



The Minutes of the Finance Committee Meeting of 16 December 2009

PRESENT: Provost (in the Chair), Registrar, Professor M. Marsh, Professor D. Singleton, Interim Chief Operating Officer, Ms. P. Murphy, Mr. Cónán O'Broin, Treasurer – Secretary of the Committee

IN

ATTENDANCE: Research Accounting Manager

APOLOGIES: Vice-Provost-Chief Academic Officer, Bursar

The Minutes of the Meeting of 4 November 2009 were approved and signed.

Section A

FN/09 – 10/20 Postgraduate Research Existing Students 4th Year Full Fees
(Minute FN/08-09/65 of 14.05.2009 refers)

The Committee noted the circulated memorandum from the Financial Planning Manager dated 9.12.2009 and the proposed amendment to the previously approved policy on 4th year fees for existing postgraduate research students on the basis of possible legal implications. Having considered the financial impact of the proposed change, the Committee agreed that 4th year fees would not be introduced for existing postgraduate research students who commenced their studies before 2009/10.

Section B

FN/09 – 10/21 ICT Capital Funding
(Minute FN/09-10/2 of 4.11.2009 refers)

The Treasurer tabled correspondence between the HEA and the Department of Education and Science confirming that the balance of funding allocated to the College under the ICT Skills I programme will be paid in the sum of €5.85m.

FN/09 – 10/22 Pensions
(Minute FN/09-10/4 of 4.11.2009 refers)

The Treasurer updated the Committee in relation to the transfer of pension assets and liabilities to the State. The Committee noted that the reported position of certain trustees would be discussed in detail at the next meeting of the pension trustees.

FN/09 – 10/23 Research & Related Accounts
(Minute FN/09-10/6 of 4.11.2009 refers)

Following receipt of correspondence from the Acting Staff Secretary, the Treasurer confirmed that the Staff Office is fully engaged with the specific staffing matter in line with College policy and staffing agreements.

FN/09 – 10/24 TCIN

(Minute FN/08-09/79 of 24.06.2009 refers)

The Director of the TCIN and Ms. Barbara Hewitt attended for this item.

In accordance with the Guidelines for the Financial Management of Trinity Research Institutes approved by the Finance Committee in June 2007, the Committee noted the circulated memorandum from the new Director of the TCIN dated 8.12.2009 which updated the Committee on TCIN affairs in the last six months including a detailed financial review (encompassing MRI activity) and the Institute's budgeted forecast to 2011. At the Committee's request, the Director outlined the issues of significance facing TCIN in the year ahead which included a financial forecast, actions taken to stabilise the financial position and future financial risks, in particular those associated with the MRI scanner (in light of the recently announced departure of the TN Mitchell Chair in Cognitive Neuroscience) as well as the current dependency on two major industrial sponsors.

The Committee requested the Director of the TCIN, with the support of the Faculty Dean, to develop an updated financial plan for presentation to the Committee at its meeting in February 2010.

Action:

24.1 The Director of the TCIN, with the support of the Faculty Dean, to develop an updated financial plan for presentation to the Committee at its meeting in February 2010.

FN/09 – 10/25 Science Gallery

(Minute FN/08-09/78 of 24.06.2009 refers)

The Director of the Science Gallery attended for this item.

The Committee, having been circulated with the management accounts for the financial year 2008/09, appended to a memorandum dated 9.12.2009, noted the positive outturn for the year as presented by the Director of the Science Gallery that had been achieved through a combination of scaling back/cancellation of programmes, reduced staffing levels and ongoing fundraising efforts. In addition, the Committee considered the forecast for 2009/10 which sets out a budgeted break-even position based on the continuation of relief from College overheads (in line with the previous commitment) along with the retention of existing sponsors and State support (including an annual SFI OIP allocation). The Committee welcomed the improvement in the Science Gallery's financial situation and requested the Director to provide an update on the Gallery finances in Trinity Term 2010.

Action:

25.1 The Director to provide an update on the Science Gallery finances in Trinity Term 2010.

FN/09 – 10/26 Institute of Catholic Theology

The Director of Strategic Initiatives attended for this item.

The Committee considered the circulated memorandum from the Registrar and the Director of Strategic Initiatives setting out the financial arrangements associated with the proposed new Institute of Catholic Theology (ICT). The Committee noted that, at its meeting on 21 November 2007 (Minute BD/07-08/082 refers), the Board had approved in principle for detailed negotiations to proceed with representatives of the Milltown Institute on establishing an ICT on a cost neutral basis to College.

By way of presentation, the Registrar and the Director of Strategic Initiatives briefed the Committee on the progress made to date referring also to a tabled draft risk assessment document. The Committee considered the principal elements of the financial arrangements relating to both capital and recurrent costs along with the associated funding streams, noting that the substantial initial projected deficit will convert to a surplus as students numbers build up. During this period, cost neutrality for the College will be achieved initially by some of the direct funding provided by the ICT Trustees and later against the value of the additional space made available to the College on completion of a new building (for which capital funding will be fully provided by the ICT). The Committee noted that the funding of the ICT recurrent deficit from the value of the additional space provided to

College may have implications within the new Resource Planning Model (RPM).

The Committee, supporting the proposal on the basis of the papers presented and the ongoing maintenance of the cost neutral position for College, thanked the Registrar and the Director of Strategic Initiatives for their role in developing the proposed alliance with the ICT.

Action:

- 26.1 The Treasurer to consider the Resource Planning Model implications of funding the budgeted ICT recurrent deficit by way of the value associated with additional space provided to the College in the new building.

FN/09 – 10/27 Annual Financial Reporting

The Committee had been circulated with:

- (a) Memorandum from Treasurer dated 9.12.2009;
- (b) Funding Statements for year ended 30.09.2009 including the draft unqualified Audit Opinion from KPMG;
- (c) Funding Statements - Additional Information for year ended 30.09.2009;
- (d) Draft Letter of Representation to KPMG

By way of presentation, the Committee noted the financial reporting requirements associated with the Funding Statements which had been prepared in accordance with the agreed harmonisation policy adopted by all Irish Universities and represented Part 1 of the financial reporting requirements under Section 37 of the Universities Act (the format of which was approved by the Higher Education Authority for the current year in September 2009). The status of Part 2 of the financial reporting requirements was noted, with the Consolidated Financial Statements expected to be finalised in May/June 2010.

The Treasurer briefed the Committee on the audit status of the Funding Statements as presented and advised that the Board-appointed external auditors (KPMG) expected to issue an unqualified audit opinion in due course. The Committee noted that there were no adjusted or unadjusted audit differences or no material control weaknesses identified by the external auditors.

The Committee welcomed the financial performance for the year which resulted in the elimination of the accumulated recurrent deficit and reflected the following:

- Planned expenditure savings target of €8m to address a reduction in State funding €7m (set out in the Funding Group Report approved by Board in February 2009)
- Contingency provision not required €3m
- Release of provision for FTWA €18.7m
- Additional income & lower expenditure over projected levels
- Transfer to capital €13m

The Treasurer also provided details in respect of the total income and expenditure (excluding Research), key figures from the Balance Sheet and highlighted the significant capital projects currently underway as well as pipeline capital projects.

The Research Accounting Manager highlighted the following key points:

- The achievement of the strategic goal of €100m in research income;
- Research income, expenditure and overheads over a 10 year period;
- Research income by source (sponsor, including foreign vs. Irish) – noting that the Irish Exchequer funds 72% of income
- Research expenditure – increasing trends over past 3 years by Faculty.

The Committee noted the key risks facing research funding including the likely reduction in income arising from contraction in the current funding environment, the increase in the number and complexity of sponsor audits and more onerous terms and conditions associated with alternative research funding sources.

The Treasurer briefed the Committee on the financial position in 2010 and beyond,

referring to the expected reduction in the core grant and the challenges facing the College in the current economic climate. The Committee noted the fundamental financial priorities required to underpin the College's next Strategic Plan 2009-2014 and the requirement to maintain financial flexibility.

Given the state of the public finances and the global economic climate, it was noted that the College faces into a financial environment that has changed markedly over a very short period and one that is likely to see significant future funding pressures and uncertainty in the short to medium term. The Committee acknowledged however that the College continues to be in a position of financial strength relative to the sector having no accumulated recurrent deficit and a strong balance sheet at 30 September 2009. The Committee further noted that the College is also in a position of being able to invest strategically (while maintaining flexibility) in the quality of its staff, its students and its infrastructure and thereby deliver on its ambitions.

The Treasurer, along with the Committee, expressed his appreciation on behalf of the College to all the staff in the Treasurer's Office in delivering such clear and concise year-end information within a very tight timescale and for the effective manner in which the financial affairs of the College continue to be managed. The Treasurer also added his particular thanks to the senior management team in the Treasurer's Office for their support and focus in leading out on the strategic financial management of the College.

The Funding Statements and Letter of Representation as presented were approved for onward submission to Board.

Action:

27.1 The Treasurer to forward the draft Funding Statements and Letter of Representation to Board.

FN/09 – 10/28 Quarterly Accounts to 30 September 2009

The Financial Accountant attended for this item.

The Committee received a memorandum dated 9.12.2009 with accompanying Quarterly Accounts schedules for the period to 30.09.2009 from the Financial Accountant and Research Accounting Manager. By way of presentation, the Financial Accountant briefed the Committee on the year-end position of Faculties/Schools, Administrative and Other Areas, Service Departments, Subsidiary Activities and the Strategic Initiative Fund and clarified a number of technical issues in response to queries raised.

FN/09 – 10/29 Research & Related Accounts

(Minutes FN/06-07/3 of 4.10.2006 & FN/08-09/28 of 17.12.2008 refer)

The Committee was circulated with detailed financial reports and related schedules, relating to two specific groups of research accounts. The Committee considered the financial situation of the first group of research accounts, in particular the overall net deficit position at September 2009. The Committee noted that the annual repayment for 2008/09 was made by the School, with significant support from the Faculty, post year-end. It further noted that a meeting was planned in Hilary Term 2010 between the Head of School, Faculty Dean and Research Accounting Manager to agree an ongoing annual repayment schedules.

The Treasurer briefed the Committee on issues arising in relation to the financial status of the second group of accounts. Noting that the Committee, at its meeting of 17.12.2008, had specifically requested the Principal Investigator to bring the group of accounts in question into balance within twelve months, the Treasurer advised that the situation had unfortunately deteriorated. The Committee expressed concern at the financial position of the accounts and noted the considerable challenge that lay ahead to bring them into balance. In this context, the Committee indicated that the Principal Investigator, along with the Head of School/Faculty Dean, would be invited to the February 2010 meeting to present a plan identifying how the issues would be addressed going forward.

Action:

29.1 An ongoing annual repayment schedule in relation to the first group of research

- accounts to be agreed at a meeting between the Head of School, Faculty Dean and Research Accounting Manager in Hilary Term 2010.
- 29.2 The Principal Investigator, along with the Head of School/Faculty Dean, to attend the February 2010 meeting of the Committee, to present a plan identifying how issues in relation to the specific group of accounts would be addressed.

FN/09 – 10/30 Postgraduate Fees and Undergraduate Non-EU Fees 2010/11
(Minute FN/08-09/48 of 4.03.2009 refers)

The Committee considered the circulated memorandum from the Financial Planning Manager dated 9.12.2009 with attached schedules setting out the proposed fees for EU and non-EU Postgraduate Fees and other non-EU fees for the academic year 2010/11, which had been reviewed and approved by the Planning Group, with input from the Faculty Deans, Dean of Graduate Studies and the Director of the International Office.

The Committee approved the proposed fees for the academic year 2010/11, noting that the majority would remain at 2009/10 levels (0% inflation) in light of the current financial climate. The fee levels set by external bodies were noted. The comments of the Director of the International Office in respect of College's competitiveness were also noted.

Section C

FN/09 – 10/31 Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for year ended 30.09.2009

The Committee reviewed the circulated Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for the year ended 30.09.2009 which is prepared as a supplement to the Funding Statements. The Committee approved the document for onward submission to Board, noting its content of extensive additional information on recurrent expenditure in academic areas, across pay and non-pay headings, and income and expenditure for all individual research accounts.

Action:

- 31.1 The Treasurer to forward the Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) to Board.

FN/09 – 10/32 Annual Analysis of Recurrent Expenditure and Research Accounts (Green Book) for year ended 30.09.2009 - Research Statistics

The Committee noted the circulated memorandum and supporting schedules from the Research Accounting Manager dated 9.12.2009 setting out analysis and statistical information in relation to research activities during the year to 30.09.2009.

FN/09 – 10/33 Treasurer's Office Annual Report 2008/09

The Committee received the second annual report of the Treasurer's Office for 2008/09 as circulated (set out in the agreed format), along with the accompanying memorandum from the Treasurer dated 9.12.2009. The Treasurer highlighted the introduction of a Customer Charter, the attainment of goals and targets in 2008/09 as well as future objectives/targets for 2009/10. The Treasurer expressed his gratitude to the staff of the Treasurer's Office in achieving these goals and to Mr. Paul Coote and Ms. Samantha Maguire for their work in compiling the report.

The Committee congratulated the Treasurer's Office on the report's content and quality and approved its onward circulation to the Office of the Chief Operating Officer.

Action:

- 33.1 The Treasurer's Office Annual report to be circulated to the Office of the Chief Operating Officer.

FN/09 – 10/34 Control Exception Report

The Committee reviewed the bi-annual Control Exception Report for the period to November 2009 as circulated. The Treasurer briefed the Committee on issues arising in relation to the repetitive nature of the control exceptions, namely non-use of preferred suppliers, use of reimbursements for items purchased by staff and breaches of the recently introduced travel policy. The Treasurer also outlined progress made to date in respect of the Internal Auditor's review of the Treasurer's Office. The Committee requested that the Control Exception Report be circulated to the Faculty Deans for Heads of School and also circulated to the Chief Operating Officer for Heads of Service and Support areas.

Action:

34.1 The Control Exception Report be circulated to the Faculty Deans for Heads of School and also circulated to the Chief Operating Officer for Heads of Service and Support areas.

FN/09 – 10/35 Ghala Limited

The Committee accepted the Financial Statements of Ghala Limited (100% owned subsidiary of the College) signed by the Directors along with an unqualified Audit Report from KPMG for the year ended 30 September 2009 as circulated and requested that the Financial Statements be forwarded to the Board for noting along with the Letter of Representation signed by the Directors on behalf of Ghala Limited, dated 3.12.2009.

Action:

35.1 The Treasurer to forward the Ghala Limited Financial Statements and signed Letter of Representation to Board for noting.

FN/09 – 10/36 Draft Prompt Payment of Accounts Act 1997, 2008/09

The Committee noted the circulated report from KPMG dated 8 December 2009 indicating that, in their opinion, College had complied in all material aspects with the provisions of Section 13 of the Prompt Payment of Accounts Act, 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002 and disclosed in the Statement of Payment Practice.

FN/09 – 10/37 Banking Concession Tender

The Committee considered the circulated memorandum from the Finance Operations Manager dated 9.12.2009 updating the Committee on the status of the Banking Concession Tender process as approved by the Executive Officers Group in March 2009 (Minute EO/08-09/93 refers). The memorandum outlined the actions taken to date in terms of the current lease arrangements, the consultation with capitated bodies, the invitation posted on the Government Etenders website and the expressions of interest received in response. The Committee approved the next steps in the tender process as set out in the memorandum, noting that the selection and award process should be concluded by June 2010, with the revised arrangements in place for the 2010/11 academic year.

FN/09 – 10/38 Estimated 2010 SFI OIP Allocation

The Committee noted the 2010 SFI OIP Allocation to Schools, Academic Support and Service Areas as set out in the circulated memorandum from the Research Accounting Manager dated 8.12.2009 and as approved by Planning Group at its meeting of 3.12.2009.

FN/09 – 10/39 Related Entity Financial Reporting

The Committee noted the circulated financial statements for the year ended 31.12.2008 in respect of:

- a) National Digital Research Centre Limited (NDRC)
- b) National Institute for Bioprocessing Research & Training Limited (NIBRT)

Action:

39.1 The financial statements of NDRC and NIBRT for the year ended 31.12.2008 to

be forwarded to Board.

FN/09 – 10/40 HEA Correspondence

The Committee noted circulated correspondence from the HEA dated 22.10.2009 regarding budgetary issues and TCD's response dated 12.11.2009. The Treasurer briefed the Committee on further correspondence from the HEA dated 7.12.2009 in respect of Equal Access, noting the requirement for ongoing data gathering during registration 2010 and further noting that this funding would form part of the core grant from 2011 onwards.

FN/09 – 10/41 Minutes of Sub-Committees

The Committee noted and approved the minutes of the following sub-committee meetings, as circulated:

- (a) FECF meeting of 14.10.2009;
- (b) Investment Committee meeting of 17.11.2009.

FN/09 – 10/42 House Purchase Loan Application

The Committee noted and approved the House Purchase Loan application as circulated.

The next meeting of the Finance Committee has been arranged for 24 February 2010 at 2.30p.m. in the Board Room.

PROVOST.....

DATE.....