



Minutes of the Finance Committee Meeting of 7 March 2016

PRESENT: Provost (Chair), Bursar, Chief Operating Officer, Vice Provost/Chief Academic Officer, Ms. C. Curtis (by telephone), Mr. J. Gorringe (up to Minute 111), Registrar, Professor R. Gilligan, President of the Students Union, Chief Financial Officer (CFO) – Secretary of the Committee

IN ATTENDANCE: Deputy CFO

APOLOGIES: Dean of Arts, Humanities & Social Sciences, President of the Graduate Students Union

The Committee noted and approved the minutes of the meeting of 15 February 2016.

Section A

FN/15 - 16/103 **Travel Policy – Revision**
XX The Financial Operations Manager attended for this item.

In considering the circulated memorandum from the Financial Operations Manager dated 26.02.2016, the Committee noted the proposed revisions to the University's current Travel Policy arising from a recommendation from the Audit Committee in this regard.

Noting that policy revisions had been endorsed by Executive Officers, the Committee approved and recommended the revised policy for onward consideration and approval by Board.

Action

103.1 The revisions to the University's Travel Policy are recommended to Board for consideration and approval.

FN/15 - 16/104 **Hospitality & Entertainment (H&E) Policy - Revision**
XX The Financial Operations Manager attended for this item.

The Committee noted the proposed revisions to the University's current Hospitality and Entertainment (H&E) Policy, arising from a recommendation from the Audit Committee in this regard, as set out in the circulated memorandum from the Financial Operations Manager dated 26.02.2016.

The Committee approved the proposed policy revisions and recommended them for onward consideration and approval by Board, noting that they had previously been considered and endorsed by Executive Officers.

Action

104.1 The revisions to the H&E Policy are recommend for onward consideration and approval by Board.

FN/15 - 16/105 **Gift Voucher Policy – New**
XX The Financial Operations Manager attended for this item.

The Committee considered the circulated memorandum from the Financial Operations Manager dated 26.02.2016 setting out a new policy in relation to the purchase and disbursement of gift vouchers in order to ensure consistency and transparency in relation to this type of expenditure across the University.

Noting that the Audit Committee had recommended such a policy and that it had recently been considered and endorsed by Executive Officers, the Committee approved and

recommended the new policy for onward consideration and approval by Board.

Action

105.1 The new Gift Voucher Policy is recommended to Board for consideration and approval.

Section B

FN/15 - 16/106 The Lir (National Academy of Dramatic Art at Trinity College)

(Minute FN/14 - 15/107 of 08.05.2015 refers)

The Chair of The Lir Board and the Chief Executive Officer (CEO) of The Lir attended for this item.

The Committee welcomed the Chair of The Lir Board and the CEO of The Lir who referred to the circulated memorandum dated 07.03.2016 and accompanying schedules, which provided an update in relation to The Lir under the following headings:

- Introduction
- Current Position
- Outlook
- New Strategic Risks
- Facilities Expansion
- Current Risks

The Committee noted that The Lir is coming to the end of its first 5 years in operation and work is currently underway to develop a Strategic Plan for the next 5 years (2016-21). In considering The Lir's start-up costs and the support provided by the University in this regard, it was noted that these were expected to be less than originally envisaged, with the Academy operating well within its resources. The Committee further noted the financial outturn, in particular the small surplus achieved for the first time in the last financial year, the increased income arising from the introduction of new courses (with further course developments being planned) and other income streams including working with Trinity Foundation on development funding. The planned capital expenditure was also noted.

The Committee welcomed the specific support provided by a benefactor to The Lir in extending the relationship with RADA and also acknowledged the broader support provided by this benefactor since The Lir's inception.

Responding to a query on the possibility of increasing the student intake on Masters programmes to generate more income, the CEO of The Lir advised that consideration would be given to this in future, however for the period of its 2016-21 Strategic Plan, The Lir plans to follow its conservatoire model.

Having considered an extract of the draft financial statements for the year ending 30.09.2015 as circulated, the Committee noted the income reallocation required as outlined prior to the finalisation of the accounts.

The Committee thanked the Chair of The Lir Board and the CEO of The Lir for their report and invited them to provide an update in 2017.

Action

106.1 The Chair of The Lir Board and the CEO of The Lir to provide an update in 2017.

FN/15 - 16/107 Trinity Business School - Growth Plan

(Minute FN/14 - 15/132 of 08.06.2015 refers)

The Dean of the School of Business and the Project Appraisal Manager attended for this item.

The Dean of the Business School presented a revised Growth Plan for the Trinity Business School (TBS) as outlined in his circulated memorandum dated 01.03.2016, setting out key

elements of the strategy including cashflow projections of the Business School and the overall project, fee income analysis, staff/student ratio benchmarking, other cost benchmarks and differences with the previous financial model approved by Board. The Committee noted the pivotal assumptions underpinning the success of the plan as follows:

- Securing relevant accreditation
- An appropriate organisational structure, including reporting lines
- Provision of executive education (via wholly owned subsidiary), online education and entrepreneurship education (via the Innovation & Entrepreneurship Hub).

Having outlined the scale of the TBS opportunity to the University in terms of increased revenue along with reputational and ranking enhancements and the increased size of the School, the Dean highlighted the need for buy-in and support from University leaders along with the appropriate level of investment in order to fully realise the plan.

In discussing the accreditation process, and noting that independent accreditation agencies had supported the TBS Growth Plan in this regard, the Committee requested that all proposed courses be approved via the University's established internal quality assessment mechanisms. In relation to the provision of online courses, the Committee requested the Dean to engage with the Associate Dean of Online Education to ensure available expertise and experience is fully utilised. The Committee also requested that synergies with other post graduate courses be explored and requested the Dean to provide information in this regard for consideration at the next meeting. Furthermore, having reviewed the financial projections, the Committee requested that a sensitivity analysis also be prepared for consideration at the next meeting.

Noting the future plans for the provision of executive education, the Committee agreed that that, once finalised, the proposal for the establishment of a subsidiary company to deliver this element of the Business School's service provision should come forward separately for approval. Given the scale of the growth strategy and the significant increase in proposed staff levels, the Committee asked the Dean to confirm at the next meeting that all staff could be accommodated in the space allocated in the new building.

Furthermore, on reviewing the information provided in the circulated memorandum dated 01.03.2016 from the Project Appraisal Manager relating to the impact on University finances of the overall Business School Growth Plan versus existing Business School activity, the Committee requested that options be explored to increase the contribution to the capital costs of the new building from the non-Business School components of the overall project.

Thanking the Dean of the Business School and the Project Appraisal Manager for their presentations, the Committee requested that the additional information and analysis as outlined above be provided and a revised paper be brought back for consideration to the next meeting. The Committee further requested that, following approval by Board, progress reports on the Business School Growth Plan be brought forward at least bi-annually and at key milestones.

Action

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| 107.1 | All proposed Business School courses to be approved via the University's established internal quality assessment mechanisms. |
| 107.2 | The Dean of the Business School to engage with the Associate Dean of Online Education in relation to the online elements of course provision. |
| 107.3 | The proposal for the establishment of a separate legal entity to provide Executive Education, to come forward to the Committee in due course. |
| 107.4 | The Dean of the Business School to confirm that all proposed staff can be accommodated in the space allocated within the new building. |
| 107.5 | A sensitivity analysis to be completed on the financial projections and brought forward for further consideration at the next meeting. |
| 107.6 | More detail is to be provided on interactions/synergies with other post graduate courses for consideration at the next meeting. |

- 107.7** Progress reports on the Business School growth plan to come forward, following approval by Board, at least bi-annually and at key milestones.
- 107.8** Options be explored to increase the contribution to the capital costs of the new building from the non-Business School components of the overall project.

FN/15 - 16/108 Establishment of the University Bridge Fund

(Minute FN/14 - 15/105 of 08.05.2015 refers)

The Director of Trinity Research and Innovation (TR&I) attended for this item.

The Director of TR&I presented his circulated paper dated 26.02.2016, which set out an update on the University Bridge Fund under the following headings:

- Update on developments
- Limited partnership agreement
- Timeframe
- Decision for Finance Committee
- Conclusions

Having noted the appointment of the General Partner and its role of full and sole responsibility for management of the Fund, the Committee further noted the expected level of the Fund, the six limited partners and their related commitments to the Fund.

The Committee was advised that the legal agreement is due to be signed shortly to establish Ireland's first University Venture Fund, that legal advice has been sought in relation to the most appropriate structure for the Fund, and further independent advice has been sought in relation to any associated tax liabilities. The Committee also noted that the first investments could be made imminently (with a public launch of the Fund later in the year) and further noted that, whilst the primary objective of the Fund is to generate a return as mandated, investment decisions would also consider broader social and economic impacts.

The Committee agreed that all remaining operational decisions in relation to the Fund be delegated to the CFO and the Director of TR&I in order to meet the required timeframe for establishing the Fund.

Acknowledging the achievement in progressing the Bridge Fund to this stage in such a short timeframe and the significance of this collaborative effort, the Committee thanked the Director of TR&I for his presentation and noted that future updates on the Fund's performance would come forward on a quarterly basis to the Investment Committee.

Action

- 108.1** Future updates on the performance of the University Bridge Fund to come forward on a quarterly basis to the Investment Committee.

FN/15 - 16/109 Annual Report of Sub Committee of Finance Committee 2014/15

The Chair of Investment Committee attended for this item.

The Committee welcomed the Chair of the Investment Committee and considered the memorandum from the CFO dated 29.02.2016, as circulated, which set out the Investment Committee Report for the year ending 30.09.2015. Having provided a brief overview of the macro economic environment, the Chair presented the key objectives and related achievements of the Investment Committee in the reporting period, under the following headings:

- Review of quarterly investment performance
- Review of performance of the investment managers
- Revised asset allocation/portfolio restructuring
- Consideration of total return basis of allocation
- Appointment of a new Chair and new member of the Investment Committee
- Review of investment strategy and income targets
- Consideration of hedge decisions
- Early stage investment fund
- Divestment considerations

- Consideration of investment in University property
- Site visits
- Self-Evaluation Questionnaire 2013/14
- Endowment Fund Financial Statements
- Key activities planned for 2015/16

Further to a brief discussion of divestment considerations, the President of the Students Union extended an invitation to members of the Finance and Investment Committees to attend a presentation by the Fossil Free TCD Working Group on 30.03.2016, noting that the CFO has also extended the invitation to An Taisce. The Committee welcomed notice of another presentation to the Investment Committee on divestment challenges in May 2016, to which the Presidents of the Students and Graduate Students Union along with An Taisce have also been invited.

Noting that whilst the Investment Committee is mandated to maximise the return on investment whilst managing risk, divestment considerations are ongoing and a paper will come forward to Finance Committee in this regard in Trinity Term 2016.

The Committee thanked the Chair of the Investment Committee for attending and, in line with University policy, invited her to provide an update in Hilary Term 2017.

Action

- 109.1** The Chair of the Investment Committee to provide an update in Hilary Term 2017.
- 109.2** A paper on divestment considerations will come forward to Finance Committee in Trinity Term 2016.

**FN/15 - 16/110
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Consolidated Financial Statements y/e 30.09.2015

The Committee considered the circulated memorandum from the CFO and Deputy CFO dated 01.03.2016 and the accompanying documents including:

- Draft Consolidated Financial Statements for the year ended 30 September 2015, which includes the HEA approved harmonised format Funding Statements, the Draft Qualified Audit Report from KPMG and the CFO's Report
- Draft Letter of Representation to KPMG
- Draft Letter of Representation to the Comptroller & Auditor General
- Draft Unqualified Audit Report of the Comptroller & Auditor General

A presentation was tabled setting out key details of the Consolidated Financial Statements 2014/15, which were outlined by the Deputy CFO under the following headings:

- Financial Reporting Requirements
- Audit Status
- Pension Issues
- Financial Highlights including analysis of income and expenditure
- Consolidated Financial Statements – Outcome

The Committee noted that the movement in staff costs primarily related to non-discretionary increases associated with backdated increments and additional pension provisions.

As in previous years, the Committee, noting the qualified opinion from KPMG (in respect of FRS12 and the recognition of pension assets) and Draft Unqualified Audit Report from the Comptroller & Auditor General, considered the Draft Consolidated Financial Statements and Draft Letters of Representation and agreed they should be forwarded to Audit Committee for consideration and onward recommendation to Board for approval.

Action

- 110.1** The Draft Consolidated Financial Statements for the year ended 30 September 2015 (including the Draft Qualified Audit Report from KPMG), Draft Letters of Representation and Draft Unqualified Audit Report from the Comptroller & Auditor General to be submitted to Audit Committee for

consideration and onward recommendation to Board for approval.

FN/15 - 16/111 Financial and Performance Highlights – Q1 2015/16

The Management and Financial Accounting Manager and the Projects Accounting Manager (Capital & Research) attended for this item.

In considering the circulated paper from the Management and Financial Accounting Manager and the Projects Accounting Manager (Capital & Research) dated 01.03.2016, the Committee welcomed the new format of the quarterly management information pack, noting that the content can be enhanced, with feedback being requested to ensure enhancements and developments meet the Committee's requirements.

The Committee further noted the financial and performance highlights provided, including actuals v budget in the quarter, income and expenditure analysis, aged debt profile, student and staff metrics, details of pre and post award research and capital projects. The Faculty and Divisional dashboards, provided as appendices, were also noted.

The Committee requested that in future staff numbers be based on the cost centres to which the staff cost budgets are allocated.

The Committee also indicated that non-financial productivity metrics could be included in future quarterly reports and requested the VP/CAO to explore options in this regard.

Action

- 111.1** HR to provide staff numbers based on the cost centres to which the staff cost budgets are allocated.
- 111.2** The VP/CAO to explore options in relation to the inclusion of non-financial productivity metrics in future reports.
- 111.3** Committee members to provide feedback on the content of the quarterly management information pack to ensure enhancements and developments meet the Committee's requirements.

FN/15 – 16/112 Planning Group Report #14

Consideration of the circulated Planning Group Report #14 was deferred due to time constraints and it will be brought forward at the next meeting on 04.05.2016.

Action

- 112.1** Planning Group Report #14 to be brought forward for consideration at the next meeting on 04.05.2016.

Section C

FN/15 – 16/113 FIS Project Update

(Minute FN/14 – 15/130 of 08.06.2015 refers)

The Committee noted the circulated memorandum from the FIS Project Manager dated 01.03.2016 setting out a FIS Project Update under the following headings:

- Recent achievements
- User Groups
- Audit Committee Recommendations Update
- Project Closure
- Budget

The Committee further noted that it is planned for a project closure document to come forward for approval by Finance Committee in Trinity Term 2016.

Action

113.1 A project closure document to come forward for approval by Finance Committee in Trinity Term 2016.

FN/15 – 16/114 Travel & Subsistence Rates for Ireland and Abroad 2016

The Committee noted and approved the memorandum from the Chief Financial Officer dated 29.02.2016 along with the accompanying document entitled "Travel and Subsistence Rates for Ireland and Abroad for 2016" as circulated. The Committee further noted that the booklet, which will be circulated to Faculty Deans, Heads of School and Heads of Support Areas and Principal Investigators, will also be made available on the University's website.

Action

114.1 The Travel & Subsistence Rates for Ireland and Abroad for 2016 to be circulated to Faculty Deans, Heads of School and Heads of Support Areas and Principal Investigators and also made available on the University's website.

FN/15 – 16/115 Non EU fee increase 2016/17 - Recommended PGT fees for 2016/17

(Minute FN/15-16/70.2 of 16.12.2015 refers)

The Committee noted the circulated memorandum from the Head of the School of Engineering dated 26.02.2016 and approved the derogations sought from the approved 2016/17 fee increases as outlined.

FN/15 – 16/116 Health Sciences Fee Derogation

The Committee noted the memorandum from the Dean of Health Sciences dated 26.02.2016 and approved the derogations sought from the approved 2016/17 fee increases as outlined, noting that the request had previously been considered and approved in principle by Planning Group.

FN/15 – 16/117 Borrowing Framework and Loan Guarantees

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In considering the memorandum and accompanying documents from the Project Appraisal Manager dated 29.02.2016, which set out the Borrowing Framework template for the academic year 2014/15 with projections for 2015/16, the Committee noted the University's compliance with the current framework and requested that it be forwarded to Board for noting.

Action

117.1 The Borrowing Framework template to be forwarded to Board for noting.

FN/15 – 16/118 Treasury Management Quarterly Update

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Project Appraisal Manager dated 29.02.2016, setting out an update for the period from 1 October 2015 to 29 February 2016.

FN/15 – 16/119 Finance Committee Self Evaluation 2015/16

The Committee considered the circulated memorandum from the CFO dated 29.02.2016, which included a draft Finance Committee Self-Evaluation Form for 2015/16. Following receipt of suggested amendments to this document (if any); the agreed self-evaluation forms will be circulated to Committee members for completion within the agreed timeframe in order that the outcome of the process may be considered at the final Committee meeting on 10.06.2016.

Action

- 119.1** Members to review the self-evaluation forms and revert with their amendments within the agreed timeframe.
- 119.2** The outcome of the Self-Evaluation process to be considered at the final Committee meeting on 10.06.2016.

FN/15 – 16/120 Minutes of Sub Committees

The Committee noted the memorandum from the CFO dated 29.02.2016 along with the draft minutes of the Investment Committee meeting of 16.02.2016, as circulated.

FN/15 – 16/121 Minutes of the Estates Policy Committee

The Committee noted the memorandum from the CFO dated 29.02.2016 along with the draft minutes of the Estates Policy Committee meeting of 19.02.2016, as circulated.

The Committee noted the next Finance Committee meeting is scheduled for Wednesday, 4 May 2016 at 2:30pm in the Provost's Library.

PROVOST.....

DATE.....