

**Committee of Public Accounts****September 27, 2012****C & AG Special Report: No. 78: Matters Arising out of Education Audits****Opening Statement**

Prof Brian MacCraith, President, Dublin City University

Slide 1 Title Slide

Chairman, Members of the Committee of Public Accounts,

I became the 3rd President of Dublin City University in July 2010.

Slide 2: DCU Profile

Just 23 years old, DCU is a young and ambitious university. In its short life, it has grown significantly in scale and impact, with a student population of 11,500 and a ranking in the top 50 young universities in the world (those under 50 years old). It has a well-established reputation for both high quality research and innovation and proactive engagement with enterprise.

In achieving this level of success, we believe in operating to high standards of corporate governance. Despite the recession and the significant reductions in exchequer funding over the past 5 years, DCU has achieved balanced budgets in each of those years.

Side 3: DCU Revenues

It is useful to note that DCU receives its funding from various sources, with 62% coming from the exchequer and 38% from non-exchequer sources.

Side 4: DCU Commercial Group

Report No. 78 made a number of observations concerning DCU subsidiary companies.

DCU Commercial Ltd has 11 subsidiary companies, the primary objective of which is to generate income to support the University in delivering its strategic mission. The companies mainly provide facilities and services to the campus and some, due to their nature of their activities, will not make significant surpluses. Nevertheless, by 30 September 2012, the group will have generated surpluses of €21m, with €3m being generated in the last 5 difficult years. These funds have been used to support the University and some of the subsidiary companies, especially at an early stage in their development.

Report No. 78 makes specific reference to 3 subsidiaries.

Slide 5: The Helix

Established in 2002, The Helix is a top-class Performing Arts and Conferencing Centre, which brings thousands of people to the DCU campus each year. It is at the heart of student life on campus and provides a wide range of facilities to the University and to the local community, in a particularly deprived area. The Helix incurred significant losses in its early years. Given the importance of the Helix and its particular value to DCU, it has been supported by the other commercial companies and by the University. Its balance sheet was repaired in September 2010 through a capital contribution of €7.4m from subsidiary company profits, as approved by the Governing Authority of the University.

Slide 6: DCU Ryan Academy for Entrepreneurship


The DCU Ryan Academy for Entrepreneurship is a leading supporter of entrepreneurship and innovation in Ireland and is a key element of DCU's strategy as a University of Enterprise. Due to the nature of its activities, it will never make significant surpluses. In 2011, philanthropic support was obtained for a four-year period which will enable the DCU Ryan Academy to break even each year in that period. DCU Ryan academy runs many successful programmes, one of which (The Propeller Programme) created 49 new jobs through start-ups in 2011/12.


Slide 7: Invent DCU

Built at a cost of just under €7m, Invent DCU is DCU's Innovation and Enterprise Centre which plays a key role in our Innovation Strategy. A fundraising campaign successfully raised 72% of the overall cost, which obviated the need to resort to bank borrowings. The balance of the funding is being made up with a contribution from DCU Commercial Limited revenues at a rate of €100,000 per annum for 19 years.

Slide 8: Senior Staff Remuneration

Report No. 78 highlights payments to University staff in excess of those approved by the Minister. Arising from organisational restructuring to take account of our rapid growth, allowances of €53,707 in total were paid over a 6½ year period between 2005 and 2011 to senior staff who undertook significant additional duties. All such allowances were terminated by us in September 2011. The HEA has also proposed a resolution to this issue which we accept. After consultation with our Students' Union, DCU has agreed to allocate 50% (€26,854) to additional student services, in the area of counselling and the other 50% will be deducted from our future funding.





DCU
 Ireland's University of Enterprise

Committee of Public Accounts Introductory Statement


Prof Brian MacCraith
 President, DCU

Óifigeil Chathair Bhaile Átha Cliath
 Dublin City University

27 September 2012




DCU Profile




- DCU is 23 years old as a University
- Significant Growth; 11,500 students
- Ranked in top 50 young Universities in the world
- High standards of corporate governance
- Balanced Budgets for each of the last 5 years

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DCU Revenues



<u>Exchequer/Non Exchequer Funding</u>		30/09/2011	
	€m		%
Exchequer Funding			
State Grant	24,849	17%	
Grant in Lieu of Fees	27,385	18%	
State Funded Research and Projects	32,807	22%	
Deferred Capital Grant Income	8,165	5%	
	<u>93,206</u>	<u>62%</u>	
Non Exchequer Funding			
Student Fees	28,048	19%	
Non State Funded Research & Projects	8,883	6%	
Commercial & Other Income	18,002	12%	
Deferred Capital Grant Income	1,587	1%	
	<u>56,520</u>	<u>38%</u>	
Total Income	149,726	100%	

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DCU Commercial Group



- Generate profits to support DCU strategic intent
- 11 subsidiary companies; mainly facilities & services
- Group profits: €21m by Sept 2012; €3m in last 5 years
- Support University; Support other companies in group

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The Helix



- 2002; heart of DCU
- Activities:
 - Student Life
 - Performing Arts
 - Community Engagement
- Difficult times for Arts
- 2010 repaired balance sheet
- Support from DCU & commercial companies



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DCU Ryan Academy for Entrepreneurship



- Supports Entrepreneurship & Innovation in Ireland
- Supported in early years by DCU Commercial companies
- 2011: Philanthropic support for 4 years; break-even
- 2011/12: 49 jobs created in 1 programme



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Invent DCU



- Innovation & Enterprise Centre
- Cost €7m
- 72% fundraising
- €100k p.a. from DCU Commercial profits
- Incubation space for spin-out & spin-in companies



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Senior Staff Remuneration



- Significant growth in scale of DCU
- Additional management functions/responsibilities required
- €53,707 paid in total over 6½ year period
- Agree with HEA Proposal:
 - €26,853 deduction from future funding
 - €26,854 allocated to student services (additional counselling)

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