

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 5th October 2005

PRESENT: Provost (in the Chair), The Bursar, Professor J. Parnell, Mr H. Kearns, Mr J. Mannion,
The Senior Lecturer, The Secretary, The Treasurer.

IN
ATTENDANCE: The Deputy Treasurer

APOLOGIES: The Registrar

The Provost welcomed new Board representatives (Prof. J. Parnell, Mr H. Kearns and Mr J. Mannion) and new Officers (The Bursar and Senior Lecturer) to membership of the Finance Committee.

The Minutes of the Meeting of 22nd June 2005 were approved and signed.

FN/05-06/01 Matters Arising from the Minutes

The Committee reviewed in detail a status report on the Finance Committee 2004/2005 Action List and noted progress since the last meeting and the matters outstanding for resolution in 2005/2006.

Section A

No Items

Section B

FN/05-06/02 Financial Management Within Schools
(Minute FN/04-05/79.2 of 25.06.2005 refers)
The Staff Secretary attended for this item

A *discussion paper* entitled "Financial Flexibility in the Context of Current Employment Legislation" dated 23 September 2005 had been circulated to the Committee as requested. The Staff Secretary summarised the background and context in which the paper was being presented, the options open to achieve flexibility in differing operational circumstances and other staffing-related procedures to which detailed consideration needs to be given in our new structure and the evolving legislative and financial environments.

The Committee discussed in some detail the differing financial and operational circumstances which may confront various Schools in the context of the application of the Academic Resource Allocation Model and the possible need for very different approaches to apply. The Committee considered issues around flexible working arrangements, specific purpose contracts, reductions in staff numbers and noted that careful attention is required in the new legislative environment to recruitment processes. The planning and decisions by Heads of School/Vice Deans will need to be combined with a clear and well-defined probation process supported by training and performance review. The Committee considered in some detail the integrated supports and advices required for Heads of School on an ongoing basis and the possibility that such support might not be available to Heads of School for the imminent strategic planning process ahead. The Committee requested that this matter be given consideration by the Vice Provost and her Working Group which has responsibility for the overall co-ordination of the strategic planning to be undertaken in 2005/2006.

FN/05-06/02 Financial Management Within Schools cont.

Action

2.1 The Vice Provost, with her Strategic Planning Sub-Groups to be invited to consider the integrated supports and advices required in the first instance to facilitate strategic planning in the Schools and across the College.

FN/05-06/03 Catering

(Minute FN/04-05/77 of 22.06.2005 refers)

The Director of Accommodation & Catering attended for this item.

In relation to Catering The Director of Accommodation & Catering presented a circulated paper dated 20 September 2005 outlining for the range of activities within its remit, the history of the service, very informative and revealing statistics and related analysis, influencing factors along with the conclusions that could be drawn which would have consequences for the future viability of the service if not addressed.

The Committee accepted the proposal that a full and far reaching strategic review of all catering and beverage services across the entire campus (including those not currently under the management of the Catering Department) should be undertaken under the guidance of an external reviewer (Professor David Russell) during Michaelmas Term. It was noted that this review would bring its report and proposals to the Catering Management Committee and subsequently to the Finance Committee in Hilary Term.

Action:

3.1 The Director of Accommodation & Catering, assisted by an external consultant to plan and carry out the strategic review of all catering and beverage services across the campus under the guidance of an external reviewer with a report via the Catering Management Committee to be brought to Finance Committee in Hilary Term 2006.

FN/05-06/04 Research Activity – Risk Assessment

As the Dean of Research was unable to attend the meeting for this item, consideration of a memorandum dated 5 September 2005 from the Treasurer in relation to “Research Activity – Risk Assessment” was deferred to the next meeting of the Finance Committee.

FN/05-06/05 Risk Management – Treasurer’s Office

A memorandum dated 21 September 2005 from the Treasurer and Deputy Treasurer in relation to Risk Management in a financial context had been circulated to the Finance Committee. The memorandum outlined the outcome of previous risk assessments in 2003 and 2004, the detailed outcomes of the 2005 risk assessment in the areas of overall financial management, research, Treasurer’s Office resources, taxation, procurement and pass on risks. The Treasurer requested that one amendment to the memorandum be noted arising from previous Finance Committee discussions and requests that The Secretary through the 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. The Finance Committee, while accepting and endorsing the memorandum (as amended) requested that its concerns in relation to the lack of an integrated structure and related planning to support strategic, operational and financial planning in Schools/Vice Deaneries and other areas within the College should be noted (See minute FN/05-06/02 above). The Committee noted that for various reasons it had not been possible to have a fully implementable “risk management framework” across the College and also noted the concern expressed arising from the future requirement for the Board to sign off on the effectiveness of internal systems and controls across the full range of College activities.

FN/05-06/05 Risk Management – Treasurer’s Office cont.Action:

- 5.1 The Treasurer to submit a copy of this Risk Assessment to the College Secretary for inclusion in the overall College Risk Assessment.
- 5.2 As with Action 2.1 the Vice Provost to consider the integrated structure required to support strategic operational and financial planning across Schools/Vice Deaneries and other areas.

FN/05-06/06 Insurance Renewal – 2005/2006

A comprehensive report on matters associated with the insurance renewal for 2005/06 from the Acting Director of Buildings and the Treasurer dated 28 September 2005 had been circulated for meetings of the Executive Officers, Site & Facilities Committee and Finance Committee. The Finance Committee was briefed on the tender background, the cost trends, property cover, employer and public liability-related issues, the claims experience, broker’s fees and uninsured risks. The detailed report was accompanied by a Coyle Hamilton Willis (Broker) renewal proposal report for 2005/2006. The Treasurer clarified a number of issues raised in particular in relation to the current €50,000 deductible applicable to property insurance claims and the avenues which had been explored in order to reduce the deductible. The Committee confirmed the insurance group’s recommendation that the College should write to the HEA regarding the ongoing uninsured risk in relation to terrorism which had previously been raised with the HEA in 2002. The Committee heard that Executive Officers had given the memorandum detailed consideration and had endorsed the profile of insurance as placed at the premiums outlined.

The Provost on behalf of the Finance Committee expressed his appreciation to the Insurance Review Group for the very comprehensive and clear reporting on insurance matters.

Action:

- 6.1 The Insurance Group to write to the HEA in relation to the ongoing issue of the uninsured risk in relation to terrorism.

FN/05-06/07 Quarterly Accounts to 30th June 2005

The Treasurer and 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 the accounts as presented showed the cash position at 30 June 2005. Consideration of these accounts was cross-referenced to the paper entitled: “Capital Projects: Summary Information on Financial Position and other Matters Issue 7 – June 2005” on Section C of the Agenda. Claims made for funding not yet received amount to €6.1m at this date. In particular funding outstanding in respect of ICT skills and overspending on the IAMS capital equipment budget amounting to €76,000 were noted.

Projects part funded from Section 843 sources:

The Committee noted that Section 843 tax shortfall funding remained to be resolved.

Projects funded from non-HEA sources:

Expenditure in excess of income at 30 June 2005 amounted to €1.9m.

Academic Faculties and Departments:

The Committee noted that the unspent balances at 30th June 2005 had increased by 17% compared with the equivalent period in 2004. The Treasurer outlined for the Committee in some detail her concerns in relation to such balances and the issues which had arisen in recent years which had been considered by the HEA as part of its report on the financial position of the Universities at 30 September 2003. The Committee noted in particular the expectation that the School of Computer Science and Statistics would be bringing forward a plan in relation to the ICT deficits and the assurances which had been forthcoming in relation to debit balances in Business

Studies and Psychology and Obstetrics and Gynaecology. The Committee noted that

FN/05-06/07 Quarterly Accounts to 30th June 2005 cont.

a long-standing debit balance in the Department of German remained to be addressed as part of the Vice Deanery of Arts and Humanities.

Administrative and Other Areas Non Pay Budgets:

The Committee noted that certain large balances arising in self-financing elements of administrative departments arose from the late notification of Strategic Initiative funding from the HEA. Furthermore SFI/AOIP allocations, where relevant, had been paid in advance and remained to be spent.

Service Departments

Library

IS Services

Bio-resources Unit:

It is expected that the current deficit will be substantially cleared by 30th September 2005.

Audio Visual and Media Services

Centre for Microscopy Analysis

Buildings Office:

The Committee noted the expectation of large expenditures in the last quarter of the financial year and the delays in expenditure in relation to Minor Works allocations.

Student Health Service

Counselling

Subsidiary Activities

Residential Rooms College

Residential Rooms Trinity Hall

Catering

Library Shop

Copying Service:

The Committee requested provision of an annual budget by the Copying Service.

Diagnostic Service

College Day Nursery

Innovation Services

Enterprise Centre:

The Committee requested the provision of a financial year budget and noted the requirement for a detailed review of amounts receivable prior to finalisation of the financial year.

Department of Sport

High Performance Computing

New Research Accounts: 38 new accounts were opened during the quarter

Research Account Balances:

The Committee noted the profile of the overdrawn balances in excess of €75,000 and in particular the extent of the funds due under the HEA PRTL I Cycles 2 and 3.

Research Accounts – Overdrawn Balances.

In line with long-standing arrangements the Finance Committee had been circulated with a schedule in relation to the active research accounts of a Principal Investigator (PI). Along with this schedule the Finance Committee had received a memorandum from the School of Physics dated 28th September 2005 in relation to an account of the same PI where commitments undertaken to the completion date of the project were significantly in excess of the total budget approved. Furthermore the Treasurer highlighted expenditure in excess of the allocated budget on an IAMS capital equipment account which was also managed by the same PI. The Treasurer explained the background to the long-term review of this group of accounts, the discussions which had taken place at the Finance Committee and other fora from time to time and that the current problems had been identified by the Research Accounting Manager through a review of expenditures against budget in the context of the duration of the contract yet to run. The work carried out by the School of Physics facilitated and supported by the Treasurer's Office, was outlined and it was

agreed that the Head of the School of Physics, the Director of Research and the PI would be invited to the next Finance Committee meeting to address the matter in full, including proposed financial solutions in relation to the current estimate of overspends. The Committee noted that procedures were being put in place in the Department of Physics in order to ensure that this situation could not be replicated. Furthermore the Committee was briefed on the selection of this PI's accounts for audit by the HEA on behalf of the Research Funders Group. The Bursar drew the Committee's attention to correspondence received from the School of Physics requesting the use of College overheads to support administrative costs on the specified research account.

Action:

- 7.1 The Treasurer to invite the Head of the School of Physics, the Director of Research and the PI to the next Finance Committee meeting

Section C

FN/05- 06/08 HEA Correspondence

The Committee noted circulated HEA correspondence to the Provost dated 15.07.2005 setting out the approved allocations under the 2005 Strategic Initiatives Scheme and the conditions under which the allocations were made.

FN/05 – 06/09 Capital Projects : Summary Information of Financial Position & Other Matters

The Committee had been circulated with Issue 7 of Capital Projects: Summary Information on Financial Position and Other Matters from the Bursar dated June 2005 outlining financial and other data in relation to projects recently constructed/hearing completion, the North-East Corner project and Other Issues including the redevelopment of Pearse Street, maintenance and refurbishment of capital stock, activities of the Board approved Property Review Group, Development Control Plan, An Post Site, Nassau Street Car Park and the HEA/Kelly report on 'Review and Prioritisation of Capita Projects in the Higher Education Sector'. The Committee noted the current overall financial deficit was €5.9m, largely in respect of the purchase of property on College Green and the uncertainty regarding the Skills funding for the North East Corner projects (currently assumed as being forthcoming in the calculation of the overall financial deficit). In addition, the Committee noted that funding will have to be sourced to meet this deficit whether from property disposals, rental income from various properties and/or elsewhere.

FN/05 - 06/10 New Financial Information System – Specification Project

The Committee noted a memorandum from the Deputy Treasurer dated 22.09.2005 introducing a project to specify a new Financial Information System (FIS) for the College. For this project, the College has engaged the services of PA Consulting Group, a management consultancy company, who will be assisted by the Treasurer's Office & IS Services in developing the specification that captures in detail the FIS requirements of each area under the new College structure and that will enable the procurement of the most appropriate and functionally aligned FIS. The Committee further noted that a fundamental element of this project will be the buy-in and support from both academic and non-academic areas of the College for this new system and that to achieve this, PA would be undertaking an extensive consultation exercise required to help determine the needs of the wide-ranging stakeholder groups of the College.

Following completion of the specification by PA Consulting, via a users group, future ongoing consultation regarding a new FIS would be planned for as part of progressing any project implementation.

FN/05 - 06/11 New Structures

(i) New Structures and Sign-Off Arrangements

The Committee noted and approved a memorandum from the Treasurer dated 13.09.2005 proposing:

- new approval (sign-off) arrangements for all research grants and contracts from 01.10.2005 arising from changes in College's structures approved by Board including the requirement for an Head of School/Vice Deanery to ensure that sufficient space and relevant support is available within Schools/Vice Deaneries to facilitate the research within the terms and conditions of the contract
- that in order to ensure effective and efficient communication in the context of the duties and responsibilities of Head of Schools and Vice Deans, issues/problems/clarifications be dealt with through the office of the Head of School/Vice Deanery regardless of the delegated authorisation in place. It was agreed that this proposal would be reviewed in 12 months.

(ii) New Structures – Alterations to Finance Systems

The Committee noted and approved a memorandum from the Finance Operations Manager dated 27.09.2005 setting out the basis on which changes will be made to the existing Financial Information Systems to enable reporting to the new Schools and Vice Deaneries in 2005/06 and that further changes made to the structure of Schools/Vice Deaneries since 08.07.2005 cannot be considered from a reporting perspective until 2006/07.

FN/05 - 06/12 Minutes of Subcommittees

(i) Investment Committee

The Committee approved the minutes of the meetings of 15.09.2005, 19.05.2005 and 21.02.2005.

(ii) Catering Management Committee

The Committee approved the minutes of the meetings of 07.06.2005, 10.05.2005, 19.04.2005, 08.03.2005 and 02.02.2005.

FN/05 - 06/13 Student Fees – 2005/06

- (i) The Committee noted the increase of 7% in EU undergraduate tuition fees for the academic year 2005/06 and the setting of the student registration fee at €775 as notified by the HEA in their letter to the Treasurer dated 28.08.2005.
- (ii) The Committee noted and approved a memorandum and accompanying schedules of proposed Student Fees and Other Charges for 2005/06 from the Financial Resources Manager dated 26.09.2005.

FN/05 - 06/14 Fire Safety in Residences – Front Square

Based on the proposal contained in a memorandum from the Director of Accommodation & Catering dated 23.09.2005, the Committee noted and approved the financing arrangements associated with the next phase of the fire safety plan involving the upgrading of residences between Houses 2 to 9 in Front Square at a tendered cost of €6,363,000. The Committee further noted that in the context of revised Section 50 tax based financing regulations and taxation guidelines and on advice received from the College's external tax advisors, the use of Section 50 would not be beneficial to this project.

FN/05 - 06/15 Sub-Committee Memberships

The Committee approved the Provost's nomination of Professor John Parnell and Mr Henry Kearns as the Finance Committee representatives on the Residences Committee and the Catering Management Committee respectively.

FN/05 - 06/16 Travel Agency Services

The Committee noted a circulated update dated 14 September 2005 on the provision of Travel Agency Services to the College as set out in the memorandum from the Finance Operations Manager dated 14.09.2005 including the progress on the on-line booking portal provided by World Travel Centre. The Committee was informed that the pilot stage is virtually completed while noting the poor attendance to the training sessions provided.

FN/05 - 06/17 House Purchase Loans

The Committee approved the house loans as circulated

FN/05 - 06/18 Self-Financing Course

The Committee approved a circulated self-financing course proposal dated 27 September along with related costings in relation to the MSc in Global Health contained in a memorandum from Mr A. Malone dated 27.09.2005. This course will replace the existing MSc in Community Health with fees of €6,923 and €20,161 for EU and Non EU students respectively.

FN/05 - 06/19 Fee Remission Regulations

The Committee considered a memorandum from the Acting Secretary, Personnel & Appointments Committee dated 26.04.2005 as circulated and approved the proposals as recommended.

The next meeting of the Finance Committee has been arranged for **19th October 2005 at 2.30 pm, in the Provost's Library**

PROVOST.....

DATE.....

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