Minutes of the Finance Committee Meeting of 6 July 2018

Present: Provost (Chair), Vice-Provost, Bursar, Dean of Arts, Humanities & Social Sciences, Ms. C. Curtis, Mr. J. Gorringe, President of the Students Union (Incoming), Registrar, Chief Operating Officer (for Minutes 100-105 & 107-109), Chief Financial Officer (CFO) – Secretary to the Committee

In Attendance: Outgoing GSU President, Incoming GSU President, Deputy CFO, Director of Financial Planning & Risk Management

Apologies: Bursar, Registrar, President of the Students Union (Outgoing), Professor B. Lucey, Mr. L. Kavanagh

Statement of Interest: None declared

The Committee noted and approved the minutes of the Finance Committee meeting of 27.04.2018, subject to a minor amendment to Minute FN/17-18/86. The updates provided under Matters Arising by the CFO, VPCAO and COO and on the circulated action list were also noted and actions agreed are recorded separately below, Minutes 100-101 below refer. The Committee also agreed that the format of the Action List would be revised for the new academic year.

Section A

No Items

Section B

FN/17-18/100 Role & Sustainability of Trinity Research Institutes
(Minute FN/17-18/33 of 18.12.2017 refers)

The Committee agreed that, as this longstanding issue has yet to be resolved, a new approach is now required and requested Planning Group to review the sustainability of all TRI’s and bring forward recommendations as early as possible in 2018/19.

Action:

100.1 Planning Group to review the sustainability of TRI’s and bring forward recommendations as early as possible in 2018/19.
FN/17-18/101 Medical School Loan
(Minute FN/11-12/97 of 02.11.2011 refers)

The Committee agreed that this longstanding issue must be brought to a conclusion and that the Medical School should commence repayment of its outstanding loan. In this context, the Committee mandated the CFO to put arrangements in place with immediate effect to recoup the outstanding amount from the School.

Action:
101.1 The CFO to put arrangements in place with immediate effect to recoup the outstanding loan from the Medical School.

FN/17-18/102 Property Acquisition – Trinity at Grand Canal Quay

The Committee welcomed the circulated memorandum from the Chief Innovation & Enterprise Officer and CFO, dated 28.06.2018, regarding a proposal to acquire a property, which had previously been considered and approved by Board, subject to Finance Committee’s review (Minute BD/17-18/235 of 23.05.2018 refers). By way of presentation, the CFO briefed the Committee on the rationale behind the proposal to purchase the property and its strategic importance to the ‘Trinity at Grand Canal Quay’ development. The Committee noted the strategic benefits of the acquisition in terms of enhancing the development of the overall site and the improvement of the overall site configuration, which would also support the early activation of the first phase of development and the amelioration of right-of-way and parking issues.

The CFO advised that headline terms of acquisition have been agreed in principle with the vendor and, in considering the cost of the acquisition, the Committee noted that two independent valuations had been carried out. These have been validated by the Property Advisor to the University and have also been accepted by a potential financing-partner. The Committee further noted the safeguards in place to protect the University’s investment...
in the proposed site, should the overall development fail to proceed as planned.

Having reviewed the funding options as outlined, the Committee noted the proposal regarding the use of a joint venture structure and the detail provided regarding borrowing options, including the implications for Trinity’s overall borrowing capacity.

Further to a detailed discussion of the long-term strategic value and importance of the site and having considered the risks as set out along with scenarios planned to manage them, the Committee approved the acquisition as outlined, noting that it sends a clear message to all critical stakeholders that Trinity is committed to developing the site. As requested, the Committee also approved the sale of the site in the event that the project does not proceed as envisaged.

**Action:**

102.1 The property acquisition was approved along with the sale of the site in the event that the project does not proceed as envisaged.

**FN/17-18/103 Dartry Accommodation Project**

The Dean of Students attended for this item.

The Committee welcomed the circulated memorandum from the Dean of Students dated 27.06.2018 and the accompanying schedules setting out a detailed business case for the development of student accommodation at University-owned property in Dartry, which had previously been considered and approved by the Executive Officer Group on 12.06.2018, and by Board (Minute BD/17-18/273 of 27.06.2018 refers) and, subject to Finance Committee approval, was due to be considered by CRG on 18.07.2018. By way of presentation, the Dean of Students set out a summary of the proposed development under the following headings:

- Project area plan
- Due diligence undertaken
- Feasibility and procurement reports
- High level costs
- Financial plan
- Timeline

The Committee welcomed the detail provided on the feasibility study undertaken in 2015 in terms of developing the site, including a capacity analysis, which had projected that the site could deliver 300 units of accommodation, high level costs and key planning issues. The Committee also noted the proposed project governance structures as outlined along with the procurement analysis undertaken, which had evaluated the development options available to the University and recommended the traditional contracting route.

In considering the high level costs as set out, the Committee noted that the cost per bed reflects construction costs, along with renovation of the 3 period houses on site, facilities costs and a high level of contingency for both construction and inflation costs. In this context, the Committee recommended that these costs be revised before the business case is finalised, with cost per bed to be benchmarked against other, city based, accommodation offerings. Furthermore, the Committee requested that the 3 period houses currently included in the proposed development be separated in the updated version of the business plan that should come forward for consideration again in Michaelmas Term 2018.

Having reviewed the funding models as outlined, and noting the conservative basis of the scenarios, the Committee requested that the level of contingency be reduced by 5% in the next iteration of the business case. The Committee also requested that the negative impact of the GAAP deficit be given further consideration to ensure that the project does not draw on University resources and increase the deficit in the short to medium term. Furthermore, noting that the project will be developed via the University’s wholly owned subsidiary, Ghala DAC, the Committee requested FSD to review and confirm the VAT arrangements in the updated business case.
Having considered the proposal in the context of the University’s other accommodation projects/lease arrangements, its potential to impact the University’s overall borrowing capacity if the project proceeds, and having noted the risks as outlined, the Committee agreed that it should proceed to the design phase, approving expenditure up to €3.3m. The Committee requested that the revised business case, including the amendments outlined above, should come forward for further consideration in Michaelmas Term 2018.

**Action:**

103.1 The Dartry Accommodation Project may now move to the design phase, with a revised business case to be brought back to Finance Committee for further consideration in Michaelmas term 2018, with the following amendments:

- Costs to be revised - bed costs, in particular, are to be benchmarked against other, city based, accommodation offerings and the contingency is to be reduced by 5%
- Period houses to be separated from the main proposal
- Impact of GAAP deficit in current financial models to be addressed
- FSD to review the VAT arrangements

---

**Printing House Square**

(Minute FN/17-18/37 of 18.12.2017 refers)

The Dean of Students attended for this item.

By way of presentation, the Dean of Students summarised the key highlights of his circulated memorandum, dated 26.06.2018, across the following headings:

- Construction and design progress
- Value engineering
- Main contract – update
- Contingency tracker
- Risk register

The Committee noted that construction is progressing well and generally on schedule, with design issues being managed in a timely fashion.
Committee welcomed news of value engineering opportunities, which will require further assessment and Steering Group approval before being pursued.

The Committee also noted that, since the last update, an independent external monitor has been appointed to the project, submitting reports to Board in March and June 2018.

In considering the main contract update, the contingency tracker and the risk register, the Committee noted the level of contingency remaining and the two key external risks identified, in relation to the financial exposure arising from the Sectoral Employment Order and the outstanding fire certification.

Having noted that the project is currently on budget and remains on schedule for completion in July 2019, the Committee also noted the key milestones planned for the coming months.

Thanking the Dean of Students for his report, the Committee requested an update in Michaelmas Term 2018.

Action:
104.1 An updated report on the Printing House Square Project to be brought forward in Michaelmas Term 2018.

FN/17-18/105 Financial & Performance Highlights – Q2 2017/18
The Management & Financial Accounting Manager and the Projects Accounting Manager attended for this item.

In considering the Q2 executive summaries and detailed reports from the Management & Financial Accounting Manager and the Project Accounting Manager dated 29.06.2018 as circulated, the Committee welcomed the updated and enhanced information provided and the key messages as set out and once again complimented the quality of the comprehensive report as circulated. The Committee noted (by way of presentation) the key highlights set out across the following headings for the period Q2 17/18:

- Financial summary dashboard
The Committee considered the financial summary and the budget to latest forecast for 2017/18 in detail, noting that, whilst the EBITDA position has strengthened significantly, a deficit of €12.3m (after depreciation of €15.9m and before unrealised gains and losses not yet quantified) is forecasted to 30.09.2018. Although significant progress has been made to return to a breakeven position and the University is performing well, the Committee recognised that, in the absence of any material progress to date on the recommendations arising from the Cassells’ Report, the University must continue to focus its efforts on achieving a financially sustainable position. Furthermore, the Committee noted that the absence of a surplus limits the pursuit of new strategic initiatives, including resources to support the renewal of University assets.

Having considered the budget to forecast variances by Faculty and Divisions, the Committee noted forecasted budget underspends in two Faculties related to core activity, retained to cover anticipated BBM budget clawbacks and also associated with recruitment delays. In response to some concern expressed about the adequacy of budgets to cover specific growth strategies, the CFO confirmed that areas must operate within the assigned budgets, which are regularly monitored and assessed so that any issues can be flagged and addressed at an early stage.

In reviewing the updated research activity, the Committee noted the University’s continued successful performance, with Q2 17/18 expenditure ahead of the same period in the prior year. Whilst a higher rate of overhead was recovered on a number of new awards in the quarter, indirect cost recovery rates overall continue to be a concern. In this context, the Committee once again requested FSD to engage with TR&I to secure an

F.C. Minutes 06.07.2018    7

Incorporating any amendments approved at subsequent Finance Committee meetings
increase in recovery rates from industry and other sources that would more closely reflect the full economic cost incurred by the University.

The updated information on the capital project activity was noted, including the top 5 approved projects by value and the overall capital portfolio value. In reviewing the year-on-year comparative data, the Committee noted that capital expenditure had increased significantly on the same period in the prior year due to the TBS and Printing House Square projects. The value of the recently approved E3 Learning Foundry Project was also noted.

Welcoming the newly introduced gearing and loan/debt profile slide, which showed details of the University’s current level of borrowings, the Committee noted the University’s current gearing ratio is marginally higher than other Irish universities.

Noting the detail provided on tuition debt (student and sponsor), the Committee requested that an analysis of the recoverability of such debt be included in the next report.

In considering the 3-year student numbers trend by Faculty, the Committee noted with concern that whilst there had been an 2.6% increase in student numbers in the current year from prior year, overall the growth achieved in the 3-year period had been modest at 5.9%. Planning Group is continuing to monitor these trends.

The Committee once again welcomed the preliminary cash-flow forecast (operational and capital) as set out and noted the key assumptions underpinning the projections.

Thanking the Management and Financial Accounting Manager and the Project Accounting Manager for their presentations and the key messages as outlined, the Committee requested that an update on Q3 17/18 activity be provided in Michaelmas Term 2018.

**Action:**

105.1 FSD to engage with TR&I to seek an increase in indirect cost recovery rates from industry sources that would more
closely reflect the full economic cost (FEC) incurred by the University.

105.2 An analysis of the recoverability of tuition (both student and sponsor) debt to be included in the next report.

105.3 An update on Q3 17/18 activity to be provided in Michaelmas Term 2018.

FN/17-18/106 Planning Group Report #18
(Minute FN/17-18/91 of 06.03.2018 refers)

The Committee welcomed the circulated memorandum from the Vice-Provost/CAO dated 28.06.2018 and the accompanying copy of Planning Group Report #18, which had been considered and approved previously by Board (Minute BD/17-18/274 of 27.06.2018 refers) and EOG on 19.06.2018, and noted that the report was divided into three key sections as follows:

a) Strategic planning being conducted by Planning Group following the introduction of the Baseline Budgeting Model (BBM)
b) Progress on the Strategic Plan (2014-19)
c) Operational matters dealt with by Planning Group.

In his presentation, the Vice-Provost drew the Committee’s attention to key elements of the report under the following headings:

- Composition of student body
- Projected growth
- Non-development plan growth by Faculty
- Five-year forecasts 2017/18 – 2022/23
- Best and worst case scenarios
- Implementation of Strategic Plan 2014-19

The Committee reviewed and noted the comparison of the composition of the student body and growth projections over the next 5-years. Noting the distribution of growth both in development and non-development plans, the Committee agreed that the FAHSS projections were quite conservative and requested the Vice-Provost to engage with the Faculty Dean to seek a
revision of the plans, recognising the perceived capacity issues in FAHSS, which currently has 48% of all students.

In the context of the 5-year forecasts, the University’s goal of returning to a surplus position in the medium term and the status of Goal 9 of the Strategic Plan, the Committee noted the strong performance of the University in terms of the positive trajectory towards financial sustainability and acknowledged the role of the entire University community to date and into the future in this regard. Concern was expressed by some members of the Committee about Planning Group’s overall classification of Goal 9 – “Securing Trinity’s Future” as being “red”, which although indicative of the heavy weighting attributed to the financial sustainability element of the goal, given its importance, did not reflect the fact that the other pillars of the Goal had been achieved. The Committee noted the disagreement of two of its members with Planning Group’s rating of this Goal. Following a detailed discussion, whilst the other members of the Committee agreed that as the Goal had explicitly included the achievement of a 3% sustainability surplus within the lifetime of the current Strategic Plan, and that the “red” status was accurate at this point in time for that particular pillar, the Planning Group was requested to reconsider rating Goal 9 across all its components.

**Action:**

106.1 Planning Group to reconsider rating Strategic Plan Goal 9 across all its components.

---

**FN/17-18/107  Strategic Plan 2014-19 – Securing Trinity’s Future**

(Minute FN/17-18/39 of 18.12.2017 refers)

The Financial Planning & Risk Manager attended for this item.

The Committee welcomed the circulated memoranda from the Deputy CFO, the Financial Planning & Risk Manager and the Director of Financial Planning and Risk Management dated 29.06.2018 and the related presentations entitled:

- Financial Sustainability
- Five Year Forecast (2017/18 to 2022/23)
- FSD Risk Assessment - Update June 2018
Presenting the Financial Sustainability memorandum, the Deputy CFO drew the Committee’s attention to the income growth required to address the University’s financial sustainability issues, indicated by the forecasted sustainability gap over the next 5 years. Achieving this goal requires a coherent approach to strategic planning for sustainability and growth, with enablers such as the BBM and the School-level strategic and financial planning to be integrated into the overall planning process. The Committee noted that Planning Group has worked closely with the Faculty Deans on strategic planning with student number projections now aligning to wider financial planning. It was further noted that the Estates Strategy will focus on developing the campus in a planned manner, to address space under-utilisation and efficiency issues however, academic and administrative engagement with the estate-renewal process will be critical to its success.

The Committee, in considering the updated financial position, noted that actual results in 2016/17 had exceeded forecasts and that the EBITDA position continues to improve, however, whilst there is an encouraging trajectory in terms of the University’s overall financial performance, it continues to report an overall consolidated financial deficit. In this context, the Committee agreed that the University must continue to generate cash surpluses from its operations to enable investment in capital infrastructure and other strategic priorities. As previously noted, this is particularly important in the absence of significant action on the Cassells’ Report recommendations.

In considering the presentation by the Financial Planning & Risk Manager on the 5-year forecasts, the Committee noted the primary factors underpinning the changes arising since the previous forecasts were considered, as follows:

- increase in forecasted student numbers
- new fee rates for PGT/PGR and Non-EU UG
- inclusion of new development plans (income & expenditure)

Having noted the cashflow forecasts and the comparison to previous forecasts as set out, the Committee considered the key messages regarding the 5-year forecasts, including the significant growth in student numbers if the University is to return to surplus by 2020/21, and requested FSD to
Incorporating any amendments approved at subsequent Finance Committee meetings

prepare a brief report on the historic FY outturns since the Consolidated GAAP basis of accounting (including provision for depreciation) was adopted.

Following the Director of Financial Planning & Risk Management’s presentation of the Risk Assessment memorandum, which will feed into the University’s overall Risk Register, the Committee noted that there had been no material change to the risks reported since the update provided in December 2017. It was further noted that financial sustainability continues to be rated as an “issue”, in the context of the University’s forecasted deficit position for 2017/18, with a Section 37 letter being issued to the HEA in respect of the current financial year. The key messages in relation to the volatility of annual results due to the impact of “underspends versus budget” carried forward and other contributory factors were also noted.

Having considered the high level financial risks identified in relation to the successful delivery of the Strategic Plan, the Committee, noting the factors affecting the University’s future borrowing capacity, agreed that progress in capital project prioritisation was required to determine financing availability for future projects. The Committee requested that future risk updates should include greater detail on Philanthropy given the interdependencies with capital projects and approved the risks as presented for inclusion in the overall University risk register.

Thanking the Deputy CFO, the Director of Financial Planning and Risk Management and the Financial Planning & Risk Manager for their reports, the Committee approved the risks as outlined for inclusion in the University’s Risk Register and requested updates on each paper in Michaelmas Term 2018.

**Action:**

**107.1** FSD to prepare a report on historic annual FY outturns (surplus/deficit) since the adoption of the consolidated GAAP basis of accounting (including provision for depreciation) for consideration in Michaelmas Term 2018.

**107.2** Future risk updates to include greater detail on Philanthropy given the interdependencies with capital projects.
107.3 FSD to bring forward further updates on financial sustainability, the 5-year forecasts and the FSD Risk Assessment in Michaelmas Term 2018.
Global Relations Strategy (GRS) II Update
(Minute FN/17-18/36 of 18.12.2017 refers)
The Vice-President for Global Relations attended for this item.

The circulated memorandum from the Vice-President for Global Relations (VPGR) dated 21.06.2018, which set out an update on the Global Relations Strategy II 2017/18 across the following headings, was noted:

- Executive Summary
- Update – July 2018
- Risk Register (7 high, 8 medium)

By way of presentation, the VPGR summarised the 2017/18 report on final student registration numbers and fee income and the Committee noted that 98.5% of the Strategy’s student registration target and 97.3% of its income target (excluding TBS income) for 2017/18 had been achieved, per the HEA return in March 2018, with an overall increase of 110% in non-EU students since 2011-12. The additional income generated through internationalisation activities supported by the Global Relations Office, which are separate and in addition to the GRSII business plan, was also acknowledged.

In reviewing the 2018/19 recruitment figures, the Committee noted that 2018/19 targets are on track, with acceptances currently 36% ahead of 2017, and whilst there may be target shortfalls at UG and visiting level, these are offset by targets exceeded at PGR and PGT level. The Committee noted that preparation is now underway for GRSIII, involving close engagement with the Faculties/Schools and the VP/CAO to map “growth programmes” and to develop a robust implementation plan. Noting that whilst internationalisation has now become a core activity, the Committee recognised the benefits of maintaining the activity as a strategy so that there is greater visibility on achievement of results and that close co-ordination with the VPGR and Schools (via the Faculty Deans) will be critical to its future success.

Having noted the updated risk register as set out, the Committee thanked the VPGR for her report and requested an update to be brought forward in Michaelmas Term 2018, noting that a proposal/business case for GRSIII is
also due to come forward for consideration by Board in September 2018, and subsequent review by Finance Committee.

**Action**

**108.1** The Committee requested that a further update on GRSII activity be provided in Michaelmas Term 2018.

**108.2** A proposal/business case for GRSIII to come forward for review following Board approval.

**FN/17-18/109 Consolidation of Student Levies and Charges**

The Director of the Academic Registry attended for this item.

The Committee considered the circulated memorandum from the Director of the Academic Registry dated 28.06.2018, setting out a proposal to consolidate all student levies and charges into a single line item on the tuition invoice, “Student Levies & Charges” (SLC). By way of presentation, the Director of the Academic Registry advised that, going forward, a single annual charge will cover all current and new student levies (e.g.: Sports Centre Levy, USI Levy and the student-approved Space Levy etc..) with graduation charges to be spread across the duration of an academic programme. The Committee noted that standard system functionality will be utilised, reducing the current constraints of the bespoke elements of the billing system, and that the proposal had the support of the student representatives, the VP/CAO and the Dean of Students.

In considering the costs of the system change, the Committee noted that these will be borne by the University and will not be passed on to the students as the benefits of the simplified billing and collection process will future-proof the system. A detailed breakdown of the SLC will also be available on the Academic Registry’s website. Having noted the minimal financial impact of the consolidated charge, arising from the waivers process and the change to the graduation charges, the Committee agreed to the proposal as set out.
The Committee welcomed the Secretary of the College and the circulated report dated 26.06.2018, which set out in detail the results of the Finance Committee Self-Evaluation process for 2017/18 (in accordance with its Terms of Reference and as previously approved by the Committee) and conducted via an online survey for the first time.

Following a presentation by the Secretary of the College, the Committee noted the overall response rate to the self-evaluation questionnaire, the metric provided in terms of meeting attendance by members and welcomed the 87.5% positive responses received in terms of how the Committee conducts its business.

Having drawn the Committee’s attention to the specific issues raised in relation to the role of the Provost as Chair, the need for further representation of academic interests given the impact of financial decisions and the Finance Committee’s agency for fee setting authorised by Board, the College Secretary advised that, following the Board’s self-evaluation process, a working group (with an external Chair) had been established to consider a number of these issues. The Committee noted that a Working Group, established earlier in the year to consider Finance Committee agency and chaired by the Secretary of the College, had yet to report to Board on its work and recommendations. The Committee noted the other observations made in respect of the frequency of meetings, the training of members and the communication to key stakeholders.

In terms of its current membership, the Committee agreed that the GSU President should be invited to become a full member and the Registrar is to be requested to make the necessary arrangements for the new academic year.

The Committee also requested FSD to consider the feedback in more detail and to prepare a formal response to the Self-Evaluation outcomes (similar to previous years) for consideration at the first meeting of Michaelmas Term 2018.
The Committee thanked the College Secretary and his Office for the analysis and presentation of the findings.

**Action**

**110.1** The Registrar to be requested to make the necessary arrangements for the GSU President to become a full member of the Finance Committee for the new academic year.

**110.2** FSD to consider the feedback in more detail to prepare a formal response to the Self-Evaluation outcomes for consideration at the first meeting of Michaelmas Term 2018.

**Section C**

**FN/17-18/111 Planning Group Report #17**

The Committee noted the circulated memorandum from the VP/CAO, dated 28.06.2018, enclosing Planning Group Report #17, which had been considered and approved by Board on 28.02.2018.

**FN/17-18/112 Appointment of Ussher Assistant Professors**

*(Minute FN/16-17/134 of 27.06.2017 refers)*

The Committee noted the circulated memorandum from the VP/CAO dated 29.06.2018 regarding the appointment of Ussher Assistant Professors which set out a brief update on the status of the financial and non-financial commitments made by Schools benefitting from Ussher appointments.

The Committee also noted Planning Group’s position regarding budget allocations to schools under the newly implemented Baseline Budgeting Model (BBM), which include the cost of Ussher posts without an expectation that they, specifically, would generate new incremental income over the baseline.
The Committee welcomed the circulated memorandum from the Director of The Lir dated 25.06.2018 and the accompanying schedules, providing an update on The Lir’s activities under the following headings:

- Introduction
- Current surplus position
- Outlook
- Enhanced governance structures
- Recent developments
- Long-term facilities expansion
- Current Risks (3 high)

The Committee noted that The Lir completed the first year of its new Strategic Plan (2016-21) and at present, is on target to achieve its eight core objectives by the end of 2021. The positive financial position in the year to date was noted along with factors underpinning the forecasted outturn at year-end.

The Committee also noted that The Lir reported a surplus for the third successive year and, whilst a small deficit is forecasted for the next 2 years, new courses are nearing steady state and will generate additional revenues going forward to support the return to surplus. The Lir’s Audit & Finance Committee and its Board have approved its financial plan. The long term plans of the Lir, anchoring the amalgamation of the cultural and social contributions of the new campus in the Trinity at Grand Canal redevelopment, were also noted.

Welcoming the outcome of the recent review of governance structures and the actions planned and taken in this regard, the Committee requested the Director of The Lir to provide an updated report in Trinity Term 2019.

**Action 113.1** The Director of The Lir to provide an updated report in Trinity Term 2019.
FN/17-18/114  Commercial Revenue Unit (CRU) Update
(Minute FN/17-18/35 of 18.12.2017 refers)

The Committee noted the circulated memorandum from the Commercial Director dated 28.06.2018, and the commercially sensitive data contained therein, and welcomed the update provided across the following headings:

- Executive Summary
- Update since the last report
- Financial Summary
- Performance over Project Life Cycle
- Risks (7 high, 12 medium)
- Sustainability Issues

The Committee noted that CRU had exceeded its Q2 budgeted contribution, despite the impact of the inclement weather and campus-based protests on key activities. As requested, the Committee noted the half year performance against budget, the full year forecasts versus budget along with the margin analysis as set out. The Committee welcomed the improved position in relation to the University’s financial exposure from leased, externally-provided accommodation units. The detailed margin analysis provided across the full range of activities and business lines and benchmarked as requested, was also welcomed and noted.

In line with University policy, the Committee requested an update in Michaelmas Term 2018.

Action
114.1 The Committee requested that a further update on CRU activity be provided in Michaelmas Term 2018.

FN/17-18/115  Trinity Industry Engagement Strategy Update
(Minute FN/17-18/45 of 18.12.2017 refers)

The Committee noted the memorandum from the Director of TR&I, Head of OCPKE & Senior Business Development Manager of TR&I dated 20.06.2018,
as circulated, setting out an updated position on the Industry Research Strategy across the following headings:

- Update since last report
- Financial Summary
- Financial Position of Project Lifecycle
- Risk (2 high, 2 medium)

The Committee welcomed the strong performance to date as outlined, noting that the strategy is already ahead of target (with €3.9m new industry cash) and that the 5-year forecasts continue to indicate that the strategy will be significantly ahead of target at completion in 2018/19. The Committee further noted the average indirect cost recovery rate on new industry awards of 26%, the plans regarding the mainstreaming of the strategy in 2018/19 and the risks as outlined. In line with University policy, the Committee requested an updated report to be provided in Michaelmas Term 2018.

Action 115.1 The Director of TR&I to provide an updated report in Michaelmas Term 2018.


The Committee noted the comprehensive update on the Procurement Strategy provided in the circulated memorandum from the Procurement Manager dated 29.06.2018 across the following headings:

- Category Management
- Sustainability
- Contract Management System
- Supplier Management
- Savings to date
- External Environment

The Committee noted the updates provided including revenue generating activities and capital works in the planning cycle, (neither of which is part of
the Category Management process) and the formation of the Green Procurement Working Group, which includes representatives from across the University. An updated report will be brought forward in Michaelmas Term 2018.

**Action 116.1** The Procurement Manager to provide an updated report in Michaelmas Term 2018.

---

**FN/17-18/117 HEA Annual Budgeting & Accountability Meeting**

The Committee noted the circulated record of the 2018 Annual Budget and Accountability Meeting with the HEA on 12.04.2018, which had been agreed with the HEA. The key points discussed included the following:

- Callover of last meeting in May 2017
- Financial sustainability
- 2016/17 Financial Statements
- Research activity
- Procurement
- Endowment Fund
- 2017/18 Forecast
- Section 37 letter
- Supplementary Grant shortfall
- 5-Year Forecasts
- Review of Funding Model
- Governance updates
- HEA rolling reviews
- Capital Update
- Updates from the HEA
- Dublin Dental Hospital
- Setting of tuition fees
- Borrowing Framework

The Committee noted that the HEA’s Finance & Governance Committee is taking a keen interest in the University’s financial performance and has noted
the encouraging signs over the last number of years in terms of the improvement in financial performance, diversification of revenue and cost containment.

The Committee further noted that Trinity intends to issue a Section 37 letter to the HEA in due course and in accordance with legislation, advising the HEA of a projected consolidated financial deficit for 2017/18.

**Action**

117.1 Trinity to issue a Section 37 letter to the HEA in due course, advising of the projected consolidated financial deficit for 2017/18.

---

**FN/17-18/118** Trinity Asia Services Limited (TASL), Singapore  
(Minute FN/17-18/6 of 22.09.2017 refers)

The Committee noted the circulated memorandum from the CFO dated 29.06.2018 and the update provided on the new company in Singapore, including progress on financial/banking and governance arrangements. Noting that student numbers and fee collection for 2017/18 are in line with targets, the Committee further noted the banking and security arrangements and residency requirements for directors as outlined, and the work being undertaken to strengthen the internal control environment to bring it into line with the University and its other subsidiaries.

In line with University policy, the Committee requested that a further update be brought forward for consideration in Michaelmas Term 2018.

**Action:**

118.1 A further update to be brought forward for consideration in Michaelmas 2018.

---

**FN/17-18/119** Trinity Institute of Neuroscience (TCIN)  
(Minute FN/17-18/48 of 18.12.2017 refers)

The Committee noted the circulated report from the Director of TCIN dated 26.06.2018, which provided an update across the following headings:
- Executive Summary
- Update since the last report
- Financial Summary
- Risks (1 high/ 7 medium)
- Sustainability Issues

In reviewing the detailed financial information provided, the Committee noted the financial position for the current year along with, the forecasted deficit position of c. €250k by 2020/21, the planned move towards increased non-Exchequer funding, the ongoing adverse impact of costs associated with the MRI along with the awards secured in the period since the last report and the other achievements as outlined. In line with University policy, an updated report was requested for Michaelmas Term 2018.

Action:
119.1 The Director of TCIN to provide an updated report in Michaelmas Term 2018.

FN/17-18/120 Centre for Research on Adaptive Nanostructures (CRANN)
(Minute FN/17-18/16 of 20.10.2017 refers)

The Committee noted the circulated report from the Director of CRANN dated 06.07.20108, and the update provided under the following template headings:

- Executive Summary
- Financial Summary
- Update since the last report
- Risk
- Sustainability Issues
- Grant Applications

The Committee noted the financial projection best/worst case scenarios as set out and the plans to manage the forecasted deficit position, which ranges in best/worst case scenarios from €510k to €4.4m, and that the CRANN management team are working on a funding diversification strategy. The Committee also noted the achievements since the last report, the expected
increase in running costs associated with new infrastructure, along with the risks (1 critical and 3 high) and sustainability issues as outlined.

The Committee further noted the second circulated memorandum dated 06.07.2018, relating to the full economic cost of running CRANN’s research infrastructure, including details of the staffing, materials, service and other costs along with the infrastructure-specific sustainability issues and risks as set out. As there was still further work outstanding, the Committee requested the Director of CRANN to provide an update on the Full Economic Cost (FEC) of the infrastructure, to accompany the first of the bi-annual reports from CRANN which is to come forward in Michaelmas Term 2018, in line with University policy.

**Action:**

120.1 The Director of CRANN to provide an updated FEC of the infrastructure to accompany the first of the bi-annual reports from CRANN in Michaelmas Term 2018.

---

**FN/17-18/121 START Cost – Benefit Summary**

(Minute FN/17-18/49 of 18.12.2017 refers)

The Committee considered the circulated memorandum from the Management & Financial Accounting Manager dated 29.06.2018, which provided an updated summary of the START cost-benefit analysis, and noted the update at 31.03.2018 compared to the previous forecast dated September 2017. The Committee noted the cumulative net benefit over the life of the project is forecasted to be c.€1m.

The final update on the START Program will come forward for consideration in Michaelmas Term 2018.

**Action:**

121.1 The final update on the START Program to come forward for consideration in Michaelmas Term 2018.
FN/17-18/122  Internal Audit Recommendations Log  
(Minute FN/16-17/105 of 03.05.2017 refers)  

The Committee noted the circulated memorandum from the Deputy CFO dated 29.06.2018 along with the accompanying schedules setting out the status of the 47 Internal Audit recommendations assigned to each of the Chief Officers, which was considered by the Audit Committee on 1.05.2016. The Committee noted the summary of “Risk Accepted” points and the detail provided on the outstanding recommendations.

The Committee welcomed the work done in terms of the Chief Officers’ review of the Audit Committee’s audit log to identify the items to be resolved, risks that the University must accept and items that are no longer relevant and noted that a further update will come forward in 2018/19 following consideration by the Audit Committee.

Action:  
122.1  A further update to come forward in 2018/19, following consideration by the Audit Committee.

FN/17-18/123  Control Exception Report  

The Committee noted the bi-annual Control Exception Report for the period to May 2018 from the Financial Operations Manager as circulated, and the exceptions occurring in the reporting period along with updates on the progress to address external audit recommendations. In accordance with normal practice, the Control Exception Report will be circulated to the Faculty Deans for Heads of School and also to the Chief Operating Officer and Vice Provost/Chief Academic Officer for circulation within CSD and ASD respectively.

Action:  
123.1  The Control Exception Report to be circulated to the Faculty Deans and also to the Chief Operating Officer and Vice Provost/Chief Academic Officer for circulation within CSD and ASD respectively.
FN/17-18/124  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 29.06.2018, setting out an update for the second quarter of the financial year from 01.01.2018 to 31.03.2018 and the comparative data for the same period in the previous financial year. The Committee also noted the information provided in relation to current negative interest rates, the EIB loans and associated covenants, along with the update on the HEA Borrowing Framework calculation, which was noted by Board in April 2018. An update on the third quarter of the financial year will come forward to the first meeting of Michaelmas Term 2018.

Action:
124.1  An update on the third quarter of the financial year will come forward to the first meeting of Michaelmas Term 2018.

FN/17-18/125  Minutes of Sub-Committees

The Committee noted the circulated memorandum from the CFO dated 29.06.2018 along with draft minutes of the Investment Committee meeting of 15.05.2018, which included the following items:

- Performance review to 31.05.2018
- Diversification implementation
- Portfolio review and restructure

FN/17-18/126  Minutes of the Audit Committee

The Committee noted the circulated memorandum from the CFO dated 29.06.2018 along with draft minutes of the Audit Committee meeting dated 01.05.2018, which included the following items:

- Readiness for GDPR
- SITs/TEP
- Recommendations Log
The Committee noted the circulated memorandum from the CFO dated 29.06.2018 along with the draft minutes of the Estates Policy Committee meeting of 27.04.2018, which included the following items:

- Way Finding Strategy
- E&F Annual Report
- Risk Register
- Proposed revision to Campus Tours Policy

The Committee noted the circulated memorandum from the CFO dated 29.06.2018 along with the draft minutes of the FIS Oversight Group meeting dated 21.05.2018, which included the following items:

- FIS Issues & Risk Register
- FIS Faculty/Divisional User Group Reports
- POA Group update
- FIS User Engagement update
- FIS Support update

The Committee noted the circulated memorandum from the CFO dated 29.06.2018 along with the draft minutes of the FIS Transition Project Steering Group meeting of 29.05.2018, which included the following items:

- FIS Transition Programme update
- FIS Oversight Group Update
FN/17-18/130  Related Entity Financial Reporting

The Committee noted the circulated memorandum from the CFO dated 29.06.2018 and recommended the Directors’ Report and audited Financial Statements of The Lir (National Academy for Dramatic Art at Trinity College) for the year ended 30.09.2017 and IRIS Electronic and Information Services Company Limited for the year ended 31.12.2016 to Board for noting.

Action 130.1

The Directors’ Report and audited Financial Statements of The Lir (National Academy for Dramatic Art at Trinity College) for the year ended 30.09.2017 and IRIS Electronic and Information Services Company Limited for the year ended 31.12.2016 to be forwarded to Board for noting.

FN/17-18/131  Finance Committee Meeting Schedule

The memorandum from the CFO dated 29.06.2018, setting out the schedule of Finance Committee Meetings for 2018/19, along with detail of the proposed agenda items for each meeting, was approved as circulated. It was noted that planned items that had to be deferred would no longer be reported as part of the agenda.

The Provost, on behalf of the Committee, thanked Kevin Keane, outgoing President of the Students Union, Professor Brian Lucey, and Mr. Jon Gorringe for their contribution to the Finance Committee meetings during their tenure as members. He thanked Mr. Gorringe in particular for his commitment during his 6 years of membership of the Finance Committee noting that, as being the first external member to have University experience, Trinity had benefited greatly from his very valuable insight and expertise. His work with the Student Accommodation Working Group was also acknowledged.

The Committee noted the next Finance Committee meeting is scheduled for 1 October 2018 at 2.30pm in the Provost’s Library.

PROVOST.................................................. DATE..........................................................