



## Minutes of the Finance Committee Meeting of 14 April 2022

**Present:** Provost (Chair), Vice-Provost/CAO, Bursar, Dean of Health Sciences, Registrar (for all except Minute 80), Ms. C. Bryce, Ms. N. Holland, Mr. L. Kavanagh, Professor Louis Brennan, Chief Financial Officer (CFO) – Secretary to the Committee

**In Attendance:** GSU President, Deputy CFO, CFO's Strategic & Admin Support (Minute-taker)

**Apologies:** COO, President of the Students Union

**Statement of Interest:** None received

The Committee noted and approved the minutes of the Finance Committee meeting of 03.03.2022 as circulated, along with the updates provided on open actions under Matters Arising.

### Section A

No items

### Section B

**FN/21-22/73 Academic Fees**  
(Minute FN/21-22/63 of 03.03.2022 refers)

The CFO briefed the Committee on the Board's approval of a freeze in academic fees for FY22/23 noting that, following a detailed discussion at Board, a fee certainty proposal for FY23/24 and future years will come back for further consideration in Trinity Term 2022.

**Action:**

**73.1** A fee certainty proposal for FY23/24 and future years will come back for further consideration in Trinity Term 2022.



**FN/21-22/74 Student Accommodation - New Stepped Nominations Agreement**

The Commercial Director and Head of Accommodation attended for this item.

The Committee noted the circulated memorandum from the Head of Accommodation dated 14.04.2022, which set out a proposal to enter into a new nomination agreement with an external provider for off-campus student accommodation across the following headings:

- Background information
- Performance of previous agreements
- Proposal for new agreement
- Risk
- Request

In his presentation, the Head of Accommodation summarised the existing arrangements, including the 5-year agreement now coming to an end and other initiatives put in place to support growth plans. Having outlined the extent of the University's liability for the duration of the previous agreement, he also highlighted the increase in demand during that period along with the strong pipeline of new international students for 2022/23.

In considering the new 5-year proposal, the Committee noted the break option at Year 3, along with details of the University's financial exposure and associated mitigants to minimise liability, including the transfer of liability once a student moves into the accommodation, the right of refusal for vacancies arising during term along with the option to use informal Referral Agreements.

Having welcomed the reduced level of financial risk versus the previous agreement, and noting that current demand for rooms is strong, the Committee approved the 5-year stepped nominations agreement (incl. break clause) as proposed.

**Action:**

**74.1** A 5-year stepped nominations agreement (incl. Year 3 break clause) for external student accommodation was approved as proposed.



**FN/21-22/75 Trinity Development & Alumni (TDA) Update**

The TDA Director of Advancement and TDA Director of Operations attended for this item.

The Committee reviewed the circulated memorandum from the TDA Director of Advancement dated 07.04.2022, which provided an update on TDA's performance versus the approved Business Plan, across the following headings:

- 2021/22 Funds Raised and Income Received
- Review of Outstanding Pledges
- Ageing of Pledges
- Forecasted Cashflow
- Operating Costs: 2021/22
- TDA Update

The Committee noted the funds raised in the year to date, versus the annual target, welcoming the significant increase over the same period in 2021 and noting the strong momentum maintained since completion of the Inspiring Generations fundraising campaign along with the significant gifts received during the year in support of specific, strategic University activities. The total income recognised in the year to date, 12.8% ahead of prior year, was also noted along with the value of funds transferred to the University since TDA's last report to Finance Committee.

The Committee reviewed the update on outstanding pledges (decreased versus prior year), the split of balances due to TDA and those that will be paid directly to the University (and their age profile) and noted the forecasted cashflow to FY2024/25. The favourable variance to budget in terms of operating costs in the year was also noted, including the additional detail on pay costs and recruitment challenges and the options being explored to mitigate the attendant risks.

In considering the update on planned activities, the Committee noted the Spring Phone campaign currently underway and recommendations arising from the Campaign impact assessment and future options analysis which will inform an action plan to guide future fundraising initiatives.



Following a brief discussion during which further detail was provided on recruitment strategies and management of aged debt, along with efforts to maximise deposit interest rates through close liaison between the University and TDA, the Committee requested that an update on activity be provided in Michaelmas Term 2022.

**Action:**

**75.1** An updated report from TDA to come forward in Michaelmas Term 2022.

**FN/21-22/76 Procurement Strategy Implementation Update**

The Procurement Manager attended for this item.

The Committee noted the circulated paper from the Procurement Manager dated 14.04.2022, setting out the second of the bi-annual updates on the University's Procurement Strategy for the University across the following headings:

- Introduction & Overall Environment
- Capital Works & Facilities
- Sustainable Procurement
- Category Activity
- Resourcing
- External Environment

The Procurement Manager drew the Committee's attention to key inflation and supply risks arising in the current environment, along with detail of the impacts on various categories of spend and mitigants in place. He highlighted capital projects as an area particularly exposed to market volatility, with the war in Ukraine having an additional (as yet unquantified) impact and the Committee noted details provided on specific projects and the actions taken/planned to counter inflation and supply risks.

The Committee welcomed the update provided on the 'Top 50 Supplier Programme', the first sustainability procurement initiative in the HE Sector, which focuses on positive collaboration with suppliers to calculate CO2 equivalents for products purchased by the University to inform reporting on Scope 3 emissions. While suppliers are in the early stages of developing the



appropriate tools and measures, the Committee noted engagement with the supply-base has provided opportunities for pilot projects, packaging reduction and calibrated best/worst product-sets including water and energy consumption.

The Committee noted the range and scope of Procurement activity, and the complexities arising in the context of the requirements of various Government procurement agencies and the regulatory environment, in addition to current market challenges.

The Committee, expressing concern at the inflationary risks as presented, (including contract claims/withdrawals), noted the additional context provided by the CFO in respect of the very serious impact of such significant cost increases on the University's 5-year projections, given largely fixed income levels.

In response to specific queries, the Procurement Manager provided further detail on the ongoing impact of Brexit on University operations along with detail on tender thresholds. The Provost advised that the IUA plans to carry out a review of public procurement guidelines to ensure they are fit for purpose and deliver value for money and that there is also an opportunity to work across the sector and engage with Government on inflation issues and agreed to pursue both matters.

The Committee commended the Procurement team for the pre-emptive approach taken in all aspects of their work not least in managing cost, addressing sustainability issues and sourcing supplies ahead of emerging demand in recent months. Having noted the updated KPI report as circulated, the Committee requested an updated report for consideration in Michaelmas Term 2022, with the Top 10 Suppliers list to include detail of the goods/service provided. The Procurement Manager will also provide analysis of any Russian suppliers as requested.

**Action:**

- 76.1** The Provost to engage at sectoral level on emerging inflation issues and the review of public procurement guidelines.
- 76.2** An updated report, including detail of the goods/service provided by the Top 10 suppliers, to come forward for consideration in



Michaelmas Term 2022. The Procurement Manager to provide an analysis of Russian suppliers.

**FN/21-22/77 Tangent Update**

The Tangent CEO attended for this item.

The Committee reviewed the circulated memorandum from the Tangent CEO dated 05.04.2022, providing an update on Tangent's performance across the following headings:

- Executive Summary
- Financial Summary
- Sustainability Issues
- Risk

In his presentation, the Tangent CEO highlighted the strong performance in the year to date, with revenues now exceeding the KPIs in the original business plan and a significant surplus contribution made to the University in Tangent's first 3 years in operation. In considering the performance update, the Committee welcomed the overview on activities and summary of key strategic deliverables achieved in the year to date, noting the increased number of programmes along with record numbers of course participants and start-up companies supported.

The Committee noted the detailed income analysis across key revenue streams, including the negative variance anticipated on certified course income due to high attrition rates post-Covid, further noting that pay costs are expected to come in on budget.

In considering the update on sustainability issues and risks as outlined, the Committee noted the critical importance of sponsorship to Tangent and the ongoing engagement with existing and potential sponsors along with close liaison with Trinity Development & Alumni. Further to a discussion around the time-limited and relatively volatile nature of corporate sponsorship, the Tangent CEO advised that the vision for Tangent had been refreshed and agreed that a more agile/flexible revenue infrastructure may now be required to support future growth. He undertook to liaise with a member of the Committee regarding a potential sponsorship opportunity.



Congratulating him on Tangent's success to date and thanking him for his report, the Committee requested the CEO bring forward an updated report for consideration in Michaelmas Term 2022.

**Action:**

**77.1** The Tangent CEO to liaise with a member of the Committee regarding a potential sponsorship opportunity.

**77.2** An updated report to come forward from Tangent in Michaelmas Term 2022.

**FN/21-22/78 Sustainability of Trinity Research Institutes (TRIs)**

(Minute FN/18-19/108 of 10.06.2019 refers)

The Dean of Research attended for this item.

The Committee welcomed the circulated presentation from the Dean of Research dated 14.04.2022, which provided an update on the sustainability of the 5 Trinity Research Institutes (TRIs). In his presentation, the Dean of Research outlined the development of the 5 Research Institutes and discussed the meaning of sustainability of the TRIs in the University context including:

- Strategic relevance
- Financial viability
- Functioning relationships with schools
- Plans for succession

The Committee noted the alignment of the TRIs with Trinity's overall research themes and the role they play within the University's research eco-system in advancing interdisciplinary and collaborative research, attracting funding for large-scale projects and philanthropic donations for emerging initiatives, including those which were central to the 'Inspiring Generations' Fundraising Campaign (E3, Research Policy Interface etc.), and others.

In considering the financial viability of the TRIs, the Committee noted the level of annual subvention from the University along with Faculty/School contributions and indirect cost income where relevant, further noting



performance against budget in 2021/22 along with the income and expenditure projections from 2021/22 to 2025/26. The Committee further noted:

- the substantial commitment from Faculty for TLRH in addition to the University's subvention, the substantial public humanities programme delivered and the associated reputational value-add for the University, which also appeals to Philanthropic donors
- CRANN's critical mass of research excellence and infrastructure as an enabler of significant income and strategic (external) partnerships/collaborations, across a range of disciplines, along with the opportunities to grow activities, noting however the dependence on external grant income and significant infrastructure costs
- while TTMI only recently received central funding, it is likely to attract more funding and overhead income over time and there are further opportunities arising from the strategic relationship between TTMI and St. James's Cancer Institute
- although TCIN contributes strongly to the wider academic community and attracts significant research funding, space is limiting growth and development and there is a lack of clarity around the appropriate allocation of indirect cost income, while facility and equipment costs remain high
- work remains to clarify the relationship between the TBSI building, the Institute and participating Schools and that an overarching research strategy is also required; reduced rental income and equipment costs further impact an ineffective funding model

The Dean of Research highlighted that, aside from reputational value and supporting the University's core mission, the active base of PIs in the TRIs provide financial value via the very significant research income generated compared to the relatively modest subventions provided to the TRIs.

Nevertheless, the Committee noted the mixed picture presented in terms of the performance and viability of individual Institutes, further noting the challenges of evaluating performance in a standardised manner due to the varying financial and "infrastructure" models utilised by each institute. Furthermore, the Committee noted that some PIs/activities worked across a number of Institutes and that, as a result there was a lack of clarity on financial





ownership/responsibility between the participating Schools, including the appropriate allocation of indirect costs.

In this context, and further to a detailed discussion on the options available to improve the financial viability of the Institutes, the Committee requested:

- a) the activity in each TRI be assessed/benchmarked at an international level to ensure it is competitive
- b) consideration be given to an overarching structure/framework within which TRI's would operate to streamline activity, income and cost distribution and to maximise collaboration and operational efficiencies
- c) the financial models of each TRI to be reviewed and aligned-, with all financial projections re-cast with a view to clarifying the management and elimination of deficits.

The Committee also agreed that further consideration of a consolidated plan for all TRIs, to include their strategic funding, was required and a report will be brought forward for review in Michaelmas Term 2022.

**Action:**

- 78.1** The activity in each TRI be assessed/benchmarked at an international level to ensure it is competitive.
- 78.2** Consideration be given to an overarching structure/framework within which TRI's would operate to streamline activity, income and cost distribution and to maximise collaboration and operational efficiencies.
- 78.3** The financial models of each TRI to be reviewed and aligned with all central funding clearly outlined and all financial projections to be re-cast with a view to clarifying the management and elimination of deficits.
- 78.4** A consolidated plan for all TRIs, to include their strategic funding, to come forward for review in Michaelmas Term 2022.



**FN/21-22/79  
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**Higher Education Strategic Infrastructure Fund (HESIF) Submission**

The Project Appraisal Manager and Head of Capital Projects & Planning attended for this item.

The Committee considered a circulated document from the Bursar dated 14.04.2022 regarding a proposed submission to the Higher Education Strategic Infrastructure Fund (HESIF) for an enhancement and expansion infrastructure project at Trinity South (Arts Building and adjacent area). In her presentation, the Bursar provided a summary of the proposal across the following headings:

- Trinity South renewal project: enhancement and expansion
- High level capital costs and funding
- Order of magnitude capital costs & funding
- Borrowings & financing
- Summary of 30-year financial scenario
- Request from Finance Committee

The Committee noted the HESIF objective of delivering high quality higher education infrastructure to provide a major strategic impact for Ireland's future skills needs and that the planned submission seeks a grant of €25m to support the Arts Humanities & Social Science infrastructure enhancement and expansion project.

The Bursar highlighted the benefits of the enhancement element of the project which will improve space utilisation in and access to the Arts Building while also increasing the building's BER rating, with associated cost reduction benefits. She also summarised the expansion element of the plan, which will increase the footprint of the Arts Building by c.3,300 sqm, creating a new Student Centre and space for the long-planned Law School expansion.

In considering the high-level cost estimate and sources of funding as outlined by the Project Appraisal Manager, the Committee reviewed the detail provided on the site feasibility study, the order of magnitude costs and funding options and noted the potential challenges arising from current market volatility and the University's borrowing capacity limitations.

The Committee also considered the 30-year financial scenario as presented, underpinned by previously approved business cases/growth plans, noting the



income and cost assumptions, along with the potential savings and synergies of the project and the positive NPV and IRR forecasted.

Noting the potential benefits of the proposal along with the opportunity costs arising for other pipeline projects, the Committee recommended the HESIF submission to Board for approval, with the proviso that if the funding bid is successful, a detailed business case will come forward for consideration at a later date.

**79.1** The Committee recommended the HESIF submission to Board for approval, with the proviso that if the funding bid is successful, a detailed business case will come forward for consideration at a later date.

**FN/21-22/80** **Review of Finance Committee meeting format and structure**  
(Minute FN/21-22/40 of 03.02.2022 refers)

The Committee noted the circulated presentation from the CFO dated 07.04.2022, which set out a summary of the format and structure of the Finance Committee, including details of its Terms of Reference, which are derived from the University Statutes and approved by Board. The CFO set out comprehensive list of proposals for discussion, noting that there is now an opportunity to consider the Committee's scope, structure and composition, in addition to the format and content of meetings, in particular as changes to the Board's structure and operations are implemented over the coming months on foot of the HEA Bill 2022.

Having reviewed the main functions of the Committee as a principal committee of Board, including the development and review of financial management policies (in the context of legislative and regulatory requirements), along with its financial oversight and advisory role on behalf of Board, the Committee noted that while certain activities and responsibilities cannot be amended, the manner in which they are addressed is worthy of review to ensure the time and expertise of Committee members is best utilised.

In this context, the Committee supported the proposed 12–18-month agenda-setting process, to provide reassurance that the Committee's objectives were



being met via a combination of ordinary Committee business and broader, more strategic discussion and review and to create more opportunity for free-flowing discussion on current and emerging priorities.

As part of its discussion, the Committee agreed that its interrogatory and oversight responsibilities were fundamental, however the adoption of high-level summaries (to accompany more detailed reports) would ensure that the Committee's time and expertise focusses on the key financial issues under consideration. The Committee also agreed that some of the internal control elements of its Terms of Reference might be more appropriately handled by the Internal Audit function and this warranted further exploration.

Having agreed that the Committee's membership and other aspects of its Terms of Reference, including identifying any existing overlaps and gaps and aligning with best practice (both sectorally and in industry), required further consideration, the Committee requested the CFO to bring forward an updated document, summarising the agreed proposals/next steps, to the June meeting.

**80.1** Areas of the Finance Committee's Terms of Reference that might be more appropriately handled by the Internal Audit function to be explored.

**80.2** The CFO to bring forward an updated document, summarising the agreed proposals/next steps to the June meeting.

### Section C

#### **FN/21-22/81 FC Self Evaluation Questionnaire 2021/22**

The Committee noted the circulated memorandum from the CFO dated 07.04.2022 and accompanying draft Finance Committee Self-Evaluation Survey for 2021/22.

Following the incorporation of any amendments sought by the Committee, a link to the finalised survey will be circulated to Committee members for timely completion in order that the outcome of the process may be considered at the final meeting of the year in June 2022.



**Action:**

- 81.1** The final self-evaluation survey to be circulated for completion following incorporation of any amendments sought by the Committee.
- 81.2** The outcome of the Self-Evaluation process to be considered at the final meeting of the year.

**FN/21-22/82 External Audit 2020/21 Management Letters**

The Committee noted the circulated memorandum from the Deputy CFO dated 07.04.2022 along with the accompanying documents as follows:

- FY2020/21 C&AG Management Letter
- FY2020/21 PwC Management Letter

The Committee noted the status of the audit findings of the University's statutory and commercial auditors in the financial year 2020/21, 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 of the 5 C&AG findings (3 High, 2 Medium) further noting that PwC raised only 6 "housekeeping" issues, which they did not provide risk ratings for.

**FN/21-22/83 Borrowing Framework & Loan Guarantees**

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In considering the circulated memorandum and accompanying documents from the Project Appraisal Manager dated 14.04.2022, setting out the revised and updated Borrowing Framework template for the University's financial year ending 30 September 2021 along with projections for FY2021/22 (with one new loan in scope for the year ending 30 September 2022), 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:**

**83.1** The Borrowing Framework template to be forwarded to Board for noting.

**FN/21-22/84 Federal Aid Loan (Stafford Loan) Program – Auditors’ Report y/e 30.09.2021**

The Committee, having been circulated with a memorandum from the Director of the Academic Registry and the Head of Student Finance, dated 30.03.2022 along with the Report of Independent Auditor, Bender, Ciccotto & Co. for the year ended 30 September 2021 in relation to the University’s compliance with the Federal Family Education Loan Program (Federal Aid Program), noted the unqualified audit opinion received and the absence of any audit findings in the year under review.

**FN/21-22/85 Student Sport Development Charge 2022/23**

(Minute FN/20-21/112 of 01.06.2021 refers)

Noting the dissent of the GSU President, the Committee upheld its previous decision (Minute FN/20-21/112 of 01.06.2021 refers) approving a minor increase of €2 to the Student Sports Development Charge (from €123 to €125) in 2022/23.

**FN/21-22/86 Micro-Credentials Pilot Programme: Student Levies & Charges Exemption**

The Committee noted the circulated memorandum from the Vice-Provost/Chief Academic Officer dated 07.04.2022, setting out a proposal to extend the exemption from student levies and charges (‘SLC’) for students registering as part of the HCI-funded micro-credential pilot programme until the end of 2024.

The Committee noted that micro-credentials, funded under the HEA HCI Pillar 3 initiative to April 2025, are short, credited courses, designed to meet the future skills needs of industry and public sector employers which, taken flexibly as individual modules, are attractive to professionals wishing to up-skill or re-skill to advance their careers.



In order to encourage participation in the pilot programme for its full duration, the Committee approved the exemption from the SLC as sought, noting that a longer-term proposal may be submitted in due course regarding an appropriate charge for micro-credential students post 2024.

**Action:**

**86.1** An exemption from the SLC for micro-credential students for the full duration of the pilot programme to 2024 was approved.

**FN/21-22/87 Minutes of Audit Committee**

The Committee noted the circulated memorandum from the CFO dated 07.04.2022 along with minutes of the Audit Committee meetings of 08.12.2021, 15.02.2022 and 01.03.2022 respectively, which included the following items:

- Audit of Risk Management Framework
- Audit of Asset Register Management
- Review of Completed Recommendations
- Internal Audit Plan 2022
- Internal Audit Annual Report 2021/22
- Non-Audit Services
- Report from Trinity Foundation Audit and Risk Committee
- Update on Audit Recommendations Log
- Audit of Immigrant Investor Programme Management
- Governance Statements
- Annual Assurance Statement
- Board Papers

The Committee noted the next Finance Committee meeting is scheduled for **2 June 2022 at 10:00am** in person.

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