

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 3 December 2003

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

OBSERVERS: Professor M. Marsh, Prof. E. McCabe, Professor M. O'Moore, the Secretary

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: The Vice-Provost, the Senior Lecturer, the Registrar and Mr. M. Dowling

The Minutes of the Meeting of 5 November 2003 were approved and signed.

2004/32 Recurrent Income and Expenditure Estimates - 2004
XX (Minute 2004/27 of 05.11.03 refers)

The Committee had been circulated with HEA correspondence dated 26.11.2003, memoranda to the Board from the Provost dated 21.11.2003, a draft Board Minute of the Meeting of 26.11.2003 and a tabled College letter to the HEA dated 01.12.2003. The Committee noted that the State Grant allocation was broadly similar to the 2003 Grant (including Supplementary Grants for Benchmarking and IMLT) and that this Grant

- takes account of pay increases awarded by the Benchmarking body, IMLT award, cost arising from parallel benchmarking for general operatives and craftworkers, Sustaining Progress (phases 1, 2 and 3)
- over €40,000 in respect of the Edward Kennedy Chair in Health Service Management.
- set limits of expenditure which must not be financed by incurring deficits.

The Committee noted that the Authority had decided to urgently review the overall financial position of each university, including level and sources of debt, assets, reserves and financial position of pension funds and that such a review may inform funding allocations for 2005 and later years, but in certain circumstances may impact on the 2004 allocations to institutions. The Committee concurred with the clarifications sought from the HEA as set out in correspondence dated 1.12.2003.

The Treasurer indicated to the Committee that the HEA had been informed that it would not be possible for the College to meet the timetable for the submission of

- Estimates on 19.01.2004
- Unit Cost data (for 2002/2003) on 31.03.2004

due to reduced levels of resources within the College.

2004/33 Quarterly Accounts to 30 September 2003

Capital Projects funded by HEA Capital Grants: Detailed schedules showing €2.773m and €11.469m due from the HEA in respect of tax based and other capital projects approved under PRTL I were noted. The Committee heard that the Minister had announced recommencement of the PRTL I Capital Programme and expressed its hope that the cashflows in respect of these amounts would be forthcoming early in 2004 in order that the burden on the *cista communis* in terms of bridging costs might be alleviated.

Capital Projects not funded by the HEA: The Committee noted in particular balances associated with the Botany Bay refurbishment, Institute for Advanced Materials and Sports Complex. The Committee further noted that full repayments had been made in respect of the GMB project and various catering projects.

Faculties and Departments: The Deputy Treasurer briefed the Committee on the outcomes of his meetings with each Faculty Dean to consider issues arising from the financial year end in respect of academic departmental accounts. While acknowledging that events in the last number of weeks had overtaken the situation the Committee then considered and heard that Deans were of the view that:

- departments needed to continue to plan their expenditure and achieve value for money and
- needed to reserve some level of funds to
 - compensate for uncertainties in funding
 - plan for the purchase of large pieces of equipment
 - cope with insurance claims not covered by the College's excess which is currently at a level of €90,000.

In the context of these observations the Committee noted the concerns of Deans regarding the loss to Faculties and Departments of balances accumulated at 30 September 2003 as a once-off contribution to the budgetary difficulties being encountered by the College in respect of 2004. Furthermore Deans were of the view that they were perceived to have responsibility but had no real authority or control.

Administrative and Other Areas Non-pay Budgets: The Committee noted the current position in relation to targeted funding in the offices of the Senior Lecturer and Senior Tutor.

Service Departments

Library: The Deputy Treasurer reported on the combined activities of the Library, Long Room and Library Shop and indicated that despite the significant cuts in non pay recommended by the Financial Review Advisory Group for 2002/2003 the Library had continued to deliver services and had cleared all of its capital commitments.

IS Services: The Committee noted that the tender process associated with the SAS project, in respect of funding which had been set aside, would be finalised early in 2004.

Bioresources Unit: Reduced income as a result of the loss of Elan as a customer was noted.

Audio Visual and Media Services

Centre for Microscopy Analysis: The Committee noted significant increases in income generated from an extended customer base arising from environmental related issues.

Buildings Office

Student Health Service

Counselling

Subsidiary Activities

Residential Rooms – College

Residential Rooms – Trinity Hall

Study Programmes and Conferences Account – College

Study Programmes and Conferences Account – Trinity Hall

Residential Development Account – College

Residential Development Account – Trinity Hall: The Committee requested the combining together in one consolidated report the financial information associated with residences as a single activity. This would acknowledge the reality that different locations may be called upon at different times of their evolution to support the overall financial commitments and objectives of the College in relation to residences.

Catering: The Committee commended the Catering Manager and his team along with the Director of Accommodation and Catering for the exceptional performance during a difficult year both in terms of competition and other pressures.

Library Shop: The Committee welcomed the results achieved in the Library Shop which significantly supports the Library mission.

Copying Service

Diagnostic Services

College Day Nursery: The Committee noted very favourably the results for the College Day Nursery which showed a small surplus for the first time in many years. This result was achieved in the context of the report considered last year by the College Day Nursery Working Party chaired by Professor McAleese.

Innovation Services

Enterprise Centre

Department of Sport

High Performance Computing

The Dublin Experience

College Gallery

Capitation Committee

Campus Company Proceeds and Research Royalties

Broad Curriculum

New Research Accounts: The Committee noted that 119 new research accounts had been opened up during the quarter to 30.09.2003 with research expenditure for the year at a level of €47.411m (2001/2002: €39.226m) representing an increase of 21% over the previous year.

Research Accounts Balances

Research Accounts – Overdrawn Balances: In line with Minute 2003/99 of 25.06.2003 it was noted that the Provost would liaise with the PI in order to progress the matter with the view to have full resolution by 31.12.2003.

2004/34
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Research – Framework Programme 6 (FP6)

The Director of Innovation Services and Research Accounting Manager attended for this item.

A memorandum dated 21.11.2003 had been circulated from the Research Accounting Manager and Director of Innovation Services, following much discussion between the offices, outlining the legal, structural, financial, management and intellectual property changes arising as a result of the introduction of the new EU Framework Programme 6. Risks and exposures along with recommendations were addressed.

After a very long consideration of the risks outlined and the preliminary recommendations made the Finance Committee agreed that:

- The sector should seek legal guidance regarding issues, which might be of concern in agreements and contracts in the context of Belgian Law.
- The sector through CHIU should obtain firm EU guidance on the application of joint and separate liability.
- The College should try to negotiate indemnity of each contract as follows:
 - Indemnity up to a maximum of €600,000 or
 - Once the project income share.It was noted that it may be necessary for the Director of Innovation Services Office and the Treasurer's Office to obtain appropriate specialist or legal input to consider issues arising from each agreement.
- It is considered necessary that consortium agreements and contracts be reviewed by:
 - The Principal Investigator to identify risks, which are of concern to them as a researcher and items within the contract, which need to be brought to the College's attention. In this context PIs should be invited to provide written assurance to the College indicating their understanding of their duties and obligations arising from the contract.
 - The Director of Innovation Services Office will identify risks in relation to IP, relevant liability and other issues relating to commercialisation and exploitation.
 - The Treasurer's Office will highlight issues in relation to budgetary, funding, claims and audit issues.
- Where TCD carries the co-ordination role the university administration only has responsibility for the university's portion of the budget while the co-ordinators' administration has overall responsibility for the scientific and financial management of the

entire grant.

- The EU overhead of 20% is insufficient to meet the demands being made on the College. The Provost undertook to raise this matter through CHIU in order to see if progress can be made towards increasing the level of overhead contribution. The Director of Innovation Services agreed to approach Enterprise Ireland with regard to the possibility of FP6 start-up support.
- The distribution of the EU overhead of 20% provided for under FP6 should be distributed two-thirds to College and one-third to the host department (in accordance with the College's policy arising from consideration of the overhead report) in order that provision can be made for the cost associated with compulsory audits and potentially unfunded equipment arising from significant changes in FP6. This split of overhead makes no provision for the increased workloads in the Director of Innovations, Research and Treasurer's Offices.
- Where the Director of Innovation Services Office and/or the Treasurer's Office identifies matters which are considered to be of a significant risk to the College, this risk must be brought to the attention of the Finance Committee prior to final contract signature as the College must exercise its capacity to decide what risks it will, or will not, accept.

The Committee requested that the Research Committee be invited to comment on the memorandum as circulated.

2004/35 Financial Procedures Report
(Minute 2004/22 of 05.11.2003 refers)

The Committee noted the context in which the report had been prepared and accepted its findings as presented. In accordance with Minute 2004/22 equivalent reports will be brought forward on a bi-annual basis with the next report due in respect of the period to March 2004.

2004/36 Financial Rules and Regulations Manual

The Procurement and Payments Manager and Administrator Officer (Taxation) attended for this item.

In the context of the desire to create an environment where principles of financial control, value for money and the management of scarce resources can be properly applied a Manual of Financial Rules and Regulations was brought forward for the consideration of the Committee. The Committee welcomed the drawing together in one location, accessible to all, guidelines which take account of vast amounts of new legislation along with issues that need to be addressed by all account holders as part of purchasing goods and services and making payments related thereto. The Manual of Financial Rules and Regulations was agreed by the Committee as presented and publication on the Web was requested. The Committee requested that Deans should be briefed in full in relation to Minutes 2004/35 and 2004/36 with consideration to be given, as resources permit, to financial training for groups of Heads of Department although it was acknowledged that each new head of department is contacted by the Treasurer's Office offering an induction meeting.

2004/37 Taxation – Employer Provided Benefits (BIK)

(Minute 2004/7 of 1.10.2003 refers)

The Procurement and Payments Manager and Administrative Officer (Taxation) attended for this item.

A memorandum dated 24.11.2003 from Mr. Mark Ryan and Mr. Michael Kiely outlining the background to employer provided benefits, the risk assessment and review which has been carried out by the Treasurer's Office (in association with the Staff Office), the results of the review, identification of matters which have been referred to the Revenue for a ruling or clarification along with identification of the next steps to be undertaken. The Committee confirmed the summary of guidelines as presented, subject to a minor amendment, for immediate publication on the Web,

and accepted the current status of the review of employer provided benefits in the context of the Revenue's capacity to respond to our requirement for certain determinations. The Committee noted there would be a further brief report as soon as outstanding matters have been resolved.

2004/38 Financial Systems Infrastructure Review
(Minutes 2004/2 and 2004/22 of 1.10.2003 and 5.11.2003 refer)
Mr. T. Dunne attended for this item.

The Committee had been circulated with a memorandum dated 24.11.2003 from the Coda Financial Systems Review Group which had been set up by the Treasurer in order to consider purchase ordering processing issues in particular in the context of matters arising from the SFI review and risk reviews carried out by the Treasurer's Office over the last number of months. While acknowledging the importance of reviewing the existing coding structure as part of any development of any new financial systems the Committee noted and accepted the recommendation of the group that in order to deal with the issues identified the installation of a new financial information system rather than a separate 'bolt on' purchase ordering processing system was the preferred option. The Committee also reviewed the financial systems in use in other third level institutions and considered the estimated potential costs associated in sourcing equivalent systems for TCD. In the context of the current lack of resources it was agreed that:

- this report as a response to the risk review carried out (Minute 2004/22 of 5.11.2003 refers) should form an input into the overall College risk review to be undertaken in 2004.
- the Treasurer's Office should explore any opportunity which may arise in relation to the equivalent installation of the systems in other third level institutions with a view to determining if mutual benefits could be obtained.

2004/39 Annual Reports to 30 September 2003

The Committee approved the annual reports of the following Committees which had been circulated :

- a) Investment Committee
- b) Catering Management Committee
- c) Financial Assistance Committee
- d) Capitation Committee (including Trinity Week events)

The Committee noted that the accumulated surplus at 30.9.2002 should read €67,687 rather than €48,505 as recorded in the report.

The Committee noted that the Business & Industry Committee annual report would not be available until the next meeting due to lack of resources in the Research and Innovations Office. In addition, the Committee noted that there was no annual report from the Conferences Committee as no meetings were scheduled in 2003.

2004/40 Information Systems Annual Report

The Committee noted a memorandum from the Financial Information Systems Section of the Treasurer's Office dated 24.11.2003 setting out the financial systems development in 2002/03 and the planned development projects for 2003/04 with the prioritisation, resourcing and timetabling yet to be finalised and agreed with the Information Systems Services.

2004/41 Procurement Annual Report

The Committee noted and accepted a memorandum from the Procurements & Contracts Officer dated 21.11.2003 setting out the procurement projects carried out in 2002/03, internal procurement initiatives and current and future tender-based activities. The Committee noted that due to resource constraints much of the activity during the year was of a reactive nature in terms of

supporting tender activity with little scope for strategic initiatives involving collaborative projects, cost analysis and value for money exercises that could ultimately yield greater efficiencies and savings.

2004/42 Targeted Funding for Special Initiatives and related issues
(Minute 2003/117 of 25.06.2003 refers)

The Committee noted and accepted a memorandum from Ms. A Anderson dated 12.11.2003 and attached HEA correspondence dated 11.12.2003 confirming the final 2003 allocations in response to College's July 2003 submission for Targeted Funding for Special Initiatives. Once again, the Committee expressed concern regarding the capacity to facilitate the level of mainstreaming required of the College at the end of an initiative without related increase in core grant. The Committee further noted that the allocations are made on the HEA's understanding that the complementary funding from College's own resources as indicated in the July submission would be forthcoming.

2004/43 House Purchase Loan

The Committee approved the house purchase loan application as circulated.

The next meeting of the Finance Committee has been arranged for 7 January 2004 at 2.30 p.m., in the Board Room.

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