



Minutes of the Finance Committee Meeting of 4 May 2023

Present: Provost (Chair), Vice-Provost/CAO, Bursar, Dean of Health Sciences, Chief Operating Officer, Professor Louis Brennan, Ms. Cathy Bryce, Ms. N. Holland, Mr. L. Kavanagh, Chief Financial Officer (CFO) – Secretary to the Committee

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

Apologies: President of the Students Union

Statement of Interest: None received

The Committee noted and approved the minutes of the Finance Committee meeting of 09.03.2023 as circulated along with the updates on Matters Arising from the minutes as outlined by the CFO.

Section A

No items

Section B

FN/22-23/80 ESG Reporting

The Head of Financial Planning & Analysis and the Treasury Accountant attended for this item.

The Committee welcomed the circulated memorandum from the Head of Financial Planning & Analysis dated 28.04.2023 and the accompanying presentation which set out detail of new Environmental, Social and Governance reporting requirements, with which the University must comply, across the following headings:

- Background
- European Sustainability Reporting standards (ESRS)
- Required data points
- Next steps
- Appendices



In his presentation, the Head of Financial Planning & Analysis outlined the background to the Corporate Sustainability Reporting Directive (CSRD), published in December 2022, which aims to transform the European Union into a modern, resource-efficient and competitive economy with zero net emissions of greenhouse gases by 2050. A key goal is to allow investors and other stakeholders access to information in order to assess investment risks arising from climate change and other sustainability issues and the recently published ESRS detail the regulatory reporting disclosures the University will need to meet in this regard. The CFO commented that these changes will transform the way the University reports and broaden the focus to include non-financial metrics, noting that a detailed and prescribed sustainability report will form part of the annual financial statements with effect from October 2024.

In considering the two, cross-cutting ESR standards and the range of topical standards under the Environmental, Social and Governance headings on which the University will have to report, the Committee noted that in order to deliver these reporting obligations the University will be required to:

- Put in place detailed governance for all reporting obligations under CSRD
- Carry out a sustainability double materiality risk assessment for the consolidated entity
- Develop a transition plan in conjunction with long term strategic planning to reach climate neutrality by 2050 (interim 2030 target also)
- Choose relevant and prescribed metrics to track sustainability planning
- Choose base year for sustainability transition plan and metrics

Having reviewed the reporting requirements under the two Topical Standards provided by way of example, the Committee noted the types of datapoints to be disclosed and the substantial work and planning that will be required to meet them across the following headings:

- Strategic planning (targets, base lines, meeting targets)
- Policies (detailed policies required for each standard)
- Employee related disclosures (detailed disclosures on pay and work practices)
- GHG emissions scope 1, 2 & 3
- Other environmental disclosures



- Waste management disclosures
- TCD specific disclosures

The Committee noted the next steps for FSD as outlined, including a planned gap analysis on mandatory data requirements, and acknowledged the scale of the undertaking and the need for full support and engagement across the University. The Committee also noted the significant requirements at an institutional level and the challenges in meeting the prescribed timelines, noting however that these new reporting obligations may provide a useful catalyst and framework for decisive and integrated action.

Thanking the Head of Financial Planning & Analysis for his comprehensive report, the Committee requested a further update in Michaelmas Term 2023.

Action:

- 80.1** The Committee requested a further update in Michaelmas Term 2023.

FN/22-23/81

2023 HEA Grant Letter Analysis & Budget Meeting Update

The Head of Financial Planning & Analysis attended for this item.

The Committee had been circulated with a memorandum from the Head of Financial Planning & Analysis dated 28.04.2023, which enclosed a record of the University's annual HEA Budget meeting, along with an analysis of the 2023 State Grant Letter.

By way of presentation, the Head of Financial Planning & Analysis summarised the key points of the 2023 Grant Letter as follows:

- While the State Grant is nominally higher year on year, increased pay costs due to pay awards means the real increase is much lower
- Trinity's share of the teaching element of the grant (RGAM), based on student numbers, research metrics and access students, has increased slightly to 13% (PY 12%)
- Research and access shares both increased, by 1% and 0.3% respectively
- Medicine is now funded outside of RGAM
- ECF principles still apply



In considering the increase in the overall Grant, the Committee noted that once the additional allocation for the 'Funding the Future' initiative (which will focus on improving staff:student ratios) and pay awards/agreements is discounted, the real increase is €1m year-on-year, with a €3m shortfall identified in the grant received for pay awards versus actual 'core' pay costs.

On the analysis of the RGAM figure, the Committee noted that while the University's share of the State Grant and RGAM has increased in the current year, it still reflects a significant decrease on 2009 levels. In considering the change in funding for medical education, the Committee welcomed the additional detail provided on the ECF status of medical staff, noting that the longer- term benefits/impacts of the change will emerge over time.

Having reviewed the agenda of the HEA Annual Budget Meeting, the Committee noted the update provided on the issuing of a Section 37 Letter further to Board approval of a University budget deficit for FY2022/23. The CFO, on behalf of the University, will formally notify the HEA of the projected GAAP deficit in accordance with Section 37 (5) of the Universities Act, 1997, and the Committee noted that the Section 37 letter will be issued after the Q2 results are reviewed in order to reflect the positive impact of a significant reduction in forecasted energy costs on the final budget deficit figure.

Actions

81.1 The Section 37 letter to be issued after the Q2 results are reviewed.

FN/22-23/82

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University Pension Schemes Update

(Minute FN/22-23/49 of 30.01.2023 refers)

The Deputy Chief Financial Officer reported on this item.

The Committee had been circulated with a paper from the CFO and Deputy CFO dated 27.04.2023, setting out an update on University Pension Schemes across the following headings:

- Introduction
- Trinity Pension Schemes – Recap on 2020 position
- Trinity Pension Control Accounts



- Updated Funding Projections – Master & Model Schemes
- Risks
- Update on Single Pension Scheme (SPS)
- Summary and next steps

By way of presentation, the Deputy CFO provided a detailed recap on the 2020 position with regard to each scheme and drew the Committee's attention to the key changes to the University's three pension schemes since the last update to Board in March 2021. The Deputy CFO highlighted the gap between the funding provided by the State and the actual annual payment obligations associated with the Master Pension Scheme, noting that the gap is increasing annually, with a consequential impact on the University's cashflow position. She also outlined that, since 2016, on the instruction of the HEA, Model Scheme surpluses are offset against deficits on the Master scheme on an annual basis.

The Committee noted the detail provided on the University's pension control accounts, including the tracking of pensions movements and receivables during the year and the net receivable due from the State at September 2022. Having noted the significant additional funding received from the HEA post year-end (in December 2022) in respect of Master Scheme liabilities, the Committee reviewed the updated funding projections for both the Master and Model Schemes, including the forecasted increase in the Master Scheme funding gap and the trajectory of pension payments versus contribution income on the Model Scheme.

In considering the risks outlined on the Master Scheme, the Committee welcomed the reduction in the pension deficit due to the additional funding received from the HEA along with the positive impact of the change in actuarial assumptions on the pension liability overall. The Committee supported FSD's proposal to ring-fence the HEA funding in respect of future payment obligations, noting however that this funding is expected to be fully utilised on payment obligations in 2022/23.

Further to the update provided on risks relating to the Model Scheme arising from the absence of formal legislation providing a State guarantee in respect of its payment obligations, the Committee noted the mitigants as set out. The Committee further noted the unqualified audit opinion of the C&AG and the University's commercial auditors in terms of the accounting treatment which recognises a matching pension receivable asset for Model Scheme liabilities.



Finally, the Senior Counsel opinion on the State's responsibilities was also noted.

With regard to the Single Pension Scheme, the Committee noted that DPER has yet to establish a unit to pay retirement benefits, and as a result the University pays a number of retirees directly. Further to a brief discussion, and thanking the Deputy CFO for her very clear and informative report, the Committee recommended that the University continue to engage with the State, both at a sector level and directly, regarding:

- Requirement for additional annual pension funding to clear Master Scheme deficits
- Model Scheme responsibilities and obligations
- Establishment by DPER of an SPS payments unit

Actions

82.1 The balance of additional HEA funding received in respect of the Master Pension Scheme to be ring-fenced to meet future payment obligations.

82.2 The University to continue to engage with the State, both at a sector level and directly, regarding:

- Requirement for additional annual pension funding to clear Master Scheme deficits
- Model Scheme responsibilities and obligations
- Establishment by DPER of an SPS payments unit

FN/22-23/83

Capital Projects Dashboard

(Minute FN/22-23/67 of 09.03.2023 refers)

The Bursar & Director for Strategic Innovation reported on this item.

The Committee welcomed the circulated document from the COO, dated April 2023, which provided a high-level overview of the University's major capital programme, including the approved budget for each of the 5 active projects, expected completion dates, key activities to October 2023 along with a RAG status. The Bursar provided a brief update on the recently completed Historic Accommodation Project, noting that it had been completed on time and on



budget and highlighted the sustainability aspects of the build, including that investment in energy efficiency measures has produced a demonstrable reduction in operating costs. She also provided a brief status update on Printing House Square, the E3LF, Book of Kells Experience and Portal projects and advised the Committee of the recently announced successful bid for HESIF capital funding for the Trinity South Renewal project which is in the planning stages.

By way of presentation, the Bursar also updated the Committee on the Old Library Redevelopment Project, including the RAG status and the cost and schedule assessments to be undertaken in preparing the pre-tender estimate, in advance of the Invitation to Tender planned to take place in June 2023. The Committee noted the significant impact of inflation and supply chain challenges, along with project-specific design elements driving increases in pre-tender cost estimates. In this context, and noting the University's continued commitment to conservation of the building and its collections, along with the key priorities in this area, the Committee endorsed the decision to review the Project's scope in advance of appointing a contractor. The Committee noted the proposed timeline for this review and requested an updated report to come forward for consideration in June 2023.

The Committee also requested an updated Capital Projects Dashboard to come forward for consideration at the next meeting.

Action:

- 83.1** An updated Capital Projects dashboard to come forward for consideration at the next meeting.

- 83.2** An updated report on the OLRP to come forward for consideration in June 2023.



FN/22-23/84 Trinity Development & Alumni (TDA) Update

(Minute FN/22-23/27 of 23.11.2022 refers)

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 21.04.2023, which provided a summary of TDA's performance versus the approved Business Plan.

By way of presentation, the TDA Director of Advancement and TDA Director of Operations provided additional detail on:

- Funds raised at March 2023
- Fundraising activity
- Philanthropic income year-to-date
- Outstanding Pledge Balances at March 2023
- Operating spend
- Key highlights

The TDA Director of Advancement, noting that performance in the year is behind prior year, outlined a number of contributing factors including Covid impacts and a not unexpected, post-campaign dip. She highlighted the positive impact of the return of international travel and the continued engagement with potential donors, evidenced by the success in the year-to-date and the positive opportunity trends emerging from donor and prospective donor meetings.

The Committee noted the funds raised in the year-to-date (which had increased since the report was circulated) versus the annual and 5-year targets, along with the detail on significant gifts received during the year. The total philanthropic income in the year, along with the value of funds received directly by the University, was also noted.

The Committee reviewed the update on outstanding pledges, including the split of balances due to TDA and those to be paid directly to the University (and their age profile) along with the forecasted cashflow. In considering the favourable variance to budget in terms of operating costs in the year, the Committee noted that due to recent recruitment successes, non-pay costs would increase as travel and events ramp-up during the second half of the



year. The Committee welcomed the additional detail provided on the recoverability of outstanding pledges.

In considering the key highlights as set out, the Committee welcomed the development of a comprehensive fundraising strategy to maximise the strong donor pipeline, which will be supported by the appointment of a new Director of Fundraising and two senior fundraisers. The Committee also noted the challenges as outlined, including the adverse impact of Brexit on the philanthropic intent of UK businesses along with ongoing recruitment issues.

Thanking the TDA Director of Advancement and the TDA Director of Operations for their report, the Committee requested an update on activity to come forward in Michaelmas Term 2023.

Action:

84.1 An update on activity to come forward in Michaelmas Term 2023.

**FN/22-23/85
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Academic Fees for Annual/Single Year Students (FY24/25)

(Minute FN/21-22/63 of 03.03.2022 refers)

The Project Appraisal Manager, Financial Operations Manager and Dean of Students attended for this item.

The Committee considered the circulated memorandum from the Project Appraisal Manager and Financial Operations Manager dated 27.04.2023 setting out a proposal for academic fees for annual/single year students across the following headings:

- Background
- Global Engagement views
- Other views- Dean of Graduate Studies and others
- Preliminary scenarios
- Financial impact
- Recommendation
- Planning Group and Executive Officers
- Next steps



In his presentation, the Project Appraisal Manager referenced the core principles agreed as part of the fee-setting process in 2021/22, which ensures that for annual/single year students:

- fees are set annually based on current market conditions and other factors
- fees are agreed by May each year to support applications opening in October
- students will have visibility of full fees/costs before they accept a place/commence their studies

The Project Appraisal Manager also referenced the fee levels agreed by Board for AY2022/23 and 2023/24 along with the stakeholder engagement process undertaken to bring forward the proposal under consideration. The Committee considered the views and recommendations of Global Engagement as outlined, noting the strong demand from traditionally price-sensitive markets and the option to utilise the fee derogation process where Schools believe fee increases should be higher or lower than the approved level. The dampening impact of cost of living and accommodation pressures in Ireland on student recruitment was also noted, along with the concerns of the SU President and other student representatives regarding the effect of these pressures on existing students.

The Committee reviewed the six preliminary scenarios as set out, noting the impact of each on fee income versus the budgeted forecast in addition to the rationale behind the preferred scenario. Welcoming the level of prior consultation with stakeholders as outlined and recognising the many financial challenges facing students, the Committee acknowledged the balance provided by the proposed increase in attracting applicants and supporting strategic targets, whilst meeting increasing operational costs. On this basis, the Committee approved Scenario 1 as set out and recommended it for onward consideration and approval by Board, noting that derogations could be sought in the usual manner where required.

Action:

- 85.1** The Committee approved Scenario 1 and recommended it for onward consideration and approval by Board, with derogations to be sought in the usual manner where required.



FN/22-23/86 Trinity Business School Project – Business Case Review

(Minute FN/21-22/90 of 02.06.2022 refers)

The Dean of the School of Business and Programme Manager attended for this item.

The Committee reviewed the circulated memorandum from the Bursar & Director of Strategic Innovation, Dean of TBS and the Programme Manager dated 26.04.2023, which provided an update on the TBS Project across the following headings:

- Executive Summary
- Activity update & income growth
- Tangent
- Commercial Revenue Unit
- Philanthropy
- Operations of the TBS Building
- 2021/22 Financial Summary & position over Project lifecycle
- Risk
- Sustainability issues
- Request

The Committee noted the strong performance of TBS (now in its 7th year of operation) since the last report, noting the net cumulative contribution to the University, the growth achieved in student numbers and the expanded academic programme. The Committee further noted the recently launched “Transforming Business for Good Strategy” and its ambition to positively impact ethical business leadership, eco-sustainability and access to education for disadvantaged students. TBS remains ahead of plan in terms of accreditations and QS rankings, performing strongly in the Financial Times (FT) rankings overall, while entering into the FT’s most competitive Global MBA ranking for the first time at No.1 in Ireland and 26th in Europe.

In his presentation, the Dean of TBS provided an update on the Business Case, highlighting the strong overall performance to-date and improved performance in 2021/22, which was again ahead of target, with a significant surplus also forecast for the current financial year.



The Bursar provided a brief update on Tangent, noted the high levels of activity across its various programmes and the ongoing efforts in relation to securing sponsorship support.

The Committee also noted CRU's revenue update, including performance detail across the three principal income streams, welcoming the evident post-Covid recovery and positive forecast for FY2022/23.

The Committee welcomed the update on philanthropic pledges, noted the ongoing review of the budget for Operations & Maintenance as set out along with the key risks in relation to staffing as outlined.

Thanking the Dean of TBS for his report, the Committee acknowledged the ongoing progress and success of TBS and congratulated the Dean for his vision and leadership. The Committee requested a further update in Michaelmas Term 2023 and, in light of the significant changes since the original business case was developed in 2016, requested a full review of the Business Case be undertaken with a revised version to come forward within the next 12 months.

Action:

- 86.1** An updated report TBS to come forward for consideration in Michaelmas Term 2023.
- 86.2** A full review of the Business Case be undertaken with a revised version to come forward for review in Trinity Term 2024.

FN/22-23/87

External Audit 2021/22 – Management Letters

The Deputy Chief Financial Officer reported on this item.

The Committee noted the circulated memorandum from the Deputy CFO dated 27.04.2023 along with the accompanying documents as follows:

- FY2021/22 C&AG Management Letter
- FY2021/22 PwC Management Letter

By way of presentation, the Deputy CFO summarised the findings of the University's statutory and commercial auditors in the financial year 2021/22,



encompassing the financial risks and control issues facing the University, and the associated management responses to the issues identified.

The Committee reviewed the ratings of the 5 C&AG findings (1 High, 5 Medium, 1 Low), noting the detail provided by the Deputy CFO on the high-rated item and further noting that PwC had made no findings, raising just 3 “housekeeping” issues.

The Committee commended the work of FSD and the engagement of the University community in delivering such a successful outcome to the annual audit.

Section C

FN/22-23/88 Finance Committee Self Evaluation Questionnaire 2022/23

The Committee noted the circulated memorandum from the Chief Financial Officer dated 27.04.2023 and accompanying draft Finance Committee Self-Evaluation Survey for 2022/23.

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 2023.

Action:

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



FN/22-23/89 Procurement Strategy Implementation Update

(Minute FN/22-23/8 of 30.09.2022 refers)

The Committee noted the circulated paper from the Procurement Manager dated 27.04.2023, setting out the first of the bi-annual updates on the University's Procurement Strategy, across the following headings:

- Introduction & Overall Environment
- Tender Thresholds
- Request for Quotation – new system
- Capital Works & Facilities
- Category Activity
- Resourcing

The Committee noted the improvement in the area of Energy, with a sectoral tender for Electricity issued in March, the timing of which should benefit from a reduction in the market volatility and high prices seen in 2022.

The Committee welcomed the change in tender thresholds for Goods & Services and Works as outlined, which will provide greater flexibility to budget holders. The Committee noted the associated need for a "Request for Quotation" tool to help manage and report on new Government requirements for publication of Contract Award Notices for all contracts with a value greater than €25k (ex VAT).

The Committee noted high level of activity in the Capital Works and Facilities categories, and the update provided on active and pipeline projects. The Committee further noted the category updates including the anticipated increase in activity under the Laboratory heading, arising from two major SFI infrastructure grants. The significant value of tenders in the ICT category along with the detail provided on the open and planned tenders in the areas of Travel, Professional services, Marketing & Communications and HR was also noted.

Having reviewed the increasing levels of current and planned activity, along with emerging requirements relating to Biodiversity & Sustainability and Digital Transformation and increasing inflation, supply chain and contract management challenges, the Committee noted the resourcing issues as



outlined. Having noted the updated KPI report as circulated, the Committee requested an updated report for consideration in Michaelmas Term 2023.

Action:

89.1 An updated report to come forward for consideration in Michaelmas Term 2023.

FN/22-23/90 Tangent Update

(Minute FN/22-23/23 of 23.11.2022 refers)

The Committee noted the circulated memorandum from the Tangent CEO dated 24.04.2023, which provided an update on Tangent's performance across the following headings:

- Key Messages – Summary for the Academic Year 2022/23 to April
- Summary of Finances
- Overview
- Finances
- Long-term View Beyond 2022/23
- Key Strategic Deliverables achieved in 2022/23
- Summary

The Committee noted the update on the continued efforts to bridge the funding gap arising from the cessation of key sponsorship via Tangent's pipeline activities, costs savings and other measures as outlined.

The Committee welcomed the overview on activities and summary of key strategic deliverables achieved in the year, including the number of programmes, course participants and start-up companies supported, along with the significant level of HEA multi-annual funding secured.

In considering the summary of finances, the Committee noted the performance in the year to date along with the overall projected deficit for FY2022/23, and noted the mitigants in place, including pipeline revenue-generating activities and pay savings targets, which if realised will achieve a break-even position.

The Committee noted the update on initiatives to secure Tangent's longer-term financial sustainability including funding secured to-date, an



organisational strategy refresh (and funding model review), a revised approach to sponsorship along with the establishment of an advisory group focused on Philanthropy.

Noting the risks as outlined, the Committee requested an updated report for consideration in Michaelmas Term 2023.

Action:

90.1 An updated report to come forward for consideration in Michaelmas Term 2023.

FN/22-23/91 Additional Fee Derogations for Academic Year 2023/24

The Committee noted the circulated memorandum and appendices from the Financial Operations Manager dated 25.04.2023, which set out a fee derogation request by the School of Medicine, applicable to new entrants in 2023/24, that had been previously approved by the relevant Course Director, Head of School, Faculty Dean and Planning Group. Fees for continuing students remain in accordance with the Board-approved fee certainty policy.

FN/22-23/92 Borrowing Framework & Loan Guarantees

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In considering the circulated memorandum and accompanying documents from the Project Appraisal Manager dated 27.04.2023, setting out the revised and updated Borrowing Framework template for the University's financial year ending 30 September 2022 along with projections for FY2022/23 (with no new loans in scope for the year ending 30 September 2023), 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:

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



FN/22-23/93 Federal Aid (Stafford) Loan Programme – Auditors Report y/e 30.09.2022

The Committee, having been circulated with a memorandum from the Director of Academic Registry and the Head of Student Finance, dated 05.04.2023 along with the Report of Independent Auditor, Bender, Ciccotto & Co. for the year ended 30 September 2022 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/22-23/94 Minutes of Sub-Committees including quarterly performance review summary of the Trinity Endowment Fund q/e 31.12.2022

The Committee noted the circulated memorandum from the Chief Financial Officer dated 27.04.2023 and the accompanying draft minutes of the Investment Committee meeting of 21.03.2023, which included the following items:

- Endowment Fund – 31 December 2022
- Review of Asset Allocation and update on Portfolio Restructuring
- Trinity Endowment Fund – Developing a Growth Strategy
- Updated Investment Policy Statement including Ethical Investment Policy
- Trinity Today profile
- Trinity Endowment Fund Financial Statements

The Committee also noted the quarterly performance summary to 31.12.2022 as circulated.

FN/22-23/95 Minutes of Audit Committee

The Committee noted the circulated memorandum from the Chief Financial Officer dated 27.04.2023 and the accompanying minutes of the Audit Committee meeting of 14.02.2023, which included the following items:

- Report from Trinity Foundation Audit & Risk Committee
- Divisional Update & Audit Recommendations Log
- Internal Audit Annual Report



- Governance Statements
- Audit Committee Annual Report for 2022/23
- Annual Assurance Statement
- Board Papers

FN/22-23/96 Minutes of the Estates Policy Committee

The Committee noted the circulated memorandum from the Chief Financial Officer dated 27.04.2023 along with draft minutes of the Estates Policy Committee meeting of 08.03.2023, which included the following items:

- Old Library Re-development Project
- Capital Projects dashboard – update
- Campus Tours Policy
- Finance Committee decisions relevant to EPC

FN/22-23/97 Related Entity Financial Reporting
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The Committee noted the circulated memorandum from the Chief Financial Officer dated 27.04.2023 and recommended the Directors’ Report and audited Financial Statements of the Irish Bioeconomy Foundation CLG for the year ended 31.12.2020 to Board for noting.

Action:

- 97.1** The Directors’ Report and audited Financial Statements of the Irish Bioeconomy Foundation CLG for the year ended 31.12.2020 to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for 8 June 2023 **at 10:00am** in the Provost’s Library.

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