



## Minutes of the Finance Committee Meeting of 4 February 2019

**Present:** Provost (Chair), Vice-Provost, Bursar, Registrar, Dean of Engineering, Maths and Science (FEMS), Ms. C. Curtis, Professor S. Alyn Stacey, President of the Students Union, Chief Operating Officer, Interim Chief Financial Officer (CFO) – Secretary to the Committee

**In Attendance:** Deputy CFO, Director of Financial Planning & Risk Management

**Apologies:** Mr. L. Kavanagh, GSU President

**Statement of Interest:** None declared

The Provost welcomed the new Interim CFO.

The Committee noted and approved the minutes of the Finance Committee meeting of 23.11.2018 subject to two minor amendments. Updates on open actions are recorded separately below – Minutes FN/18-19/38 and 39 refer.

### Section A

No items

### Section B

**FN/18-19/38 Trinity Development & Alumni Update**  
(Minute FN/18-19/15 of 23.11.2018 refers)

The Committee requested, that further to the action agreed at the November meeting (Minute FN/18-19/15 of 23.11.2018 refers), the extent of the underspend for FY17/18 against the approved TDA campaign budget should be set out in detail for consideration by the Executive Officers Group in advance of approval to carry forward the underspend.

#### **Action:**

**38.1** The extent of the underspend for FY17/18 against the approved TDA campaign budget to be set out in detail for consideration by the Executive Officers Group in advance of approval to carry forward the underspend.



**FN/18-19/39 Final START Update - Project Cost-Benefit Summary**

(Minute FN/18-19/28 of 23.11.2018 refers)

Following a discussion at the previous meeting on the need to monitor headcount to maintain the efficiencies achieved under START, and a query on the mix of staff contracts in place, the Committee updated the agreed action by requesting the COO to bring forward a paper clarifying the University's approach to the use of temporary contracts in the context of updates to the Public Service Stability Agreement for consideration at the next meeting.

**Action:**

**39.1** The COO to bring forward a paper clarifying the University's approach to the use of temporary contracts following updates to the Public Service Stability Agreement, for consideration at the next meeting.

**FN/18-19/40 Financial and Performance Highlights – Qtr. 4 2017/18**

The Management & Financial Accounting Manager and the Projects Accounting Manager attended for this item.

In considering the Q4 17/18 executive summary and detailed reports from the Management & Financial Accounting Manager and the Project Accounting Manager dated 25.01.2019 as circulated, the Committee welcomed the updated information, including the key messages as set out and noted (by way of presentation) the highlights across the following headings:

- Financial summary dashboard
- FY16/17 GAAP Outturn to FY17/18 Outturn
- Budget to Actual
- Adjusted budget to Actual variances by Faculty/Division
- Variance by School
- Extract from Draft FY17/18 Consolidated Financial Statements
- Executive summary: research/capital
- Cashflow forecast
- Trinity's Gearing and Loans/Debt Profile
- Trinity Endowment Fund
- Student numbers trend FY2015-19
- GRSII Preliminary Student Numbers FY18/19
- Key messages

Noting the actual versus budget results for 2017/18, the income and expenditure analysis, the draft projected outturn for the year (subject to



audit) along with the year on year comparison of the University's financial performance, the Committee welcomed the improved operational position – i.e. earnings before interest, tax, depreciation and amortisation (EBITDA) and income growth (offset by increased pay costs and operating expenditure).

The Committee noted the range of factors contributing to the positive outturn including:

- significant unspent FY17/18 budget allocations
- additional State funding for pay restoration
- once-off factors e.g. a substantial VAT refund
- a reduction in impairments versus prior year
- increased unrealised gains on investment

The impact of the increased debt provision on academic fee income in the year was also noted. Having reviewed the detail of the FY17/18 adjusted budgets to actual variances by Faculty and Division, the Committee noted the factors underpinning the underspends arising, in addition to the variance by School and acknowledged the potential impact of unspent FY17/18 budget allocations on future years financial results acknowledging that the strategic and capital investment spending plans currently being developed by each School will be essential in providing the necessary visibility to avoid undue volatility.

The Committee agreed that FSD would review tax structures in place to minimise tax leakage, specifically in the context of TASL.

The Committee noted the University's continued successful research activity performance, with FY17/18 expenditure ahead of prior year by 1.2%. Whilst it is anticipated that research activity will once again exceed €100m, the Committee noted the reduction in value of proposals submitted in FY17/18 due to timing differences in funding agency calls (and the wider implications specifically related to the postponement of a number of SFI calls). It was also noted that whilst a higher rate of overhead was recovered on new awards, the number of new awards had reduced overall on the prior year.

The updated information on capital project activity was noted, including the top 5 approved projects by value and the overall capital portfolio value along with the significant increase in capital expenditure largely arising from the TBS and Printing House Square projects. The PMO status of the TBS Project



was also noted and it was agreed that the TBS Project Board should update the PMO on its work, with a view to updating the Project's status.

In considering the cash-flow forecast (operational and capital) as set out, including the key assumptions underpinning the projections, the Committee noted that following the restructuring of the TBSI financing, the cashflow forecast will remain above the recommended 45 days cash level. The Committee also noted the consequential impact of the restructured financing on Trinity's future borrowing capacity, the commitment to a minimum year-end cash balance, and the planned revisions to the cashflow forecast as part of the new 5 Year Strategic Plan.

In this context, the Committee noted the updated information on the University's loan/debt profile including the planned increase in its gearing ratio, which incorporated the recently approved EIB loan.

The updated information on the Endowment Fund along with the current market value and the status of the portfolio restructure was also noted.

Further to a query on the terms of prizes funded by specific benefactions, the Committee requested Professor Alyn-Stacey to contact FSD with the particular issue(s) referred to.

In considering the 3-year student numbers trend by Faculty, which included preliminary numbers for 2018/19 as submitted to the HEA, the modest increase over the prior year was noted, with the increase in income achieved largely resulting from a change in student composition. In response to a query concerning optimum student numbers for the University as a whole, it was clarified that whilst there are quotas for each course, these feed into a broader matrix that includes quality metrics such as staff:student ratios etc., and that capacity would also be considered in that context.

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 Q1 18/19 activity be provided in Hilary Term 2019.

**Action:**

- 40.1** The tax structures for TASL to be reviewed in terms of minimising tax leakage.
- 40.2** Professor Alyn-Stacey to advise FSD of the particular issue identified in relation to terms of specific benefactions.



- 40.3** An update on Q1 18/19 activity to be provided in Hilary Term 2019.

**FN/18-19/41 FSD Risk Assessment Update February 2019**  
(Minute FN/17-18/107.3 of 06.07.2018 refers)

The Committee welcomed the enhancements to the circulated Risk Assessment Update memorandum from the Director of Financial Planning & Risk Management dated February 2019, which included an increased focus on risk mitigation following FSD's engagement with the Chief Risk Officer and participation in both the Risk Management Group and Risk Enterprise Forum. By way of presentation, the Director of Financial Planning & Risk Management drew the Committee's attention to the top 5 financial risks, which included:

- Not achieving financial sustainability within the agreed timeframe
- Not achieving agreed philanthropic targets
- Ongoing operational deficits in TRIs
- Tenderable expenditure audit failure
- A reduction in Oracle/FIS support

In considering the risks as set out, the Committee noted the controls in operation and the further actions planned to mitigate each risk and welcomed the re-classification of three former high risks as medium on foot of mitigating actions and emerging financial trends. Having discussed the risk outlined in relation to ongoing support for the University's ERP financial information system, the Committee agreed that this would be best captured at an operational level in the next report.

Thanking the Director of Financial Planning and Risk Management for her report, the Committee approved the risks as outlined for inclusion in the University's Risk Register and requested an updated report for consideration in Trinity Term 2019.

**Action:**

- 41.1** An updated risk assessment report to come forward for consideration in Trinity Term 2019.



**FN/18-19/42 Multi-Annual Budgeting (Faculty Underspends 2017/2018)**

(Minute FN/18–19/22 of 23.11.2018 refers)

The Committee considered the circulated presentation from the Vice-Provost/CAO dated 04.02.2019, who briefed the Committee on multi-annual budgeting and Faculty underspends arising in 2017/18 across the following headings:

- What is multi-annual budgeting
- School & Faculty funding
- Pre-committed multi-annual spends (self-financing activities)
- Strategic funding (BBM & overhead budgets)
- Breakdown by Faculty
- Multi-Annual Planning for Strategic (BBM/Overhead) Funding
- Multi-Annual Planning of 2017/18 “Underspend”
- Next steps

The VP/CAO set out the background to the University’s current budgeting model, which was intended to provide a stable budgeting environment to allow for more effective medium and long-term strategic planning, supporting Schools and Faculties in achieving their strategic plans.

Having reviewed the underspends against budget for 2017/18 in each of the Faculties, the Committee considered the specific factors of the positive variance to budget in each case, noting that delays in recruitment were a key factor in both the Faculties of Health Sciences and Arts, Humanities and Social Sciences. The VP/CAO also advised that Faculties did not spend fully to budget in 2017/18 in anticipation of a reduction to Faculty budgets in 2018/19. The VP/CAO reiterated the necessity for Schools to think strategically over the long-term, citing the example of a School that recently used its reserves for upfront investment in its growth plan, and suggested that it would be useful for the Committee to have visibility of Faculty 5-year spending plans to ensure that Schools are operating strategically. The Committee welcomed this approach and requested the VP/CAO to bring Faculty 5-Year spending plans to a future meeting for their review.

The Committee raised concerns about reporting against budget on a multi-annual basis in the context that the University’s statutory reporting is annual. In relation to maximising self-financing activity income, the COO suggested that Central Events could provide assistance to Schools and Faculties. The interim CFO recommended that an analysis of reserves should be done on a stand-alone basis and integrated with the strategic planning



process, outlining his concerns about the uncertainty created by the existence of reserves.

In the context of the scale of the 2017/18 underspends along with accumulating reserves, it was agreed that the interim CFO would undertake a review/assessment of the BBM and bring forward a report in Trinity Term 2019.

The Committee thanked the VP/CAO for his report.

**Action:**

**42.1** The VP/CAO to bring forward Faculty 5-Year spending plans to a future meeting.

**42.2** The interim CFO to undertake a review/assessment of the BBM and bring forward a report in Trinity Term 2019.

**FN/18-19/43 Annual Report of Sub Committee of Finance Committee**

Mr. Tony Haslam, on behalf of the Chair of Investment Committee, attended for this item.

The Committee welcomed Mr. Tony Haslam and considered the memorandum from the Chair of the Investment Committee dated 13.11.2018, as circulated, which set out the Investment Committee's Annual Report for the year ending 30.09.2018.

Mr. Haslam presented the key objectives and related achievements of the Investment Committee in the reporting period, including a review of:

- quarterly investment performance
- performance of the investment managers
- investment strategy and income targets
- portfolio review and restructure
- revised asset allocations
- divestment considerations
- fundraising campaign
- Endowment Fund brochure
- self-evaluation questionnaire

The Committee noted the value of the Endowment Fund continues to exceed the target in the University's Strategic Plan 2014-19, in addition to noting the investment performance in the year against relevant benchmarks. The Committee welcomed the detail provided on the performance of each of the



investment managers, noting the planned actions for the coming year in terms of further infrastructure and property investments.

Mr. Haslam advised the Committee that the basis of the approved investment strategy is to enhance the likelihood of achieving the overall income objective while minimising risk and maintaining capital preservation in the long term. In deciding on the target asset allocations, and in the context of the prolonged low yield environment, the Investment Committee acknowledged the need to increase its risk appetite in order to generate sufficient income in the context of the long term nature of the Endowment Fund, which provides the capability to withstand higher levels of volatility in the short and medium term. In terms of the ongoing portfolio restructure, continued diversification across both asset classes and geographic markets minimises risk by reducing exposure to any particular market segment.

Having noted the update provided on the Fundraising Campaign, the Endowment Fund Brochure and changes to the Investment Committee membership during the year, the Committee thanked Mr. Haslam for his clear and informative presentation and, in line with University policy, requested the Chair of the Investment Committee to provide a further update in Hilary Term 2020.

**Action:**

**43.1** The Chair of the Investment Committee to provide an update in Hilary Term 2020.

**FN/18-19/44**

**Trinity Business School (TBS) Update**

(Minute FN/18-19/25 of 23.11.2018 refers)

The Committee reviewed the circulated memorandum from the TBS Project Board dated 29.01.2019 setting out an update on TBS's overall financial position in the context of the financial risks emerging as the project draws to a close. Following a brief presentation by the Bursar, Chair of the Project Board, the Committee noted the key issues as outlined and agreed to the next steps as recommended by the Project Board, requesting FSD to engage with the TBS Project Manager to close out the issue identified in order to address the specific financial risks set out.

**Action:**

**44.1** FSD to engage with the TBS Project Manager to close out the issue identified in order to address the specific financial risks set out.



**FN/18-19/45 Commercial Loans for Capital Projects**

**XX**

The Project Appraisal Manager attended for this item.

The Committee noted the circulated memorandum from the Project Appraisal Manager dated 28.01.2019 setting out a proposal for a matching commercial loan to that secured from EIB in October 2018. By way of presentation, the Project Appraisal Manager set out the background to the commercial loan sought, including the value of the individual projects to be financed, and the EIB loan and other funding already secured.

Noting that not all of the financing is required immediately, the Committee considered FSD's recommendation that financing be secured only for 3 specific capital projects approved at this time, with a loan facility to be put in place for two other early stage projects.

In considering the proposed financing mix for the approved projects, the Committee noted the proposal arising specifically in relation to the balance of financing required for student accommodation at Printing House Square and for other potential accommodation projects in the future. The Committee also considered a summary of the top three commercial offers received in order to secure the best value for the University following detailed negotiations undertaken by FSD with seven financial institutions.

Having reviewed the offers for the initial requirement, the Committee agreed with FSD's recommended loan provider based on the value, term length, indicative interest rates and savings arising due to the absence of arrangement fees along with the additional facility available for pipeline projects.

The Committee also noted that should the University take-up the offers from the two preferred financial institutions, it will continue to be compliant with the existing EIB loan covenants. Furthermore, the Committee noted the impact on the University's borrowing capacity (and consequently on future projects) along with the impact on cash flow due to debt servicing costs and the importance of generating sufficient EBITDA in the future in this context, as highlighted by the CFO.

Having reviewed the factors informing FSD's proposals along with the external risks, the Committee recommended that Board approve:

- The loan for Printing House Square and the security required on the building from the proposed financial institution
- The loan for E3/TBSI refinancing from the proposed financial institution



- That rates should be fixed for 30 years and funds should be drawn down after contract negotiations have been finalised.

Having further noted the availability of an additional loan facility for pipeline capital projects from a specific institution, with an agreed margin and no commitment fee, the Committee recommended that Board authorise the Provost and CFO to sign the legal contracts with two financial institutions at the earliest opportunity, noting that the interest rates offered are indicative until loan contracts are signed. The Committee also requested that when the loan interest rates are set, the business cases for the projects being financed should be updated.

**Action:**

**45.1** The Committee recommended that Board approve:

- The loan for Printing House Square and the security required on the building as recommended
- The loan for E3 and TBSI refinancing as recommended
- That rates should be fixed for 30 years and funds should be drawn down after contract negotiations have been finalised

**45.2** The Committee recommended that Board authorise the Provost & CFO to sign the legal contracts with the two financial institutions at the earliest opportunity.

**45.3** When the loan interest rates are set, the business cases for the projects being financed should be updated.

**FN/18-19/46**

**Commercial Revenue Unit (CRU) Update**

(Minute FN/17-18/114 of 06.07.2018 refers)

The Commercial Director attended for this item.

The Committee noted the circulated memorandum from the Commercial Director dated 22.01.2019, which provided updates across the following headings:

- Executive Summary
- Update since the last report
- Full Financial Year 2017/18
- Performance over Project Lifecycle
- Risks
- Sustainability Issues



In his presentation, the Commercial Director drew the Committee's attention to CRU's contribution to the University in the financial year 2017/18. Having noted the performance against budget along with the prior year comparison as set out, and commending the strong performance of the Book of Kells, the Committee expressed concern at the ongoing poor performance of one business unit, which the Commercial Director indicated will require increased focus in the coming year. In outlining the reconciliation of the actual 2017/18 contribution versus 2018/19 budget along with the negative variance in CRU's contribution over the 5-year forecast, the Commercial Director cited the commercial impact of University decisions outside its control, such as the change of use of space in TBSI, from commercial to academic, reduced conference/event bookings due to refurbishment works along with a proposed change to the Book of Kells cover, all of which impact CRU's performance.

In considering the performance of the Accommodation business, the Committee noted the increased risk profile associated with this activity arising from developments in the accommodation market, notably the increased provision of private accommodation. Noting the upcoming renewal of lease agreements with current private providers, the Committee recommended that securing real benefits and better value for students should underpin any renewal negotiations and that sectoral engagement in this regard would also be beneficial. Having discussed the emerging accommodation-market trends, the Committee further requested that the University reassess the business cases for relevant pipeline capital projects to ensure best use of its resources.

Noting the key messages as outlined, including the increasing risk profile, the Committee thanked the Commercial Director for his report and requested a further update in Trinity Term 2019.

**Action:**

- 46.1** The business cases for relevant pipeline capital projects to be reassessed in the context of emerging accommodation-market trends.
- 46.2** The next update from CRU to come forward for consideration in Trinity Term 2019.



### **FN/18-19/47    Brexit Working Group Progress Update**

The Committee noted the circulated memorandum from the Chief Risk Officer (CRO) dated 24.01.2019, setting out an update on the activities of Trinity's Brexit Working Group.

By way of presentation, the CRO summarised the remit of the Brexit Working Group to assess the potential risks to Trinity in the event of a "no-deal" or "hard Brexit" between the EU and the UK. The Committee noted the RAG status of the various workstreams across each of the Faculties and Divisions and commended the Procurement team in FSD in particular, for their input, analysis and work to date. The importance of the common travel area to Ireland in terms of student, academic, research and employee mobility was noted along with the consequential impact on University activity should a "no-deal" Brexit arise.

The Committee thanked the CRO for her presentation, noting the level of uncertainty that remains in terms of potential outcomes and implications for the University.

### **FN/18-19/48    Fee Status for UK PG Students Registering from September 2019**

The Committee noted the circulated memorandum from the Vice-Provost/CAO dated 28.01.2019 setting out a proposal that, for 2019 following Brexit, the United Kingdom would be deemed to be an EU country in the assessment of whether an incoming postgraduate student (whether on a research or taught register) is to have EU status for fee purposes. As outlined by the Vice-Provost, the Committee noted that this proposal reflects the approach that is being applied to PG students by all HEIs, following a Government announcement of a similar approach being taken to undergraduate students.

Noting that the initial designation of a student as EU/Non-EU for fee purposes will not change for the duration of the course for which they initially register, the Committee agreed to the proposal as set out on the basis that it will provide certainty to students for the full period of their studies and will have no impact on fee income projections.



## Section C

### **FN/18-19/49 US GAAP Financial Statements for the year ended 30.09.2017**

**XX**

The Committee noted the memorandum from the Deputy CFO dated 28.01.2019 and the accompanying US GAAP Financial Statements for the year ended 30 September 2017 and the draft letter of representation to KPMG as circulated, which had been prepared to meet the requirements of US Government legislation regarding foreign institutions in receipt of Federal Student Aid Programs funding. In this context, Trinity is required to submit financial statements prepared in accordance with US GAAP, once every 3 years and within 6 months of the financial year end, in addition to submitting audited Irish GAAP financial statements annually.

The Committee noted that as all Universities in the sector, including Trinity, had been unable to meet the submission deadline of 31.03.2018, the US Department of Education (DoE) has imposed sanctions and that the Irish Universities Association will be lobbying to seek an amendment to this requirement.

The Committee noted the key reconciling items and financial reporting impact between Irish and US GAAP as set out, along with the draft letter of representation to KPMG which will be considered by Audit Committee and Board in the coming weeks.

#### **Action**

**49.1** The draft US GAAP Financial Statements for the year ended 30 September 2017 and accompanying draft letter of representation to be forwarded to Audit Committee for consideration and onward recommendation to Board for approval.

### **FN/18-19/50 Global Relations Strategy (GRS) II Update** (Minute FN/17-18/108 of 06.07.2018 refers)

The Committee noted the memorandum from the Vice-President for Global Relations dated 01.02.2019 setting out the detail provided on GRS across the following headings:

- Executive Summary
- Update – January 2019
- Risk Register

The Committee noted the current budget position and the performance to date against recruitment and income targets. The Committee also noted the



additional income generated through internationalisation activities and the ongoing work with Faculties in developing GRS3, which was approved by Board in December 2018.

The final report from GRS II was requested for review in Trinity Term 2019.

**Action**

**50.1** The final update from GRS II to come forward for consideration in Trinity Term 2019.

**FN/18-19/51 FIS Transition Programme Update**  
(Minute FN/17-18/91 of 23.04.2018 refers)

The Committee noted the circulated report from the FIS Transition Programme Manager dated 04.02.2019, and the update provided under the following headings:

- Progress since last update
- Priorities for the next quarter

The Committee noted the update provided on the successful completion of the Oracle Platform testing, fixes applied to non-pay commitments in prior years, the status of the proposed team restructure along with priorities for the next quarter, including implementation of a solution for payroll commitments for the Model Pension Scheme and completion of the Oracle BI platform upgrade. In line with University policy, the second FIS Transition Programme bi-annual report will come forward in Trinity Term 2019.

**Action**

**51.1** An updated report to come forward for consideration in Trinity Term 2019.

**FN/18-19/52 Trinity College Institute of Neuroscience (TCIN) Update**  
(Minute FN/17-18/119 of 06.07.2018 refers)

The Committee noted the update on TCIN provided in the circulated memorandum from the Director of TCIN dated 25.01.2019 across the following headings:

- Executive summary
- Update since last report
- Financial summary
- Risk
- Sustainability issues
- Request



The Committee noted the current financial position along with the increased forecasted deficit position (resulting from the upfront institutional cost-share contribution to fund a new digital MRI scanner), the ongoing adverse impact of costs associated with the MRI and measures taken to address this, the update on new faculty along with the awards secured in the period since the last report and other achievements as outlined. In line with University policy, an updated report will be brought forward for consideration in Trinity Term 2019.

**Action**

**52.1** An updated report to come forward for consideration in Trinity Term 2019.

**FN/18-19/53 Trinity Industry Engagement Strategy Update**  
(Minute FN/17-18/108 of 06.07.2018 refers)

The Committee noted the update on the Trinity Industry Engagement Strategy provided in the circulated memorandum from the Director of TR&I, the Head of Office of Corporate Partnership and Knowledge Exchange (OCPKE) and Senior Business Development Manager (TR&I) dated 19.01.2019 across the following headings:

- Update since the last report
- Financial Summary 2017/18
- Financial Position of Project Lifecycle (5-years)
- High Level Key Risks

The Committee noted that the strategy has completed its original 5-year cycle and is reporting an underspend against the approved budget. Having significantly exceeded the approved income target, the Committee noted the activity and resources are in the process of being mainstreamed, integrating with the OCPKE. An updated report is to be brought forward by the Director of TR&I in Trinity Term 2019.

**Action**

**53.1** An update to come forward for consideration in Trinity Term 2019.

**FN/18-19/54 Budget Allocation 2018/19 – Faculties & Divisions**

The Committee noted the 2018/19 budget allocation to Faculties and Divisions as set out in the circulated memorandum from the Financial Planning and Risk Manager dated 29.01.2019, which had been approved by



Planning Group. Welcoming the prior year comparisons, the Committee noted that budgets by School are currently being finalised by the Faculties and will be considered by Planning Group in February 2019.

**FN/18-19/55 Control Exception Report**

The Committee noted the bi-annual Control Exception Report for the period to November 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:**

**55.1** 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/18-19/56 Financial Services Division Annual Report 2017/18  
XX**

The Committee welcomed FSD's Annual Report for 2017/18 as circulated, noting the goals and targets achieved in the year, key performance statistics along with the priorities and planned objectives for 2018/19 and agreed that the Report should be forwarded to Board in electronic format for noting in February 2019.

**Action:**

**56.1** FSD's Annual Report 2017/18 to be forwarded to Board (in electronic format) for noting in February 2019.

**FN/18-19/57 Capitation Committee Annual Report 2017/18**

The Committee noted the Capitation Committee's Annual Financial Report 2017/18, circulated for oversight purposes at the request of Board, including the updates provided under the following headings:

- Role
- Committee
- Meetings



- Financial Reports

The concerns of the Capitation Committee in relation to the Student Union deficit were noted, along with the request for an action plan in this regard.

**FN/18-19/58 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 28.01.2019, setting out an update for the fourth quarter of the financial year from 01.07.2018 to 30.09.2018 along with comparative data for the previous financial year across the following headings:

- Current deposits, credit ratings and credit limits
- Average deposit rates and monthly cash balances
- Bank of Ireland Negative interest charges on current accounts
- EIB Loan
- Commercial borrowing
- Obligations under Finance Lease
- Financial covenants, borrowing capacity & HEA considerations
- Overdraft

The Committee also noted the information provided in relation to the changes being made to the financial covenants for the first two EIB loans as a result of the third loan along with the compliance review being undertaken by KPMG in this regard. An updated report on the first quarter of the financial year 2018/19 will come forward for consideration in Trinity Term 2019.

**Action:**

**58.1** An updated report on the first quarter of the 2018/19 financial year to come forward for consideration in Trinity Term 2019.

**FN/18-19/59 Minutes of Sub-Committees**

The Committee noted the circulated memorandum from the Interim CFO dated 28.01.2019 along with draft minutes of the Investment Committee meeting of 20.11.2018, which included the following items:

- Endowment Fund 30.09.2018
- Update on portfolio review and restructure
- Investment Committee Annual Report 2017/18



- Investment Committee Self Evaluation 2017/18
- Rationale for Endowment Fund Portfolio Allocations

**FN/18-19/60 Minutes of the FIS Oversight Group**

The Committee noted the circulated memorandum from the Interim CFO dated 28.01.2019 along with the draft minutes of the FIS Oversight Group of 11.11.2018, which included the following items:

- FIS Development Log
- FIS Project Update
- FIS Stakeholder Engagement & Communications

**FN/18-19/61 Minutes of the FIS Transition Project Steering Committee**

The Committee noted the circulated memorandum from the Interim CFO dated 28.01.2019 along with the draft minutes of the FIS Transition Project Steering Group of 26.11.2018, which included the following items:

- Minutes of the Transition Plan Group meeting 17.09.2018
- FIS Transition Programme Update
- Transition Programme Status
- FIS Oversight Group Update

**FN/18-19/62 Related Entity Financial Reporting**

**XX**

The Committee noted the circulated memorandum from the Interim CFO dated 28.01.2019 and recommended the Directors' Report and audited Financial Statements of the Central Applications Office (CAO) and the Irish Universities Association (IUA), for the year ended 31.12.2017, to Board for noting:

**Action**

- 62.1** The Directors' Reports and audited Financial Statements of the CAO and the IUA for the year ended 31.12.2017 to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for **7 March 2019 at 2.30pm** in the Provost's Library.

PROVOST.....

DATE.....