

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

CONFIDENTIAL

The Minutes of the Finance Committee Meeting of 9.10.2002.

PRESENT: The Provost (in the Chair), the Bursar, the Registrar, the Dean of ESS, the Dean of Health Sciences, Mr. P. McCabe, Prof. J. Fitzpatrick, the Treasurer (Secretary of the Finance Committee)

OBSERVERS: The Vice-Provost, Prof. M. Marsh, Mr. W. Priestley, Prof. E. McCabe, Dr. M. O'Moore, Ms E. Drew, the Secretary

IN ATTENDANCE: Deputy Treasurer

APOLOGIES: Dr. E. Drew, the Senior Lecturer

The Minutes of the Meeting of 26 June 2002 were approved and signed.

2003/1 Student Charge

Minute 2002/108 of 26.06.2002 refers)

The Treasurer confirmed that the College had written to the HEA on 28 June 2002 about the inclusion of examination and registration costs as part of the Student Charge and to date no reply had been received.

2003/2 Insurance Renewal 2002/2003

The Committee had been circulated with a memorandum of the Officers Meeting of 30.09.2002, a memorandum from the Director of Buildings and Treasurer dated 27.09.2002 and the Coyle Hamilton insurance renewal report for 1.10.2002. Arising from consideration of the various reports the Committee noted that the College (with University College Cork) had tendered in the EU journal for the insurance renewal for 2002/2003 in a very difficult insurance market which was dealing with the after effects of September 11, consolidation of the insurance market, increased cost of claims and inflation, weakness of insurance companies balance sheets which has resulted in a reduction in the amount of insurance business being written, a reduction in investment returns and significant cost of reinsurance. The Committee noted with great concern the increase in gross premiums from €800,000 to an estimated €2m (with professional indemnity insurance cover yet to be finalised) along with significant dilution in the cover being obtained for the increased premiums. The Treasurer further outlined the difficulty which the College had encountered in obtaining 100% cover even at the reduced levels of cover, the impact of this from an income and expenditure point of view, the outlook for 2003 and the policy issues which remain to be determined for future years by the College. The Committee endorsed the recommendations made by the Executive Officer Group on 30.09.2002 in order to enable renewal to take place in time for 1.10.2002 and noted the policy issues which remained to be addressed by the College in relation to future years.

The Finance Committee endorsed the recommendation that TCD make a presentation to HEA in relation to the TCD insurance renewal process, its outcome and implications and that TCD recommend to CHIU that an university sector benchmarking exercise be carried out in relation to insurance renewal for 2002/2003 bearing in mind the funding implications arising therefrom.

The Committee noted that cover related to the 2002/2003 Professional Indemnity renewal had not yet been finalised but that very significant levels of data had been requested and were being compiled for the insurance brokers on the basis that existing cover was being extended until the end of October.

The Committee extended its appreciation to the Insurance Renewal Group for bringing this exercise to a completion in exceptionally difficult circumstances where full cover was not assured until the renewal date of 30.09.2002.

2003/3 Quarterly Accounts to 30 June 2002

Capital Projects funded by HEA Capital Grants: It was noted that an amount of €1.342m was outstanding from the HEA in respect of the Sami Nasr Institute equipment and that this matter was being followed up.

Capital Projects not funded by HEA Capital Grants: The Treasurer indicated to the Committee the importance of the Nursing Programme fulfilling its full student quota in order to secure all capital funding to enable progress on Nursing Capital Projects on three sites. Furthermore the Committee noted the student levy funds available towards the cost of future sports facilities.

Faculty and Departmental Budgets: The Committee noted that telephone charges in respect of 2001/2002 remain outstanding. The Committee requested that every effort be made to bring such charges up to date and be so maintained in order to facilitate departments in budgeting process.

Administrative and Other Areas Non-Pay Budgets: The Committee was briefed in relation to the disbursement of targeted funding.

Service Departments

Library: The potential impact of reduced tourist numbers arising from September 11 was noted in relation to the Long Room. It was indicated that the Library would be in a position to meet its capital commitments for the current year.

IS Services: The Committee noted that the delay in the implementation of the student administration system would have an impact on the financial situation of this area at 30.09.2002.

Bio Resources Unit
Audio Visual and Media Service
Centre for Microscopy and Analysis
Buildings Office
Student Health Service
Counselling

Subsidiary Activities

Residential Rooms - College: The Committee noted the amended budget in respect of this area.

Residential Rooms - Trinity Hall

Catering: Deputy Treasurer indicated to the Committee that decisions had been taken to reduce the investment in equipment on a once off basis in order to help the Catering Department to achieve a break even situation despite the poor start to 2001/2002.

Library Shop: The impact of lower tourist numbers was noted.

Copying Service
Diagnostic Services
College Day Nursery
Innovation Services

Enterprise Centre, Pearse Street: The Committee noted the actions which had been taken in relation to certain debtors in the Enterprise Centre.

Department of Sport
High Performance Computing
New Research Accounts

Research Account Balances: The Committee noted that research expenditure had increased from €23.4m to €35.5m in the twelve months to 30.06.2002.

The Committee further noted the level of outstanding claims on three major SFI accounts.

2003/4 Trusts Funds (Benefactions) Financial Statements for the year ended 30 June 2002

The Committee approved the financial statements as presented.

2003/5 HEA Correspondence

a) PRTL I Inflation (Cycles 1 & 2)

The Committee noted TCD and HEA correspondence dated 14.06.2002 and 17.06.2002 respectively in connection with outstanding claims in relation to PRTL I capital funding deficits arising as a result of unforeseen levels of inflation in construction costs and lesser than planned for contributions from the operation of Section 843 of the Taxes Consolidation Act. The Committee noted that the matter is to be considered by the Department of Education and Science at around this time.

b) Unit Costs and Recurrent Allocation - 2002

The Committee had been circulated with HEA correspondence dated 24.07.2002 indicating that €300,000 had been added to the 2002 recurrent grant in respect of Unit Cost adjustments. The Committee warmly welcomed this first Unit Cost grant increase for the College.

c) Recurrent Grant Allocation - 2002

The Committee considered HEA correspondence dated 1.08.2002 which outlined a 6% increase in EU full-time undergraduate tuition fees along with an increase from €396 to €670 in the student charge. The letter further indicated that €250 of the increase in the student charge is intended to secure savings to the Exchequer by reducing State grants in 2002 and subsequent financial years. The Treasurer informed the Committee that the €250 of the increase in the student charge intended to secure savings would amount to an estimated €2.5m during a calendar year. The Committee noted these initiatives were cash flow neutral to the University in 2002 but that the application of a cut in Exchequer grants for 2002 and subsequent years with the increase in the service charge only commencing on 1.10.2002, implies that there is effectively an Exchequer grant cut for the first nine months of the year amounting to circa €1.8m. The Treasurer informed the Committee that this matter had been raised with the Auditors during audit planning and with the Audit Committee. It was agreed that this matter should be discussed by CHIU in order to determine what sectoral actions need to be taken.

The Committee also received HEA correspondence dated 6 June 2002 confirming provisional recurrent grant allocations notified on 23 April 2002.

- d) Programme for Research in Third Level Institutions
The Committee received and noted HEA correspondence noted 24 May 2002 and 6 August 2002 in relation to cash flow delays likely to impact on PRTL (Cycle 3).

2003/6 Student Fees 2002/2003

The Department of Education and Children press release dated 18.07.2002 announcing details of student support and third level fees and charges for the 2002/2003 academic year along with HEA correspondence dated 1 August 2002 and 15 August 2002 were considered by the Committee. The Committee noted that the increase of 69% in the student charge had been announced without any prior notification or consultation with the Universities. It was noted that the increases in student supports amounted to only €3 per week and that allocations for access and disadvantage elsewhere had been reduced in recent months.

2003/7 Estimates of Recurrent Income and Expenditure - 2002

(Minute 2002/87 of 8.05.2002 refers)

The Committee had been circulated with an extract from Minute 2002/87 of 8.05.2002 and a memorandum of a meeting between TCD and the HEA on 30 July 2002 which address issues associated with student charge, recurrent funding grant allocation process, backlog maintenance, insurance, part-time pensions, unit costs, transfers to capital, ICT (expert skills) and harmonisation of Universities financial statements.

2003/8 Nursing

The Treasurer briefed the Committee on the progress to date on the assimilation of nurse tutors from TCD related teaching hospitals into TCD associated with the commencement of the Degree in Nursing. With effect from 1 August, staff numbers assimilated had vastly exceeded the numbers required and funded by Year 1 of the degree course. The Committee had been circulated with detailed correspondence from the University to the Secretary of the Department of Health and Children, dated 14 and 22 August 2002, which was made necessary arising from a meeting with the Department of Health and Children representatives which had failed to address the major unique funding issues regarding assimilation of staff arising in TCD. The Treasurer indicated to the Committee that a further meeting had been held with the Department on 8.10.2002 and some progress had been made. A submission was now to be prepared by the Nursing Policy Unit of the Department of Health and Children for consideration at a more senior level.

2003/9 Special Examination Fees

The Committee considered a memorandum dated 12.09.2002 from the Senior Tutor in relation to a proposal to charge a flat fee per paper rather than a fixed special examination fee. Having discussed the historical evolution of and the circumstances which give rise to the need for special examinations, the costs associated therewith and the significant additional administrative burdens which might arise along with principles of the application of a fixed fee, the Committee felt that the current special examination fee of €254 should be retained pending a review by the Deans

Committee of the historical evolution of and the continuing need for special examinations.

2003/10 BESS - Involuntary Increase in Student Numbers 2002/2003

The Committee noted and approved a once-off funding allocation of €17,500 to the Faculty of BESS to cope with an involuntary increase in BESS student numbers from a quota of 216 to 259 for 2002/2003. The Committee noted that various options for accommodating the additional student numbers had been reviewed prior to making the proposal.

2003/11 C & AG Audit (2001) and Financial Reporting

The Committee had been circulated with C & AG correspondence to UCFOG dated 23.08.2002 and similar correspondence to TCD dated 28.08.2002 outlining proposed audit reports in respect of Universities for period to 30 September 2001. The Treasurer outlined the implications of the draft report and indicated that the accounts had been prepared in accordance with agreed harmonisation arrangements for the university sector which had been approved by the HEA under Section 39 of the Universities Act. The Treasurer indicated that she would be writing to the C & AG in relation to this matter.

The Treasurer informed the Committee that the second phase of the accounts harmonisation process for the university sector was close to completion and that it was proposed that this would require the adoption of fully consolidated accounts under generally accepted accounting principles with some minor departures which would be disclosed. The issue of concern regarding the transparency of the publicly funded activities of the College for unit cost purposes was raised and the Treasurer indicated that it was proposed to retain a Statement of Income and Expenditure (Funding Statement) in its current format to facilitate unit cost preparation and comparisons. It was also noted that the preparation of consolidated accounts would require infrastructural changes to financial systems with effect from 1 October last in order to facilitate the proposed timeframe of 2002/2003 for such reporting.

The Treasurer also drew attention to HEA correspondence dated 25.09.2002 where the HEA indicated that approval by the HEA of a proposed format of the financial statements for the period ended 30.09.2002 would be contingent on satisfactory progress being made by the university sector on issues raised by the C & AG in relation to 2001. The Treasurer indicated that she would be preparing financial statements in the current format with minor amendments in order that she could meet the timescales associated with her statutory duty to report on financial statements at the first Board meeting of Hilary term.

2003/12 Targeted Funding for Special Initiatives - 2002

The Committee noted and accepted HEA correspondence dated 2.08.2002 and supporting schedules for 2002 submissions and allocations along with the breakdown of targeted initiatives for 2002.

2003/13 Prompt Payment of Accounts Act, 1997

The Committee noted HEA correspondence dated 19.08.2002 in relation to the application of the Late Payment in Commercial Transactions Regulations 2002 to

the University with effect from 8.08.2002. The Committee noted that the Treasurer had been in correspondence with Heads of Department and research account holders in this regard on 24.07.2002 making the process changes to enable the application of the legislation.

2003/14 Taxation

In light of recent adverse publicity regarding Section 50 schemes applied in the university sector the Treasurer circulated correspondence from PricewaterhouseCoopers advising that the College's approach to Section 50 transactions was appropriate both in the context of minimising tax risk to the College and ensuring that the College's good standing with the Revenue Commissioners was maintained.

2003/15 Related Entity Reporting

The Committee noted financial statements for the Houghton Institute for the year ended 31.12.2001.

2003/16 Quality Assurance Programme

The Committee noted HEA correspondence dated 2.08.2002 in respect of the Quality Assurance Programme to be funded under the National Development Plan 2000-2006.

The next meeting of the Finance Committee has been arranged for 6 November 2002 at 2.30 p.m., in the Provost's Library.

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