



Minutes of the Finance Committee Meeting of 20 October 2017

- Present:** Provost (Chair), Vice-Provost, Bursar, Dean of Arts, Humanities & Social Sciences, Ms. C. Curtis, Mr. J. Gorringer, Mr. L. Kavanagh, President of the Students Union, Registrar, Chief Financial Officer (CFO) – Secretary to the Committee
- In Attendance:** GSU President, Deputy CFO, Director of Financial Planning & Risk Management
- Apologies:** Chief Operating Officer, Professor B. Lucey
- Statement of Interest:** None declared

The Committee noted and approved the minutes of the Finance Committee meeting of 22.09.2017, subject to a minor amendment to Minute FN/17-18/3. The circulated Status Report on the Finance Committee Action List dated October 2017 was also noted. Matters arising from the minutes are recorded separately below (Minute FN/17-18/17 refers).

Section A

No Items

Section B

- FN/17-18/16 Trinity Research Institutes (TRIs)
Centre for Research on Adaptive Nanostructure (CRANN) Update**
(Minute FN/16-17/112 of 03.05.2017 refers)
The Director of CRANN and AMBER General Manager for Operations attended for this item.

The Committee noted the circulated report from the Director of CRANN dated 10.10.2017, and the update provided under the following headings:



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

The Committee acknowledged the successes of CRANN in the areas of nanoscience and materials science research, noting the increase in Ireland's international ranking in these areas to which the PIs in the Institute have made a tangible contribution through their publications and citations. As a centre for research excellence and with state of the art infrastructure, the Committee noted that CRANN has attracted significant research income to the University, from a range of sources.

In considering the update provided, the Committee noted the negative impact on CRANN's 5-year forecasted financial performance arising from operational and infrastructural costs. Whilst an overall increase in indirect cost recovery income is forecasted over the next 5 years, the Committee noted the expected increase in running costs (including pay) associated with new infrastructure. In this context, the Committee requested that CRANN (with support from FSD) identify the full economic cost of research-specific equipment, including the Pay and Non-Pay operational and maintenance costs, in order to provide complete visibility on the financial realities of supporting CRANN activity in addition to supporting future negotiations with funding agencies.

Having reviewed the risks as outlined, the Committee specifically noted the critical and high risks, which included potential downtime of the Advanced Microscopy Laboratory due to the TTEC development in addition to CRANN's financial dependence on indirect costs recovered.

The Committee, noting the plans to address cost and sustainability issues, including pipeline income streams, requested the Director of CRANN to:



- a) provide additional information regarding the specific level of indirect costs due to be recovered from the new industry partner, versus the agreed SFI rate in advance of the next meeting;
- b) include details on income stream renewal and growth, on a “worst case/best case” scenario basis in future reports.

Noting the potential space issues as outlined, the Committee requested the Director of CRANN to appraise the Bursar of any space requirements associated with significant, future research awards.

The Committee, noting the appointment of a new Dean of Research, clarified that the review of overall sustainability of TRIs will be an immediate area of focus for the incoming Dean.

Thanking the Director for his report, and in line with College policy, an update was requested in Trinity Term 2018.

Action:

- 16.1** CRANN (with support from FSD) to identify the full economic cost of research-specific equipment, including the Pay and Non-Pay operational and maintenance costs, in order to provide complete visibility on the financial realities of supporting CRANN activity in addition to supporting future negotiations with funding agencies
- 16.2** The Director of CRANN to provide the indirect cost rate to be recovered from the new industry partner versus the agreed SFI recovery rate in advance of the next meeting.
- 16.3** Future reports to include details on income stream renewal and growth, on a “worst case/best case” scenario basis.
- 16.4** The Director of CRANN to appraise the Bursar of the space requirements associated with significant, future research awards.



FN/17-18/17

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Increase in EU and non-EU PG fees and other non-EU UG fees 2018/19

(Minute FN/17-18/3 of 22.09.2017 refers)

The Committee considered the circulated memoranda from the President of the Graduate Students Union (GSU) dated 15.10.2017 and 19.10.2017 respectively setting out the GSU's position against the proposed fee increases for 2018/19, approved by the Committee (under the Principles of Agency as set out in the Statutes) at its meeting of 22.09.2017 (Minute FN/17-18/3 refers).

The Committee noted the GSU's key recommendations as follows:

- That multi-year students not be subject to fee increases in 2018/19 and thereafter;
- That derogations be provided for incoming students in specific courses, in line with the University's commitment to inclusivity and diversity;
- Increases in fees for new students are met with considerable measurable investment in the 'postgraduate space';
- That a policy is devised to cap annual fee increases thus providing assurances to the student community regarding their future financial position.

In considering the supporting information provided, the Committee, noting the details of the survey conducted, the potential impact on certain student cohorts as outlined, the overall costs of studying in Dublin, including the request to align fee increases to the Consumer Price Index and the need for enhancements to the student experience, confirmed the decision taken at the last meeting regarding the 5% fee increases for 2018/19. In this context, the Committee also noted that all Faculties agreed with the approved 5% increase in tuition fees with only a minor number of derogations sought (Minute FN/17-18/24 refers). The circulated memorandum from the Arts Humanities and Social Sciences (AHSS) Faculty Executive was also noted however, particularly in relation to the impact on multi-year students and the disproportionate impact on AHSS students, as they are less likely to be in receipt of external funding. The Committee recommended that, to mitigate the impact of fee increases on certain student cohorts, School-



level hardship funds be established within FAHSS, with the Faculty Dean to lead out in this regard.

As part of a fulsome discussion, the Committee noted the clarity surrounding annual price increases on the University website and that the increase would more closely align Trinity's pricing with that of its peers. It was further noted that the additional income generated will support the delivery of academic programmes along with operational and service enhancements, whilst also contributing to the University's return to a financially sustainable position in light of the continuing reductions in Government funding in recent years. However, having noted the concerns expressed in relation to the student experience, the Committee requested the COO to bring forward a paper setting out the current level of investment in student services, and plans to support further investment in student services (as a result of anticipated growth), subject to budgetary constraints, to a future meeting.

Action

- 17.1** Finance Committee recommend that School-level hardship funds be established within FAHSS, with the Faculty Dean to lead out in this regard.
- 17.2** The COO to bring forward a paper setting out the current level of investment in student services, and plans to support further investment in student services (as a result of anticipated growth), subject to budgetary constraints, to a future meeting.

FN/17-18/18 Annual Report of the Audit Committee – Executive Officers' Response to Board

(Minute FN/17-18/10 of 22.09.2017 refers)

The Committee noted the circulated memorandum from the CFO dated 15.09.2017 and the enclosed Annual Report of the Audit Committee 2016/17, including the responses of the Executive Officers to the issues raised, which was considered and approved by Board in June 2017 (Minute BD/16-17/283 of 14.06.2017 refers) and Finance Committee in September



2017. Having been advised by the CFO, by way of presentation, of the progress made in addressing a number of the report's recommendations, the Committee welcomed the specific updates provided on the following issues:

- Financial Sustainability (also reported in 14/15)
- Governance & Capacity (also reported 14/15)
- Significant Internal Control Matters
- Engagement with Audit
- Resourcing Internal Audit (Minute FN/16-17/23 below refers)

In considering the financial sustainability of the University, which has been a key area of focus for the University over the past number of years, the Committee welcomed the continued focus of the Officers in addressing this issue and the ongoing initiatives that Trinity has undertaken to date. The Committee welcomed the structure of the Report and the clarity provided, noting the significant internal control issues as outlined. Noting the previous consideration by both LIPC and the Executive Officer group and recognising the challenges in managing cyber risk in an arena where "academic freedom" may appear to operate outside normal controls, the Committee requested the VP-CAO to provide an update on this matter at a future meeting.

The Committee welcomed the discussion on proposed governance reform at Board level and acknowledged that this requires further consideration in due course. Noting the alignment of the issues and concerns identified by both Audit and Finance Committees (including governance issues), the Committee agreed that a joint annual meeting of representatives of the Committees, early in Trinity Term, would be beneficial and requested the CFO to make the necessary arrangements in this regard.

The Committee also noted that a further update will be provided to the Executive Officers Group in November 2017, with updates to Audit Committee and Board to follow in December 2017.



Action

- 18.1** The VP-CAO to bring forward an update on the issue of cyber risk versus academic freedom to a future meeting.
- 18.2** The CFO to arrange a joint annual meeting between representatives of the Audit and Finance Committees, early in Trinity Term, to consider their common issues and concerns.

FN/17-18/19

Trinity Business School (TBS) Update

(Minute FN/16 - 17/137 of 27.06.2017 refers)

Dean of Trinity Business School and the Programme Sponsor attended for this item.

The Committee reviewed the circulated memorandum from the Programme Sponsor and Dean of TBS dated 10.10.2017 which provided an update on the TBS Project under the following headings:

- Update since the last report
- Financial summary
- Financial position of project lifecycle
- Risk
- Sustainability issues

i. TBS Development Plan

In considering the summary presentation of the TBS Development Plan provided by the Dean of TBS, the Committee noted that the growth strategy has continued to perform very positively when compared to the Board-approved plan, with post-graduate fee income being significantly higher than forecast due to the introduction of additional programmes. The variance in forecasted pay expenditure, and the challenges encountered by the School in recruiting teaching staff of the appropriate calibre, was also noted.



In considering the TBS's performance overall, the Committee noted that space may become a constraint if the performance activity trajectory is maintained and that a review of space requirements will be undertaken with the Bursar in Trinity Term 2018, when recruitment for various programmes is complete and other plans have been implemented. The Committee welcomed the update provided in respect of the development of the TBS auditorium as a conferencing facility and the work being undertaken with CRU to create a portfolio of potential corporate clients and to secure top-class service providers.

The Committee further noted the significant increase in the surplus generated since the last update on the growth plan and acknowledged the exceptional performance of the School, which has become the fastest growing established business school in Europe, with further growth forecast for 2017/18.

In addition, the Committee noted the risks outlined, specifically in relation to the underperformance of the recruitment of Non-EU BBS students to date, the need to absorb the existing shortfall over the coming years and the mitigating action taken by TBS to manage marketing of the BBS going forward, including plans to engage with the Vice President for Global relations in this regard.

ii. Innovation & Entrepreneurship Hub

The Committee welcomed the presentation on the Innovation and Entrepreneurship Hub, noting that growth remains on target and that indications for new income streams are also positive. The Committee noted the update provided on sponsorship, both in terms of the significant capital contribution secured and the support for programme delivery.

iii. TBS Capital Project

The Programme Sponsor presented an update on the capital elements of the TBS Project, as outlined in the circulated memorandum. Welcoming the update that the project is in scope and broadly on time, the Committee noted the financial update on the construction project, including the commitments and spend to date, along with the relatively low level of contingency at this point for a project of this scale. It was further noted that c.80% of the value engineering target has now been achieved and whilst



the process expected to be completed by the end of the year, only minimal further savings will be forthcoming.

The Committee acknowledged the positive contribution of the independent Project Monitor as outlined by the Programme Sponsor, further noting the issues arising from the change in the Project's QS, which are expected to be resolved shortly. The status of plans to deliver the philanthropic targets were also noted.

The Committee welcomed the progress made to date on all elements of the TBS Project and the detail provided in relation to academic programme developments, staff recruitment, space usage, the accreditation process philanthropic contributions, construction progress and sustainability issues. The risks in relation to staff retention and the impact of the 4-year probation period for new staff were noted, along with the plans to address these issues at the appropriate University fora.

Thanking the Dean of TBS and the Programme Sponsor for their report and congratulating them on their success to date, the Committee requested that an update on activity be provided in Trinity Term 2018.

Action

19.1 The Committee requested that a further update on TBS activity be provided in Trinity Term 2018.

FN/17-18/20

International Foundation Programme

The Vice-President for Global Relations attended for this item.

The Committee welcomed the circulated memorandum from the Vice-President for Global Relations (VPGR) dated 10.10.2017, which provided an update on the International Foundation Programme after its first year of operation. By way of presentation, the VPGR drew the Committee's attention to the key performance highlights for 2016/17 including the intake and fee income generated, which is one year ahead of plan, in addition to the successful transition of c.65% of the foundation programme students to undergraduate programmes in the University.



In considering the plans and performance forecast for 2017/18, and noting the current positive financial position as set out, the Committee requested that multi-year forecasts be developed for future reports. The Committee agreed that before any further consideration could be given to establishing a scholarship fund, a full plan, including 5-year projections and an investment analysis, should be developed for consideration at the appropriate fora.

Thanking the VPGR for her report, the Committee requested that an updated report be brought forward for consideration in Michaelmas Term 2018.

Action

20.1 Before any further consideration could be given to establishing a scholarship fund, a full plan, including 5-year projections and an investment analysis, should be developed for consideration at the appropriate fora.

20.2 The VPGR to bring forward an updated report in Michaelmas Term 2018.

FN/17-18/21 XX

Residential Rents Increase 2017/18 & Accommodation for International Students - Occupancy Levels Update

(Minute FN/16-17/106 of 03.05.2017 refers)

The Commercial Director attended for this item.

Noting that this item was raised previously at Board, the Committee welcomed the Commercial Director who, by way of a circulated presentation, provided a comprehensive update on current occupancy levels in the recently leased externally provided accommodation units. In considering the detail provided, the Committee expressed its deep concern at the levels of unoccupied rooms at this time and the resulting negative financial implications for the University.

The Committee acknowledged the efforts to date of the recently established cross-functional task-force to minimise the financial exposure arising from the lower than expected occupancy levels and the



consequential impact on CRU's planned activity due to the need to divert resources to actively manage the occupancy issue in the short-term.

Noting the projected occupancy projections for the remainder of 2017/2018 (and the associated financial liability), the Committee agreed with the CRU recommendations that, in the unlikely event of rooms remaining unoccupied on Campus, they would be made available for commercial use. In this context, they acknowledged the concerns of the Students Union President in relation to the need to protect the integrity of the student experience.

Furthermore, the Committee agreed that the current method of allocating student accommodation must change in order to prevent a similar occurrence in the future and requested the Dean of Students to ensure that a co-ordinated and centralised mechanism for the allocation of all such accommodation is put in place for 2018/19 and thereafter and to provide an update to the Committee in this regard in Hilary Term 2018. The Committee also noted that an update on occupancy levels is to be made available to Board in November 2017.

Action

- 21.1** The Dean of Students to ensure that a co-ordinated and centralised mechanism for the allocation of all accommodation is put in place for 2018/19 and thereafter and to provide an update to the Committee in this regard in Hilary Term 2018.

Section C

FN/17-18/22 Report of Audits of Research/Capital Projects in 2016/17

The Committee noted the memorandum from the Deputy Projects Accounting Manager (Capital & Research) dated 13.10.2017 as circulated, which set out the positive outcome of research audits during 2016/17. The Committee also noted the value of expenditure audited, the adjustments arising and the common findings across the various audits.



FN/17-18/23 Internal Audit Comparative Exercise
(Minute FN/16 – 17/105 of 03.05.2017)

The Committee noted the circulated memorandum from the College Secretary dated 12.10.2017, which set out the results of a benchmarking exercise of the resources and structure of the internal audit functions of peer Universities and other institutions of a similar scale, as requested at a previous meeting. The supporting documents from the Internal Auditor and the Chartered Institute of Internal Auditors were noted as circulated.

The Committee acknowledged the caution advised in comparing the average resources allocated to these units with each other due to various factors including each institution's organisational complexity, management structures and risk profile. The need to determine appropriate levels of resourcing based on these factors along with the specific requirements the University has for its Internal Audit function and programme of work was also noted.

FN/17-18/24 Fees 2018/19 Derogation Requests
(Minute FN/16 – 17/80.1 and 83.1 of 06.02.2017 refers)

The Committee noted the memorandum from the Project Appraisal Manager dated 13.10.2017 confirming that each Faculty had approved a 5% tuition fee increase, subject to a minor level of fee derogations sought for 2018/19.

Having considered the overall financial impact of the derogations and noting that an average rate equivalent to the approved fee increase was maintained in each Faculty in some circumstances, the Committee agreed to the derogations sought. Furthermore, the Committee agreed that in future years, fee derogations would be approved by the relevant Faculty Dean and FSD and brought forward for noting.



Action

- 24.1** Fee derogations in future years to be approved by the relevant Faculty Dean and FSD, and brought forward to the Finance Committee for noting.

FN/17-18/25 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 13.10.2017, setting out an update for the financial year from 1 October 2016 to 30 September 2017 and the comparative data for the previous financial year. The Committee also noted the information provided in relation to the negative interest rates now being applied on all current accounts along with the updated details on existing loan agreements and covenants.

FN/17-18/26 Provost Expenses (01.01.2017 – 30.06.2017)

The circulated memorandum from the Secretary to College dated 10.10.2017 setting out the bi-annual report of the Provost's expenses for the period 01.01.2017 to 30.06.2017 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/17-18/27 Minutes of the Sub Committees

The Committee noted the memorandum from the CFO dated 13.10.2017 along with the draft minutes of the Investment Committee meeting of 12.09.2017, as circulated.

FN/17-18/28 Minutes of the Commercial Revenue Unit (CRU)



The Committee noted the memorandum from the CFO dated 13.10.2017 along with the draft minutes of the Commercial Revenue Unit meeting of 31.08.2017, as circulated.

FN/17-18/29 Minutes of the FIS Oversight Group

The Committee noted the memorandum from the CFO dated 13.10.2017 along with the draft minutes of the FIS Oversight Group meeting of 25.09.2017, as circulated.

FN/17-18/30 Related Entity Financial Reporting

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The Committee noted the circulated memorandum from the CFO dated 13.10.2017 and recommended the Directors' Report and audited Financial Statements of the following entities to Board for noting:

- IRIS Electronic Information Services Ltd. For the year ended 31.12.2015
- Science Gallery International for the year ended 30.09.2016
- National Institute of Bioprocessing Research and Training Group (NIBRT) for the year ended 31.12.2016
- HEAnet for the year ended 31.12.2016
- Douglas Hyde Gallery for the year ended 31.12.2016

Action

- 30.1** The Directors' Reports and audited Financial Statements of IRIS, Science Gallery International, NIBRT, HEAnet and Douglas Hyde Gallery to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for Monday 18 December 2017 at 2.00pm in the Provost's Library.



Trinity College Dublin
Coláiste na Tríonóide, Baile Átha Cliath
The University of Dublin

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