

Minutes of Finance & Capital Investment Committee meeting

Date: Friday, 26th May 2023
Time: 1.30pm, Via Microsoft Teams

Chairperson: Dr David Dempsey

Attendees: Professor Veronica Campbell
 Mr Ray Ryan
 Ms Louise Grubb
 Ms Carol Lynch
 Mr Patrick McCormack
 Dr Frances Hardiman
 Dr Helen Murphy
 Mr Alan Quirke

In attendance under the Code of Governance:

Ms Elaine Sheridan, Vice President for Corporate Affairs & Finance
 Mr Cormac O'Toole, Vice President for Corporate Affairs

In attendance for Agenda Item 2.a & 2.c

Ms Cristíona Innseadúin, Finance Manager
 Ms Eleanor Rea, Finance Manager

In attendance for Agenda Item 2.c

Ms Sarah Morrissey, Corporate Governance Integration Lead

Apologies: Professor Patrick Prendergast

Secretariat: Mary Clare Coogan

Item Title	
1.	<u>Chair's Welcome:</u> a. <u>Chair's welcome and Introductions</u> NOTED Dr David Dempsey advised he would be chairing today's meeting in the absence of Professor Prendergast. He welcomed the newest member of the committee, Mr Patrick McCormack to his first meeting, who provided a brief self-introduction to the committee. Members of the committee also provided brief introductions and welcomed Mr McCormack. Confirming the meeting was quorate and that there were no conflicts declared, the Chair commenced the business of the meeting. b. <u>Approval of minutes: 28th April 2023</u> AGREED To approve the minutes of 28th April 2023 and upload to the website.

c.	<u>Matters arising</u> NOTED There were no matters arising. By way of information, Dr Dempsey informed the committee that the two items that were discussed and recommended to the Governing Body for approval at the last meeting (the acquisition of the Waterford Crystal site, and the Carlow property acquisition) were approved by the Governing Body at their meeting on the 4th June.
2.	<u>Committee matters:</u> a. <u>Financial Statements for the period ended 30th April 2022 (Waterford Institute of Technology)</u> <u>Financial Statements for the period ended 30th April 2022 (Institute of Technology Carlow)</u> NOTED Ms Inseadúin and Ms Rea were welcomed to the meeting. Both Ms Innseadúin and Ms Rea respectively gave very comprehensive and detailed presentations on the Financial Statements for the period ended 30th April 2022 for Waterford Institute of Technology and Institute of Technology Carlow, highlighting the main points. Numerous queries were raised and clarifications sought by the committee on various areas of the Financial Statements. Mr McCormack asked if the committee could see sight of the annual budget for SETU. The VP for Corporate Affairs & Finance advised this was a bit complex in that the Budget is allocated on a calendar year basis and the university's financial statements are prepared on an academic calendar year basis. She further advised that the annual Programmes & Budget document was reviewed in detail by this committee and approved by the Governing and this would be made available to Mr McCormack, and a briefing could be arranged if required. Mr McCormack also queried why there was a very significant rise in professional fees between the years 2020 and 2022. The VP for Corporate Affairs & Finance advised that specific funding was granted to both Waterford IT and IT Carlow for TU integration, and some consultancy firms were hired to give assistance in this regard during that period of integration. She further advised that a full analysis on costs associated with this will be provided to the committee in the coming days. A query was raised as to whether it was normal practice for the university to benchmark its key financial performance metrics versus other institutions. The VP's confirmed that this would have been normal practice in the past and that a lot of analysis has been undertaken by the HEA also. However, with regard to the sets of accounts being presented today, this exercise was not undertaken given the fact that the accounts cover the covid period and the period leading up to the establishment of SETU and do not relate to a complete or single academic period. It was noted that the accounts for Waterford Institute of Technology were based on a twenty-month period, while the accounts for Institute of Technology Carlow were based on an eight-month period, and clarification was provided on why this approach was adopted and previous discussions with the committee and approvals from the Governing Body to adopt this approach. In providing further information on the matter the VP for Corporate Affairs & Finance explained that Waterford IT was in the middle of audit for the prior year's accounts at the time of the dissolution of Waterford IT and therefore the set of accounts for the year ended 31st August 2021 could not be approved by their Governing Body, leaving a twenty-month set of accounts to be approved. However, IT Carlow had completed their audit and the accounts were approved by their Governing Body, leaving only an eight-month set of accounts between 1st September 2021 and designation on 1st May 2022 to be approved. In closing the discussion, the Chair on behalf of the committee thanked Ms Innseadúin and Ms Rea and acknowledged the huge amount of work involved in the preparatory work on both sets of accounts. AGREED To recommend both sets of accounts to the Governing Body subject to any material changes that may arise from the audit. The committee were informed that the accounts would also be reviewed by the Audit & Risk Committee at their meeting on Monday next, 29th May.

b. Subsidiaries Update re AGM

NOTED Ms Sarah Morrissey was welcomed to the meeting. She advised that she would provide an update to the committee on the subsidiaries of SETU and in particular, the requirement to hold an AGM. She outlined that there were five subsidiaries of SETU, all of which are single member companies as per their constitutions, and SETU is their sole member.

Ms Morrissey explained that under the Companies Act 2014, an AGM must be held by a company that allows for members to ask questions and get information about company affairs. Due to the fact that SETU subsidiaries are all single member companies, it is proposed that the committee will recommend to the Governing Body that the resolutions for the five SETU subsidiaries companies be approved, that will therefore allow for the subsidiaries to dispense with the requirement to hold an AGM in 2023. These must be written resolutions, and all five of which have been circulated to members of the committee.

The resolution to be passed must address the matters that would normally be held at an AGM and set out the following:

- That financial statements for the relevant financial year have been presented to the member;
- Whether the company has availed of an audit exemption;
- Where the company has not availed of an audit exemption, that the auditor continues to stand appointed;
- All matters are resolved that would otherwise be resolved at an AGM.

Ms Morrissey advised that these written resolutions are an annual requirement and will need the approval of the Governing Body every year. She also advised that a review of subsidiary boards of directors was undertaken by the Governing Body at their meeting in May 2023, and the nominations of directors to the boards of each subsidiary were reviewed and approved by them at that meeting.

A verbal update was provided to the committee on the current activities of all five subsidiaries.

The subsidiaries are:

- SETU Campus Services CLG t/a Novus
- National Design Innovation Hub DAC
- Insurtech Network Centre DAC
- ThreeD (Design, Develop, Disseminate) DAC
- Lean Industry 4.0 (LI4) DAC

A discussion followed where various queries were raised and answered to the satisfaction of the committee.

AGREED To recommend to the Governing Body that they pass a resolution to dispense with the requirement to hold an AGM in 2023 for the subsidiaries. The companies will be notified of this resolution.

The Chair thanked Ms Morrissey for her input and she left the meeting.

c. International Student Fees

The VP for Corporate Affairs presented this item to the committee. He advised that Mr Colm Walsh, International Integration Lead was hired to oversee the alignment and merging of the two international student operations in the legacy institutions. As part of that work Mr Walsh has produced a detailed proposal on how SETU can improve on its international offerings which was recently presented to the Executive Management Team (EMT). The EMT were happy with the proposal in principle, but requested that some financial modelling would take place to better understand the implications for approval to this committee

The VP for Corporate Affairs gave a slide deck presentation on proposed new International Fees and related Scholarships structure for the 2024/2025 intake. A comprehensive discussion took place regarding the many aspects of the proposal. For the benefit of the external members, the Chairman pointed out that the fee structure for international students is different than the fee structure for EU students. The fee for EU

students are set by the state, whereas the international fees are set by the university taking into account all of its costs and the prevailing market conditions.

The VP confirmed that representatives from the international area who were unavailable for this meeting would present a more comprehensive briefing to the committee on the international student market.

AGREED To approve the new proposed fee structure.

AGREED That the committee would be provided with regular updates on the effects of the implementation of the new fee structure when implemented.

Approved: David Dempsey

Date: 27th September 2023