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FUNDING THE ENTERPRISE

The University of the West Indies continued to face funding challenges in the financial year 2016/2017. While continuing to exercise fiscal prudence, the University responded to these challenges by becoming more creative and innovative, improving academic and industry research partnerships and creating and maintaining a presence globally. Sustaining these initiatives will improve the University's financial health as it continues to provide invaluable service to the Caribbean region and beyond.

The University appreciates the significant financial contributions received from the regional governments over the years, although the contributions remained insufficient to fund the operations of the institution. During the financial year 2016/2017, contributing governments continued to face financial challenges, hence, the University had to increase its efforts to find innovative ways to fund its operations.

In an attempt to ensure that the obligations of the contributing governments to the University were met, payment plans were established with most governments to settle their arrears and to keep their accounts current.

The UWI looks forward to the continued support of the contributing governments and to the joint efforts towards liquidating the outstanding obligations.

APPROVAL OF GOVERNMENT CONTRIBUTIONS

The budgets for the Biennium 2017/2018 and 2018/2019 of the University—four campuses, the University Centre and the University Hospital of the West Indies (UHWI) were reviewed by the Technical Advisory Committees (TACs) at the meetings held on February 20-21, 2017 in St. Lucia. These committees included representatives of the ministries responsible for tertiary education from several contributing countries mainly permanent secretaries, a senior officer from the Ministry of Finance of the respective campus countries and a senior officer from the Ministry of Health, Jamaica.

The meetings of the Campus Grants Committees (CGCs) and the University Grants Committee (UGC) were subsequently held on April 10, 2017 at The UWI, Cave Hill Campus in Barbados to review and approve the recommendations of the TACs. Representatives at the meetings included ministers and senior officers of the finance ministries of the three campus countries, ministers and senior officers responsible for tertiary education of the contributing countries, and a senior officer from the Ministry of Health, Jamaica. The above-mentioned meetings were also attended by representatives of The UWI and the UHWI.

The UGC meeting was chaired by the Honourable Christopher Peter Sinckler, Minister of Finance and Economic Affairs, Barbados.

TUITION FEES

For the academic year 2016/2017, tuition fees for UGC-funded programmes, increased at the Mona and St. Augustine campuses by 6.1% and 5.3% respectively. Tuition fees at the other campuses remained at the 2015/2016 levels.

BROADENING THE FUNDING BASE

The University continued to broaden its funding base by engaging in other income-generating activities which contributed 28% of its total income. The development of new self-financing teaching programmes continued. Some of these included full fee-paying programmes in the faculties of Medical Sciences and Law, and have been generating resources to maintain the capacity

of the University to respond to the region in various ways.

Other income-generating activities also included commercial operations such as rental of conference facilities, residential properties, halls of residence and facilities to concessionaires operating on the campuses.

An important area of engagement for The UWI with the wider community has been through its franchised programmes. The franchising arrangements allow colleges and other institutions across the Caribbean to offer university-designed and branded courses/programmes to thousands of Caribbean students

annually. While broadening access to higher education and ensuring quality is maintained, additional revenue can be earned from these franchise arrangements.

SUMMARY OF CONSOLIDATED FINANCIAL PERFORMANCE

The Financial Report and Consolidated Accounts for the year ended July 31, 2017 was approved by the University Audit Committee on November 13, 2017. The operations of the University for the financial year 2016/2017 reflected a deficit of BDS\$27.3 million (2016: BDS\$19.8 million deficit). The deficit was mainly due to a change in the design of the FSSU supplementation scheme.



Meeting of Campus Grants Committees on April 10, 2017 in Barbados.

The sources of income for the year were:

- Government Contributions 46% (2016: 46%), Tuition and Other Student Fees 14% (2016: 13%), Special Projects 9% (2016: 9%), Other Projects 21% (2016: 20%), Commercial Operations 7% (2016: 9%) and Other Income 3% (2016: 3%).

The categories of expenditure and their percentages of the total were:

- Departmental 44% (2016: 45%), Administrative 10% (2016: 10%), Central 17% (2016: 16%), Special Projects 8% (2016: 9%), Other Projects 15% (2016: 13%) and Commercial Operations 6% (2016: 7%).

Due to the budgetary constraints faced by the University, cost containment has always been a priority. Administrative cost has been kept at or below 10% of total expenditure across the University over the past 10 years. A key cost containment strategy has been the enhanced use of technology. Other cost containment measures included management of staff, travel, energy and other operating costs.

Consistent with prior years, the Consolidated Financial Statements for the year ended July 31, 2017, received an unqualified opinion from the University's external auditors, KPMG.

Pension Administration

The University provides pension benefits for retired employees through the operation of two defined contribution plans: the Federated Superannuation Scheme for Universities (FSSU) for academic and senior administrative staff, and the other for non-academic staff. The University also provides a third scheme which is a defined-benefit plan for administrative and technical staff at the St. Augustine Campus. Additionally, the University provides pension supplementation to members of the FSSU who would have met the specified criteria. However, as of August 1, 2005, the supplementation scheme was terminated for new members joining the FSSU. This was a cost-saving measure. Within the next few years, a significant number of the academic and senior administrative staff will retire from the University. Management of the liability for pension supplementation payments is therefore a priority.

Risk Management and Insurance

The University recognises that with proper planning, forward thinking and the implementation of appropriate measures, issues that could endanger achievement of critical objectives can be minimised or mitigated. Risk management, therefore, remains a priority for the University.

Providing adequate insurance coverage at the most affordable rates remains one of the primary vehicles in mitigating the University's risk exposure to damage by natural disasters and other unforeseen events. Discussions on alternative insurance options are ongoing, and the establishment of a University Captive Insurance Company is being explored.

INTERNAL OPERATIONAL PROCESSES

Grants Management

During the year, the Grants Management Units continued to provide support and assistance with proposal submission and financial management of successfully awarded projects. The Units worked closely with researchers and department administrators to ensure achievement of project success and compliance throughout the lifecycle of sponsored projects. Workshops covering best practices for effective grants management were held for primary investigators and other research personnel as well as research administrators.

Banner Finance

During the financial year, the Banner Finance System was upgraded to version 8.10. The Annual Banner Conference was attended by staff members university-wide. A variety of subject areas were covered by attendees and useful contacts were established with personnel from other universities which use the Banner Finance Software.

PeopleSoft Human Resource Management System

Substantial progress was made in automating the Study and Travel Grant application in the PeopleSoft Human Resource Management System. Full implementation is expected by the end of the calendar year 2018.

CONCLUSION

Despite the financial challenges, The UWI is committed to delivering quality service to the people of the Caribbean and to serve as a driving force for Caribbean development. This goal has led us to diversify our income streams, improve operational efficiency and reduce cost in an effort to improve the financial health of the University.