

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 30th May 2007

PRESENT: The Provost, Mr H. Kearns, Professor J. Parnell, Mr D. Quinn, Professor T. Brown, the Senior Lecturer, the Treasurer (Secretary of the Finance Committee)

IN
ATTENDANCE: Ian Mathews

APOLOGIES The Registrar, the Bursar, the Secretary

(PRESENT
FOR)

The Minutes of the Meeting of 9 May 2007 were approved and signed.

Committee members were reminded that the closing date for the Finance Committee self-evaluation form is 1 June 2007.

Section A

Section B

FN/06 – 07/76 Treasurer's Office Review

Mr S. O'Driscoll and Mr G. O'Brien of Athrú Consulting attended for this item.

The Committee had been circulated with the terms of reference of an external review commissioned by the Treasurer and carried out by Athrú Consulting following a tender process.

Mr O'Driscoll and Mr O'Brien (Athrú Consulting) made a high level presentation which outlined:

- Background and terms of reference
- Context and environment
- The Trinity College culture
- Customer, Stakeholder and Treasurer's Office staff comments
- Best practice in relation to the operation within a university context of a finance function
- Outcomes of a site visit to Queens University, Belfast
- Best practice – future challenges
- The current structure
- IT Systems as an enabler of change
- Risk assessment
- Strategic imperatives
- GAP analysis
- Themes and recommendations
- Critical decisions which must be taken and implemented

The Finance Committee raised questions and clarified issues arising from the presentation. The Committee noted

- the broad range and extent of the contributors to the financial review including external (HEA, IUA, KPMG and C&AG), customers, stakeholders and Treasurer's Office staff. (list tabled).
- that Executive Officers had considered outcomes of the review to be a fair reflection and very helpful gathering of all the issues in one place.
- the need for new financial information systems regardless of the structure of the university was clearly identified and noted. The Committee also noted the Treasurer's comments.
- that in relation to the implementation of new systems cultural issues along with communication and training issues would have to be addressed as part of a detailed and extensive programme supported by a professional management team with experience. The need for senior leadership in relation to the changing of procedures and processes and culture was specifically noted.
- the outcome of the site visit to Queens University Belfast.
- that desk based research had also been undertaken in relation to Imperial College and Edinburgh and these outcomes would be reflected in the final report.
- the lack of good management information in the context of the variations in line management style which occur because of the rotation of Heads of School and others. The Committee also expressed views in relation to the need for clear rules which were understood and which cost account holders would abide by.
- the range and extent of the matters addressed as part of the GAP analysis (SWOT).

Arising from the discussion with a wide range of stakeholders, customers and external parties common themes to be addressed were identified and recommendations made. In response to observations from within the College community in relation to the communication and customer service approach by the Treasurer's Office the Deputy Treasurer indicated that he proposed to take immediate action through the appointment of a communications/service support specialist for a fixed period of time during the next year to address the issues arising from the review. The Committee welcomed and endorsed this approach.

The Committee welcomed the review of the finance function and the high level presentation made to address major outcomes. The Committee noted that a final written report addressing all elements of the terms of reference would be brought forward to the next meeting of the Finance Committee.

Action:

- 76.1 The Deputy Treasurer to progress proposals in relation to communication and service oriented matters within the Treasurer's Office.
- 76.2 Final written report to be brought to next meeting.

The Provost on behalf of the Committee expressed his appreciation to Athrú Consulting for their very helpful and balanced report.

FN/06- 07/77 Restructuring – Costs

The Committee had been circulated with a memorandum from the Senior Lecturer entitled “Estimated Costs of Faculty Office Personnel, Faculty Deans, the Chief Academic Officer and the Chief Operating Officer” for consideration by the Committee. The Committee was briefed that the personnel levels in the Faculties had been identified by the Senior Lecturer’s Office and the quantum of costs had been reviewed and clarified by the Staff Office. In the context of the specific amounts involved the Committee considered issues associated with range, extent and relativity of allowances generally, the issues arising therefrom and the need for the Staff Office to seek HEA approval for the allowances proposed. Arising from this detailed discussion the Committee formed the view that a review of allowances generally should be undertaken and requested that Executive Officers identify how such a review might be undertaken. The Committee noted that no provision had been made for the training costs required for new Deans and others and that this matter should be addressed. The Committee sought clarification on the ARAM treatment of various costs and a full detailed explanation was provided as to how the costs would be dealt with under normal ARAM rules.

The Committee addressed itself to the additional costs associated with the restructuring and agreed in the first instance an application for SIF funding would be made but in the event that funding did not materialise the Committee accepted that it might be necessary for a period of 18 months to carry a short-term deficit on the basis that the new Chief Operations Officer and Chief Academic Officer would be given targets to deliver the savings required to ensure that the structure proposed represented no incremental cost to the College in the medium term. The Committee suggested that savings should be sought across all areas of the College other than the academic post headings. In this context it was agreed that the proportions of pay that relate to academic posts vis à vis all other areas for the period 2006/07 would form the basis of targets to be identified for the COO and the CAO for delivery commencing within 18 months of appointment.

Action:

- 77.1 The Staff Office to obtain HEA approval for the proposed allowances following Board approval of all restructuring arrangements.
- 77.2 Executive Officers be requested to identify how and by whom a review of allowances should be carried out in the short-term.
- 77.3 CAO and COO targets to be developed based on Funding Statements pay levels for 2006/07.

FN/06- 07/78 HEA Resource Allocation Model and Funding

(Minute FN/06-07/71 of 9.05.2007 refers)

The Committee had been circulated with:

- (i) TCD correspondence to the HEA dated 5.04.2007.
- (ii) IUA correspondence to HEA dated 23.04.2007.
- (iii) HEA correspondence to IUM – Finance Officers Group dated 9.05.2007.

The Committee heard that a submission by the Provost and Treasurer on behalf of the College in relation to its observations on the HEA Resource Allocation Model was being considered by a HEA taskforce at present. Furthermore the Committee noted the fact that similar funding related concerns had been addressed by the IUA (Finance Officers) correspondence dated 23 April 2007 to the HEA. The Committee had been aware that student numbers were currently the subject of a HEA audit and that preliminary indications were that the impact will be better than originally thought in January 2007 but the College would still have a potential 7% cut in grant to address and consideration of the issues outlined in the previous Finance Committee minute (FN.06-07/71 of 9.05.2007) would now be required. The Committee expressed its serious concern in relation to grave financial uncertainties facing the College for the next number of years and noted the significant strategic decisions that were likely to have to be taken in relation to maintaining or adjusting levels of activity, generating funding or the possible letting/sale of assets. The Committee agreed the necessity for the Strategic Planning Taskforce to be fully briefed on the funding uncertainties likely to pertain in the run up to and beyond 2008/09. In this context the Committee requested that common memberships between the Finance Committee and the Strategic Planning Taskforce ensure the full relaying of all relevant information in this regard. The Committee heard from the Provost that Board would be considering short and medium term consequences of the HEA's new resources allocation model at its meeting on 20 June 2007.

Action:

- 78.1 Common membership between Finance Committee and Strategic Planning Task Force to relay the issues outlined in the discussion above

Section C

FN/06 - 07/79 Quarterly Accounts to 31 March 2007

The Committee had been circulated with a memorandum dated 21.05.2007 from the Financial Resources Manager and Acting Research Accounting Manager and attached quarterly accounts in the normal format for the period to 31.03.2007. The Committee noted the highlights set out in the memorandum under the headings of Capital, Academic Faculties and Schools, Administrative and Other Areas, Service Departments Subsidiary Activities and Research.

The Treasurer briefed the Committee on the successful transfer of the new arrangements for the signing of research contracts which have been in place for two months in the Research and Innovation Office. The Committee confirmed that it expected a report from the Director of Research and Innovation Service for the 27th June meeting.

FN/06 - 07/80 Control Exception Report – May 2007

The Committee reviewed the bi-annual Control Exception Report for the 6 months to May 2007 as circulated and noted the range and level of items. As on previous occasions, the Report will be forwarded to the Senior Lecturer for consideration at the Committee of Heads and Deans.

Action :

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

FN/06 - 07/81 Estimated Recurrent Income and Expenditure 2007

As circulated, the Committee noted a memorandum dated 23.05.2007 from the Secretary to the College which set out allocations of funding approved by the Executive Officers at their meeting of 3.04.2007.

FN/06 - 07/82 Related Entity Financial Reporting

The Committee noted and approved the following sets of accounts as circulated –

- (a) Campus Companies Venture Capital Limited Partnership Fund - General Partner's Report and Audited Accounts for the year-ended 31.12.2006 including the Emphasis of Matter contained in the auditor's report.
- (b) HEAnet Limited – Director's Report and Financial Statements for the year-ended 31.12.2006.
- (c) DMMC– Director's Report and Financial Statements for the year-ended 30.09.2006.

FN/06 - 07/83 Part time Academic Staff – Pay Rates for 2007/08

The Committee approved the proposed increase of 5.2% to part-time staff (casual payroll) with effect from 1.10.2007 as set out in the circulated memorandum from the Staff Secretary dated 17.05.2007.

FN/06 - 07/84 Minutes of Sub-Committees

The Committee noted and approved the minutes of the Investment Committee meeting held on 17.05.2007 as circulated.

The next meeting of the Finance Committee has been arranged for 27 June 2007 at **2.00 pm**, in the Board Room.

PROVOST.....

DATE.....

fmin30 05 2007