

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 25th May 2005

PRESENT: The Provost *, The Bursar, The Registrar, Dr L. Doyle, Prof. D. Weaire, Mr S. Kieran, Dean of Arts (Letters), The Senior Lecturer, the Secretary**, The Treasurer

IN
ATTENDANCE: Deputy Treasurer

(PRESENT
FOR) * Minutes FN/04-05/58 to FN/04-05/74
**Minutes FN//04-05/60 to FN/04-05/74

The Minutes of the Meeting of 16th February 2005 were approved and signed.

FN/04-05/56 Matters Arising from the Minutes

- (i) Fixed Term Workers Act 2003
(Finance Committee Minute FN/04-05/48 of 16.02.2005 refers)
The College Secretary informed the Committee that a group had been set up by CHIU to address in detail University obligations arising under the Fixed Term Workers Act, 2003. The work undertaken so far included the drawing together of relevant data across the seven universities in order to obtain comprehensive legal advice regarding the profile of posts falling within the remit of the Act. The Committee was informed that the group expected outcomes to its deliberations in the near future which would enable obligations under the Act to be identified and addressed. The Committee requested to be kept briefed as the matter was brought to a conclusion

The Committee also noted that Principal Investigators had been notified of the requirement to make appropriate provision for the Fixed Term Workers Act obligations in budgets accompanying research proposals being submitted for funding.

In relation to the need to deliver all College activities within the budget amounts allocated the Committee requested that careful attention be given to ensuring the issuing of appropriate employment contracts to enable flexibility in the context of fixed budgets.

- (ii) Procurement-Travel Agency Services
(Finance Committee Minute FN/04-05/52 of 16.02.2005 refers)
The Committee was briefed on the review of the Procurement arrangements associated with travel agency services by Dr L. Doyle. The Committee noted that the review had addressed a wide range of issues and that the issues which had been raised had either been clarified or raised with the supplier and had now been dealt with. The Committee further heard that a pilot travel scheme would be operational from 25 May with 5 departments and would run for a 2 month period following which it was proposed that the system would be made available across the College and that Heads of School would be notified of all the arrangements in advance of the relevant commencement date.
- (iii) Review of Action List
The Committee reviewed the latest report on the Finance Committee Action List since October 2004 and noted that all matters other than those identified for consideration at the June 2005 meeting, had been dealt with.

(iv) Business and Industry Committee Annual Report – 2003/04

The Committee received tabled emailed correspondence from the Director of Innovation Services indicating the reasons for the delay in the submission of the Business and Industry Committee Annual Report for 2003/2004 to the Finance Committee. The Committee expressed its concern regarding the late availability of this report and requested that in the context of the new governance arrangements where the Business and Industry Committee has become a sub-committee of the Research Committee that its annual report be submitted to the Research Committee (with a copy to Finance Committee) as soon as possible.

Action

56.1 A copy of the Finance Committee Minute to be sent to the Director of Innovation Services and Dean of Research.

Section A

No Items

Section B

FN/04- 05/57 Governance-Residences Management Committee

The Committee noted and approved the terms of reference of:

1. The Residences Management Committee
2. The Campus Residence Council
3. The Trinity Hall Residence Council

The Committee noted correspondence identifying the requirement for the nomination of a Board representative (from Finance Committee) to the Residences Management Committee. In view of the fact that we are now approaching the end of the current year and that Board elections will be held in the near future the Committee agreed to defer nomination of a Board representative until the first meeting of the next academic year.

Action:

57.1 Board representative from Finance Committee to be appointed to Residences Management Committee in October 2005.

FN/04-05/58 Recurrent Income & Expenditure Estimates - 2005
(Finance Committee Minute FN/04-05/48 of 16.02.2005 refers)

The Committee heard a report from the Treasurer in relation to the annual Budget Review Meeting held with the HEA on 12 April 2005 which was attended on behalf of the College by The Provost, The Bursar, The Senior Lecturer, The College Secretary, Treasurer, Deputy Treasurer and Financial Resources Manager. The Committee noted that matters of detail arising from the Estimates had been dealt with by the Treasurer, Deputy Treasurer and Financial Resources Manager with the HEA in advance of the main meeting. Issues which were addressed by the main meeting included:

FN/04-05/58 Recurrent Income & Expenditure Estimates – 2005 cont.

- The significant academic unit restructuring approved for TCD
- The phased introduction of a new academically-driven Resource Allocation Model
- Staff Statistics across the University sector
- Financial position of Pension Funds and the Fixed Term Workers Act 2003 obligations
- The SFI AOIP process and outcomes
- Capital funding
- Publicity requirements under ESF funded National Development Plan Projects.

The HEA was briefed on the potential consequences in quality terms of the ongoing real cuts in recurrent funding. The need for a once-off change fund investment support for delivery of the new structures and the implementation of the resource allocation model were outlined and the need for multi-annual budget allocations recommended by the OECD to provide the College and the sector with stability in the coming years were stressed.

The meeting considered the Academic Resource Allocation Model and its development in the context of stated principles and noted that the model would link strategy and activity, provide incentivisation, allocate resources and be phased in over a four year period starting in 2005/06. It was agreed that a presentation of the College's ARAM model to the HEA Executive would be arranged for a future date.

A number of pension related issues were considered including obligations under the Fixed Term Workers Act, 2003 and associated funding issues, the financial position of the University Pension Funds and the very important issue of current consideration of the derogation status of pension funds in general by various Government departments.

The Committee heard a report on the presentation of the ARAM which had been made to representatives of the HEA Executive on 24.05.2005.

FN/04-05/59 Quarterly Accounts to 31 December 2004

(Finance Committee Minute FN/04-05/49 of 16.02.2005 refers)

The Treasurer presented quarterly accounts as circulated on a high level basis as previously agreed by the Committee:

New Research Accounts
Research Account Balances
Research Account Overdrawn Balances

The Committee was briefed on the numbers of new contracts and associated overhead arrangements, the level of research expenditure in the three months and year to 31.12.2004 along with the net balances on research accounts with explanations associated therewith. The Committee noted in particular the increasing numbers and levels of overdrawn balances in excess of €75,000 at 31.12.2004 in the context of a rapidly increasing level of research activity and the associated complexity associated therewith both for the PIs and the central administration of individual accounts. The Committee heard of the increasing diversity of terms and conditions associated with research grants and contracts and the escalating level of sponsor audit associated therewith.

The Committee noted with some concern the increasing deficit balance of a specific group of research accounts.

FN/04-05/60 Quarterly Accounts to 31 March 2005

The Deputy Treasurer presented the Quarterly Accounts as circulated on a high level basis as previously agreed by the Committee.

Capital Projects funded by HEA Capital Grants: The Committee noted that claims yet to be funded by the HEA amounted to €7.1m but that a significant portion of the funds outstanding relate to PRTL1 3 projects which have a payment schedule up to 2008.

Projects part-funded from Section 843 sources

Projects funded from non-HEA sources

Faculties and Departments

Administrative and Other Area Non Pay Budgets

Service Departments

Library

IS Service

Bio-resources Unit

Audio Visual and Media Services

Centre for Microscopy Analysis

Buildings Office

Student Health Service

Counselling

Subsidiary Activities

Residential Rooms – College

Residential Rooms – Trinity Hall

Catering

Library Shop

Copying Service

Diagnostic Services

College Day Nursery

Innovation Services

Enterprise Centre

Department of Sport

High Performance Computing

New Research Accounts

Research Account Balances

Research Accounts – Overdrawn Balances

Control Exception Report: It was agreed that the Control Exception Report would be provided to income Heads of School as part of training in the coming months.

Having reviewed expenditure patterns and unspent balances across all areas of College reported on within the quarterly accounts the Committee while aware of the prudence being exercised in various areas requested that the issue be considered in some detail at the next meeting.

Action

60.1 Unspent balances to be considered at the next meeting.

FN/04-05/61 Residential Charges - 2005/06

The Committee had been circulated with a memorandum dated 14 April 2005 (and associated minutes of the Residences Management Committee of 12 April 2005) from the Director of Accommodation and Catering Services in connection with the increase in Residential charges for 2005/06. The Committee considered and endorsed the detailed annual process and its transparency with particular emphasis on the identification of cost increases and consideration of the impact of external market-related factors which is undertaken by the Residences Management Committee. While noting concerns in relation to year-on-year trend of price increases the Committee approved a 7.5% increase in residential charges for 2005/06 and noted that residential rents will remain below comparable rents in the private sector.

FN/04-05/62 Miscellaneous Charges – 2005/06

The Committee considered a circulated memorandum dated 25 April 2005 from the Accommodation Officer setting out proposals in relation to miscellaneous charges for 2005/06. In the context of strong competition from external providers and ongoing discussions regarding more effective and economic work practices under the auspices of the Labour Relations Commission, the Committee accepted the recommendation that there would be no increase in charges for the Dublin Experience, College Guestrooms, Accommodation Rates for Study Programmes and Conferences (while approving the proposed breakfast price increases), Hire of Halls and Launderette.

The Committee noted that more effective and economic work practices proposals agreed with representatives of staff at the Labour Relations Committee had not been accepted by staff. The Finance Committee emphasised the necessity of improving competitiveness and requested that efforts to pursue more efficient and economic work practices should be continued.

FN/04-05/63 Student Service Charge

A memorandum dated 18 May 2005 from the Deputy Treasurer in connection with the 2005 Student Service Charge had been circulated to the Committee and included detailed documentation in relation to:

- Estimate of 2005 income and expenditure associated with the Student Service Charge.
- Actual student charge costs for 2004 extracted from the income and expenditure account.
- A comparison of the 2005 estimate with the 2004 actual costs.
- Analysis of the excess of expenditure over income on the student service charge for the years 1999 to 2005.
- Guidelines on the removal of third level College fees issued by the Department of Education and Science in 1996.

The Committee noted that, arising from the new governance arrangements introduced in 2004/2005, the matter had been discussed in detail at Student Services Committee and had been circulated with an extract of the draft minutes of the meeting of 21 April 2005 in this context. Furthermore the Committee noted that student service space related costs had also been considered by the Site and Facilities Committee and an extract of the draft minutes of the meeting had also been circulated.

Arising from a detailed discussion the Committee agreed the following:

- Provision of student services is a very important element of the College's activity and its funding needs to be considered accordingly.
- The Student Services Committee can make prioritised submission/requests to Executive Officers as part of the Estimates process.
- The Estimates process undertaken by Executive Officers would take into account the competing priorities of all areas in College. In this context the Committee noted that its remit does not involve resource allocation.
- The Student Services Committee should review within its total budget allocation remit the distribution of that budget across the various services and activities.

FN/04-05/64 DMMC

The Financial Statements for the year ended 30 September 2004 and the Annual Report for the year ended 31 December 2004 had been circulated to the Committee. As a College-nominated director to DMMC the College Secretary reported:

- The Financial Statements of the DMMC had received an unqualified audit opinion.
- RCSI participates in the ownership of the DMMC on an equal basis with UCD and TCD.
- The DMMC had successfully co-ordinated and facilitated the delivery of objectives which would not have been possible in individual institutions.
- The current DMMC flows of research income are likely to diminish significantly with the conclusion of PRTL Cycle 3 in August 2006 and noted that PRTL research funds flow directly to the participating institutions. The independent DMMC Directorate funding is provided from PRTL funds by the participating institutions of the DMMC.

The Finance Committee was mindful of the need to consider the long-term financial viability and future sources of funding for DMMC (a separate legal entity). The Committee also raised the issue of whether separate legal entities were the most appropriate mechanism for the university to facilitate joint activities with other institutions.

The Committee agreed the following actions:

Action

- 64.1 The College Secretary with representatives of the other participating institutions and the DMMC Directorate be requested to address the issue of future funding levels and report back to the Committee by December 2005
- 64.2 Executive Officers be invited to consider and bring forward proposals in relation to the most appropriate structure to facilitate inter-institutional activity which may be of fixed-term or longer-term duration.

FN/04-05/65 Haughton Institute

The Financial Statements for the year ended 31 December 2004 had been circulated. The Committee noted that the accounts had received an unqualified audit opinion and heard a report from College nominated Directors that activity in the Haughton Institute had been reduced to minimal levels pending consideration of wider governance issues with the participating institutions.

Section C**FN/04-05/66 Residences Management Committee**

The Finance Committee noted and approved Residences Management Committee minutes of the meetings of 29 November 2004, 22 February 2005 and 12 April 2005.

FN/04-05/67 Recurrent Income & Expenditure Estimates – 2005
(Finance Committee Minute FN/04/05-48 of 16.02.05 refers)

The Committee noted the "Section 37" letter dated 24 February 2005 in relation to the recurrent income and expenditure estimates for 2005.

FN/04-05/68 HEA Funding Model

A copy of the HEA presentation to CHIU on 4 April 2005 entitled "Developing the Strategic Agenda" was noted in the context of the College's recently-developed Academic Resource Allocation Model.

FN/04-05/69 HEA Strategic Initiatives 2005

HEA correspondence dated 15 April 2005 setting out the basis on which the Strategic Initiative Scheme for 2005 would be overseen, submissions requested and reviewed and allocations made and the conditions associated therewith was circulated to and noted by the Committee.

FN/04-05/70 Pension Fund-Annual Report

The Financial Statements and Annual Report for the Trinity College Dublin Pension Fund for the year ended 30 September 2004 were noted.

FN/04-05/71 Non Pay/Recurrent Equipment/Pay Baselines for 2005/06

The Committee noted and approved a memorandum from the Deputy Treasurer dated 17 May 2005 setting out amounts available for distribution in the academic year 2005/06.

FN/04-05/72 Related Entity Reporting

The Finance Committee noted the following:
(a) HEAnet Limited Directors Report and Financial Statements to 31.12.2004
(b) Campus Companies Venture Capital Fund Limited Partnership Fund Financial Statements to 31.12.2004.

FN/04-05/73 Self-Financing Course

The Committee noted and approved a memorandum from Mr A. Malone dated 13 May 2005 as circulated in relation to a Postgraduate Diploma/M.Sc. in Mental Health.

FN/04-05/74 House Purchase Loans

The Committee noted and approved the House Purchase Loan applications as circulated.

The next meeting of the Finance Committee has been arranged for 22nd June 2005 at **2.00 pm**, in the Board Room.

PROVOST.....

DATE.....

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