

**THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE**

The Minutes of the Finance Committee Meeting of 1st December 2005

PRESENT: Provost (in the Chair), The Bursar, Professor J. Parnell, Mr H. Kearns, Mr J. Mannion,
The Secretary, The Treasurer.

IN
ATTENDANCE: The Deputy Treasurer

APOLOGIES The Registrar, The Senior Lecturer,

The Minutes of the Meeting of 2nd November 2005 were approved and signed.

**FN/05-06/27 The Consolidated Financial Statements for the years ended 30 September 2003
and 30 September 2004**
(Minute FN/05-06/23 of 2.11.2005 refers)

The Committee had been circulated with an Audit Committee meeting minute of 9 November 2005 (AD/05-06/18), along with correspondence to the Treasurer dated 15 November 2005 from the Secretary to the Audit Committee and draft proposed statements by the Board of the College to accompany the 2003 and 2004 Consolidated Accounts in relation to financial reporting. The Committee welcomed the proposal for the inclusion of a statement by the College to aid consideration of the Financial Statements by the non-technical reader and noted the current draft statements would be considered further by Executive Officers and brought forward to the Board with the Consolidated Financial Statements. The Committee further noted additional note requirements beyond the format agreed with the HEA and the request that consideration be given to developing indicators and management information derived from the Consolidated Accounts and heard that some work would be carried out in this regard as part of the presentation of the 2004/05 Consolidated Financial Statements. The Committee agreed that consideration should be given in due course to statutorily defined timeframes within which financial reporting as now defined can be delivered.

FN/05-06/28 Trust Funds (Benefactions) Financial Statements for the year ended 30 June 2005
(FN/05-06/24 of 2.11.2005 refers)

The Committee had been circulated with a minute of the Audit Committee meeting of 9 November 2005 which approved the submission of the accounts to the Board for approval. The Committee noted that Heads of Schools and other fund holders would be receiving correspondence inviting them to consider income and capital management of the funds under their control. The Committee also noted that the accounts had been approved at the Board meeting of 23 November 2005.

FN/05-06/29 Matters arising from the Minutes

The Committee reviewed in detail a status report on the Finance Committee 2005/2006 Action List and noted progress since the last consideration of this report.

Section A

No Items

Section B

FN/05-06/30 Research and Related Accounts of Prof. W. Blau
(Minute FN/05-06/20 of 19 October 2005 refers)

The Head of School of Physics, the School Director of Research, the Dean of Research and Ms M. Tracey attended for this item.

The Committee had been circulated with:

- (i) A memorandum from the School of Physics dated 23.11.2005
- (ii) An advisory note on licence and IP issues from the Director of Innovation Services dated 4.11.2005
- (iii) A memorandum from the Dean of Research and Treasurer dated 16.11.2005 setting out the basis for the review of other groups of accounts to consider the possibility of other risks which might arise in relation to research.

Following a long and detailed discussion and rehearsal of a number of issues the Committee noted the financial position likely to arise at 31 December 2005, repayment schedules proposed, issues arising in relation to a 2006 conference, matters arising in relation to a proposal of a commercialisation grant, the treatment of College overheads, the prevention of overspending in the future and other matters requiring consideration.

Arising from the discussion the Committee agreed:

1. That the financial arrangements to deal with the deficit amounts would involve:
 - the relevant accumulated deficits to be drawn together in one account within the School of Physics.
 - payment be made by the School of Physics on the basis agreed between the Committee and the School of Physics.
 - local arrangements as set out in the memorandum from the School of Physics dated 24.11.2005.

The Committee expressed some concern in relation to the length of the proposed repayment period.

2. That College overheads will not be available to contribute to the deficit.
3. To note the detailed new information on the 2006 conference arrangements put in place by Prof. Blau and endorsed the decisions and actions of the School in this regard.
4. That Prof. Blau, in consultation with the Management Committee of the main research account, prepare and submit to the Treasurer and Dean of Research by 16 December 2005 a report setting out the proposed and achieved scientific deliverables under the main research project.
5. To note and express concern in relation to issues arising on the commercialisation grant and IP issues set out in the Advisory Note to the Committee. The Committee requested that the memorandum be referred to the Business and Industry Committee in order that process related issues might be given consideration and appropriate actions taken.

6. That the Staff Office should in future require not only PI but also Head of School sign-off on research account staff transfers and contract extensions.
7. That as a result of the current financial situation on a major research account involving other PIs Prof. Blau should in future obtain the express consent of the Head of School prior to engaging in any proposal/negotiations to co-ordinate research activity on behalf of either internal or external PIs/Partners.
8. To note that the proposed new administrative infrastructure to be put in place in the School would mean that it would be unlikely that there would be a re-occurrence of the current situation.
9. To note that the College Secretary was currently giving consideration to issues now arising which might require referral to other fora within the College.
10. That the arrangements now in place would be reviewed on an ongoing basis but in any event the School should submit a detailed review for the first meeting of the Finance Committee in 2006/07 in the context of events in the intervening time.

The Provost noted that a further meeting with the HEA would be required as soon as possible.

Under Action 20.4 of the meeting of 2 November 2005 it was agreed that the Treasurer's Office with the Dean of Research would review groups of accounts from a risk perspective. Accounts were considered in relation to financial, administrative/operational and audit risks. In carrying out the review the group was conscious of:

- the different capacities of different PIs in different Schools to carry varying burdens in relation to the administration of small, medium or large groups of accounts.
- A wide variety of sponsor terms and conditions.
- The need to strike a balance which is both practical and appropriate in relation to the administration/operation of research accounts while safeguarding audit obligations.
- Increasing complexity in the operational environment which includes legislation, taxation, procurement etc.

The Committee noted that Heads of Schools need to remain conscious of the requirement to review these issues on an ongoing basis within their Schools so that reputational and financial risks do not arise in the future. The Committee was briefed on certain groups of accounts and noted the proposed actions and requested that they be briefed on the outcome of those actions in due course.

The Committee was invited to consider the issue of dormant research account balances and agreed a proposal that in relation to long-standing dormant research accounts the relevant PIs be corresponded with and if replies have not been received by a specified date the balances (either under/overspent) would be transferred to their related Schools.

Actions:

- 30.1 Professor Blau, in consultation with the Management Committee of the main research account prepare and submit to the Treasurer and Dean of Research by

- 16 December 2005 a report setting out the proposed and achieved scientific deliverables under the main research project.
- 30.2 Copy of the Advisory Notice on Licence and IP issues from the Director of Innovation Services dated 4.11.2005 be referred to the Business and Industry Committee in order that process related issues might be given consideration and appropriate actions taken.
 - 30.3 The Staff Office should be notified that they should in future require not only PI but Head of School sign-off on research account staff transfers and contract extensions.
 - 30.4 The Finance Committee will review the current arrangements on an ongoing basis and the School carry out a detailed review for the first meeting in 2006/07.
 - 30.5 A further meeting with HEA to be arranged as soon as possible.
 - 30.6 Finance Committee to be briefed on outcome of proposed actions on certain groups of accounts.

FN/05-06/31 Actuarial Valuation to 31 March 2005

The Scheme Actuary (Mr M. Whyms) of Mercer, attended for this item.

The Committee had been circulated with a draft actuarial valuation as at 31 March 2005. Mr Whyms tabled a presentation pack of information to facilitate the Finance Committee's consideration of the valuation. Mr Whyms addressed a number of detailed issues in relation to the pension funding rate, past service funding position, the main factors which had given rise to the change in the accrued funding position and the solvency position.

The Committee heard a report that the HEA had convened a high-level group to be chaired by the Chairman of the HEA to consider the pension fund related issues across the university sector and noted that the College Secretary was one of two university representatives on the group which is expected to report to the Departments of Finance and Education and Science by the end of February 2006. In this context the Committee agreed that the detailed actuarial valuation would be brought back to the Finance Committee along with the HEA report at the first available opportunity following which both reports would be brought to Board for consideration.

FN/05-06/32 Procurement – Tender Thresholds

The Committee noted and approved a memorandum dated 21 November 2005 increasing the threshold of €30,000 to €50,000 beyond which any planned expenditure would have to be subject to the full tendering regulations and below which the procurement process was by way of the quotations process.

Section C

FN/05 - 06/33 Investment Committee

The Committee noted the draft minutes of the Investment Committee meeting of 24.11.2005 as circulated.

FN/05 - 06/34 Annual Reports of Sub-Committees of Finance Committee for 2004/05

The Committee approved the following Sub-Committees' annual reports that had been circulated –

- I. Investment Committee
- II. Catering Management Committee
- III. Residences Management Committee

FN/05 - 06/35 Guidelines for Engagement of Consultants in the Civil Service

The Committee noted a letter dated 18.11.2005 from the HEA sent to the Treasurer at the request of the Department of Education and Science enclosing correspondence "Guidelines for Engagement of Consultants in the Civil Service". All institutions under the aegis of the HEA have been requested to familiarise themselves with the regulations which are intended to promote competition, secure value for money, give taxpaying suppliers equal access to publicly funded contracts and ensure the procurement process is open and transparent. The Committee noted that the guidelines had been circulated to the relevant College areas for application.

FN/05 - 06/36 House Purchase Loan

The Committee approved the house purchase loan application as circulated.

FN/05 - 06/37 Financial Governance of Irish Universities Annual Verification Letter

The Committee noted:

- (a) The Board approved Annual Verification Letter dated 29.11.2005 furnished to the HEA under the requirements of the Financial Governance of Irish Universities – Balancing Autonomy & Accountability and
- (b) HEA correspondence dated 22.11.2005 confirming receipt of the Annual Verification Letter and noting the positive and constructive steps that were being taken by the University in implementing the procedures set out in 'The Financial Governance of Irish Universities'.

Due to the inability of the Committee to remain quorate the following items were deferred for consideration at the meeting of 19 December 2005:

- B3. Quarterly Accounts 30 September 2005
 - Capital Projects funded by HEA Capital Grants
 - Capital Projects not funded by HEA Capital Grants
 - Faculty and Departmental Budgets
 - Administrative and Other Areas Non-Pay Budgets
 - Service Departments
 - Subsidiary Activities
 - New Research Accounts
 - Research Account Balances
 - Research Accounts – Overdrawn Balances
- B4. Control Exception Report – November 2005

The next meeting of the Finance Committee has been arranged for 19th December 2005 at 2.00 p.m. in the Board Room.

PROVOST.....

DATE.....

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