

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 11 October 2007

PRESENT: The Provost, the Bursar, Professor J. Parnell, Ms M. Leahy, Mr A. Byrne, the Secretary, the Treasurer (Secretary of the Finance Committee).

IN
ATTENDANCE: The Deputy Treasurer

APOLOGIES The Registrar, the Senior Lecturer

(PRESENT
FOR)

The Minutes of the Meeting of 27 June 2007 were approved and signed.

The Provost welcomed Ms M. Leahy and Mr A. Byrne as new members of the Finance Committee.

Section A

None

Section B

FN/07 – 08/01 Action List

The Committee reviewed in detail the status of previous Finance Committee actions remaining to be brought to completion. In particular the Committee noted that:

- The HEA ICT Capital funding shortfalls would be considered as part of the 2006/07 year end.
- Because of particular circumstances in the Research and Innovation Office the Review of Explanatory Guidelines was more likely to happen in Trinity term 2008.
- In relation to the review of a group of accounts of a PI the Committee heard that savings from the leave of absence of the PI would be contributed towards the repayment of outstanding amounts. The Committee re-confirmed in principle that the amounts to be repaid in the current year were the amounts originally agreed along with any increase in the amounts outstanding since the Committee agreed the repayment schedule. The Committee noted further the Secretary, Bursar and the School of Physics would be meeting quarterly to pursue further discussions in this regard.
- TCIN would be a matter on the November 2007 agenda as it had not been possible for them to attend due to the re-scheduling of the Finance Committee meeting.

FN/07 – 08/02 Science Gallery

(Minute FN/06-07/20 of 29.11.2006 refers)

The Director of the Science Gallery attended for this item.

The Committee had been circulated with a paper from the Bursar to Executive Officers dated 11 September 2007 outlining the current position in relation to Capital and Recurrent funding for the Science Gallery. The Committee noted that capital works were currently being undertaken in the Gallery at an estimated cost of €1.554m which exceeds the funding raised to date by c. €100,000. The Committee further noted that the interim Steering Group met to consider the recurrent budget associated with the need for the Gallery to be functional in early 2008, to facilitate the planning for 2009 activities to attempt to achieve sustainability of the Gallery and to link these with fund-raising activities. Based on current funding levels the interim Steering Group estimates that the Gallery could have a deficit of c. €750,000 by late summer 2008. The Finance Committee noted that €100,000 in funds had been raised since the preparation of the paper and that strong proposals had been made in relation to further funds. The Committee noted that if fund-raising was not sufficiently successful to cover all the recurrent costs and eliminating the deficit arising during 2008 that they could potentially become a call on College resources if other sources of funds are not found. The ongoing viability and sustainability would require careful review and management.

The Committee requested that it receive a detailed update on the financial position of the Science Gallery for its meeting of 5 March 2008 when the outcomes of the current strong fund-raising initiatives would be clearer, the Gallery up and running and the estimated costs would have firmed up, the capital works completed and the associated costs finalised. At that time the Committee will consider the 2007/08 financial position, actions arising therefrom, along with ongoing viability and sustainability of the Gallery and its activities into the future.

Action:

- 2.1 The Science Gallery Director to bring forward a detailed financial report on the Capital and Recurrent elements of the Science Gallery's budget in respect of the current and future years.

FN/07 – 08/03 Trust Funds Financial Statements for the year ended 30.06.2007

The Committee had been circulated with a copy of the Financial Statements of the Trust Funds (Benefactions) for the year ended 30 June 2007 along with KPMG correspondence dated 11 September 2007 in relation to the audit identifying that no issues needed to be brought to the attention of the College and a draft letter of representation to be signed on behalf of the Board when it considers the Financial Statements. The Committee noted that these Financial Statements had already been considered by both the Investment Committee and the Audit Committee. The Committee noted that it was the intention of the Auditors to issue an unqualified audit opinion on the accounts following their approval by the Board of the College on the 24 October 2007. The Committee recommends approval of these Financial Statements by the Board.

Action:

- 3.1 The Trust Funds Financial Statements to be considered by the Board at its meeting of 24 October 2007.

FN/07 – 08/04 Risk Assessment

The Committee were circulated with a memorandum dated 25.09.2007 and accompanying risk schedules from the Treasurer and Deputy Treasurer outlining the results of the Treasurer's Office 2007 Risk Assessment. The Committee noted that assessment was conducted with the College's Risk Management Policy taking into account the 2006 High Level Risk Register and the 2007 Áthru Report on the Review of the College's Finance Function.

The Finance Committee reviewed all the risks identified and considered in particular the significant risks noting with concern with the number of years they have been prioritised as such. In response to a query on a specific risk, the Treasurer tabled a memorandum from the Dean of Research dated 10.10.2007 identifying the actions now being undertaken to mitigate the risk in the future.

Following a lengthy discussion, the Committee approved the Schedule of Risks for inclusion in the College's overall Risk Assessment Process while acknowledging the level of input by the staff in the Treasurer's Office into the process.

Action:

- 4.1 Deputy Treasurer to forward a copy of the 2007 Treasurer's Office Risk Assessment to the Secretary for inclusion in the College's Overall Annual Risk Review
- 4.2 The Dean of Research to provide an update for the next meeting on the level of unsigned contracts and the status filling of posts in Research & Innovation Services.

FN/07 – 08/05 Code of Governance of Irish Universities – Treasurer's Office Responsibilities
(Minute FN/06-07/60 of 11.04.2007 refers)

In order to update the Finance Committee further on the issue of the Code of Governance of Irish Universities the Treasurer had circulated a memorandum dated 2 October 2007 setting out the College's current position in relating to adopting the code. The Committee noted that the Board had notified the HEA that every effort, within the College's resources, will be made to comply with the code in as timely a manner as possible. The Committee noted that full compliance was only likely to be achieved over a period of time but compliance statements would be required and auditors would have to express an opinion thereon commencing with the Consolidated Financial Statements for 2006/07. The Treasurer outlined to the Committee the very specific areas of the code which fall within the remit of the Treasurer in particular in the area of borrowing, procurement (non premises area), taxation, disposal/sale of fixed assets, elements of reporting associated with finance and internal controls within the Treasurer's Office. The Treasurer informed the Committee that current arrangements in place in relation to these particular areas indicate that the College would be compliant in these areas. The Treasurer also outlined the documentation of controls which it is intended to prepare. The Committee was further informed of the process that would be required in the form of testing by internal auditors (reporting to the Audit Committee) and external Auditors before an opinion in relation to compliance could be obtained. Furthermore the Committee had been circulated with correspondence from the Comptroller and Auditor General which identified compliance with the Code would be a significant issue in their audit of 2006/2007 Consolidated Financial Statements.

FN/07 – 08/06 HEA Recurrent Grant
(Minute FN/06-07/55 of 20.02.2007 refers)

The Committee had been circulated with HEA correspondence dated 27.07.2007 informing the College of the final grant allocation for 2007. In the context of this letter the Committee noted:

- that the Recurrent Grant had been allocated using the Recurrent Grant Allocation Model on the agreed basis but subject to the moderating factor which had been agreed.
- the extent of the top-slicing for pensions in payment and pensions supplementation in respect of the seven universities.
- the basis on which the 5% top slice had been allocated in respect of research activity.
- the 2007 allocation had been determined using 2004/05 student numbers which

had been audited by the HEA and the results of which had been considered by the Board at its meeting of 26 September 2007.

- that a special circumstance had been recognised in the grant allocation process which was the Copyright Library at TCD.
- the ongoing costs arising from the Technicians Award had not been included in this grant but that the HEA indicated that this would be sought separately by way of supplementary grant.

The Committee reviewed detailed schedules attached to the HEA grant allocation letter and noted:

- the College had received a 3.03% increase in its recurrent grant rather than the 5% indicated by the overall block grant allocated in respect of the sector.
- three of the seven Universities had only received 3.03% increase in recurrent grant while two had received 5% and a further two 7.03% (or the maximum allowed under the moderating factor) for the year in question.
- that following the redistribution of the amounts yielded up by 'overfunded' institutions under the moderating factor two universities received a total grant increase in the year of 10.27%
- the profiles of unweighted and weighted student numbers and the extent to which both had been achieved elsewhere in the sector which was now having significant impact on the allocation of recurrent grant.

The Committee requested that the payment of future pension payments should receive special consideration in order to ensure separateness and independence from the recurrent grant allocation particularly in the context that such payments could increase at a different rate to the core grant.

FN/07 – 08/07

Treasurer's Office Review

(Minute FN/06 - 07/92 of 27.06.2007 refers)

At its meeting of 27.06.2007 the Finance Committee requested consideration of a schedule of detailed actions to be taken on foot of the recommendations of the Review of the Treasurer's Office by Athrú Consultancy to be brought to the October 2007 meeting. In this context the Treasurer had circulated a memorandum dated 3 October 2007 along with a tabulated list of the recommendations, actions required, the person responsible and the timeframe in which to achieve the action. The Finance Committee, while re-endorsing the recommendations of Athrú Consultancy, were of the view that most of the actions listed should be deferred pending the appointment of Deans and a new Treasurer in due course. The Committee however welcomed the progress which had been made in relation to the appointment of a part-time service liaison officer in the Treasurer's Office and welcomed the suggestion that Deans be fully briefed in relation to financial matters associated with their area of responsibility as soon as possible after appointment.

Action:

- 7.1 The Finance Committee to consider recommendations and actions associated with the Review of the Treasurer's Office following the appointment of a new Treasurer.
- 7.2 The Treasurer's Office to provide information sessions to Deans as soon as possible after appointed.

FN/07 – 08/08

Fees – Postgraduate Diploma in Project Management

The Committee considered and approved correspondence from the Head of the School of Engineering in relation to a review of the arrangements associated with the fee income distributions which had been agreed in 2004. The Committee confirmed the arrangements in line with existing practices elsewhere and also confirmed that the Deans would be consulted in connection with fee increases applicable on an annual basis.

Action:

8.1 The Treasurer's Office to liaise with Deans regarding fee levels in due course.

FN/07 – 08/09 Students Union Restructuring and Loan
(Minute 94 of 21.06.2006 refers)

In accordance with the agreed loan conditions, the Committee were circulated with a memorandum from Mr. S Evans Administrative Officer of the TCD Students' Union dated 25.07.2007 setting out the progress of the loan repayment. The Committee noted the current loan balance and welcomed the expectation of the Union that the loan (including interest) would be fully repaid in December 2008 approximately nine months ahead of schedule.

Section C

FN/07 – 08/10 Consolidated Financial Statements – 2002/03 and 2003/04

The Committee noted correspondence from the Comptroller and Auditor General's Office (C&AG) dated 12.07.2007 along with the unqualified Audit Reports on the Consolidated Financial Statements for the years ended 30 September 2003 and 2004. In addition the Committee noted that there were no issues arising from the audits that warranted the issuing of a Management Letter to the College. As required, the Financial Statements and the associated Audit Certificates were submitted to the Department of Education and Science within 14 days of receipt from the C&AG.

FN/07 – 08/11 Student Fees and Other Charges – 2007/08

The Committee noted and approved the following as circulated –

1. The letter from the HEA dated 29.06.2007 advising the increase in the undergraduate fee of 6.6% for 2007/08 and in the student registration fee from €800 to €825.
2. A memorandum and accompanying schedules of proposed Student Fees and Other Charges for 2007/08 from the Financial Resources Manager dated 14.09.2007.

FN/07 – 08/12 Quarterly Accounts to 30 June 2007

The Committee received a memorandum dated 1.10.2007 with accompanying Quarterly Accounts schedules for the period to 30.06.2007 from the Financial Resources Manager and Research Accounting Manager. The memorandum is the agreed basis of reporting to the Finance Committee at this time of the year and requested the Committee to note the movements, levels and trends in reserves/balances in the period to 30.06.2007 and actions being undertaken in the areas of Capital Projects, School/Vice Deanery/Faculties Reserves, Administration, Service Activities, Subsidiary Activities and Research. The Committee specifically invited –

1. The Director of Buildings to obtain a final cost report on the North East Corner Project for consideration as part of the financial year-end.
2. The Deans to review the level of unspent reserves in the Faculties/Schools at an early stage following their appointment and consider all issues associated therewith.

FN/07 – 08/13 HEA Correspondence: Irish Language Provision

The Committee received the circulated correspondence from the HEA dated 24.07.2007 notifying the College of the new mainstream funding arrangements associated with the provision of initiatives aimed at supporting a greater use of the Irish language among staff and students.

FN/07 – 08/14 PRTL I – Cycle 4

As circulated, the Committee noted HEA correspondence dated 3.08.2007 & 27.08.2007 in relation to the Programme for Research in Third Level Institutions (PRTL I) – Cycle 4 and the College's success in being allocated capital & recurrent funding of €22.6m under the programme.

FN/07 – 08/15 Stafford Loan Programme: Audit Certificate for 2005/06

The Committee noted a memorandum as circulated dated 12.09.2007 from the Financial Resources Manager enclosing the unqualified audit opinion issued by independent US based auditors for the year-ended 30.09.2006 in relation to College's compliance with the US Federal Family Education Loan Program (Stafford Loan Program).

FN/07 – 08/16 Pay, Non-Pay and Recurrent Equipment Baseline Allocations for 2007/08

The Committee noted and approved a memorandum from the Deputy Treasurer dated 26.09.2007 as circulated setting out the minimum guaranteed level of Pay, Non-Pay and Recurrent Equipment baselines for 2007/08.

The next meeting of the Finance Committee has been arranged for 28 November 2007 at **2.30 pm**, in the Board Room – **note later start time.**

PROVOST.....

DATE.....

/fcmin 11 10 2007