

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 12th January 2005

PRESENT: The Provost (in the Chair), the Bursar, the Registrar, Dr L. Doyle, Professor D. Weaire, Mr F. Kieran, the Dean of Arts (Letters), the Secretary, the Treasurer (Secretary of the Finance Committee)

IN ATTENDANCE: Deputy Treasurer, Research Accounting Manager*

APOLOGIES Senior Lecturer

(PRESENT FOR) *Minutes FN/04-05/36 and 37

The Minutes of the Meeting of 1st December 2004 were approved and signed subject to the following amendments:

FN/04-05/27 Governance – Board decisions

Insert a new sentence after the second sentence as follows:

“However, where matters considered by the Committee can be viewed by the Board as involving more than financial matters it was agreed that the Board may re-visit the matter”.

FN/04-05/28 Quarterly Accounts 30 September 2004

Replace the figure €16.9m with €19.6m

Section A

No items

Section B

FN/04- 05/33 Quarterly Accounts 30 September 2004

The Deputy Treasurer presented on a detailed basis the Quarterly Accounts deferred from the last meeting.

Library Shop

Copying Service

Diagnostic Services

College Day Nursery

Innovation Services

Enterprise Centre

Department of Sport: The Deputy Treasurer undertook to clarify two queries raised by the President of the Student's Union

High Performance Computing

The Treasurer presented on a detailed basis the Research Quarterly Accounts deferred from the last meeting.

New Research Accounts

Research Account Balances

Research Accounts – Overdrawn Balances: The Committee noted the issues giving rise to the deteriorated financial position on these accounts.

Action

33.1 The Deputy Treasurer undertook to clarify two queries raised by the President of the Student's Union.

FN/04-05/34 Control Exception Report

The Committee considered and approved a memorandum from the Procurements & Payments Manager dated 19.11.2004 and the accompanying Control Exception Report (incorporating an update on the progress made to date on KPMG's final 2002/03 audit issues) for the six months period to October 2004 previously circulated for the last meeting.

FN/04-05/35 Annual Financial Statements for year ended 30.09.2004

The Financial Statements for the year to 30.09.2004 with a separate volume of Additional Financial Information, which had been circulated, were considered by the Finance Committee prior to submission to the Board for its first scheduled meeting in Hilary Term 2005. The Treasurer made a presentation in relation to the Financial Statements outlining:

- Background to the format of the Financial Statements
- Financial Statement reporting arrangements
- * • Income and Expenditure highlights
- Observations on Research and Research Pension related issues
- Consideration of Capital issues
- Outcome of the audit
- Consideration of Corporate Governance & Risk Management issues
- Other matters/challenges
- Outlook for 2005
- Conclusions

The Committee noted that the breakeven position achieved in 2003/2004 was a good outcome given the real reduction in state funding over the last number of years but emphasised the funding flexibility required to deal with our changing environment in future years. The Committee noted that the 2004 reviews by the HEA (both financial and capital), the OECD and the EUA would provide a "roadmap" for the future.

The Treasurer clarified a number of issues during the discussion. The Committee noted that the financial statements as presented had been fully audited and presented to the Audit Committee and it was expected that when the accounts were presented to the Board that an unqualified audit opinion would be forthcoming. The Finance Committee endorsed the Financial Statements and Additional Financial Information for the year ended 30.09.2004 as presented along with the proposed letter or representation for sign-off by the Board.

The Committee had been circulated with a copy of the KPMG Management Letter addressed to the College Secretary in respect of the year ended 30 September 2004. The Treasurer outlined for the Committee the legislative obligations of Auditors in relation to the reporting of certain events (including fraud).

The Treasurer tabled an extract from the KPMG Report to the Audit Committee outlining their observations in relation to TCD Corporate Governance and Risk Management.

The Committee noted the Treasurer's expression of appreciation to the Deputy Treasurer and the team for the timely delivery of such an extensive package of information.

FN/04-05/36 Annual Analysis of Recurrent Expenditure and Research Accounts for the year ended 30.09.2004

The Committee reviewed the volume which is prepared as a supplement to the Financial Statements. This document provides extensive additional information on expenditure in academic faculties and departments and also gives details of all individual research accounts by faculty and department. The Committee approved the volume for submission to Board.

FN/04-05/37 Research Accounts Statistics

The Committee received and accepted a circulated memorandum and supporting schedules dated 6.12.2004 from the Research Accounting Manager, Ms D. Savage setting out statistical information in relation to research account activities during the year to 30.09.2004. In addition the Research Accounting Manager made a presentation and tabled a memorandum dated 11.01.2005 outlining

- Growth patterns in research for 10, 5 and 3 year periods of 363%, 292% and 127% with the annual increase amounting to 19.3%.
- Sources of income by sponsor and the trend contained therein.
- Indirect cost or overhead contributions during the period and issues associated therewith.
- Irish research-generated income now accounted for nearly 77% of total research income as opposed to the position 5 years ago when the equivalent statistic was 53%. The significant increase in research income being derived from Irish sources is as a direct result of PRTL and SFI initiatives.
- Trends in relation to faculty research income, top-earning research departments for the year and five years and related 5 year statistics associated with the growth in research contracts signed, consortia led by TCD, research staff employed and number of live research accounts.
- The extent of audit related work being initiated by sponsors generally.

The Committee noted the risks associated with research growth patterns in recent years and planned growth for future years. The Committee endorsed the newly initiated legal reviews in contract undertakings in this area which are important to ensure that the College can meet equally with sponsors in an appropriate way on risk-related matters. The Committee noted the ongoing action in relation to professional indemnity issues and the need to continue to monitor the adequacy of indirect cost or overhead contribution to essential services particularly in the context of future resource allocation and planned research income growth.

The Committee expressed its thanks to Ms Savage for her very helpful presentation in an area of such importance.

FN/04-05/38 Ghala Limited

The Committee accepted the financial statements of Ghala Limited for the year ended 30.09.2004. The Committee heard a brief report from the Deputy Treasurer outlining the activity during the year and requested that the Financial Statements be forwarded to Board for noting.

FN/04-05/39 Financing for Photocopiers

In the context of the rates of interest currently being applied by external providers of finance for leasing of photocopiers the Finance Committee endorses a recommendation to the Board that the College would henceforth finance the area of purchasing photocopiers over the equivalent period of a lease.

FN/04-05/40 Postgraduate Awards/Scholarships

The Committee had been circulated with a memorandum from the Dean of Graduate Studies dated 21.12.2004 requesting within existing total allocations the re-formulation of studentships from a maintenance provision of €4,000 and EU fees only to maintenance provision of €8,000 and waiver of fees. Subject to consideration of the academic elements of this proposal by Council the Finance Committee agreed the proposal on the basis that it was cost neutral.

Section C**FN/04- 05/41 Procurement Annual Report**

The Committee noted and approved a memorandum from the Procurements and Contracts Officer dated 22.11.2004 which had been already circulated for the last meeting setting out the responsibilities and objectives of the Procurements and Contracts Office, the procurements projects (IT, Research, Catering, Insurance, Printing & Janitorial Supplies) in the period from December 2003 to November 2004, internal initiatives (Procurement website, Purchasing Cards, E Procurement) and current and projected 2005 tender based activities (Travel Agency Services, Advertising, Stationary, Laboratory requirements, Preferred Supplier Listing and Agreements, Departmental Photocopies and IT Network).

In addition to the above, the Committee noted the important intangible gains through the use of best practice and legally correct procedures ensuring compliance with National and EU Procurement Objectives and thereby allowing transparency in the pursuit of Value of Money.

In response to the issue raised by the President of the Student's Union regarding the fitting out and equipping of leased catering outlets in St James and the Nursing Building in D'Olier Street, the Committee noted the normal industry practice where outlets are let as a 'shell' with the tenant financing and maintaining the cost of any 'fit-out'. The Committee agreed that other Catering Services provision should go through due process before considering the matters raised.

FN/04-05/42 Travel & Subsistence Rates for Ireland and Abroad 2004

The Committee noted and approved a memorandum from the Deputy Treasurer dated 04.01.2005 and the attached booklet as circulated setting out travel and subsistence rates for Ireland and abroad for application commencing 01.01.2005.

FN/04-05/43 Prompt Payment of Accounts Act, 1997 (2003/04)

The Treasurer tabled and the Committee noted the unqualified audit report dated 13.12.2004 from KPMG pursuant to Section 13 of the Prompt Payments of Accounts Act, 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002. Due to the unavailability of the signed version at the time of circulation, the Committee had been circulated with the unsigned version.

FN/04-05/44 Annual Report

The Committee noted and approved the annual report of the Catering Management Committee as circulated.

FN/04-05/45 Minutes

The Committee noted the minutes of the following sub-Committee meetings as circulated and approved the recommendations –

- (i) Investment Committee – meeting of 18.11.2004
- (ii) Catering Management Committee – meeting of 06.12.2004
- (iii) Residences Committee – meeting of 29.11.2004

FN/04-05/46 Self-Financing Courses

- (i) M. Phil. in Modern Irish History

The Committee noted and approved a memorandum from Ms A Moore dated 22.12.2004 as circulated in relation to the M. Phil. in Modern Irish History being offered on a one year full time basis commencing in October 2005 with an expected intake of 17 students (11 EU and 6 Non EU students in Year 1 with a minimum of 16 students and a maximum of 25 students per annum thereafter). The fee for the course has been set at €5,500 and €16,800 for EU and Non EU students respectively.

- (ii) M.Sc. in Mechanical Engineering (Erasmus Mundus)

The Committee noted and approved a memorandum from Ms A Moore dated 22.12.2004 as circulated in relation to the M.Sc. in Mechanical Engineering (Erasmus Mundus) being offered on a two year full time basis commencing in October 2005 with students spending one year in either of the two partner institutions (INSA de Lyon and Escola Tecnica Superior d'Enginyeria Industrial de Barcelona). The course has been costed on the basis of an initial intake of 2 EU and 9 Non EU in Year 1 increasing to 20 students by Year 4. The fee for the course set at €6,000 and €11,000 for EU and Non EU students respectively.

FN/04-05/47 PRTL: Cycle 1 Inflation

The Committee noted HEA correspondence to the Provost dated 23.12.2004 as circulated and welcomed the agreement between the Atlantic Philanthropies and the HEA, with the approval of the Department of Education and Science, for an increased capital allocation of cira. €5.5m arising from the additional capital expenditure requirements under PRTL Cycle 1 due to unanticipated cost inflation.

The next meeting of the Finance Committee has been arranged for 16th February 2005 at **2.00 pm**, in the Board Room.

PROVOST.....

DATE.....

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