



Minutes of the Finance Committee Meeting of 6 May 2020

Present: Provost (Chair), Vice-Provost/CAO, Bursar, COO, Registrar, Dean of Health Sciences, Ms. C. Bryce, Mr. L. Kavanagh, Ms. N. Holland, President of the Students Union (from Minute 77), Professor S. Alyn Stacey, Chief Financial Officer (CFO) – Secretary to the Committee

In Attendance: GSU President, Deputy CFO

Apologies: None received

Statement of Interest: None declared

The Committee noted and approved the minutes of the Finance Committee meeting of 03.03.2020.

Section A

No items

Section B

FN/19-20/77 Emergency Financial Management Group (EFMG) Update

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The Project Appraisal Manager, Financial Planning and Risk Manager, Academic Services Division (ASD) Manager, CSD Operations Manager and ASD Planning and Finance Partner attended for this item.

The Committee welcomed the circulated memorandum from the CFO, on behalf of the Emergency Financial Management Group (EFMG) dated 30.04.2020, and the accompanying presentation, which set out an analysis of the projected financial impacts of Covid 19 on the University along with an initial update from the EFMG, a sub group of the Executive Officers Group tasked with identifying and developing appropriate actions to mitigate the financial impacts of the Covid 19 crisis.

Following a brief introduction by the VP/CAO as Chair of the EFMG, the CFO provided a high-level overview, including initial estimates of the financial impact of the Covid-19 pandemic on the University. He advised the Committee that whilst there were no immediate liquidity issues, mitigating actions will be crucial to ensure cashflow is maintained in line with forecasts over the next 18 months. The CFO highlighted that projections for the current financial year



had been validated by a 'bottom up' Q2 forecast, noting however the considerable uncertainty with regard to longer term financial projections, particularly in respect of the impact of travel restrictions on FY20/21 student numbers and income.

The Committee noted that current year losses are driven by commercial impacts (closure of Book of Kells, accommodation, events etc), while losses projected for next year are driven more by uncertainty in student recruitment, particularly in relation to international students. The Committee further noted the significant additional costs associated with the Covid-19 crisis as outlined.

The CFO detailed the key assumptions across all of the income categories in the University's base case projections along with the IUA case, which envisages a longer timeline to recovery. He highlighted that these projections do not take account of any mitigating actions and noted the underlying assumption that demand and activity will begin to normalise after an 18-month period.

In this context, the CFO then drew the Committee's attention to the detailed mitigating actions identified across the following headings:

- Update on mitigating actions – Income
- Operating cost savings
- Capital projects and costs
- Cashflow and financing
- Insurance

The Committee welcomed the detail provided by the ASD Planning and Finance Partner on academic fee income projections and the actions being taken to protect income levels in 2020/21, noting the key role of the Global Relations team in safeguarding Non-EU income streams, the ongoing analysis on EU UG and PG fee income and engagement with the Faculty Deans and Heads of School on strategies to maximise demand.

In considering the impact on research income as outlined by the Deputy CFO, the Committee noted the 5-year forecasts and the various scenarios for post-Covid-19 research activity levels and indirect cost contribution, along with the broader impacts on the University.



The Committee noted the addressable operating cost base as outlined and the constraints and challenges arising in delivering cost savings in the University environment. The Committee noted the overall annualised savings target required to close the financial gap along with the summary of key areas where savings could be met and welcomed the initiatives already underway including a recruitment freeze and targeted procurement savings. Further to a query from the GSU President, the Committee requested FSD to engage with her regarding the forecasted impact on the income allocation to capitated bodies, once known.

The Project Appraisal Manager outlined the University's financial commitments to capital projects in the current and next financial year, noting that all are under review in order to deliver meaningful net cash savings/deferrals over the next 18 months.

The Committee welcomed the ongoing engagement with banking partners in terms of assessing the requirement for additional facilities and noted the plans under active consideration.

The Committee noted the EFM Group's next steps as outlined by the CFO which include:

- ongoing refinement of key assumptions and financial impact assessments
- targeting of gap closing measures to match base case losses
- further development of mitigating actions across all workstreams
- regular updates to EOG, Finance Committee and Board

The Committee recommended that a communications strategy be put in place as a priority for both internal and external stakeholders and requested the EFMG to engage with the Director of Public Affairs & Communication in relation to development of the strategy.

Following some further discussion and noting the significant financial issues facing the University, the Committee commended the work of the EFMG and welcomed the level of financial analysis provided, endorsing the actions taken to date and the planned mitigating actions as outlined. Thanking the Vice-Provost, CFO and their teams for their detailed presentations, the Committee requested an updated report at the next meeting.



Action:

- 77.1** The Committee endorsed the planned mitigating actions as outlined and requested an updated report at the next meeting.
- 77.2** The EFMG to engage with the Director of Public Affairs & Communication in relation to development of a communications strategy for both internal and external stakeholders.
- 77.3** FSD to engage with the GSU President regarding the forecasted financial impact on Capitated bodies once known.

FN/19-20/78 E3 Business Case Update (Non-Capital)

(Minute FN/19-20/2 of 01.10.2019 refers)

The Dean of FEMS, Business Development Manager, Heads of Schools of Engineering, Computer Science & Statistics and Natural Sciences and the Project Appraisal Manager attended for this item.

In considering the circulated memorandum from the Dean of FEMS (Project Sponsor) dated 23.04.2020, the Committee noted the update provided under the following headings:

- Background
- Update since the last report
- Financial summary update
- Primary risk register
- Covid-19 potential impact on 2020/21 recruitment and income

By way of presentation, the Dean of FEMS summarised the progress made against Business Case targets across the following headings:

- What is the E3 vision?
- What does it enable?
- Total School Income (based on 2019/20 Student Numbers)
- Learning Foundry Income & Expenditure vs Budget
- Next steps in finalising 2019/20 Income & Expenditure
- Actions to enable growth
- Student recruitment 2020/21
- Impact of Covid-19 on 2020/21 recruitment
- Scenario testing for 2020/21



The Dean drew the Committee's attention to the key elements of the E3 vision, noting the relevance of the research focus areas in terms of the current crisis and emerging global priorities. In reviewing the School income figures, updated to reflect 2019/20 recruitment, the Committee noted that income is ahead of target and welcomed plans to manage expenditure in line with income achieved. The Committee further noted the reduction in expenditure achieved against budget, driven by extended recruitment times and deferred start dates and cost savings in marketing and academic start-up funds and noted that whilst the Business Case shows a deficit until Year 6, it is at a reduced level from figures outlined in the Business Case in November 2019. The next steps in finalising 2019/20 income and expenditure, including validation of HEA headcount, student recruitment, academic start-up funding and income, updating philanthropic funding and quantifying the impact of the current recruitment freeze, were also noted.

The Committee welcomed the update on actions to enable growth provided by the E3 Educations Group, noting that a new UG programme has been approved by Council. A further UG course will come forward to Council in May and development work is underway for 4 new multi-School MSc courses, along with a roadmap for new PhDs.

In considering the impact of Covid-19 on 2020/21 recruitment, the Committee noted the actions taken in terms of managing recruitment and growth strategies. The strong performance of the E3 marketing team in mitigating any impact on student recruitment was highlighted by the Dean of FEMS who advised the Committee that clarity on start dates and academic year structures were required urgently to support 20/21 student recruitment.

Having reviewed the post Covid-19 income scenarios, the Committee noted the best and worst-case outcomes as outlined, noting the resilience of applications to date and that the situation would be closely monitored.

Following updates by each of the Heads of School, the Committee commended the strong level of engagement and collaboration across the Schools and noted the positive impact of the enhanced project governance structures. The Committee also noted the renewed assurances given by the Heads of School in terms of the Schools' commitment and capacity to deliver



growth targets and congratulated them on the expanded offering to students, in particular the delivery of the new UG programmes.

Noting the detailed update as set out and that scenario testing will continue to enable a carefully managed response to the impacts of Covid-19, the Committee thanked the Dean of FEMS, Business Development Manager, the Project Appraisal Manager and the Heads of the Schools of Engineering, Computer Science & Statistics and Natural Sciences for their presentation and requested that an update come forward for consideration in Michaelmas Term 2020.

Action:

78.1 An updated report to come forward for consideration in Michaelmas Term 2020.

FN/19-20/79 Planning Group Report #21

The Committee noted the circulated memorandum from the VP/CAO, dated 21.04.2020, enclosing Planning Group Report #21, which had been considered and approved by the Executive Officers Group at the meeting of 18.02.2020 and subsequently by Board on 26.02.2020.

The report provides an update on Planning Group activity from September 2019 to February 2020 across the following headings:

- Introduction
- Strategic Plan 2020-25: Community and Connection
- University Budgets 2019/20
- BBM Review
- HEA Human Capital Initiative
- Monitoring: Finances, Student Numbers and Staffing

By way of presentation, the VP/CAO noted that the delivery of the new Strategic Plan 2020-25, which came into force in January 2020 (with a virtual launch on 10.03.2020) had been a priority activity for Planning Group in the period since the last report. He also highlighted that Planning Group had considered the full 2019/20 University budget for the first time which provided an enhanced level of clarity and oversight.



The Committee noted the outcome of the initial BBM review, including the strengthening of governance and oversight by Finance Committee and Board, alignment of the budgeting model with overall financial performance and with strategic planning, along with the progress on the HEA's Human Capital Initiative funding proposal and Planning Group's ongoing monitoring of finances, student numbers and staffing.

Thanking the VP/CAO for his report, the Committee noted that the next Planning Group report will come forward for consideration in Michaelmas Term 2020.

Action:

79.1 The next Planning Group report to come forward in Michaelmas Term 2020

Section C

FN/19-20/80 External Audit 2018/19 – Management Letters

The Committee noted the circulated memorandum from the Deputy CFO dated 27.04.2020 along with the accompanying documents as follows:

- FY2018/19 C&AG Management Letter
- FY2018/19 KPMG Management Letter

The Committee noted the status of the audit findings of the University's statutory and commercial auditors in the financial year 2018/19, encompassing the financial risks and control issues facing the University, and the associated management responses set out, in relation to issues identified.

The Committee noted the ratings as follows:

Auditor	No. of audit findings	High	Medium	Low
C&AG	9	2	1	6
KPMG	11	1	9	1



FN/19-20/81 School of Medicine Business Expansion Plan

The Committee welcomed the circulated memorandum from the Head of School of Medicine dated 21.04.2020, which set out an update on the School of Medicine business expansion plan across the following headings:

- Executive Summary
- Update
- Financial Summary
- Risks
- Sustainability Issues

The Committee noted the update provided on the progress made against the School's expansion plan in the year to date along with the plans for 2020/21. The Committee further noted the cautious approach on expenditure to date due to risks of delivering Non-EU student numbers and practical delays in the implementation of planned expenditure. Noting the budget position, the performance against target for 2019/20 (and plans for 2020/21), along with the risks as outlined, including the potential impact of Covid-19 on Non-EU student numbers, the Committee requested a further update to come forward for consideration in Michaelmas Term 2020.

Action:

- 81.1** An updated report to come forward for consideration in Michaelmas Term 2020.

FN/19-20/82 FIS Transition Programme Update

The Committee noted the memorandum from the FIS Transition Programme Manager dated 24.04.2020, which set out an update on the Programme under the following headings:

- Oracle EBS Upgrade
- Oracle BI Upgrade
- FIS Infrastructure Refresh
- Summary of further progress since the last update
- Priorities for the next quarter



The Committee noted timelines of the planned EBS upgrade and the successful delivery of the BI upgrade, within the agreed timeline and budget, further noting the performance improvements achieved. The Committee further noted that in order to facilitate the closing of the Transition Programme, the FIS TP Steering Group formally approved the de-scope of the infrastructure refresh at its meeting in April 2020. This decision will facilitate delivery of the optimal solution for the University, aligned to Trinity's overall IT Strategy (and College-wide roll-out of the 'Infrastructure as a Service' solution) and will comply with EU procurement directives.

Noting the detail set out regarding the priorities for the next quarter, the Committee requested the Project Closure Report to come forward for consideration in Michaelmas Term 2020.

Action:

82.1 The FIS Transition Programmes Project Closure Report to come forward for consideration in Michaelmas Term 2020.

FN/19-20/83 Procurement Strategy Implementation Update

The Committee noted the bi-annual update on the Procurement Strategy provided in the circulated memorandum from the Procurement Manager dated 24.04.2020 across the following headings:

- Cost Reduction Programme
- New Procurement Strategy 2020-25
- Supplier Management
- Category Management
- Capital Works & Facilities
- C&AG 2018/19 Audit
- Sustainability
- Contract Management System
- External Environment

The Committee welcomed the update provided on the planned cost reduction programme through 2020 and 2021 to help address the financial impact of the Covid-19 pandemic. The programme will consist of six key elements, including



a possible reset of the purchase-to-pay process along with category, supplier, demand, programme and agency management initiatives.

The Committee noted that a new Procurement Strategy is being prepared, aligned to the new Strategic Plan 2020-25 and will include a range of measures such as an increased focus on sustainability, staff and student engagement, digitalisation, supplier management and capital works project leadership. The new Strategy will come forward for approval in June 2020.

Action:

83.1 The new Procurement Strategy to come forward for approval in June 2020.

FN/19-20/84 Provost's Expenses

The circulated memorandum from the College Secretary dated 29.04.2020, setting out the report of the Provost's expenses for the period 01.01.2019 to 31.12.2019, was noted. Furthermore, the Committee noted that, as indicated, all expenses incurred were approved in line with relevant University policies, no exceptional items of expenditure were incurred and that reimbursement claims (and associated supporting documentation) were available for review at the meeting.

FN/19-20/85 Tangent Update

(Minute FN/19-20/5 of 01.10.2019 refers)

The Committee noted the memorandum from the Tangent CEO dated 25.04.2020, which summarised Tangent's financial performance for the year to date as circulated. The Committee noted the updates provided across the following headings:

- Key Messages
- Detailed Information on Responding to the Covid Crisis
- Financial Summary
- Sustainability Issues
- Risk



The Committee noted Tangent's strong performance in the year to March 2020, with 89% of the revenue target for the year achieved and a surplus being forecast at year-end. However, the Covid-19 pandemic has severely impacted existing and planned activities and the Committee noted the negative revised forecasted position prior to any mitigating actions being taken. The Committee further noted the mitigation strategies implemented to date, including a transition to online course offerings and a detailed analysis of costs to reduce expenditure and deliver savings. The Committee welcomed the update on planned activities for the rest of the year, noting that opportunities to generate additional revenue have also been identified. Finally, the development of a revised 3-year Business Case was welcomed and the Committee noted the focus will be on stabilising and controlling costs whilst developing the strategic impact of Tangent for the University.

The Committee requested that an updated report be provided in Michaelmas Term 2020.

Action:

85.1 An updated report to come forward for consideration in Michaelmas Term 2020.

FN/19-20/86 Trinity Development & Alumni (TDA) Update
(Minute FN/19-20/23 of 18.11.2019 refers)

The Committee reviewed the circulated memorandum from the TDA Director dated 27.04.2020, which provided an update on TDA's performance versus the approved Business Plan, across the following headings:

- 2019/20 Funds Raised and Income
- Review of Outstanding Pledges
- Ageing of Pledges
- Forecasted Cashflow
- Operating Costs: Year to Date to March 2020
- Update on Operations

The Committee noted the funds raised in 2019/20 versus target, further noting the increase on prior year and the significant gifts received during the year. The Committee also noted the funds raised by the Campaign to date,



along with the remaining balance to achieve the Campaign's fundraising goal of €400m.

In addition, the Committee noted the update on outstanding pledges, including the split of balances due to TDA and those that will be paid directly to the University, along with their age profile. The forecasted cashflow and the favourable variance to budget in terms of operating costs in the year to date were also noted.

Lastly, the Committee noted the update on operations, including the Covid-19 contingency plan, the newly launched digital strategy and recent fundraising successes in support of the Student Hardship Fund and Covid-19 research and requested that an update on activity be provided in Michaelmas Term 2020.

Action:

86.1 An updated report to come forward for consideration in Michaelmas Term 2020.

**FN/19-20/87
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Borrowing Framework and Loan Guarantees

In considering the circulated memorandum and accompanying documents from the Project Appraisal Manager dated 27.04.2020, setting out the Borrowing Framework template for the academic year 2018/19 along with projections for 2019/20, the Committee noted the University's compliance with the current framework, approved the framework template and supporting documents and requested that the Borrowing Framework template be forwarded to Board for noting.

Action:

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

FN/19-20/88

Federal Aid Loan (Stafford Loan) Program – Auditors Report y/e 30.09.2019

The Committee, having been circulated with a memorandum from the Director of the Academic Registry and the Head of Student Finance dated 8.04.2020 along with the Report of Independent Auditor, Bender, Ciccotto & Co. for the year ended 30 September 2019 in relation to the University's



compliance with the Federal Family Education Loan Program (Stafford Loan Program), noted the unqualified audit opinion received and the University's management responses to the auditors findings.

FN/19-20/89 Minutes of Sub Committees including quarterly performance summary of the Trinity Endowment Fund q/e 31.12.2019
(Minute FN/19-20 42 of 4.02.2020 refers)

The Committee noted the circulated memorandum from the CFO dated 27.04.2020 and the accompanying draft minutes of the Investment Committee meeting dated 24.03.2020, which included the following items:

- Endowment Fund – 31 December 2019
- Update on Portfolio Review and Restructure
- Draft Investment Policy Statement
- Endowment Fund Financial Statements 2018/19 (draft)

The Committee also noted the quarterly performance summary to 31.12.2019 as circulated, further noting that for the duration of the Covid-19 crisis, the investment managers will provide a fortnightly valuation of the Endowment Fund's equity portfolio.

FN/19-20/90 Minutes of the Audit Committee

The Committee noted the circulated memorandum from the CFO dated 29.04.2020 along with minutes of the Audit Committee meetings dated 18.02.2020 and 10.03.2020 which included the following items:

- Audit Function Risk Register
- Report from the Trinity Foundation Audit and Risk Committee
- Review of Completed and Risk Accepted Items
- Draft Annual Report to Board 2019/20
- Communications Received by Chair
- Plan for the Audit of the 2018/19 Accounts
- Board Papers
- Protected Disclosures Annual Report
- Audit Committee Recommendations Log



- Audit of the Consolidated Financial Statements for 2018/19
- Trinity Endowment Fund Financial Statements y/e 30.09.2019
- Conduct of the Audits
- Review of Quality Compliance Oversight Internal Audit Report

FN/19-20/91 Minutes of the Estates Policy Committee

The Committee noted the circulated memorandum from the CFO dated 29.04.2020 along with minutes of the Estates Policy Committee meeting of 06.03.2020, which included the following items:

- Matters Arising
- Old Library development Project
- E3 Project – Zoology Decant
- Space Allocation Policy 2020
- Estates Policy Committee Terms of Reference
- Finance Committee decisions relevant to Estates Policy Committee
- AOB

FN/19-20/92 Minutes of FIS Transition Project Steering Committee

The Committee noted the circulated memorandum from the CFO dated 29.04.2020 along with the draft minutes of the FIS Transition Programme Steering Committee meeting of 31.03.2020, which included the following items:

- FIS Transition Programme Update
- FIS Oversight Group (FOG) Update

The Committee noted the next Finance Committee meeting is scheduled for **15 June 2020 at 10.30 am** in the Provost's Library.

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