



Minutes of the Finance Committee Meeting of 3 May 2017

Present: Provost (Chair), Bursar, Vice Provost/Chief Academic Officer, Chief Operating Officer, Ms. C. Curtis, Mr. J. Gorringer, Mr. L. Kavanagh, Professor B. Lucey, President of the Students Union, Registrar, Chief Financial Officer (CFO) – Secretary to the Committee

In Attendance: Deputy CFO, President of the GSU

Apologies: Dean of Arts, Humanities & Social Sciences

Statement of Interest: No statements of interest were declared.

The Committee noted and approved the minutes of the Finance Committee meeting of 06.03.2017. Further to the update provided by the VP/CAO on relevant actions, the Committee noted that a detailed report on these matters will come forward for consideration at the June meeting. Other matters arising are minuted separately below – Minute FN/16-17/104 refers.

Section A

No Items

Section B

FN/16-17/103 XX Trinity Development and Alumni (Trinity Foundation)

At the request of the Provost, the CFO briefed the Committee on the recent issues encountered by Trinity Development and Alumni concerning computer based fraud. The Committee noted that a multi-pronged investigation had commenced (including the University's Internal Audit at the request of the Provost and the Chair of the Trustees of Trinity Development and Alumni/Trinity Foundation), and the process of recovery of funds, where possible, is underway. The Committee, acknowledging the source of funding to address any shortfall arising, requested the CFO to provide an update on any significant findings as they arise.

The CFO advised the Committee that the outcome of the investigation will be made available to the relevant parties in due course. Having discussed the possible risks arising in relation to the University's subsidiary companies, the Committee requested the College Secretary to engage



with the external member of the Committee regarding her experience of overseeing the activity of many subsidiary entities from a governance and internal control perspective. Furthermore, the Committee requested the CFO to ensure that the financial control in operation of all subsidiaries mirrors that in the University's internal control environment.

Action

- 103.1** The College Secretary to engage with the external member of the Committee regarding her experience of overseeing the activity of many subsidiary entities.
- 103.2** The CFO to ensure that the financial control in operation in all subsidiaries mirrors that of the University's internal control environment.
- 103.3** The CFO to update the Committee on any significant findings in due course.

**FN/16-17/104
XX**

Fees 2017/18

(Minute FN/16-17/100 of 06.03.2016 refers)

The CFO clarified for the Committee, that further to a query raised at Board and following advices received from the College Solicitor, the proposed fee levels for the School of Engineering were to be adopted immediately, with the originally advertised fees to be honoured only for those students who had previously accepted places.

Action

- 104.1** The proposed fee levels for the School of Engineering were to be adopted immediately, with the originally advertised fees to be honoured only for those students who had previously accepted places.

FN/16-17/105

Financial Statements to 30 September 2016 – Audit Findings

The Committee noted the circulated memorandum from the CFO dated 27.04.2017 along with four accompanying documents as follows:

- Audit Committee Annual Report 2016/17
- KPMG Audit Management Letter 2015/16
- Comptroller and Auditor General (C&AG) Audit Management Letter 2015/16
- C&AG – Audit Certificate 30 September 2016.



A summary of the audit findings and management responses was provided by the CFO by way of presentation.

In considering the findings set out in the Audit Committee's report, the Committee noted the key issues flagged in relation to:

- financial sustainability
- governance and capacity
- internal control
- engagement with Internal Audit
- resourcing Internal Audit.

Recognising the ongoing issue identified by both the Audit Committee and C&AG in relation to financial sustainability, the Committee requested the VP-CAO to extract the financial elements from the mid-term review of the Strategic Plan on the performance against the agreed financial targets for consideration at the next meeting.

Having noted that risk was the unifying theme underpinning these issues, the Committee welcomed the update regarding the recruitment of a Chief Risk Officer. Following a brief outline of the status of Internal Audit recommendations relevant to their respective areas by each of the Chief Officers, the Committee welcomed the clarification provided in relation to the delegated authority of the Officers to address Internal Audit recommendations, noting that the audit log will be considered regularly by the Executive Officers Group (EOG).

Having reviewed the detail provided with regard to the areas of focus and findings of the Board-appointed external auditor (KPMG) and the C&AG, the Committee noted the divergence between the level of detail and analysis reported versus that of the Internal Audit. Expressing concern at both the total number and the age/repetitious nature of issues on the audit log, the Committee requested the VP-CAO, COO and CFO to review the Audit Committee's audit log in terms of their respective areas and to identify which items can be resolved, which are no longer relevant due to the passage of time and which are risks the University must accept, and to engage with the Internal Auditor to continue to streamline the process going forward.

In addition, it was agreed that in future (and similar to the Audit Committee and Executive Officers), the audit log should be reviewed by Finance Committee on a bi-annual basis in order to monitor progress. The Finance Committee observations are also to be brought forward for consideration by EOG at their meeting of 25.05.2017.



In the context of the above discussion and the scope of work relative to the scale and complexity of the organisation, the Committee requested the College Secretary to benchmark the resources and structure of the University's Internal Audit function against Irish institutions of a similar scale and submit a report of his findings for consideration at the September 2017 meeting.

Action

- 105.1** The VP-CAO to bring forward the financial elements of the mid-term review of the Strategic Plan for consideration at the next meeting.
- 105.2** The VP-CAO, COO and CFO to review the Audit Committee's audit log in terms of their respective areas to identify which items can be resolved, which are no longer relevant due to the passage of time and which are risks the University must accept, and to engage with the Internal Auditor to continue to streamline the process.
- 105.3** The Audit Committee's audit log to be reviewed by the Committee on a bi-annual basis going forward.
- 105.4** The Finance Committee's observations to be brought forward for consideration by EOG at their meeting of 25.05.2017.
- 105.5** The College Secretary to benchmark the resources and structure of the Internal Audit function against Irish institutions of a similar scale and submit report of his findings for consideration at the September 2017 meeting.

FN/16-17/106 Residential Rents Increase 2017/18 & Accommodation for International Students

The Accommodation Officer, Dean of Students and the Commercial Director attended for this item.

The Accommodation Officer, by way of presentation, outlined the proposals in relation to the proposed residential rent increases in 2017/18 and accommodation for international students set out in his circulated memorandum dated 26.04.2016, under the following headings:

- a. Residential rents 2017/18
 - Refurbishment



- Sinking fund
- Operating costs
- Recommendation
- b. Accommodation for international students
 - Leased accommodation
 - Risk
 - Recommendation

In considering the drivers for the proposed uplift in rents and recognising the need for continued investment in the current stock of rooms, the Committee noted the increasing operational costs, the proposed annual provision for refurbishment and creation of a sinking fund.

Noting the dissent of the Presidents of the Students Union and Graduates Students Union, the Committee approved the increases (subject to a minor re-alignment of proposed cost headings). However, in the context of the scale of the proposed increases, the Committee requested that they be phased in over a three-year period. Furthermore, the Committee requested that the final rent levels for 2018/19 and 2019/20 be brought back for further consideration once the impact of price inflation on operating costs in those years (in addition to the agreed phased increases) has been factored in. The Committee acknowledged the consequential impact of the rent increases on the cost of scholarships.

Having briefly discussed the pricing arrangements for longer term lease arrangements, the Committee requested the Commercial Director to engage with the President of the GSU to provide the necessary clarifications.

In reviewing the proposal in respect of accommodation provision initially intended for international students, the Committee noted the 3-5 year lease options presented, both of which are effectively cost neutral if expected occupancy is achieved. The financial risks arising should occupancy levels fail to be achieved will be offset against the annual CRU contribution to College. The Committee, in approving the proposal, noted that leased accommodation is initially being offered to international students and recommended that any excess rooms would be offered to non-international students in the current year with future, leased accommodation to be integrated with the University's existing stock of rooms and be offered to all students where possible.

Action

- 106.1** The proposed increase in residential rent to be phased in over three-years (subject to a minor readjustment of



proposed cost headings).

- 106.2** The figures for 2018/19 and 2019/20 to be brought back for further consideration in September 2017 once the impact of operating costs, in addition to the agreed phased increases, has been factored in.
- 106.3** Any excess rooms in leased premises to be offered to non-international students in the current year.
- 106.4** In future, leased accommodation to be integrated with the University's existing stock of rooms and offered to all students where possible.
- 106.5** The Commercial Director to engage with the President of the GSU to provide the necessary clarifications regarding pricing arrangements for longer term leases.

FN/16-17/107

Trinity Research Institutes (TRIs)

(Minute FN/16-17/37 of 22.11.2016 refers)

The Dean of Research attended for this item.

By way of presentation, the Dean of Research drew the Committee's attention to the key highlights of his circulated memorandum dated 03.05. 2017 and supporting documentation. The Committee noted the update provided across the following headings:

- Overhead
- Elements of TRI sustainability
- Tracking TRI sustainability
- Summary financial position of each TRI.

In noting that the report to Finance Committee addressing the financial sustainability of the TRIs is still ongoing, and in the context of their deteriorating financial position, the Committee expressed concern at the ongoing delay in addressing this important issue. Given the resultant uncertainty in relation to the future viability of specific institutes, the Committee recommended that the new resource allocation model should make provision for the TRIs within the overall Faculty allocations, under the remit of the Faculty Deans.

Whilst the overall non-financial benefits the TRIs bring to the University were once again acknowledged, the Committee agreed that each TRI must demonstrate financial viability, value-add and meaningful outputs to



justify the University's continued financial investment. In this context, the Committee requested the Dean of Research to bring forward an updated report to the next meeting to include:

- financial plans for each of the TRIs that clearly illustrate and support their long-term financial viability
- evidence of philanthropic commitments where this is a key factor supporting a TRIs long term financial sustainability.

Action

107.1 The new resource allocation model to make provision for the TRIs within the overall Faculty allocations, under the remit of the Faculty Deans.

107.2 The Dean of Research to bring forward an updated report to the next meeting to include:

- Financial plans for the TRIs that clearly illustrate and support their long-term financial viability
- Evidence of philanthropic commitments where this is a key factor in a TRIs long term financial sustainability.

FN/16-17/108

Overhead Policy and Implementation

(Minute FN/16-17/88 of 06.03.2017 refers)

The Dean of Research attended for this item.

In considering the circulated memorandum from the Dean of Research dated 26.04.2017, the Committee noted the update provided in relation to

- the effective level of overhead recovered by Trinity on contract research versus the full economic cost incurred;
- the efforts being made to improve the levels of overhead recovered at national/sectoral level, via the IUA and Higher Education Research Group;
- the efforts made by Trinity Research and Innovation (TR&I) to maximise the contribution recovered through early-stage engagement with PIs and funding agencies.

Noting that the University currently only negotiates the level of overhead contribution on the small percentage of awards on which it is possible to do so, the Committee requested the Dean of Research to drive sectoral engagement on the issue of indirect recovery via the IUA, recommending a sectoral presentation to the Board of SFI.



Furthermore, whilst noting that there is ongoing engagement with the HEA in this regard, given the strategic imperative to maximise the rate of indirect cost recovered to mitigate the impact on other parts of the University in supporting research activity at current and future forecasted levels, the Committee requested the Dean of Research to arrange a meeting with members of the Board of SFI at an early date, to include the Provost, CFO and COO, in order to facilitate direct and early engagement on the matter.

The Committee also requested that the Dean of Research's dashboard setting out the overhead rate recovered by award to be included in the quarterly financial and performance highlights pack going forward.

Action

- 108.1** The Dean of Research to drive sectoral engagement on the issue of indirect cost recovery via the IUA, commencing with a sectoral presentation to the Board of SFI.
- 108.2** The Dean of Research to arrange a meeting with members of the Board of SFI at an early date, to include the Provost, CFO and COO, in order to facilitate direct and early engagement on the matter of indirect cost recovery.
- 108.3** The Dean of Research's dashboard, setting out the overhead rate recovered by award, to be included in the quarterly financial and performance highlights pack going forward.

FN/16-17/109 Status of Trinity Development & Alumni Pledges at 31.03.2017

(Minute FN/16-17/78 of 06.03.2017 refers)

The Director of Trinity Development & Alumni attended for this item.

The Committee noted, by way of presentation, the summary provided by the Director of Trinity Development and Alumni (TDA) of the circulated memorandum dated 26.04.2017 under the headings of:

- Pledge summary 01.10.2016 – 31.03.2017
- New pledges 01.10.2016 – 31.03.2017
- Cash received 01.10.2016 – 31.03.2017
- Pledges prior to 01.10.2016
- Aged existing pledges

The Committee requested the Director of TDA to modify the table setting out the pledge targets for 2016/17, identifying outstanding pledges where the University's commitment has been delivered. In considering the large



outstanding amounts pledged prior to 01.10.2016 along with aged existing pledges, the Committee noted with concern that the write-off policy of outstanding pledges (within a specified timeframe) did not seem to align to the schedules presented and requested the Director of TDA to clarify the situation in this regard. The Committee also requested that further detail in respect to the recoverability of aged pledges (by sum and by year) be provided.

Expressing its disappointment at the low levels of cash collected to date on existing pledges, the Committee indicated that a significant improvement in cash collection must now be a key area of focus for TDA and, in this context, requested that TDA engage with relevant donors to agree payment plans in respect of outstanding pledges in the first instance. The Committee also requested the Provost, CFO and external member of the Committee to consider mechanisms to maximise the prompt realisation of pledges.

Action

- 109.1** The Director of TDA to modify the table setting out the pledge targets for 2016/17, identifying outstanding pledges where the University's commitment has been delivered.
- 109.2** TDA to engage with relevant donors to agree payment plans in respect of outstanding pledges where commitments have been delivered.
- 109.3** The Director of TDA to clarify the situation regarding the write-off policy of outstanding pledges in the context the large outstanding amounts pledged prior to 01.10.2016 and aged existing pledges.
- 109.4** The Provost, CFO and external member of the Committee to consider mechanisms to maximise the prompt realisation of pledges.



Section C

FN/16-17/110 Provost's Expenses (1 July – 31 December 2016)

The circulated memorandum from the Secretary to College dated 19.04.2017, setting out the bi-annual report of the Provost's expenses for the period 01.07.2016 to 31.12.2016, was noted. Furthermore, the Committee noted that, as indicated, all expenses incurred were approved in line with relevant College policies, no exceptional items of expenditure were incurred and that reimbursement claims (and associated supporting documentation) were available for review at the meeting.

FN/16-17/111 Trinity College Institute of Neuroscience (TCIN) - Update (Minute FN/15-16/130 of 04.05.2016 refers)

The Committee noted the circulated report from the Director of TCIN dated 25.04.2017, which provided an update under the following template headings:

- Update since the last report
- Financial Summary
- Sustainability
- Risk
- Other

The detailed financial information provided, including measures to reduce the impact of costs associated with the MRI on overall resources and thus secure a more financially sustainable position, was noted. In line with College policy, the Director and Executive Director of TCIN were requested to provide an update in Michaelmas Term 2017.

In the context of the Committee's overall consideration of the financial sustainability of TRIs, the actions arising from Minute FN/16-17/107 above refer.

Action

- 111.1** In line with College policy, the Director of TCIN was requested to provide an update in Michaelmas Term 2017.



FN/16-17/112 Centre for Research on Adaptive Nanostructure (CRANN) - Update
(Minute FN/15-16/128 of 04.05.2016 refers)

The Committee noted the circulated report from the Director of CRANN dated 17.04.2017, and the update provided under the following template headings:

- Executive Summary
- Financial Summary
- Grant Applications
- Sustainability
- Risk

The updates provided on CRANN's financial position, in particular the negative impact of running costs in the 5-year financial forecasts, were noted along with plans to address cost issues. In line with College policy, the Director and Executive Director of CRANN were requested to provide an update in Michaelmas Term 2017.

In the context of the Committee's overall consideration the financial sustainability of TRIs, the actions arising from Minute FN/16-17/107 above refer.

Action

- 112.1** The Director and Executive Director of CRANN to provide an update in Michaelmas Term 2017.

FN/16-17/113 Trinity Biomedical Sciences Institute (TBSI) - Update
(Minute FN/15-16/141 of 04.05.2016 refers)

The Committee noted the report from the Executive and Technical Director of TBSI dated 03.05.2017, as circulated, which set out an update under the following template headings:

- Update since the last report
- Financial Summary
- Grant Applications
- Grants Awarded
- Sustainability
- Risk
- Other

TBSI's forecasted financial position and its financial viability in the context of the recent unsuccessful SFI Centre bid, was noted with concern and the actions arising from the Committee's overall consideration of the financial



sustainability of TRIs (Minute FN/16-17/107 above) refer in this regard. In line with College policy, the Director and Executive & Technical Director of TBSI are to provide an update in Michaelmas Term 2017.

Action

113.1 In line with College policy, the Director and Executive & Technical Director of TBSI are to provide an update in Michaelmas Term 2017.

FN/16-17/114 Trinity Long Room Hub (TLRH) - Update
(Minute FN/16-17/8 of 19.09.2016 refers)

The Committee, having been circulated with a memorandum from the Director of TLRH dated 03.05.2017, noted the updates provided under the following template headings:

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

TLRH's forecasted financial position was noted with concern, in particular the reliance on philanthropic funding to support its financial viability. In this context, the actions arising from the Committee's overall consideration of the financial sustainability of TRIs (Minute FN/16-17/107 above) refer. The Committee also requested that Director of TLRH to provide an update in Michaelmas Term 2017.

Action

114.1 The Director of TLRH to provide an update in Michaelmas Term 2017.

FN/16-17/115 Industry Strategy - Update
(Minute FN/16-17/38 of 22.11.2016 refers)

The Committee noted the memorandum from the Director of TR&I & Senior Business Development Manager of TR&I dated 24.04.2017, as circulated, including the updated position on the Industry Research Strategy as outlined under the following template headings:

- Update since last report
- Financial Summary
- Financial Position of Project Lifecycle
- Response to Finance Committee actions



- Risk

In considering the update provided, the Committee welcomed the strong performance to date, noting that the current 5-year forecasts show the strategy will be significantly ahead of target at completion in 2018/19. Noting the risks and areas of concern as outlined, including the impact of the recent unsuccessful SFI Centre bid, the Committee requested an updated report to be provided in Michaelmas Term 2017.

Action

- 115.1** The Director of TR&I & Senior Business Development Manager of TR&I to provide an updated report in Michaelmas Term 2017.

FN/16-17/116 Innovation & Entrepreneurship Hub – Update
(Minute FN/16-17/40 of 22.11.2016 refers)

The Committee considered the memorandum from CEO of I&E Hub and Chief Innovation and Enterprise Officer dated 03.05.2017, as circulated, which included updates on I&E Hub activities under the following template headings:

- Update since November 2016
- Financial Summary
- Financial Position of Project Lifecycle
- Risk

As requested, the Committee considered the updates provided in terms of the finalisation of contracts, development of pipelines aligned to the business plan projections and targets and noted that the approved plan is currently on track. The Committee further noted that, following a review by the CEO, some changes to the business plan may be brought forward for approval in due course and requested the CEO of the I&E Hub and Chief Innovation and Enterprise Officer to bring forward an updated report for consideration in Michaelmas Term 2017.

Action

- 116.1** An updated report from the CEO of the I&E Hub and Chief Innovation and Enterprise Officer to be brought forward for consideration in Michaelmas Term 2017.

FN/16-17/117 FEC 2014/15 Outcomes and Status Update

The Committee noted the circulated memorandum from the Financial



Planning & Risk Manager dated 21.04.2017, including the key points in relation to the sectoral FEC outputs for 2014/15 submitted to the HEA as outlined under the following headings:

- Introduction
- Highlights and key points of the Sector FEC 2014/15 outputs
- Highlights and key points of Trinity's FEC 2014/15 outputs
- Risks associated with the use of FEC data

The Committee noted the key issues outlined in relation to the 2014/15 outcomes, including the gap between the FEC per student and the funding received along with the impact of the under-recovery of the indirect costs of research. The Committee further noted the next steps in relation to the 2015/16 outputs and that 2015/16 data is currently being sought from Heads of School/Discipline and relevant Administrative areas. In the context of the strategic value of the data provided in the report, which illustrates the full economic costs incurred by the University versus the funding received for teaching and research, the Committee requested that the report be circulated to the Dean of Research (for Research Committee) and Faculty Deans (for onward circulation to the Heads of School) for their information.

Action

117.1 The FEC Outcome report to be circulated to the Dean of Research (for Research Committee) and Faculty Deans (for onward circulation to the Heads of School).

FN/16-17/118 Stafford Loan Programme – Auditors Report

The Committee, having been circulated with a memorandum from the Director and the Accountant of the Academic Registry dated 24.04.2017 along with the Report of Independent Auditor, Bender, Ciccotto & Co. for the year ended 30 September 2016 in relation to the University's compliance with the Federal Family Education Loan Program (Stafford Loan Program), noted the unqualified opinion issued by the auditors for the year under review.

FN/16-17/119 Treasury Management Quarterly Update

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from



the Project Appraisal Manager dated 27.04.2017, setting out an update for the first half of the financial year from 1st October 2016 to 31st March 2017 and the comparative data for the same period in 2015/16. The Committee also noted the information provided in relation to the negative interest rates now being applied by Bank of Ireland on all current accounts and the attempts to minimise the charges incurred.

FN/16-17/120 Minutes of Sub Committees

The Committee noted the memorandum from the CFO dated 26.04.2017 along with the draft minutes of the Investment Committee meeting of 14.02.2017, as circulated.

FN/16-17/121 Minutes of the Commercial Revenue Unit (CRU) Board

The Committee noted the memorandum from the CFO dated 26.04.2017 along with the draft minutes of the CRU meeting of 23.11.2016, as circulated.

FN/16-17/122 Minutes of the Audit Committee

The circulated memorandum from the CFO dated 26.04.2017 along with the enclosed draft minutes of the Audit Committee meeting of 14.02.2017 and 14.03.2017, were noted.

FN/16-17/123 Minutes of the Estates Policy Committee

The Committee noted the memorandum from the CFO dated 26.04.2017 along with the draft minutes of the Estates Policy Committee meeting of 03.02.2017, as circulated.

FN/16-17/124 Minutes of the FIS Oversight Group

The Committee noted the memorandum from the CFO dated 26.04.2017 along with the draft minutes of the FIS Oversight Group meeting of 21.03.2017 as circulated.



Trinity College Dublin

Coláiste na Tríonóide, Baile Átha Cliath

The University of Dublin

The Committee noted the next Finance Committee meeting is scheduled for Wednesday, 7 June 2017 at 2:00pm in the Provost's Library.

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