.2014 and Minute FN/13-14/65 of 19.02.2014 refers)

Having noted the circulated memorandum dated 13.11.2014 had been considered and approved by Executive Officers, the Committee approved an additional non pay budget to the Business School in 2014/15 to bring the overall resource allocation to the level required to provide sufficient and appropriate resources as per the approved growth plan. The Committee noted the impact of the additional resource allocation on the Trinity Business School financial model over 25 years. In addition, the Committee agreed that going forward post 2014/15, the original resource allocation to the Business School (pre growth plan) would be subject to movements in the ABC resource base each year.

Section C

FN/14 - 15/37

Strategic Plan 2014-19 – Financial Strategy

(Minute FN/14 - 15/22 of 29.10.2014 refers)

The Committee noted the updated Financial Strategy as circulated and proposed that it be forwarded to Board at a future date alongside other Strategic Plan Implementation updates.

Action

37.1 The Financial Strategy to be forwarded to Board at a future date alongside the Strategic Plan Implementation updates.

FN/14 - 15/38 Finance Committee Self-Evaluation
(Minute FN/14 - 15/21 of 29.10.2014 refers)

The Committee considered the report from the College Secretary dated 06.11.2014, which set out in detail the results of the Finance Committee Self-Evaluation process for 2014, in accordance with its terms of reference, under the following headings:

- Role of Finance Committee
- Finance Committee Meetings
- Oversight of Financial Issues, Risk Management and Reporting
- Support for Members

The Committee, noting the overall response rate, welcomed the conclusion in the report that the Committee conducts its business effectively in all matters. In addition, the Committee noted that a greater emphasis on strategic issues and less on the day-to-day issues would be desirable and that more focus should be given to Procurement, Capital and Financial Projections. The Committee also thanked the College Secretary and his Office for the analysis and presentation of the findings and requested the CFO to provide a formal response at the next scheduled Finance Committee meeting.

Action

- 38.1** The CFO to provide a formal response to the analysis and findings of the Finance Committee Self-Evaluation report 2014 at the next scheduled Finance Committee meeting.

FN/14 - 15/39 START Procurement Process Change for Non Capital and Capital Projects

The Committee noted and approved the START Approved Procurement Process Change for Capital and non-Capital Projects as circulated dated 4 September 2014 and 13 October 2014 respectively.

FN/14 - 15/40 Minutes of Audit Committee

The Committee noted the draft minutes of the Audit Committee meeting of 19.06.2014, as circulated.

FN/14 - 15/41 Minutes of Estates Policy Committee

The Committee noted the draft minutes of the Estates Policy Committee meeting of 17.10.2014 as circulated.

FN/14 - 15/42 Related Entity Financial Reporting
XX

The Committee noted the following and recommended them for onward submission to Board:

- IRIS Electronic Imaging Services Director's Report and audited Financial Statements for the year ended 31 December 2013
- Central Applications Office (CAO) Director's Report and audited Financial Statements for the year ended 31 December 2013. The Committee requested the VP/CAO to propose an amendment to the draft accounts at the next Board meeting of the CAO.
- Irish Universities Association Director's Report and audited Financial Statements for the year ended 31 December 2013

Action

- 42.1** The proposed amendment to the draft accounts to be forwarded to the next Board meeting of the CAO by the VP/CAO.
- 42.2** The Director's Report and audited Financial Statements for IRIS Electronic Imaging Services, the Central Applications Office and the Irish Universities Association were recommended for onward submission to Board.

FN/14 - 15/43 Essentials of Finance - Training

The Committee, noting the circulated memorandum from the CFO dated 13.11.2014, and in particular the poor participation levels and late cancellation of attendees, agreed with the proposed changes to the timing and the broadening of the invitation in order to increase participation.

Action

43.1 The CFO to implement the proposed changes to the timeline and invitation base for the next Essentials of Finance Training programme.

The Committee noted that the next scheduled Finance Committee meeting is Friday, 19 December 2014 at 2.30p.m. in the Provost's Library, however requested that an additional meeting to consider the Global Relations Strategy II and the Online Education Strategy II be scheduled in advance of the next Board meeting on 17 December 2014.

PROVOST.....

DATE.....