

**THE UNIVERSITY OF DUBLIN  
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 19 December 2005

PRESENT: The Provost (in the Chair), The Bursar, The Registrar\*, Professor J. Parnell, Mr H. Kearns, President of the Students Union, Dean of Arts & Humanities, The Senior Lecturer, The Secretary\*\*, The Treasurer (Secretary of the Finance Committee)

IN  
ATTENDANCE: The Deputy Treasurer

APOLOGIES

(PRESENT  
FOR) \* Minutes FN/05-06/38 – FN/05-06/40  
\*\* Minute FN/05-06/38 – FN/05-06/41

The Minutes of the Meeting of 1 December 2005 were approved and signed.

**Section A**

**No Items**

**Section B**

**FN/05-06/38 Quarterly Accounts to 30 September 2005**

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

Capital Projects: The Committee noted that the accounts as presented identified the cash position and outlined the overall financial position in relation to the capital programme, at 30.09.2005. The bi-annual Bursar's Report on Capital Projects, would be brought forward to the Committee in Hilary Term.

Capital Projects funded by HEA Capital Grants & Capital Projects part Section 843 Funded: The Committee noted the level of reimbursements outstanding on both tax and non-tax based HEA & State Funded Capital Projects and that these amounts were currently being bridged from recurrent cashflows.

Capital Projects not funded by the HEA: The Committee noted the level of funding received in advance.

Faculty and Departmental Budgets: The Committee noted with concern that the overall departmental balances had increased by over 60% since the 30.09.2004 with the cumulative non-pay/pay, self-financing courses and activities increasing by 223%, 10% and 61% respectively. The Committee further noted that the balances had returned to 2002/03 levels and, while acknowledging that Departments consider them fully committed, noted that this could be interpreted externally as 'over' funding.

The Committee was briefed on a number of accounts for which no funding sources had been identified.

Administrative and Other Areas Non Pay Budgets

Service Departments

Library: The Committee noted that the Library had met their outstanding commitment to past capital developments.

IS Services  
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  
Study Programmes & Conference Account – College  
Study Programmes & Conference Account – Trinity Hall  
Residential Development Account – College  
Residential Development Account – Trinity Hall  
Catering & Catering Development  
Library Shop  
Copying Service: Noting the deficits in this area over the last number of years, the Committee requested that a report be prepared by the Director of Buildings Office on future plans and on-going financial sustainability of the service.  
Diagnostic Services  
College Day Nursery: The Committee noted the excellent out-turn for the year and the clearance of the accumulated deficit ahead of schedule.  
Innovation Services  
Enterprise Centre  
Department of Sport  
High Performance Computing: The Committee, having noted the current level of deficit, requested that the funding situation be clarified at the earliest possible opportunity.  
Dublin Experience  
College Gallery  
Capitation Committee: The Committee requested that the audited financial statements of all capitated bodies be available for review in a timely manner post year-end.  
Campus Company Proceeds & Research Royalties  
Broad Curriculum

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

Action:

- 38.1 The Director of Buildings Office to prepare a report on the future plans and ongoing sustainability of the Copying Service.
- 38.2 The Bursar to clarify the funding situation of the High Performance Computing Service.

**FN/05- 06/39 Control Exception Report**

The Committee had been circulated with a Control Exception Report for the six months to November 2005 and noted the range and level of items listed within. It was agreed that this report was useful in highlighting matters for consideration and addressing in the planning period associated with the development of proposed new financial information systems. The Committee requested that a copy of the report be forwarded to the Senior Lecturer for consideration at the Committees of Heads and Deans in order that they might be placed in the position to fully understand and be in a position to address the matters arising in the report in the coming year.

Action:

39.1 The Treasurer to forward a copy of the Control Exception Report to the Senior Lecturer for both Deans and Heads Committee.

**FN/05- 06/40 Funding Statements for the year ended 30 September 2005**

Ms J. Byrne, Financial Resources Manager, attended for this item

The Committee had been circulated with:

- (a) Funding Statements for the year ended 30 September 2005 including KPMG's unqualified report
- (b) Supplementary volume of Additional Information for the year ended 30 September 2005
- (c) The proposed Letter of Representation to KPMG
- (d) Memorandum from Treasurer dated 7 December 2005 (and attached Audit Committee Minute AD/05-06/29 of 24 November 2005)
- (e) Highlights Summary

The Committee heard a presentation from the Treasurer and Deputy Treasurer outlining matters to be highlighted in relation to the Funding Statements for the year ended 30 September 2005 which included:

- (i) Financial Reporting arrangements and the context for the highlights presentation.
- (ii) Income and Expenditure Account
- (iii) Balance Sheet
- (iv) Capital Activity
- (v) Research Activity and issues associated therewith
- (vi) Risks and other issues: including Pension funding and Fixed Term Workers Act obligations, ARAM implementation, Research Overheads/OIP and policy issues, new Financial Information Systems update and the ring-fenced nature of funding for new initiatives.
- (vii) Comments in relation to the underlying deficit and sustainability issues, flexibility, new structure challenges and ARAM, short-term decisions with long-term consequences, competitive nature of future new funding, lack of multi-annual budgeting and capacity for financial planning and issues associated with accountability for the Accounting Officer, Heads of Schools/Vice Deans and budget holders respectively.
- (viii) KPMG's unqualified audit opinion.

The Committee considered a number of issues arising from their consideration of the Funding Statements for the year ended 30 September 2005 and in particular the impact of the Fixed Term Workers Act obligations in respect of core, subsidiary and research activity without receipt of appropriate funding from funders. The Committee expressed concern in relation to the extent of these obligations and the displacement of much-needed expenditure in other areas along with the significant underlying deficit position the College now finds itself facing for 2006 and future years.

The Committee noted the presentation of the Funding Statements for the year ended 30 September 2005 represented part 1 of the two-phase financial reporting required of the University in respect of each financial year. The presentation of Consolidated Financial Statements would include an annual report for the first time in 2004/05 and be continued for future years. In this context the Treasurer's Report in the historical format was not required as part of the Funding Statements.

The Committee accepted and endorsed for presentation to the Audit Committee the Funding Statements for the period ended 30 September 2005, the Supplementary volume of Additional Information for the same period and the proposed Letter of Representation to KPMG.

The Provost on behalf of the Committee expressed the appreciation of the Committee to all the staff in the Treasurer's Office in relation to the commitment involved in delivering such an extensive reporting package within the time-frames set down.

**FN/05- 06/41 Annual Analysis of Recurrent Expenditure and Research Accounts for the year ended 30 September 2005**

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 Department and Faculty. The Committee approved the volume for submission to the Board.

**FN/05- 06/42 Research Account Statistics**

Ms M. Tracey attended for this item

The Committee received and accepted a circulated memorandum and supporting schedules dated 9 December 2005 from Ms M. Tracey on behalf of the Research Accounting Manager setting out statistical information in relation to research account activities during the year to 30 September 2005. In addition the Treasurer made a presentation outlining:

- Growth patterns in research for 10, 5 and 3 year periods of 345%, 222% and 63% respectively with the annual increase amounting to 13%.
- Sources of income by sponsor and trends contained therein.
- Indirect costs/overhead contributions during the period and issues associated therewith.
- Irish research generated income accounted for 84% of total research income as opposed to a position 5 years ago when the equivalent statistic was 52%. The significant increase in research income being derived from Irish sources is as a direct result of SFI and PRTLTI initiatives.
- Trends in relation to Faculty research income, top earning research departments for the year and 5 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 also noted the conclusions in relation to legal inputs in the research negotiation and contract process, the new structures proposed for the Research Office, issues associated with the adequacy of overhead contribution to "essential services" and the fitness for purpose of integrated College systems to deliver on the research activity aspired to. The Committee expressed its thanks to Ms Savage and Ms Tracey for the helpful documentation and presentation in an area of such importance.

**FN/05- 06/43 Ghala Limited**

The Committee accepted the Financial Statements of Ghala Limited along with an unqualified audit report from KPMG for the year ended 30 September 2005. The Committee heard a brief report from the Deputy Treasurer outlining the activity during the year. The Financial Statements had been signed by the Directors and the Committee requested that the Financial Statements be forwarded to the Board for noting along with the signed Letter of Representation on behalf of Ghala Limited.

**FN/05- 06/44 Prompt Payment of Accounts Act, 1997 (2004/05)**

The Committee had been circulated with an unqualified Audit Report from KPMG dated 12 December 2005 pursuant to Section 13 of the Prompt Payment of Accounts Act, 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations, 2002.

**FN/05- 06/45 Taxation Annual Report – 2004/2005**

Mr M. Ryan and Mr M. Kiely attended for this item

An Annual Report dated 16 November 2005 on taxation matters during the year 2004/05 had been circulated to the Committee. The Report indicated the need for consideration to be given to the matter of compliance, risk and best practice in the area of taxation in the context of recent College restructuring and devolved budgetary responsibility. It was noted that consideration needed to be given to internal and external factors in this context. The Report also addressed issues which had been considered during 2004/2005 (Revenue visits, VAT on ancillary services, VAT on indirect credits, Department of Finance submissions, a simulated Revenue audit, tax website and VAT in relation to College properties). Issues to be addressed in 2005/2006 include foreign taxation, Revenue approach to Scholarships, Training, consideration of matters associated with the operation of PAYE (including subsistence, gratuities etc. and the ongoing role of providing advice, compiling tax returns, maintaining records, training staff, detecting risk exposure, internal reporting, liaising with Revenue etc.). The Committee noted the Revenue's advices in relation to administrative arrangements with TCD and issues arising in relation to the College community's approach in some instances to the application of legislation.

The Committee noted a presentation by the Treasurer which outlined the risks of non-compliance with taxation regulations due to the new devolved nature of the College's operating procedures, the extent to which existing knowledge and experience may be diluted in the context of a devolved budgetary responsibility along with the changing legislative/regulatory environment.

The Committee accepted the report as presented and received clarification in relation to a number of issues which were raised including external examiner payments and gratuities.

The Provost, on behalf of the Committee, thanked Mr Kiely for his very helpful report.

**FN/05- 06/46 Procurement Annual Report – 2004/05**

Mr M. Ryan and Mr B. Hartnett attended for this item.

The Annual Report on Procurement for 2004/05 dated 7 December 2005 had been circulated to the Committee. The presentation to the Committee outlined:

- The objective of the Procurement and Contract Office (which covers the procurement of all goods and services for College with the exception of the areas under the remit of the Director of Buildings).
- The outcome of a risk assessment performed in the Procurement area
- Procurement projects undertaken in the period from December 2004 to November 2005 and
- Planned activities for 2006.

The Treasurer outlined the issues to be considered on an ongoing basis which included:

- The risk of non-compliance with procurement regulations due to the new devolved nature of the College's operating procedures.
- The changing environment and the possibility of existing knowledge and experience being diluted in the changed lines of responsibility.
- The ever-increasing amounts of legislation/regulation of the Department of Finance in relation to procurement in the Public Service.

The Committee also heard a report on the resourcing of the Procurement functions across the university sector and the consequences associated therewith.

Following clarification of a number of issues in relation to overall College procurement the Committee referred the various matters to the Bursar for consideration and noted that travel-related matters would be considered in detail by the Committee during Hilary Term.

The Committee accepted the report as presented and thanked the Procurement Officer for the information presented.

Action:

46.1 Travel Procurement Report to be brought to Finance Committee during Hilary Term.

**FN/05- 06/47 Non-EU Tuition Fees – Payment Method**

A memorandum from the President of the Students' Union dated 12 December 2005 requesting permission for the payment of non-EU fees for continuing students to be paid in two instalments without any additional facilitation charges was agreed. The Committee noted however that the consequence of this would be that any withdrawal of a student for the second half of a year without payment of the second instalment of fees would result in a situation where Schools would not receive these fees under ARAM.

**Section C**

**FN/05- 06/48 Financial Information Systems Development Annual Report – 2004/05**

The Committee noted and approved a memorandum from the Financial Information Systems Section of the Treasurer's Office dated 12.12.2005 which had been circulated outlining the Financial Systems Development projects in 2004/05 and the planned projects for 2005/06.

**FN/05- 06/49      Catering Management Committee**

The Committee noted and approved the minutes of the Catering Management Committee meeting held on 3.12.2005 as circulated.

**FN/05- 06/50      Residences Management Committee**

The Committee noted and approved the minutes of the Residences Management Committee meeting held on 22.11.2005 as circulated.

The next meeting of the Finance Committee has been arranged for 8th February 2006 at 2.00 pm, in the Board Room.

PROVOST.....

DATE.....

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