

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 1 October 2003

PRESENT: The Provost (in the Chair), the Bursar, Dean of Arts (Letters), the Dean of Health Sciences, Mr. P. McCabe, Professor C. Williams, Dr. A. Ni Chasaide, the Treasurer (Secretary of the Finance Committee)

OBSERVERS: The Vice-Provost, the Senior Lecturer, Professor M. Marsh, Professor M. O'Moore, Ms A. Gatling, the Secretary

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: The Registrar, Dr. L. Doyle, Professor E. McCabe

The Minutes of the Meeting of 25 June 2003 were approved and signed.

The Provost welcomed the Dean of Arts (Letters), Professor C. Williams and Ms A. Gatling as new members of the Committee.

2004/1
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Catering
(Minute 2003/98 of 25.06.2003 refers)

Action

The Treasurer briefed the Committee on the discussions which had been held with various parties who had expressed interest in relation to the potential franchising of two Catering outlets. The lack of a successful outcome related to viability and circumstantial issues. It was noted that the Procurement & Contracts Officer had been involved with the Catering Manager in progressing these matters. The Committee requested that out-sourcing possibilities in the Catering area continue to be kept under review in the future by the Catering Management Committee.

CMC
(DO'C)

Following a request by the Board for the Finance Committee to consider the addition of a Catering staff member to the membership of the Catering Management Committee the Committee recommends that the shop steward be invited to attend meetings, as was the case for previous requests for representation, for any discussions which take place in relation to the outsourcing of Catering activities. This recommendation is made subject to the outcome of the forthcoming governance report to Board which will address the issue of the membership of committees.

CMC
(DO'C)

2004/2

SFI – A Review
(Minute 2003/101 of 25.6.2003 refers)

The Treasurer indicated that the SFI Working Party would reconvene during Michaelmas Term to consider the issues of responsibilities and accountability in relation to financial control issues on SFI grants and report back to the Finance Committee.

VP

The Treasurer informed the Committee that an internal review of risk exposures had been undertaken by the Treasurer's Office and that systems to facilitate purchase order processing, as had been identified in the SFI review, were considered to be a matter requiring particular attention. In this context a Treasurer's Office/IS Group is undertaking a detailed project with a view to bringing a report back to the Finance Committee for its meeting of 3.12.2003.

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2004/3 **Estimates of Recurrent Income and Expenditure – 2004**

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The Committee noted HEA correspondence dated 24.07.2003 indicating to the College 'the need to keep all expenditure under review and to ensure all activities (including staffing and spending proposals) do not result in future commitments that cannot be met from their own resources'. This request has been received in the context of the preparation of multi-annual budgets for the period 2004 – 2006 at a time of reduced Government revenues which will impose constraints on the level of funding to be allocated.

2004/4 **Student Fees – 2003/2004**

(Minute 2003/109 of 25.06.2003 refers)

The Committee noted and accepted HEA correspondence dated 25.07.2003 advising that a 6.5% increase in undergraduate tuition fees for the academic year 2003/2004, on the basis of no increase in student registration charge, has been agreed by the Department of Education and Science as appropriate. Furthermore, the Committee noted and accepted a memorandum from the Financial Resources Manager dated 18.09.2003 outlining relevant aspects and details of the application of fee increases for the year under review. The Committee noted that non-application of the fee increase to the student registration charge represents a further real cut in income to the College for 2003/2004. It was agreed that the cista communis contribution for self-financing courses for 2003/2004 would be €2,800 in respect of full-time courses and €1,848 in respect of part-time courses with the financial assistance income limits and concessions rising in line with undergraduate fees while postgraduate awards would increase by 9% in respect of postgraduate fees associated with postgraduate awards.

2004/5 **Quarterly Accounts to 30 June 2003**

Capital Projects funded by HEA Capital Grants

The Committee noted that the amount outstanding from the HEA now amounted to €10.966m thus reflecting the increasing lack of cash inflows in relation to the pausing of PRTL projects.

Capital Projects not funded by HEA Capital Grants

The Committee noted that final accounts for SFI refurbishments were being revisited by the Director of Buildings Office.

Faculty and Departmental Budgets

As for the Quarterly Accounts to 31 March 2003 the Committee noted the level of non-pay and recurrent equipment unspent balances and noted the extent to which self-financing activities within departments account for nearly 70% of the balances. Furthermore it was noted that these balances would be under significant pressure in the coming year. The need for departments to continue to plan their expenditure and achieve value for money was discussed. It was noted that the Deputy Treasurer would be meeting individually with Deans to follow up various issues arising from financial year-end and academic departmental accounts.

DT

Administrative and Other Non Pay Budgets

Service Departments

Library

Information Systems Services

The Committee noted that there would be a later start date than originally expected for the implementation of the SAS project. It was likely that the funding associated with this initiative would only take place in 2003/2004.

Bioresources Unit

Audio Visual and Media Services

Centre for Microscopic Analysis

Buildings Office

Counselling Service

Subsidiary Activities

Residential Rooms – College

Residential Rooms – Trinity Hall

Catering

The Committee noted proposals which had previously been made to ensure breakeven in Catering at 30.09.2003.

Library Shop

Copying Service

Diagnostic Services

College Day Nursery

Innovation Services

Enterprise Centre, Pearse Street

The Committee heard a report in relation to future management of the Enterprise Centre and the financial issues currently being dealt with.

Department of Sport

High Performance Computing

New Research Accounts

The Treasurer summarised the number of new research accounts by Faculty and by sponsor along with a review of numbers of new research accounts in the current year and brought attention to the levels of research expenditure of €33.7m in the nine months to 30.06.2003.

Research Account Balances

The Committee had a detailed discussion in relation to the levels of overdrawn balances and the attendant risks. The Committee noted the obligations incumbent on PIs, as for Heads of Department, to ensure the integrity (validity, value for money and probity) of expenditure in the context of the terms and conditions of the relevant research contract and noted that sign off on invoices authorising payment and claims to sponsors (where applicable) by PIs is regarded as fulfilling these obligations. Responding to a query the Treasurer indicated that research and financial matters are reviewed with the Dean of Research on a quarterly basis and PIs with overspent (as opposed to overdrawn) accounts are requested to bring forward plans for resolution. Furthermore, overspent balances are not written off by the College except in very exceptional circumstances and such overspent balances are firstly the responsibility of the PI, then the home department followed by the Faculty and ultimately the College. A good track record regarding recovery of overspent balances is no indicator of future collectability.

The Committee noted that significant issues for the College arise in relation to FP6 Contracts particularly where the Institution is Co-ordinator. The Treasurer indicated that a paper would be brought forward to the next meeting highlighting matters requiring special consideration/arrangements.

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Research Accounts Overdrawn Balances

The Committee noted that this matter was being dealt with in the context of Minute 2003/99 of 25.06.2003.

The Committee requested that the Provost, the Bursar and the Treasurer be asked to review and take whatever decisions are required in relation to bringing finalisation to

P,B,T

financial year-end matters.

2004/6 Pension Fund Annual Report

The Committee had been circulated with the Trustees Annual Report of the University of Dublin Trinity College Pension Scheme for the year ended 30 September 2002. The Treasurer highlighted the following matters:

- With effect from 2 June 2002 members leaving service having completed two or more (rather than five or more) years as a member of the Pension Scheme for long service are entitled to preserve benefits with no refunds of contributions being paid in respect of such members.
- The last actuarial valuation was carried out on 1 October 2001 with the next review to be carried out on 1 October 2004 covering a period of significant liability growth and significant deterioration in investment return.
- The long-standing arrangement associated with pension increases being a call on the College income and the changed arrangements with early retirements since the last annual report.
- The increase in pensionable pay of 46.7% (for the five years ended 30 September 2002) v 16.6% investment return for the same period indicates the level of difficulty currently facing the pension fund.
- An unqualified audit opinion had been issued in respect of the financial statements of the Scheme to 30 September 2002.

The Committee accepted the Trustees' report as presented and noted in particular that the issues now arising in respect of the University of Dublin Trinity College Pension Scheme are equivalent to those arising in Pension Schemes worldwide and furthermore providing and investing for pensions requires the Trustees of the Scheme, the College and Pension Scheme members to take a long term view.

2004/7 Taxation Status – Annual Report XX

The Committee considered and discussed the very informative Annual Report dated 18.09.2003 for 2002/2003 on Taxation Issues in Trinity College from Mr M. Kiely. The Committee was briefed on the significantly and rapidly changing legislative environment in relation to tax matters which affect the University along with the fast changing compliance environment evident to all in recent times. The Committee in welcoming the report acknowledged the very considerable effort which had been put into enabling the College to comply with new VAT arrangements both in the research and ancillary services areas along with the identification of appropriately reclaimable VAT in respect of indirect research costs all of which necessitated detailed liaison with the Revenue Commissioners. The Committee agreed that the significant and ongoing changes in taxation regulations and taxation procedures which affect the University have resulted in a changed risk environment which requires continuous monitoring and assessment. The planned work for 2003/2004 was endorsed.

The Committee was briefed on changes in the benefit-in-kind taxation arrangements which as a result of the 2003 Budget will come in force on 1 January 2004 with the employer now being responsible for the deduction of PAYE and related employer PRSI on the benefit as opposed to the beneficiary making the appropriate self-assessment returns to the Revenue. This change will give rise to a significant project to review benefits covered by the new revenue guidelines (when available) to ensure that the College will be enabled to be compliant on 1 January. A paper in this regard will come to the Finance Committee as soon as possible.

2004/8 Research – Partially Funded Contracts

The Committee discussed a memorandum dated 15.07.2003 from the Research and Accounting Manager in relation to issues arising from the operation of full cost contracts in both research and academic related areas. The Committee accepted the advices provided and agreed that:

- The potential exposures to College need to be contained
- Full cost contracts can only be accepted where
 - a) sufficient levels of matching cash funding is available and will be provided by the principal investigator, or
 - b) the time of the principal investigator alone is sufficient (to cover the difference between the contract value and the sum provided by the sponsor) and is considered by the sponsor to be an eligible cost
- In relation to partially funded grants it is recognised that there are similar issues with non research initiatives such as Tempus, Socrates, Asia link, etc. It has been agreed that matters arising from such grants should be submitted to the Deans Committee for discussion with regard to establishing the correct areas in College to administer these grants within the financial guidelines agreed at (a) and (b) above.

2004/9 AVMS/Hire of Halls Income

The Committee discussed and accepted a proposal from the Deputy Director of IS Services contained in a memorandum dated 23.09.2003 regarding the allocation of Hire of Halls (net) income to the AVMS service for ongoing replacement of AV equipment/service on a rotational basis. In approving the proposal the Finance Committee requested that this arrangement be reviewed in Michaelmas Term 2006.

DDISS

2004/10 Indirect Costs

(Minute 2003/102 of 25.06.2003 refers)

The Committee noted the final unchanged HEA/Forfas Report on Research Overheads.

2004/11 HEA/OECD Report : Financial Management in Higher Education Institutions

The Committee had been circulated with and noted correspondence from the HEA dated 6 August 2003 and a copy of the recently completed HEA/OECD report on Financial Management in Irish Institutions of Higher Education.

2004/12 The Pensions (Amendment) Act 2002 – Personal Retirement Savings Accounts (PRSAs)

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(Minute 2003/105 of 25.6.2003 refers)

The Committee had been circulated with a memorandum from the Procurement and Payments Manager dated 22.9.03 confirming that College has met all its obligations in respect of this legislation and is now in a position to facilitate employees who are eligible to take out a PRSA. The Treasurer outlined the significant existing resources (estimated at €16,000) consumed in the Staff/Treasurer's Office in arriving at a position of being able to offer a PRSA product in full compliance with the pension regulations. In this context the Committee noted that 5,900 eligible staff had been circulated of which approximately 150 people attended information sessions arising from which one employee had signed up for a PRSA at 1.10.2003. The Committee noted that the College may consider corresponding with the Pensions Board in due course in relation to PRSA takeup and the cost of compliance.

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2004/13 Bellerbys Ireland Foundation Year – Financial Arrangements

The Committee noted and approved a memorandum from the Director of International Student Affairs regarding the financial arrangement for the validation of Bellerbys Ireland Foundation Year subject to clearance of non-financial matters at various other fora.

2004/14 Student Fees – Non-EU Medical & Dental Fees for 2004/05

The Committee noted and approved a request from the Secretary of the Irish Universities & Medical Schools Consortium for a non-EU fee of €22,365 for Medicine/Dentistry for 2004/05 representing an increase of 5% over 2003/04.

2004/15 Targeted Funding for Special Initiatives & Related Issues
(Minute 2003/117 of 25.06.2003 refers)

The Committee noted correspondence to the HEA from the Senior Lecturer dated 16.07.2003 including a financial summary of Targeted Initiative expenditure in 2002 and submissions for 2003. In particular, the Committee noted the serious concerns and difficulties that will confront the College if it was required to mainstream the initiatives without an appropriate increase in core funding.

2004/16 Self-Financing Courses
(Minute 2003/93 (f) of 28.05.2003 refers)

The Committee noted correspondence from the Financial Resources Manager dated 16.09.2003 and approved a fee of €23,050 for the MSc (Management) in International Business as proposed.

2004/17 House Purchase Loan Scheme

The Committee approved the three house purchase loan applications as circulated.

2004/18 Pay Scales

The Committee noted and approved a memorandum and updated pay scales from the Staff Secretary dated 17.09.2003 incorporating Phase 1 of Benchmarking and the IMLT Interim Award where applicable.

2004/19 Pre-entry Course to Medicine & Dentistry for Students from Kuwait
(Minute 2003/110 of 25.06.2003 refers)

The Committee noted and accepted a memorandum from the Registrar and Admissions Officer dated 19.09.2003 regarding the pre-entry course to Medicine & Dentistry for students from Kuwait.

The Provost invited the members of the Committee to consider and notify the Treasurer in advance of the next meeting of possible agenda items for consideration at future Finance

Committee meetings. The Treasurer indicated that the preparation of relevant papers to support agenda items would however be dependent on available resources.

The next meeting of the Finance Committee has been arranged for 5 November 2003 at 2.00 p.m., in the Board Room.

PROVOST.....

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