



Minutes of the Finance Committee Meeting of 22 September 2017

Present: Provost (Chair), Bursar, Chief Operating Officer, Ms. C. Curtis (from Minute FN/17-18/1), Mr. J. Gorringer, Mr. L. Kavanagh, President of the Students Union, Chief Financial Officer (CFO) – Secretary to the Committee

In Attendance: GSU President, Deputy CFO

Apologies: Vice Provost/Chief Academic Officer, Dean of Arts, Humanities & Social Sciences, Professor B. Lucey, Registrar

Statement of Interest: None declared

The Committee noted and approved the minutes of the Finance Committee meeting of 27.06.2017, subject to a minor amendment to Minute FN/16-17/134.

Section A

**FN/17-18/1
XX**

Anti-Fraud Policy

The College Secretary attended for this item.

The Committee reviewed the circulated memorandum from the College Secretary and the accompanying revisions to the University's Anti-Fraud Policy, proposed in the context of recent national and international cyber fraud attacks, increased potential for fraudulent activity and in keeping with good governance practice.

The Committee, noting the input from various units within the University, welcomed the primary revisions including the broadening of the policy's scope, the inclusion of an incident report form and greater clarity on the membership and role of the incident team, responsible for overseeing an investigation, should it be necessary. The Committee also recommended the inclusion of a reference to fraudulent activity by students in the policy, including the appropriate reporting lines, and requested the College Secretary to make the necessary amendments in advance of the policy's consideration by Audit Committee and Board.

The Anti-Fraud policy was approved for onward consideration by Audit Committee and Board, subject to the above change and the Committee requested the policy be brought forward for review again in 3 years' time



(Michaelmas Term 2020) in line with the Finance Committee's Terms of Reference.

Action:

- 1.1** The College Secretary to amend the draft policy to include a section on fraud by students in advance of its consideration by Audit Committee and Board.
- 1.2** The Anti-Fraud Policy to be brought forward for review again in 3 years' time (Michaelmas Term 2020) in line with the Finance Committee's Terms of Reference.

Section B

**FN/17-18/2
XX**

Financial and Performance Highlights Q3 FY2016/17

The Director of Financial Services and Management & Financial Accounting Manager attended for this item.

In considering the executive summaries and detailed report from the Management & Financial Accounting Manager and the Director of Financial Services dated 15.09.2017 as circulated, the Committee acknowledged the further enhancements and continued modifications made to the report, including the introduction of preliminary 5-year cashflow forecasts to provide key information regarding financial sustainability, which formed part of the summary dashboard for the first time. The Committee noted (by way of presentation) the key highlights set out across the following headings for the period Q3 YTD 16/17:

- Financial summary dashboard
- Budget to latest forecast
- Adjusted budget to forecast variances by activity type
- Year-end forecasts vs. FY15/16 outturn
- Research
- Capital
- Cashflow forecast
- Key messages

The Committee, considering the budget to latest forecast for 2016/17 and related variances across various headings, noted the impact on the forecasted deficit. The clarifications concerning the projected increase in non-pay expenditure were also noted. The Committee observed that whilst 2016/17 budget allocations had been made on a more realistic basis, the level of reserves built up by Faculties/Schools were notable when compared



with the increasing pressure on other areas to balance their budgets. In this context and noting the need for greater clarity/visibility required in relation to unrestricted balances held within reserves, the Committee reiterated its request (Minute FN/16-17/131 of 27.06.2017 refers) that Faculty Deans ensure that such unrestricted balances be incorporated into School and Faculty strategic plans and align with the University's capital and strategic investment priorities.

In reviewing the current year-end forecast versus the 2015/16 outturn, which are projections and therefore subject to change, the Committee noted:

- the University's current operational position – i.e. earnings before interest, tax, depreciation and amortisation (EBITDA)
- that final philanthropic transfers from TDA have yet to be confirmed
- that the depreciation policy applied to the University's assets is currently under review
- that unrealised gains/losses on the property portfolio for 2016/17 have yet to be confirmed.

The Committee, whilst noting the anticipated improvements to the forecasted outturn for 2016/17, were cognisant of the key message regarding the sustainability gap going forward. The successful performance in the research arena was noted and, in the context of the ongoing adverse effects of the under-recovery of indirect costs on the University's financial position, the Committee welcomed the HEA's intention to convene a group of funding agencies to consider this matter, in addition to the attendance of a delegation from Trinity at a recent meeting of the Board of SFI to report on this issue also.

The current total estimated value of approved capital projects, project activity and the PMO status of approved projects were further noted. The effects of a challenging inflationary construction environment on all projects in addition to potential slippage in the construction schedule of a specific project were considered.

Welcoming the preliminary cashflow forecast as set out, the Committee acknowledged the dependency on and need for greater detail and input from key internal and external areas. Noting that cash levels are forecasted to go below the recommended "45 days cash" in 2018/19, the Committee requested that a graded contingency plan for managing cash beyond the 45-day period be developed and brought to a future meeting.



Furthermore, the Committee was advised that the HEA plan to issue an invitation to the University to attend its Finance Committee in November 2017 to discuss financial sustainability issues. An update in this regard will be provided in due course.

Thanking the Management and Financial Accounting Manager and the Director of Financial Services for their presentation, the Committee requested that an update on Q4 16/17 activity be provided in Michaelmas Term 2017.

Action

- 2.1** Faculty Deans to ensure that unrestricted balances held within reserves to be incorporated into School and Faculty strategic plans and align with the University's capital and strategic investment priorities.
- 2.2** A graded contingency plan for managing cash levels beyond the recommended 45-day period to be developed and brought to a future meeting.
- 2.3** An update on Q4 16/17 activity to be provided in Michaelmas Term 2017.
- 2.4** An update on the meeting with the HEA's Finance Committee will be provided in due course.

FN/17-18/3

Increase in EU and non-EU PG fees and other non-EU UG fees 2018/19

(Minute FN/16-17/83.2 of 06.02.2017 refers)

The Project Appraisal Manager attended for this item.

The Committee considered the circulated memorandum from the Project Appraisal Manager dated 15.09.2017, (prepared in conjunction with the Global Relations Team), setting out the proposed increase to EU and Non-EU PG fee levels and non-EU UG fee levels for the academic year 2018/19 and noted the positive impact the recommended increase would have on the University's challenging financial position if student numbers remain unchanged.

In reviewing the observations of the FSD and Global Relations Office as set out, the Committee noted that 2016/17 fee increases had not affected student recruitment nor had fee increases in 2017/18 affected student acceptances to date. Furthermore, the Committee noted that comparisons



with non-EU fee levels in UK and other Irish universities support the proposed increases.

The Committee noted the level of prior consultation undertaken and the position of the Dean of Graduate Studies and that of IFUT in relation to fee increases as reported. The Committee acknowledged the GSU President's concerns, in the context of the University's reliance on PG fee income, that Post-graduate students need to receive value for money and that their expectations are met in terms of both their academic and student experience. The strong concern expressed by the Students Union (SU) and Graduate Students Union (GSU) Presidents in relation to the possible introduction of any levies in addition to the proposed fee increases and the impact of the increases on multi-year students was also noted. Acknowledging the dissent of both Presidents, the Committee approved the 5% increase in fees for 2018/19 as set out. Having noted that the 2018/19 fees for a specific School had previously been agreed (Minute FN/16-17/100 of 06/03/17 refers), the Committee reiterated that it would consider derogations from the approved fee increases at its next meeting and in exceptional cases only. In the context of the proposed distribution of the additional fee income generated, the Committee agreed that student services for post-graduate and non-EU undergraduate students would receive targeted support, insofar as was possible within budget constraints.

Action

3.1 Insofar as was possible within budget constraints, student services for post-graduate and non-EU undergraduate students to receive targeted support from the additional fee income generated by the approved increases.

FN/17-18/4

Trinity Long Room Hub (TLRH) Update

(Minute FN/16 - 17/114 of 03.05.2017 refers)

The Director of TLRH attended for this item.

The Committee, having been circulated with a memorandum from the Director of TLRH dated 22.09.2017, noted the updates provided under the following headings:

- Update since the last report
- Financial summary
- Risks
- Strategy for sustainability
- Grant Applications



In considering the observations of TLRH's external reviewers, the Committee acknowledged the TLRH's strong performance in terms of its academic mission and noted the conclusion that "the Institute is on target to achieve its objectives in terms of the quality of support given to delivering international-calibre research in line with the University's plans and ambitions". The Committee also noted the ongoing reliance on a subvention from the University and philanthropic funding in terms of its financial sustainability and were concerned to note that TLRH's track record in securing the necessary philanthropic funding had not been as successful as planned, acknowledging that access to genuine philanthropic prospects was critical in this regard.

Whilst noting the positive impact of the proposed multi-annual subvention as outlined, the Committee requested the Dean of FAHSS to confirm that, as the University's annual subvention was now being transferred to the Faculty, the overall investment sought would be allocated from Faculty resources in 2017/18. In the context of the Faculty's financial support, the Committee requested the next report from TLRH to come forward as part of the Faculty of Arts, Humanities and Social Sciences (FAHSS) Dashboard in the Q1 2017/18 reports in Hilary Term 2018.

The Committee further requested the incoming Dean of Research to engage with the Faculty Deans with a view to extending the proposed Faculty-based funding model, adopted by AHSS, for TRIs overall and agreed that TRI reporting could then transition to form part of the quarterly Faculty financial reports.

Having noted the significant number of events hosted by TLRH throughout the year, the Committee requested the Director of TLRH to engage with the Director of CRU to ensure that any remaining availability of event space is maximised for commercial purposes.

The risks and sustainability issues outlined, along with the update on grant applications were also noted.

Action

- 4.1** The Dean of FAHSS to confirm that the overall investment sought by TLRH will be allocated from Faculty resources in 2017/18.

- 4.2** The Director of TLRH to engage with the Director of CRU to ensure that the remaining availability of event space in TLRH is maximised for commercial purposes.



- 4.3** The next report from TLRH to come forward as part of the Faculty of Arts, Humanities and Social Sciences (FAHSS) Dashboard in the Q1 2017/18 reports in Hilary Term 2018.
- 4.4** The incoming Dean of Research to engage with the Faculty Deans with a view to extending the proposed Faculty-based funding model, adopted by AHSS, for TRIs overall. TRI reporting would then transition to form part of the quarterly Faculty financial reports.

FN/17-18/5

Trinity Development & Alumni (TDA) - Review Update

(Minute FN/16 – 17/103 of 03.05.2017 refers)

The Committee welcomed the verbal update provided by the CFO regarding the review of Trinity Development & Alumni (TDA) since the matter was last considered in May 2017, and noted:

- a) an investigation had been undertaken and was now concluded
- b) recommendations arising from the investigation are being implemented
- c) recent personnel changes at senior management and professional level in TDA
- d) other relevant actions taken by the University in the intervening period.

The CFO will brief advise the Committee on further developments as they arise.

Action

- 5.1** The CFO will brief the Committee on further developments in relation to TDA as they arise.

Section C

FN/17-18/6

Trinity Asia Services Limited (TASL), Singapore - Update

The Committee noted the circulated memorandum from the CFO dated 15.09.2017 and the update provided on the establishment of the new company in Singapore, thus meeting the University's needs there, as follows:



- The new company Trinity Asia Services Limited has been incorporated, limited by shares
- The Directors have been appointed and the first board meeting held
- The company satisfies Singapore's residency requirements
- Local professional advisors have been appointed and local banking arrangements are also in place
- Existing agreements with Singapore Institute of Technology have been re-assigned to the new company
- Income and student numbers are on target.

The Committee requested that a further update be brought forward for consideration in Trinity Term 2018.

Action

- 6.1** A further update to be brought forward for consideration in Trinity Term 2018.

FN/17-18/7

FIS Project Closure / Transition Plan to Business as Usual

(Minute FN/15-16/163 of 10.06.2016 refers)

The Committee noted the circulated report from the CFO dated 15.09.2017 and the update provided on the closure of the FIS Project, which had been approved by Executive Officers at the recommendation of the FIS Steering Committee and following an external review. The Committee welcomed the detail provided in relation to the 2-year Transition Plan to business-as-usual, which had been approved by Executive Officers following external validation of the Plan's budget, noting that it will be overseen by a newly established FIS Transition Steering Committee and that progress against plan will be monitored by the Capital Review Group (CRG). Bi-annual reports will also be made to Finance Committee, with the first report to come forward for consideration in Hilary Term 2018.

Action

- 7.1** The first of the bi-annual reports on the FIS Transition Plan to come forward for consideration in Hilary Term 2018.

FN/17-18/8

Interim Review of HEA Funding Model

(Minute FN/15-16/163 of 10.06.2016 refers)



The Committee noted the memorandum from the CFO dated 15.09.2017 and the enclosed draft Interim Review of the Allocation Model for Funding Higher Education Institutions as circulated.

FN/17-18/9 Treasury Management Update

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Project Appraisal Manager dated 15.09.2017, setting out an update for the first nine months of the current financial year from 1st October 2016 to 30th June 2017 and the comparative data for the same period in the previous financial year. The Committee also noted the information provided in relation to the negative interest rates now being applied on all current accounts along with details of existing loan agreements and covenants.

FN/17-18/10 Annual Report of the Audit Committee – Executive Officers’ Response to Board

Noting the circulated memorandum from the CFO dated 15.09.2017 and the enclosed Annual Report of the Audit Committee to Board for 2015/16, the Committee requested that this report be given more detailed consideration at the next Finance Committee meeting.

Action

10.1 The Annual Report of the Audit Committee to Board for 2015/16, to be given more detailed consideration at the next Finance Committee meeting.

FN/17-18/11 Minutes of the Audit Committee

The Committee noted the memorandum from the CFO dated 15.09.2017 along with the draft minutes of the Audit Committee meeting of 13.06.2017, as circulated.

FN/17-18/12 Minutes of the Commercial Revenue Unit (CRU)



The Committee noted the memorandum from the CFO dated 15.09.2017 along with the minutes of the Commercial Revenue Unit meeting of 23.05.2017, as circulated.

FN/17-18/13 Minutes of the Estates Policy Committee

The Committee noted the memorandum from the CFO dated 15.09.2017 along with the draft minutes of the Estates Policy Committee meeting of 23.06.2017, as circulated.

FN/17-18/14 Minutes of the FIS Oversight Group

The Committee noted the memorandum from the CFO dated 15.09.2017 along with the draft minutes of the FIS Oversight Group meeting of 19.06.2017, as circulated.

FN/17-18/15 Related Entity Financial Reporting

XX

The Committee noted the circulated memorandum from the CFO dated 15.09.2017 and recommended the Directors' Report and audited Financial Statements of the following entities to Board for noting:

- Molecular Medicine Ireland (MMI) for the year ended 30.09.2015
- National Digital Research Centre (NDRC) Limited for the year ended 31.12.2016

Action

15.1 The Directors' Reports and audited Financial Statements of the MMI and the NDRC to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for Friday 20 October 2017 at **9.00am** in the Provost's Library.



PROVOST.....

DATE.....