

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 25 June 2003

PRESENT: The Provost (in the Chair), the Bursar, the Registrar, the Dean of ESS, Mr. P. McCabe, Dr. L. Doyle, Dr. A. Ni Chasaide, the Treasurer (Secretary of the Finance Committee)

OBSERVERS: The Vice-Provost, Professor M. Marsh, Dr. M. O'Moore, Mr. D. Scammel, the Secretary

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: the Dean of Health Sciences, Dr. E. Drew, the Senior Lecturer, Prof. E. McCabe, Mr. W. Priestley

The Minutes of the Meeting of 25 May 2003 were approved and signed.

2003/98 Catering
(Minute 2003/88 of 28.05.2003 refers)

The Treasurer briefed the Committee that as requested she had held discussions with the Director of Accommodation and Catering in order to consider if any particular catering outlets could be franchised out during the coming or future years. As a result of the discussions two outlets have been identified for more detailed consideration in the context of all the influencing factors. The Committee agreed that if either one or both of the outlets proved to be suitable for franchising that expressions of interest for franchising the space should be sought in the coming months and if possible, franchise arrangements should be put in place for 1 October 2003.

2003/99 Research Accounts – Overdrawn Balances
(Minute 2003/90 of 28.05.2003 refers)

The Treasurer outlined the actions which had, with the Dean of Science, been taken to address overdrawn balances and financial management issues in relation to a certain group of accounts. In the context of the Treasurer's Office being unable to progress these matters in line with best practice and in light of the issues which might arise it was agreed that the Provost would liaise with the PI in order to progress the matter with a view to having a full resolution by 31 December 2003. Progress will involve addressing current issues and putting in place mechanisms to avoid similar situations arising in the future.

2003/100 Capital Projects
XX
(Minute 2003/17 of 6.11.2002 refers)
The Director of Buildings attended for this item.

The Committee had been circulated with a very detailed memorandum from the Bursar dated 17.06.2003 outlining financial and other data (including recurrent cost commitments) in relation to projects recently constructed or where decisions are imminent, issues associated with the College's development control plan and set out detailed observations arising from an all-embracing review of the capital

programme. The Committee noted the progress which had been made in relation to capital matters during the last year and in particular the resolutions which had been achieved in certain problem areas. The current estimated funding deficit of €5.5m was considered and the Committee accepted that a number of factors yet to be resolved may yield additional funding. The Committee noted that legal, tax and other matters remained to be brought to a conclusion in relation to the INS, Dunlop Oriel House and the Sports Complex. The importance of identifying sources of funds in respect of initiating urgent small capital projects was agreed. It was noted that this building capital projects paper would be considered in detail by the Site and Facilities Committee and the Board in the near future. The Committee requested continued presentation of this holistic building capital projects summary in its current format twice yearly in order to ensure the continued strong planning and management emphasis which it brings to the College's very large and important capital programme. The Provost thanked the Bursar, Director of Buildings and the Treasurer for the team effort in the preparation of the report.

2003/101 SFI – A Review

The Dean of Research and Research Accounting Manager attended for this item.

A memorandum from the Treasurer dated 30.05.2003 had been circulated outlining in some detail the growth in development in SFI activity over the last two years with the award of 25 grants with a five-year value of €67m, refurbishment of 2,178 sq.m of net space at a cost of circa €4m, indirect cost contributions of circa €8m over five years based on the newly agreed 30% of modified total direct costs, the requirement for the allocation of the indirect costs to provide support services for research, contract terms and conditions, matters to be borne in mind by the College in the future and issues specifically to be addressed by Finance Committee arising from the report. The Finance Committee endorsed the Executive Officers decision that additional costs of refurbishments already incurred on SFI space should be met 50/50 by the College and host departments.

The Finance Committee considered issues associated with:

- support services to be provided from the indirect cost contribution
- the justifications for the distribution of indirect costs to host department and the College support services
- the audit implications associated therewith
- the adequacy of the SFI indirect cost contribution now determined by the Research Overheads Report (sponsored by HEA/Forfas)
- the financial controls that need to be applied to ensure elimination of risks of ineligible costs and potential expenditures in excess of budget
- consideration of how financial exposures, should they arise, be dealt with from a financial point of view.

Arising from the detailed discussion of the issues highlighted, the Finance Committee noted the current responsibilities of PIs, departments and faculties in relation to the various items outlined above and in order to ensure that generally accepted best practice is observed in the future, requested that:

- (a) The SFI Working Party reconvene to consider issues of responsibility and accountability in relation to financial control issues on SFI grants and report back to the Finance Committee. It was noted that the deliberations of this group may have application across the wider research activity in future.
- (b) The Treasurer's Office and IS Services be requested to liaise regarding what options might be available to the College to facilitate Purchase Order processing (commitment accounting) in the context of the need to provide budgetary control systems across College activities generally.

2003/102 Indirect Costs

XX (Minute 2002/104 of 26.06.2002 refers)

The Dean of Research and Research Accounting Manager attended for this item.

A memorandum dated 17.06.2003 from the Treasurer had been circulated to the Committee along with the penultimate draft of the Research Overheads Report which has already been presented to the Minister for Enterprise, Trade and Employment on 6.06.2003.

The Report which reviewed best practice in a number of countries and recommends:

- An indirect cost recovery rate of 30% of modified total direct costs (total research programme minus equipment) for laboratory based research and 25% for desk based research.
- That the HEA/Forfas (sponsors of the study) establish a steering committee with representatives from funding agencies and research institutions, to oversee the implementation of the policy.
- Specified eligible indirect cost areas to which overheads should be distributed.
- A timetable for the implementation of the new policy framework, with a phasing in and monitoring period between 2003 and 2006.
- That Forfas and the HEA should create or adapt the existing structure to implement the recommendations of this report with the representatives from funding agencies and research institutions to oversee the implementation of the policy.
- An assessment (review) of the policy framework coordinated by HEA/Forfas in 2004/2005
- That institutions be entrusted with the responsibility of ensuring that indirect costs from all participating sponsors are correctly spent to underpin funded research projects. There will be a set of non-eligible cost areas to be agreed with the funding agencies and all overheads spent will be subject to periodic audit to ensure transparency.

The Finance Committee recommended the adoption of the principles and policies enshrined in the overhead report and noted the obligations on the research institution for the appropriate distribution of the indirect cost contribution (overhead), the accountability implications of the audit of the use of the indirect cost contribution and the accountability of host departments and service areas in relation to justification of spending of the overhead allocation within the framework agreed.

2003/103 SFI Allocation of Indirect Cost Contribution

The Dean of Research and Research Accounting Manager attended for this item.

A memorandum dated 23.06.2003 was circulated from the Bursar and Treasurer setting out previous decisions and recommendations in relation to indirect cost contributions, guidance from the Research Overheads Report along with proposals regarding the allocation mechanisms to facilitate distribution of indirect cost contributions to host departments, academic services, premises and administration.

While acknowledging that the distribution of overheads is an inexact science, the Committee agreed the proposals as presented and noted that the allocations to be made would be net of the outstanding refurbishment cost.

The Provost thanked the Dean of Research and Research Accounting Manager for their significant work in the continually growing area of research.

2003/104 Nursing

(Minute 2003/49 of 30.01.2003)

The Committee had been circulated with a memorandum from the Treasurer dated 10.06.2003 setting out the background to the unit cost funding provided in respect of Nursing Degree students and the requirement to distribute elements of the unit cost funding to academic services, miscellaneous costs, administration, general education expenses and facilities and amenities. The Committee approved the allocation as set out in Appendix II to the memorandum and requested that the relevant allocations under the premises heading be provided in total to the Director of Buildings for allocation to areas under his responsibility.

2003/105 The Pensions (Amendment) Act, 2002 – Personal Retirement Savings Accounts (PRSAs)

(Minute 2003/53 of 5.02.2003 refers)

Arising from Minute 2003/53 of 05.02.2003 the process of the selection of a single PRSA provider in consultation with external advisors has now taken place. A memorandum dated 18.06.2003 from the Secretary, Staff Secretary and Treasurer outlining the College's (employers) obligations, the PRSA provider selection process and the recommendation that Irish Life be appointed along with a note of the next steps to be undertaken was approved by the Committee. The Committee noted that the Staff Office and Treasurer's Office would be identifying the resource requirements in order that the College can comply with its legislative obligations for 15 September and on an ongoing basis.

2003/106 Sub-Committee Memberships

The Committee received and approved nominations from the Provost as follows:

- (a) Investment Committee
Mr. David Kingston to be replaced by Mr. A. Broxson (for the period 2003/2008).
Mr. Brendan McDonald to continue for one further year to 2004.
- (b) Conferences Committee
Ms. G. Donnelly-Cox to be replaced by Dr. J. Carroll for the period 2003/2006
- (c) Business & Industry Committee
Dr. P. Prendergast to be replaced by Prof. J. Boland for the period 2003/2006
- (d) Capitation Committee
Dr. E. Drew to be replaced by Mr. P. McCabe for the period 2003/2005.

2003/107 Financial Review Advisory Group

The Committee noted a memorandum from the Provost to the Board dated 4.06.2003 and the final report of the Chair of the Financial Review Advisory Group dated 26.05.2003.

2003/108 Insurance

The proposed arrangements for the procurement of insurance services for the 2004/2005 renewal as set out in a memorandum dated 10.06.2003 from the Procurement & Contracts Officer were approved as presented.

2003/109 Student Fees – 2003/2004

The Committee had been circulated with a memorandum dated 16.06.2003 from the Financial Resources Manager up dating the Committee on discussions within CHIU and submissions to the HEA as required under Section 40 of the Universities Act 1997 regarding proposed increases in tuition fees and student charge for 2003/2004. The Committee noted that this process had not reached a conclusion and the Committee confirmed that fee increases in due course should be calculated and related fee schedules prepared following consultation and agreement within the university sector informed by the outcome of the HEA/Department of Education & Science discussions.

2003/110 Pre-Entry Course to Medicine & Dentistry for Students from Kuwait

The Committee noted a memorandum dated 17.06.2003 from the Financial Resources Manager outlining the financial arrangements associated with this initiative some of which required further clarification and explanation. The Committee agreed that the proposals should form the basis for the October 2003 intake only, the distribution of the non-EU science fee to be as for all other courses and requested that the Treasurer's Office and the Dean of Arts (Letters) consider the remaining issues to be resolved for application in future years.

2003/111 Estimates of Recurrent Income & Expenditure – 2003
(Minute 2003/86 of 28.05.2003 refers)

HEA correspondence dated 4.06.2003 indicating that additional funding would be provided in respect of 2003 benchmarking and technician pay awards was circulated. The Committee noted the issue of the level of the funding remained to be clarified and confirmed.

2003/112 Pay, Non-Pay and Recurrent Baseline Allocations for 2003/2004

The Committee noted a memorandum dated 18.06.2003 from the Deputy Treasurer indicating that the Deans' Committee would be notified of allocations in respect of pay, non-pay and recurrent equipment based on the outcome of the Board's consideration of the Financial Review Advisory Group report.

2003/113 House Loans

The Committee noted and approved house loans applications as presented.

2003/114 External Examiners

The Committee noted a memorandum from the Senior Lecturer dated 14.04.2003 regarding the appointment of external examiners for Natural Sciences.

2003/115 Accreditation – International Foundation Programme (China)

A memorandum dated 24.06.2003 from the Treasurer had been circulated along with enclosures from the Director of International Student Affairs regarding the financial arrangements associated with the accreditation of the International Programme (China). The proposals as presented, which will be subject to review in 2005/2006, were approved by the Committee.

2003/116 Finance Committee Meetings – 2003/2004

The Finance Committee was circulated with a memorandum dated 11.06.2003 setting out the schedule of Finance Committee meetings for 2003/2004.

2003/117 Targeted Funding for Special Initiatives & Related Issues

The Committee noted HEA correspondence dated 6.06.2003 setting out the arrangements associated with overall and constituent elements of the Targeted Funding for 2003. The Committee noted again the principles first set out in 2000 which require:

- a commitment to the mainstreaming by the institution of the activities funded under the Scheme,
- a requirement for institutions to use some of their own resources and/or private resources to supplement funding from the HEA,
- a report annually on actions funded under the programme and
- a regular independent revaluation by the HEA of the effectiveness of the funding under each initiative.

The making of submissions by 17.07.2003 was already being progressed by the Senior Lecturer's Office. The Committee expressed concern regarding the College's capacity for the progressive incorporation of staffing and other supports involved in the implementation of targeted initiatives into the College's general staffing and other support complement at the end of the period of the initiative proposal without the provision of additional core grant funding.

The Provost expressed his appreciation for their participation and contribution during their respective terms on the Committee to Dr. E. Drew, the Dean of ESS and Mr. W.M. Priestley who were retiring from the Committee.

The next meeting of the Finance Committee has been arranged for Wednesday, 1 October 2003, at 2.30pm in the Board Room.

PROVOST.....

DATE.....

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