

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 7 February 2007

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

IN
ATTENDANCE: The Deputy Treasurer

APOLOGIES Mr D. Quinn

(PRESENT
FOR)

The Minutes of the Meeting of 18 December 2006 were approved and signed.

Section A

FN/06 - 07/39 Terms of Reference – Finance Committee
(FN/06-07/04 of 4.10.2006 refers)

The Finance Committee had been circulated with a memorandum from the Treasurer dated 31 January 2007 outlining the requirement for a review by the Committee of its terms of reference in terms of both format and content. For its information the Committee had also received a copy of the existing terms of reference along with a first draft of the terms of reference in the proposed new format. The Committee heard from the Treasurer that the proposed new terms of reference had been prepared in the context of the existing remit of the Committee but differing to the extent of specifically identifying the areas where the devolved authority to make decisions on behalf of the Board was outlined. It was further noted that a performance evaluation would be required on an annual basis. An email dated 6 February 2007 from the Statutes Review Working Party requesting an opportunity to present to and speak with the Committee in relation to the review of the Statutes was tabled. Having considered all the documentation at hand and bringing to bear previous discussions the Committee approved the terms of reference subject to minor amendment until such time as consideration had been given to the following matters:

- The extent to which the terms of reference of the Finance Committee overlap or dovetail with the remit of other committees in relation to resource allocation, resource management, resource review and control related issues along with strategic planning. In this context the Committee requested that consideration be given to the extent of the overlap of committee membership on various committees which deal with different elements of resource consideration. Furthermore the Committee believes that the review of the Statutes and in particular the elements that relate to Finance Committee provide an opportunity for a re-casting of the membership which might give consideration to the inclusion of external financial experts who would bring appropriate technical and other skills to the consideration of financial/resource matters within the College.
- Consideration be given to the appropriate extent to which either terms of reference or membership of principal committees should be included in Statutes that might be approved for future governance of the College.

Action:

- 39.1 Executive Officers be requested to consider the overlapping functions of various committees in relation to resource matters in the context of planning, management (including VFM), control, risk and reporting requirements.
- 39.2 The Treasurer indicate to the Statutes Review Group that in the context of action 39.1 above the Committee requested that a presentation and discussion with the Statutes Review Group be deferred pending the outcome of the consideration of Executive Officers. The Committee also requested that a paper be submitted by the Statutes Review Group for consideration and discussion at the Committee before the Review Group makes its presentation in order that interactive discussion can be facilitated.
- 39.3 The Secretary of the Finance Committee to forward the amended terms of reference to the Assistant Secretary for inclusion with other principal committee terms of reference for submission to the Board.

Section B

FN/06 - 07/40 Medical School Loan

Professor D. Kelleher, Head of School attended for this item

The Committee had been circulated with a memorandum from the Treasurer dated 26 January 2007 setting out the background to the request by the Medical School for a five year loan. The memorandum had been accompanied by a draft memorandum to the Board dated 22 January 2007 in relation to the request for a five year loan from Professor Kelleher along with a copy of the proposed staff recruitments over a five year period (providing supplementary information associated with the loan which was also provided by Professor Kelleher) and a copy of the original loan proposal dated 17 November 2005 to the Board from the Provost along with the associated minute. Following an introduction by the Treasurer the Committee was briefed on various aspects of the loan including activities it is proposed to support, the income generated expected to repay the loan, the extent of the annual loan drawdown and a request for reconsideration of the duration of the loan repayment. The Committee noted the extent of other income currently being generated from the HEA in respect of curriculum development, the appointment of new clinical posts and other tenders in relation to graduate entry to medical education. The Committee was of the view that the advent of such funds might relieve the need for a loan of the magnitude set out above. Following a long discussion in relation to the documents circulated, during which the Head of School clarified issues raised, the Committee approved the following actions:

Actions:

- 40.1 A loan up to an annual ceiling of €1.5m covering the years 2005/06 to 2009/10 inclusive.
- 40.2 Repayment of the loan by the School over the subsequent 10 year period (but noting that it may be possible to escalate repayment in certain circumstances).
- 40.3 An interest rate applicable to the loan for the duration at a rate of interest equivalent to deposit interest rates foregone.
- 40.4 The Head of School to provide an annual report in relation to the loan drawn down and repayments made on an ongoing basis.

FN/06 - 07/41

Catering - Restructuring

(Minute FN/05-06/78 of 10 May 2006 refers)

The Director of Accommodation and Catering attended for this item.

A memorandum dated 31 January 2007 from the Director of Accommodation and Catering Services, the Staff Relations Manager and the Secretary (acting in the absence of a Staff Secretary) had been circulated to the Committee. The memorandum set out the background to Labour Court recommendation no 18562 and discussions which had taken place between the College and the Union representative in relation to cost reduction measures required to underpin the future viability of Catering. The Director of Accommodation and Catering Services outlined the agreement which had been reached and the once-off immediate costs associated therewith along with an outline of the future income/expenditure projections associated with the new arrangements. Following some discussions on a broad range of issues the Committee confined itself to consideration of the financial arrangements and requested that certain other matters be referred to other committees where appropriate for consideration.

The Committee approved:

- A loan of up to €500,000 from the College's recurrent cash flow at the deposit rate of interest foregone by the College with the first repayment to be deferred until the Buttery capital development has been funded as already agreed. The loan is being made conditional on any future capital development in Catering only being undertaken once the loan from the College has been repaid in full.
- That the content of the agreement arrived at to achieve reductions in cost in order that Catering become viable, be considered at the Catering Management Committee with discussions as appropriate with the Personnel and Appointments, and the Partnership Committees.

and requested

- that the Staff Office consider as part of its ongoing interaction in relation to pay discussions and negotiations the particular issues confronting self-financing areas of the College where State approved pay awards automatically applied to commercial ventures within the university sector put them at a commercial disadvantage. The Finance Committee expressed its serious concern in relation to the escalating consequences arising on an ongoing basis which give rise to such commercial disadvantage as external entities in the same business do not operate in the same pay award environment.

Action:

- 41.1 The Director of Accommodation and Catering to discuss issues associated with the agreement at the Catering Management Committee, and where appropriate with the Personnel and Appointments and Partnership Committees.
- 41.2 That the Treasurer express the Finance Committee's concern to the Staff Office for consideration as part of future pay discussions with the HEA and others in relation to the automatic application of Public Service Awards to commercial activities within the University which gives rise to them being placed at a competitive disadvantage to entities operating on the high street.

FN/06 - 07/42 Research

(Minute FN/05-06/88 (i) of 21 June 2006 refers)

A copy of Finance Committee minute FN/05-06/88 (i) of 21 June 2006 along with a memorandum from Mr M. Mullins, Director of Research & Innovation Services and Treasurer dated 31 January 2007 had been circulated to the Committee. The Committee welcomed the progress towards the already approved restructuring of Research & Innovation Services whereby all aspects of research from proposal through contract negotiation to contract signing of all research, service and consultancy type contracts be undertaken in the Research and Innovation Office with financial matters post-award to be handled by the Treasurer's Office. The Committee accepted the proposal that a transfer of the activities on an existing service level basis be initiated from 30 March 2007 with further development of the services within the Research Office to take place pending funding becoming available from other sources. The Committee noted that the Director of Research and Innovation Services and Treasurer would agree the details associated with the transfer including communication with PIs. The Finance Committee accepted the arrangements as presented.

Action:

- 42.1 The Director of Research and Innovation Services and Treasurer to agree the details of the transition up to and beyond 30 March 2007, including communication with the PIs.
- 42.2 That a report from the Director of Research and Innovation Services on the transition should be brought forward to the last meeting of the current year.

FN/06 - 07/43 Research Accounts of a Principal Investigator

(Minute FN/06-07/19 of 29.11.2006 refers)

The Committee considered a memorandum from the Head of School of Physics dated 29 January 2007 requesting that the Finance Committee give consideration to allowing further applications by the PI for new research contracts. The Committee noted assurance from the Head of School that the financial management of the PI's accounts had been transferred to the School and the detailed procedures agreed including the continued application of commitment accounting and on this basis overspending would not arise in the future.

In the context that certain matters are still subject to the consideration of the Senior Dean the financial support for the continued operation of the PI's research group will require application for further research funds if the funding of the research group is not to fall to the School. Having considered all the matters to hand including the assurances provided by the Head of School, the Finance Committee noted that in the context of the full financial situation pertaining to the accounts of this PI it is required to act prudently. In this context the Finance Committee could only support applications (including FP7 applications) specifically authorised by the Head of School (or his delegate) on the basis that all finances continue to be dealt with and signed off by the School, that there should be ongoing monitoring by the School and that the Head of School will report on the overall position of grants to the Committee on a regular basis.

Action:

- 43.1 The Treasurer to inform the Head of School of Physics of the outcome of the discussion and the Committee's requirements in relation to control, monitoring and reporting.

FN/06 - 07/44 Funding Statements for Year Ended 30 September 2006 – KPMG Audit

(FN/06-07 29 of 18 December 2006 refers)

- The Audit Committee memorandum to Board dated 24 January 2007
- Board minute (draft) of the meeting of 24 January 2007
- Management letter from KPMG dated December 2006

The Treasurer indicated to the Committee that the accounts had been signed off without qualification following circulation and consideration of documentation from the Treasurer, the Audit Committee and the Auditors for the Board meeting of 24 January 2007. In addition the Treasurer highlighted the Management Letter which had been received from KPMG in relation to their observations on weaknesses identified during the course of the audit. For each matter identified the Auditors' observations, implications and recommendations were identified along with the management response and timescale for action. The Committee noted that the Secretary with the individual Heads of Service/Support Areas and the Treasurer would be addressing matters identified in the coming months. It was also noted that progress in relation to these matters would be reviewed as part of the Control Exception Report reviewed by the Finance Committee on a six monthly basis.

Action:

44.1 Finance Committee to review the Control Exception Report bi-annually to monitor progress on the matters identified in the KPMG Management Letter in respect of the 2006 audit.

FN/06 - 07/45 Student Fees 2007/08-non EU and Postgraduate

A memorandum and detailed appendices from Ms J. Byrne, Financial Resources Manager, dated 31 January 2007 had been circulated to the Committee. The Committee considered and approved the fee increases proposed across a range of fee categories in the context that the standard of fee inflation required to meet known incremental expenditure for 2007/08 will be 7%. The Committee noted that this was consistent with a recent fee increase submission from the IUA to the HEA in December 2006. The Committee noted the level of consultation which had taken place with Heads of Schools/Vice Deaneries, Course Directors, Dean of Graduate Studies and the Director of International Student Affairs. The Committee accepted the fee levels as set out in the Appendices to the memorandum and particularly noted that

- The IUMC had agreed fee levels for 2007/08 in respect of non-EU Medical Students at €27,000. This fee will also apply to non-EU Dental, Clinical Speech and Language Studies, Physiotherapy and Occupational Therapy students.
- All postgraduate degree and diploma fees and other non-EU fees are agreed as recommended for 2007/08.
- Non-EU fees in general increase at a level of 7% for 2007/08. The Director of International Student Affairs requested that the Committee note that when setting non-EU fees it was important that appropriate levels of service and quality assurance with respect to the delivery of support services to international students are in place and that should be at least commensurate with the level being charged.

The Finance Committee expressed concern in relation to the complexity of the fees structures and the resulting fragmentation which has arisen particularly in relation to postgraduate fees and in this context requested that this matter be addressed by Deans of new faculties when the new structures are in place with a view to simplifying the fee structures within the faculties.

Action:

45.1 Treasurer's Office to liaise with Deans of Faculties in relation to simplifying fees structures for future years.

FN/06 - 07/46 HEA Recurrent Grant for 2007

Correspondence from the HEA dated 24 January 2007 had been circulated to the Committee for its information and consideration. The Treasurer advised the Committee that this letter along with the grant letter which had been received since circulation would require the convening of a special Finance Committee to consider the Estimates for 2007. The Committee noted that the basis on which it was proposed to make the 2007 Grant allocation and the Committee noted that arising from the recent grant notification letter a number of matters remained to be clarified in advance of any consideration of the 2007 Estimates.

Section C

FN/06 - 07/47 SFI OIP

The Committee had been circulated with and noted:

- (i) SFI correspondence dated 18.12.2006 detailing the factors impacting the 2007 OIP calculation, the intention to seek repayment of overheads in relation to certain awards ending in 2007 and the retrospective payment of a higher overhead rate on other awards.
- (ii) Two SFI Letters of Offer dated 18.12.2006 (including the grant terms and conditions) supporting the research programme in the 2007 OIP proposal.

FN/06 - 07/48 Students' Union Restructuring and Loan

The Committee noted the memorandum from the Students Union Administrative Officer dated 22.1.2007 confirming the full implementation of the recent rationalisation programme and the expectation of financial stability going forward. The Committee noted the level of repayments to date, the current loan balance and the amended loan repayment schedule.

FN/06 - 07/49 Travel and Subsistence Rates for Ireland and Abroad 2007

The Committee noted and approved a memorandum from the Deputy Treasurer dated 30.01.2007 and the attached booklet as circulated setting out travel and subsistence rates for Ireland and abroad for application commencing 01.01.2007. The Committee noted that it was intended to circulate the booklet to Heads of Schools and support units and in addition make it available on the College website to all interested parties following approval by Board.

FN/06 - 07/50 HEA Supplementary Grant

The Committee noted the circulated correspondence from the HEA dated 22.12.2006 setting out the details of the final instalment of the 2006 Recurrent Grant.

FN/06 - 07/51 Research - TCIN

The Provost informed the Committee that he had appointed a Pro-Dean of Research to review the financial standing of PRTL accounts within TCIN while indicating that neither the Treasurer nor the Treasurer's Office had been made aware of or asked to participate in the review. A report had now come to hand and further work was required in order to ensure that all the financial matters were fully addressed in the context of the College's books and records. The Provost indicated to the Committee that he had requested the Pro-Dean of Research and the Treasurer to initiate a second phase of the

review and that a report would be brought back to the Finance Committee for its meeting of 7 March 2007.

Action:

51.1 the Pro-Dean and Treasurer to report to the meeting of 7 March 2007.

The next meeting of the Finance Committee has been arranged for 7 March 2007 at **2.00 pm**, in the Board Room.

PROVOST.....

DATE.....

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