



**The Minutes of the Finance Committee Meeting of 4 November 2009**

**PRESENT:** Provost (in the Chair), Vice-Provost-Chief Academic Officer, 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:** Bursar

The Minutes of the Meeting of 24 June 2009 were approved and signed.

The Committee noted the circulated 2009/10 Action List as at October 2009 and the current status in relation to the actions agreed.

The Provost welcomed the incoming President of the Students Union, Mr. Cónán O'Broin.

**Section A**

**FN/09 – 10/1 Status of IP Policy and Campus Company Formation**

The Committee considered the circulated memorandum from the Associate Director, Trinity Research and Innovation (TRI) and two accompanying papers in relation to the status of the College's current Intellectual Property (IP) policy and a proposed new streamlined approach to the establishment of campus companies. The memorandum outlined the background to the new IP Policy/Campus Company pilot projects (which have the approval of both the Planning Group and the Executive Officers Group) and noted the:

- large increase in research income in recent years and the requirement for College to demonstrate its contribution to the 'Smart Economy' (via job creation/ start-up companies).
- additional resources in TRI, funded until 2012 by Enterprise Ireland under the Technology Transfer Strengthening Initiative (TTSI), dedicated to technology transfer.
- need to optimise the return for State investment whilst recognising that the return to College will likely be over the medium to longer term.

The Committee considered the documents in detail and approved both the amended IP policy and the revised procedures for the formation of campus companies, noting in particular the temporary reduction to the College's share in the equity of new companies and the removal of anti-dilution clauses (which had formerly protected the College's share of the equity) in order to attract potential investment. The Committee also noted that the Associate Director, TRI, would now approve the formation of campus companies, notifying the Chief Operating Officer, Vice-Provost and Dean of Research in each instance. The Committee, acknowledging the encouraging signs thus far in respect of the efficacy of the amended policies and the positive feedback from the academic community, recommended that the pilot programme should run for two academic years to allow for more meaningful interpretation of the results.

The Committee requested that, should a formalised proposal to change the IP policy on a permanent basis arise from the review of the pilot programme it would be presented to the Committee for further consideration and approval.

**Action:**

- 1.1 The pilot phase of the IP project should be reviewed after two years and proposals arising therefrom to be presented to the Committee for further consideration and approval.

**Section B**

**FN/09 – 10/2 ICT Capital Funding**  
(Minute FN/04-05/20 of 10.11.2004 refers)

The Committee noted the issue of the outstanding ICT Capital Funding and requested the Director of Buildings, with the support of the Treasurer, to engage directly with the HEA to bring the matter to a resolution, reporting the outcome in due course.

**Action:**

- 2.1 The Director of Buildings, with the support of the Treasurer, to engage with the HEA to bring the ICT capital funding matter to a resolution, reporting the outcome to the Committee in due course.

**FN/09 – 10/3 International Student Affairs**  
(Minute FN/06-07/86 of 27.06.2007 refers)

The Committee requested the Director, International Office, to report on the achievements of recruitment against targets for the College (including the targets for individual Schools associated therewith) as outlined in the proposal approved by Finance Committee in June 2007. It was agreed that the report should be considered initially by Planning Group in Hilary Term, in advance of submission to Finance Committee.

**Action:**

- 3.1 The Director, International Office, to report to the Planning Group in Hilary Term (for onward submission to Finance Committee) on the achievement of the recruitment of international students against the targets set out in the proposal approved by the Finance Committee in 2007.

**FN/09 – 10/4 Pensions Update**  
(Minute FN/08-09/68 of 14.05.2009 refers)  
The Director of Strategic Initiatives attended for this item.

The Director of Strategic Initiatives briefed the Committee on recent developments in relation to the transfer of the College's pension assets and liabilities to the State. The Committee noted that, during the summer months, legislation had been enacted to enable the transfer to take place and that it would be completed by the end of December 2009. The Committee also noted that, aside from the universities, a number other pensions schemes would be transferred to the State. The Committee was advised on the issue of discretionary powers under the various schemes, noting that these may in future be exercised by the Ministers for Education and Finance, however, as certain details had yet to be finalised, discussions with the Government departments and agencies were ongoing. The Director of Strategic Initiatives was requested to update the Committee regarding pension matters as necessary.

**Action:**

- 4.1 The Director of Strategic Initiatives was requested to provide an update on pension matters as necessary.

**FN/09 – 10/5 Drama Studies – proposed development of the Ireland Academy of Dramatic Art**  
The Director of Strategic Initiatives attended for this item.

The Committee noted the circulated memorandum and associated documents from the Director of Strategic Initiatives in relation to the proposed development of the Ireland Academy of Dramatic Art. The Director of Strategic Initiatives set out the background to the proposal, and the Committee noted the funding support from the HEA as well as from philanthropic and other sources. The Committee also noted the:

1. three-year duration of the Bachelor degrees, whilst more intensive than other undergraduate degrees, is in keeping with international practice for such degrees;
2. proposed Academy will be established as a company limited by guarantee (for which charitable status will be sought), on foot of a recommendation by the Forum on Acting on the need for an independent structure and as a condition of the philanthropic support. The Objects and Articles of the company will be framed to take account of the College's strategic objectives and arrangements for reporting to the College;
3. Board of Directors of the company will include two nominees of the College.

Having considered the risks identified in detail, particularly in relation to the funding structure, the Committee approved the financial arrangements in principle on the basis that the Academy will break even on a recurrent basis after the first five-year period. However, should the Academy, in spite of its best endeavours to meet its financial obligations, report a shortfall at the end of the initial 5-year period, all parties (the School, Faculty and the College) would agree a plan to clear any deficit arising. The Committee requested that the Academy present a report on its financial status to the Finance Committee at the end of Year 2, in addition to the planned half-yearly reports to the Board. Lastly, the Committee noted that approval will be sought from Board on the final arrangements associated with governance and resourcing issues.

The Committee expressed its appreciation to the Director of Strategic Initiatives and Professor Brian Singleton for progressing the proposal thus far.

**Action:**

- 5.1 The Committee requested that the Academy present a financial report to the Finance Committee at the end of Year 2 of operation. Should the Academy report a shortfall at the end of the initial 5-year period, all parties (the School, Faculty and the College) would agree a plan to clear any deficit arising.

**FN/09 – 10/6 Research & Related Accounts**

(Minute FN/08-09/80 of 24.06.2009 refers)

The Principal Investigator (PI) attended for this item.

The Dean of Arts, Humanities and Social Sciences presented a final financial plan (agreed with the two Heads of School and the PI) in relation to the specific group of research accounts, as outlined in the circulated schedules. The plan addresses both the underlying reasons for the current deficit and the future financial sustainability of the research activity. The Committee noted that the costs associated with the Chair will now be met by the Schools (on proportionate basis to be finalised by the Faculty Dean) with the relevant Benefactions income to be transferred to the School. Any shortfall arising will be met by the Schools on the same (proportionate) basis. Noting the concerns expressed by the PI, the Committee requested the Acting Staff Secretary to address the specific staff related matter.

The Committee noted and approved the plan as presented, agreeing that it represented the best course of action at this point in time. The Committee also expressed its thanks to the PI, Faculty Dean, Faculty Financial Advisor and the Treasurer's Office for their endeavours in bringing the plan to fruition.

**Action:**

- 6.1 The Acting Staff Secretary to address the specific staff related matter raised by the PI.

**FN/09 – 10/7 Capital Projects**

The Committee received the circulated memorandum from the Financial Planning Manager dated 27.10.2009 and accompanying status reports in relation to the Luce Hall and Biosciences capital projects. The estimated costs of both projects and associated funding streams were noted as well as the assessment of the financial risks and the strategies adopted to address these risks. The Treasurer advised the Committee of the concerns expressed by the Bursar in recent correspondence in relation to risks associated with the funding strategy. The Committee requested that the Director of Buildings and the Treasurer actively pursue funding due from the Department of Health and Children in respect of Nursing Studies as a matter of priority.

**Action:**

- 7.1 The Director of Buildings and Treasurer to actively pursue funding due from the Department of Health and Children in respect of Nursing Studies as a matter of priority.

**FN/09 – 10/8 Review of the Treasurer's Office – Report to Audit Committee October 2009**

The Committee considered the memorandum from the Treasurer dated 21.10.2009 and the attached report from the College's Internal Auditor entitled "Review of the Treasurer's Office – Report to Audit Committee October 2009" (considered by the Audit Committee on 14.10.2009 – Minute AD/09-10/07 refers) as circulated. The Committee noted the requirement of the Audit Committee to provide a level of independent assurance to the Board of the College as to the effectiveness of its governance and internal controls (including compliance with operational and financial controls) and, in that regard, the Treasurer's Office was selected as the first administrative area in College to be reviewed in such a manner due to the breadth of its interaction with other areas in College and the opportunity to identify issues arising in other areas for follow up. Noting that the focus of the review was mainly on operational controls, policy and procedures, the Treasurer summarised the main findings of the review of four specific functions of the Treasurer's Office (Accounts Payable, Procurement, Accounts Receivable and Treasury Management), indicated his agreement with the recommendations and outlined the changes made to date in the Treasurer's Office to address those issues within its control.

The Committee, in welcoming the audit conclusion that the controls in place were effective, acknowledged that there was scope for improving efficiency of systems to yield greater value for money and to further enhance the control environment. The Committee requested the Treasurer to progress the recommendations of the report utilising the bi-annual Control Exception Report to identify how the implementation has been advanced. In the context of the clear financial gains to be made, the Committee requested that the specific recommendations (in relation to Procurement and the development of a purchase-to-pay process) be acted upon as a matter of priority through eStrategy.

**Action:**

- 8.1 The Treasurer to progress the recommendations of the report utilising the bi-annual Control Exception Report to identify the progress of implementation.
- 8.2 The specific recommendations in relation to Procurement and the development of a purchase-to-pay process be acted upon as a matter of priority through eStrategy.

**FN/09 – 10/9 Treasurer's Office Risk Assessment 2009**

The Committee was circulated with a memorandum dated 27.10.2009 and accompanying schedules from the Treasurer and Financial Planning Manager outlining the Treasurer's Office Risk Assessment for 2009. The Treasurer advised the Committee that the risk assessment report is produced bi-annually and had been prepared in accordance with the College's revised Risk Management Policy recently agreed by the Executive Officers Group and Audit Committee.

The Committee approved the risks as set out and requested that the Treasurer's Office Risk Assessment 2009 Report be submitted to the Interim Chief Operating Officer for inclusion in the College's overall Annual Risk Process.

**Action:**

- 9.1 The Treasurer's Office Risk Assessment 2009 Report to be submitted to the Interim Chief Operating Officer for inclusion in the College's overall Annual Risk Process.

**FN/09 – 10/10 Draft Trust Funds (Benefactions) Financial Statement to 30.06.2009**

The Committee had been circulated with a copy of the draft Financial Statements of the Trust Funds (Benefactions) for the year ended 30.06.2009. The Committee, noting that it was the intention of the Auditors (KPMG) to issue an unqualified audit opinion, recommended the approval of the Financial Statements by Board.

**Action:**

- 10.1 The Trust Funds Financial Statements to be considered by the Board at its meeting of 8 December 2009.

**Section C**

**FN/09 – 10/11 Quarterly Accounts to 30 June 2009**

The Committee was circulated with a memorandum dated 28.10.2009 from the Financial Accountant and Research Accounting Manager along with Quarterly Accounts schedules for the period to 30.06.2009. The Committee noted the movements, levels and trends in reserves/balances in the areas of Capital Projects, Academic Faculties, Administrative and Other Area Non-Pay Budgets, Service Department, Subsidiary Activities, the Strategic Initiative Fund and Research Accounts.

**FN/09 – 10/12 Residential Rent Review**

(Minute FN/08 – 09/56 of 8.04.2009 refers)

Further to a request by the Committee at its meeting of 8.04.2009, a memorandum dated 20.10.2009 from the Director of Accommodation and Catering Services had been circulated. The Committee noted that, in spite of continued softening of the rents in the private sector, it is anticipated that budgeted income will be achieved in 2009/10 as student accommodation is currently at full occupancy. It was also noted that the setting of rents for 2010/11 will be challenging in the current market.

**FN/09 – 10/13 CRANN**

(Minute FN/08 – 09/66 of 14.05.2009 refers)

In accordance with the Guidelines for the Financial Management of Trinity Research Institutes (TRIs) approved by the Finance Committee in June 2007 (where TRIs are required to report to the Committee on a bi-annual basis), the Committee considered the circulated report from the Executive Director of CRANN, dated November 2009, setting out a funding update including significant grants awarded in 2009 (the Tyndall National Institute award and two large European grants) and risk analysis under the categories of capital infrastructure, internal funding streams, operational costs/sustainability and funding diversity. The Committee noted in particular the issue raised in relation to the governance of TRIs and supported the proposal that CRANN would fall under the remit of the Dean of the Faculty of Engineering, Mathematics and Science. The Committee requested that the Dean of Research prepare a formal proposal in this regard for approval by Council and Board.

**Action:**

- 13.1 The Dean of Research to prepare a formal proposal in relation to the governance of CRANN for approval by Council and Board.

**FN/09 – 10/14 Related Entity Financial Reporting**

The Committee, noting that the documents would be forwarded to Board, approved the circulated 2008 reports in respect of:

- a) HEAnet
- b) Haughton Institute
- c) MMI (formerly DMMC).

**Action:**

- 14.1 The Annual Reports, Director's Reports and Financial Statements of HEAnet, Haughton Institute and MMI for 2008 to be forwarded to Board.

**FN/09 – 10/15 Campus Companies Venture Capital Fund Limited Partnership**

The Committee noted the audited Financial Statements of the Campus Company Venture Capital Fund Limited Partnership for the Year Ended 31 December 2008.

**Action:**

- 15.1 The Financial Statements of the Campus Company Venture Capital Fund Limited Partnership for the Year Ended 31 December 2008 to be forwarded to Board.

**FN/09 – 10/16 Sports Department Finances 2008/09 and Estimates**

The Committee noted the memorandum and attachments from the Director of Sport dated 27.10.2009 as circulated, which detailed a full review of the Sports Centre operations in 2008/09 including the level of income generated, expenditure incurred and the outcome to 30.09.2009, including the reduction of €100k in Cista Communis contribution to pay costs for the Department of Sport (and planned permanent savings of c€80k for 2009/10). Approving the memorandum and supporting schedules as circulated, the Committee welcomed the comments of the Director of Sport that almost 70% of the student body now avail of College sports facilities.

The Committee, noting the comments made by the Student Union President in relation to the funding streams supporting the Department of Sport, acknowledged that the Department of Sport were already engaging directly with the Students Union on this matter.

**FN/09 – 10/17 Annual Reports of Sub-Committees of Finance Committee for 2008/2009**

The Committee noted and approved the Investment Committee Annual Report for the year ended 30.09.2009 as outlined in a circulated memorandum from the Treasurer dated 28.10.2009.

**FN/09 – 10/18 Minutes of Sub-Committees**

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

- (a) FECP meetings of 20.05.2009 and 08.07.2009;
- (b) Investment Committee meeting of 15.09.2009.

**FN/09 – 10/19 Consolidated Accounts**

The Treasurer updated the Committee on the current status of the Consolidated Financial Statements for the years 2005/06, 2006/07 and 2007/08 and noted that they would be brought forward to a future meeting of the Committee for approval.

The next meeting of the Finance Committee has been arranged for 16 December 2009 at 2.30p.m. in the Board Room.

PROVOST.....

DATE.....