

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 22nd June 2005

PRESENT: The Bursar, The Registrar, Dr L. Doyle, Professor D. Weaire, Mr F. Kieran, Dean of Arts (Letters), The Senior Lecturer, The Treasurer.

**IN
ATTENDANCE:** Deputy Treasurer

APOLOGIES The Provost, The Secretary

The Minutes of the Meeting of 25 May 2005 were approved and signed subject to the following amendments:

- (i) In the list of those present “Mr S. Kieran” should read “Mr F. Kieran”.
- (ii) Minute FN/04-05/61 - Residential Charges – 2005/2006: insert the words “from Mr Kieran” between the words “concerns” and “in” in the last sentence of the Minute.

FN/04-05/75 Matters Arising from the Minutes

- (i) Quarterly accounts to 31 March 2005 – Library Shop
(Finance Committee Minute FN/04-05/60 of 25.05.2005 refers)

The Deputy Treasurer briefed the Committee on queries which had been raised at the last meeting in relation to explanations given on turnover trends which appeared to be at variance with the recently considered Annual Report of the Library.

- (ii) Procurement/Travel Agency Services
(Finance Committee Minute FN/04-05/56 of 25.05.2005 refers)

The Committee noted that the operation of the pilot travel scheme had been slightly delayed from its intended commencement date and noted that the two month pilot period would still be carried out in order that there would be a full opportunity to address initial start-up issues.

- (iii) Recurrent Income and Expenditure Estimates-2005
(Finance Committee Minute FN/04-05/58 of 25.05.2005 refers)

The Treasurer briefed the Committee on once-off funding buoyancy which had been identified as part of the recent 2005 Estimates review. A once-off amount of approximately €2.9m had been identified ensuing from rent reviews in relation to let property, recovery of VAT on indirect research costs (arising from changes in legislation), EU VAT payments on old Framework contracts and additional cista communis-related SFI overheads. The Committee noted that the funding would provide further support for the College’s Change Agenda and as is normal practice Executive Officers will consider its allocation and Board will be informed accordingly.

Section A

FN/04- 05/76 Roles and Responsibilities of Heads of Schools/Vice Deans in relation to Financial Matters-Policy Paper

The Committee had been circulated with a memorandum dated 15 June 2005 from the Deputy Treasurer along with an attached paper outlining the responsibilities of the Head of School/Vice Dean in relation to financial matters and tabled correspondence dated 21 June and 16 June 2005 from the Board Auditors KPMG and the Internal Auditor respectively. The Committee considered the paper in the context of:

- The legislative obligations of the Provost as Accounting Officer for the College.
- The good governance obligations of the Board to ensure the application of adequate systems of internal controls.
- The role of the Treasurer's Office in providing advice and support towards fulfilling these obligations.

As part of the discussion a number of issues were clarified and the Committee noted that an equivalent policy would evolve for Heads of Support Services as soon as the support services review had been completed and furthermore that it was expected that policy would evolve in the light of experience in the short to medium-term. The Committee unanimously recommended the policy (subject to minor amendment) to the Board on the basis that:

- The policy to apply from 1 October 2005
- Training would be provided to new Heads of School in relation to financial matters in their widest sense
- The policy be reviewed in conjunction with the College's bi-annual Control Exception Reports in June 2006 in the context of experience up to that date.

Actions

76.1 Provide training in relation to financial management as part of the training for new Heads of School.

76.2 Review the policy in June 2006

Section B

FN/04-05/77 Catering Price Review – 2005/06

A memorandum dated 16 June 2005 from the Director of Accommodation & Catering and the minutes of the Catering Management Committee Meeting of 7 June 2005 had been circulated to the Committee. The Finance Committee noted the detailed price review process carried out by the Catering Management Committee and the long-standing HEA requirement for catering activity to be self-financing without subsidy from core resources. The Committee was briefed on the proposed price increases and were provided with details of prescribed cost increases beyond the control of the College along with the consequent competitive issues arising because of the city centre location of TCD. The Committee further noted the impact on the proposed price increase for 2005/06 of the decision not to apply the required price increase in 2004/05.

FN/04-05/77 Catering Price Review – 2005/06 cont.

The Committee confirmed the Catering Management Committee recommendation that:

- The student “special” should increase from €3.50 to €4 and
- The prices in other areas of trading within Catering should be increased overall by 10%.

Mr F. Kieran requested to be recorded as dissenting from this recommendation.

The Finance Committee being mindful of the impact that the recommended price increase might have on trading volumes, requested that a review of trading volumes and budget viability be carried out at the end of Michaelmas Term with a report to be presented to the Finance Committee for its meeting of 8 February 2006 with the possibility of price reviews at that time.

The concerns of the Catering Management Committee in relation to the economic viability of the catering services within College were strongly endorsed by the Finance Committee which requested that an immediate viability review be carried out with a report to be presented to the Finance Committee for its meeting of 5 October 2005.

Action

- 77.1 Viability review of catering activities within the College to be carried out by the Director of Accommodation & Catering with a report to the Finance Committee for its meeting of 5th October 2005.
- 77.2 Review of the impact of the recommended price increase on trading volumes within Catering to be carried out by the Director of Accommodation & Catering with the Catering Management Committee with a report to the Finance Committee for its meeting of 8 February 2006.

FN/04-05/78 Governance

(i) Finance Committee Terms of Reference – one year review

The terms of reference for the Finance Committee had been circulated to the Committee and following some discussion the Committee recommends to the Board that the current terms of reference remain unchanged.

The Committee, while acknowledging the current statutory arrangements in relation to this Committee, recommends to the Board that the membership of the Committee remain at the current level of 10 and the quorum of 7 also be retained. The Committee noted the Board's stated desire in relation to the chairmanship of principal committees but also noted the current statutory constraints and legislative obligations of the Provost as Accounting Officer.

(ii) Catering Management Committee

The Committee reconfirmed the Catering Management Committee terms of reference previously approved.

(iii) The Finance Committee and sub-committee membership

The Committee noted that the Board representatives on the Finance Committee would retire and be replaced following the current Board elections with two new Board nominees. The Committee further noted that Finance Committee representation on sub-committees is normally carried out by Board nominees and accordingly can only be dealt with at the first Finance Committee meeting of 2005/06.

The Committee noted that Mr Brendan McDonald had retired from the Investment Committee and accepted the Provost's proposal that Mr T. Finlay be appointed in his place. The Finance Committee recorded its appreciation of Mr McDonald's contribution to the deliberations of the Investment Committee.

- (iv) Financial Governance-HEA correspondence dated 1 June 2005.

The Committee noted HEA correspondence dated 1 June 2005 bringing to the College's attention extracts from the Comptroller & Auditor General's Report on Teagasc and Moorepark accounts for 2003 which raised concerns in relation to governance particularly in relation to short-comings in controls in relation to travel and subsistence expenditure (information about false claims had not been properly followed up) and employee conflict of interest (services of a company were used where a key employee had an interest in the company concerned).

FN/04-05/79 Reserves/Unspent Balances

Arising from consideration of the quarterly accounts to 31 March 2005 (Finance Committee Minute FN/04-05/60 of 25 May 2005) the Finance Committee had been circulated with a memorandum from the Deputy Treasurer dated 15 June 2005 along with substantial documentation to assist the Finance Committee in its deliberations. It considered 2001 correspondence with the Comptroller and Auditor General in relation to this matter, the quarterly accounts for the year ended 30 September 2003 and 2004, the relevant Finance Committee minutes between 1999/2000 and 2003/2004, minutes of meetings between Faculties and the Treasurer's Office in relation to quarterly accounts at 30 September 2003, the HEA Report in relation to the Financial Position of Irish Universities at 30 September 2003 and a memorandum from the Bursar and Treasurer to Executive Officers in relation to the issue of reserves and/or unspent balances. The Committee acknowledged the ongoing role of the Finance Committee in relation to the review of all balances and noted that with the change structure and the devolution of financial responsibility to Heads of Schools/Vice Deans that detailed reviews would be ongoing over the next number of months at Schools/Vice Deanery level in relation to current levels of balances and their use as part of the strategic plans of the units.

Following a detailed discussion the Committee agreed that:

- Unspent balances in future would be called Reserves and should be related to Strategic Plans of Units.
- A short paper in relation to general policy/principles regarding levels of reserves/balances to be maintained should be brought forward to the Finance Committee. It was noted that such policy/principles should avoid micro-management and might give consideration to the application of incentives to encourage maintenance of reserves/balances within approved limits.

Being mindful of the introduction of the ARAM and the need to ensure the capacity of the College to live within its budget along with changing circumstances not just for the College but also across academic units, the Committee identified the need for a policy paper to be developed in relation to maintaining financial flexibility in Schools in the context of the current employment legislation. The Committee requested that a policy be prepared by the Staff Secretary for submission to the Personnel and Appointments Committee with a copy to be forwarded to the Finance Committee for consideration.

Actions

- 79.1 Deputy Treasurer to prepare a short paper for the Finance Committee in relation to the general policy/guiding principles for Heads of Unit in relation to reserves.
- 79.2 The Staff Secretary to prepare a paper in relation to maintenance of financial flexibility within units in the context of current employment legislation.

Section C

FN/04-05/80 Part-time Academic Staff – Pay Rates for 2005/2006

The Committee noted and approved a memorandum from the Staff Secretary dated 15.06.2005 setting out pay rates for 2005/2006 in respect of part-time academic staff.

FN/04-05/81 House Purchase Loan

The Committee approved the House Purchase Loan as presented.

FN/04-05/82 Self-Financing Course

Postgraduate Diploma/M.Sc. in Clinical Chemistry

The Committee noted and approved the financial arrangements associated with the postgraduate diploma/M.Sc. in Clinical Chemistry as set out in a memorandum from Mr A. Malone dated 14 June 2005.

FN/04-05/83 Finance Committee Meeting Schedule for 2005/2006

The Committee noted an amended tabled memorandum from the Treasurer setting out a meeting schedule for the Finance Committee for 2005/2006.

The Treasurer, at the Provost's request, expressed appreciation for their participation and contribution during their respective terms of office on the Committee to the Bursar, the Senior Lecturer who complete their terms as Annual Officers, Professor D. Weaire, Dr L. Doyle as retiring Board nominees and Dean of Arts (Letters) and Mr F. Kieran who have come to the end of their terms of office.

The next meeting of the Finance Committee has been arranged for Wednesday 5 October 2005 at 2.00 pm, in the Board Room.

PROVOST.....

DATE.....

/fcmins22062005