

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 6 February 2004

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

OBSERVERS: The Vice-Provost, Prof. E. McCabe, Professor M. Marsh, Dr. M. O'Moore, Ms A. Gatling

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: Dean of Health Sciences, Dr. L. Doyle, the Senior Lecturer, the Secretary

The Minutes of the Meeting of 7 January 2004 were approved and signed.

2004/57 Financial Review by HEA
XX (Minute 2004/44 of 7.01.2004 refers)

Arising from the HEA letter of 26.11.2003 informing the College of the provisional 2004 Grant allocation and notifying the University of the HEA decision to review the overall financial position of the universities the Treasurer tabled HEA correspondence dated 6.02.2004 setting out:

1. The composition of the Working Group that had been set up to facilitate the review.
2. Areas to be covered by the review as set out in 'Terms of Reference' which envisage that the review will cover the last five years audited financial statements.
3. That there is a perception that universities have built up financial reserves and each university is invited to make a statement in relation to its overall financial position including any information which would enable a more meaningful analysis of the overall position.
4. A list of information items required by the Working Group to be provided by 20 February 2004.
5. A requirement for draft consolidated accounts for 2002/2003 when available, including the reconciliation to HEA funding statement.

The Committee noted the range and extent of data required to be submitted to the HEA within a very short timescale in relation of business plans, cashflow profile, fixed asset capital commitments, transfers to capital, general analysis of debtors prepayments along with current liabilities, details of non EU fee income, transfers to general reserves, actuarial review of the financial position of the pension fund, details of all endowment, foundation and other such transfers into the University's accounts along with details and aging of all internal balances, amounts held by individual faculties/departments/unit at the end of each of the last four financial years. It has been indicated that this review will facilitate the setting of policy guidelines for the future in the context of enabling universities to plan and manage their affairs in a strategic manner while at the same time protecting the interests of the State.

As previously reported it was noted that Consolidated Accounts prepared under Generally Accepted Accounting Principles (GAAP) would not be available for some time and it would

not be possible to submit Draft Accounts as requested within the time frame set and possibly for some months beyond.

The Finance Committee requested to be kept briefed in relation to ongoing matters associated with this review.

2004/58
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Recurrent Income and Expenditure Estimates – 2004
(Minute 2004/44 of 07.01.2004 refers)

The Committee had been circulated with a memorandum dated 30.01.2004 from the Treasurer and Deputy Treasurer which included the following:

- A previously considered and approved memorandum from the Bursar and Treasurer dated 18.06.2002 considered at the Finance Committee meeting of 26.06.2002 setting out the role and responsibilities of the Finance Committee in relation to the Estimates process and setting out. The guidelines, policy issues and/or concerns, which it must bring to the attention of Board before, during and after the Estimates process.
- A memorandum from the Deputy Treasurer and Financial Resources Manager dated 23.10.2003 setting out the basis of the preparation of the 2004 Estimates of Recurrent Income and Expenditure approved by the Finance Committee (Minute 2004/27 of 05.11.2003 refers).
- The HEA/TCD correspondence regarding the Recurrent Grant allocation and clarifications arising therefrom.
- The 2004 Estimates of Recurrent Income and Expenditure Account and related explanatory notes.
- Schedule of Income and Expenditure for 15 months from 1 October 2003 to 31 December 2004.
- 2005 high level estimates of income and expenditure.
- A draft letter to the HEA to form part of the submission of the 2004 Estimates.

The Committee discussed and endorsed policy issues, financial risks and exposures and other matters for consideration as outlined in the context of its review of the Estimates for 2004. The Treasurer reviewed the overall trends in the Income and Expenditure Account for the periods to 31.12.2003, 31.12.2004 and 31.12.2005 and identified for the Committee ongoing financial issues associated with the Protection of Employees (Part-time Workers) Act 2001 the current status of which remains unclear in respect of the period to 31.12.2003 and 31.12.2004. The Committee further noted tabled HEA correspondence dated 29.01.2004, which was unable to provide further clarification regarding funding levels for the Edward Kennedy Chair in Health Services Management. The Committee noted that following the application of the full Financial Review Group recommendations and the detailed data now to hand, including supplementary grants, there had been a slight improvement in the position relative to that anticipated in November 2003 but serious consideration needed to be given to the gravity of the likely deficit position confronting the College in 2005 if the current funding basis was not reversed. In this context the Executive Officers Group recommends the following arrangements in respect of 2004:

- A once-off recurrent equipment allocation of €600,000 to be made available for distribution in the normal manner.
- An increase of €200,000 to the Board approved once-off emergency fund of €800,000 to deal with once off pay and non pay crises in both academic, service and support areas.
- An additional allocation of €200,000 to the previously approved fund of €200,000 for emergency staffing requirements in 2003/04. Executive Officers noted that the previously approved fund was very close to being exhausted.
- Increasing the Contingency Fund by €1.3m to €2.3m bringing it to a level of 1.5% of total budget (excluding research) to allow for unforeseen expenditures. Allocations

from this fund should be made by the Provost and the Executive Officers Group. This recommendation is made in the context of the Board approved Financial Review Advisory Group Report recommendation that the College strive towards a Contingency Fund of 3% of total budget (excluding research) and uncertainties regarding HEA funding to be made available in 2004 for the Protection of Employees (Part-time Workers) Act 2001.

The Committee confirmed the necessity for urgent focus on size and magnitude of the financial problem for 2005 and expressed the desire to have some clarity brought to the situation in order to enable appropriate planning for 2005 and later years. In this context the Committee endorsed the need for a long term approach which would include negotiations with the Department of Education and Science and the Minister regarding future funding arrangements but it was acknowledged that there is a clear need for a strong agenda for change within the College (and Sector) in order that ongoing discussions, lobbying, negotiations might lead to a successful conclusion. The participation of all stake holders, including students in this process was also identified as vital.

Having approved the Estimates as presented, the Finance Committee noted the 2004 recommendations of the Executive Officers Group to Board and strongly endorsed the approach that is proposed for the submission of Estimates to the HEA which for the first time would include high level estimates in relation to 2005, supported, subject to a minor amendment, by proposed draft correspondence which would accompany the Estimates submission.

The Estimates for Board consideration and approval are attached to the Minutes as a matter of record.

2004/59
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Sports Centre – Recurrent Costs

(Minute 2004/45 of 07.01.2004 refers)

The Director of Sport attended for this item.

A memorandum dated January 2004 outlining the Sports Centre Operational Plan 2004 from the Director of Sport had been circulated to the Committee. The Director of Sport indicated that this report had been prepared following

- Consideration of the updated position in relation to the externally commissioned 2001 KPMG Consulting Report regarding the operational plan for the proposed Sport Centre indicating levels of income streams and related expenditure.
- Income comparisons to equivalent Sports Centres in other universities based on relative size of the facilities and operation.

The Committee considered sources of income including memberships, facilities hire, recreational programmes and miscellaneous activities that would be required to meet the significant additional costs arising from commissioning and operation of the new Sports Centre. Following detailed discussion regarding the expected levels of income and expenditure the Committee agreed that in the context of Section 843 HEA condition requiring that the commissioning of the new Sports Centre be self financing the recommendations to Board should include:

- The principle of a charge for the various categories of users including students, graduates, staff, corporate, public memberships along with hire and recreation programme charges.
- Continuation of existing cista communis contributions in the first instance with a review to be undertaken after the first two years of operation of the Centre.
- Detailed plans regarding proposals for memberships, facilities hire, recreational programmes and miscellaneous activities should be brought forward for approval in advance of the opening of the Centre in the context of all the prevailing circumstances and following consultation.

The Provost, on behalf of the Committee, thanked the Director of Sport for his very helpful presentation.

2004/60 Audit – 2002/2003

The Committee noted a memorandum from the Audit Committee to the Board dated 14.01.2004 and the KPMG correspondence to the Chairman of the Audit Committee dated 9 January 2004 in relation to the audit of the Financial Statements for the year ended 30.09.2003. The Committee further noted KPMG correspondence dated 9.01.2004 to the College Secretary setting out certain matters which came to their attention during the course of the recent audit. The Committee noted that the observations related to a number of areas and that the Treasurer will be reviewing issues raised in relation to the finance function and would report back to the Committee in advance of the next audit. The Committee requested that the College Secretary review and progress the observations in the other areas mentioned and requested that progress in relation to these matters be considered through the risk process.

2004/61 Recurrent Funding Analysis

A memorandum from the Treasurer dated 30.01.2004 had been circulated providing information and supporting schedules in relation to a sectoral analysis of funding in relation to the 2003 recurrent grant and targeted initiatives allocations. The Committee noted trends arising therefrom and in particular in relation to funding available for commitments in respect of the Protection of Employees (Part-time Workers) Act 2001, allocations in respect of the IMLT awards and targeted initiatives. The Committee requested that the data in relation to the targeted initiatives be brought to the attention of the Senior Lecturer's Office which co-ordinates responses in relation to these initiatives.

2004/62 Taxation - Employer Provided Benefits (BIK)

The Treasurer updated the Committee on discussions, which were still ongoing with the Revenue in relation accommodation of various types, fee remissions and utilities. The Committee noted that the issue of proportionate private usage applicable in a number of these cases required clarification. The Treasurer indicated that she would inform the Committee as new information came to hand.

2004/63 Service Charge for Campus Companies – 2004/05

The Committee approved a memorandum from the Procurements and Payments Manager dated 29.01.2004 proposing a service charge for campus companies for 2004/05 of €76 per square metre.

2004/64 Annual Report

The Committee approved the annual report from the Business and Industry Committee.

2004/65 Self Financing Course

The Committee approved a memorandum from Ms A Moore dated 29.01.2004 in relation to a Postgraduate Diploma in Clinical Supervision being offered on a part-time basis over one year commencing in October 2004. The course has been costed on the basis of an initial intake of 10 students at a proposed EU fee of €5,750 per student and €11,252 per student in the event of Non EU student intake.

2004/66 Skills - ICT

The Committee noted correspondence received from the HEA dated 12 .01.2004 in relation to ICT Skills Support. In anticipation of an upturn in student numbers in the ICT skills area, the HEA approved an allocation of €190,000 in December 2003 as an exceptional once-off measure to maintain core staffing. It is intended that this funding will contribute towards the retention of key staff, promote/develop a PR campaign to increase the numbers in these areas and to review course content in the light of emerging needs. The HEA will be seeking a detailed report at the end of 2004 as to how the funding has been expended. It was noted that the Treasurer's Office was currently awaiting clarification from the HEA and CHIU regarding the allocation and the funding will be co-ordinated and distributed by the Senior Lecturer's Office.

2004/67 Non-EU Supernumerary Fee Transfers
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The Committee approved and warmly endorsed a memorandum from the Senior Lecturer dated 30.01.2004 setting out the recommendations from the Resource Management Working Group that non-EU fee income allocations for 2003/04 be transferred to Departmental accounts immediately based on prior year student numbers and that the practice of transferring funding in the Michaelmas term based on prior year numbers be introduced for future years.

The next meeting of the Finance Committee has been arranged for 24 March 2004 at 2.30 p.m., in the Board Room.

PROVOST.....

DATE.....

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