Minutes of Finance & Capital Investment Committee meeting

Date:	Wednesday, 25th March 2026
Time:	4pm
Location:	Microsoft Teams
Chair:	Professor Patrick Prendergast
Attendees:	Professor Veronica Campbell Dr Helen Murphy Dr Frances Hardiman Ms Carol Lynch Ms Louise Grubb Ms Louise Walsh Ms Aisling O'Beirne, Chief Financial Officer Ms Elaine Sheridan, VP Governance/University Secretary Mr Cormac O'Toole, VP Finance/Financial Controller
In attendance:	Mr David Denieffe, Chief Operations Officer
Apologies:	Mr Alan Quirke Ms Erin Ní Fhóghlú Mr Patrick McCormack

In attendance for Agenda Item 2.2
Ms Sarah Morrissey, Internal Auditor

In attendance for Agenda Items 2.6
Mr Nick Sparrow, O'Kennedy Consulting

Secretariat: Mary Clare Coogan

Item Title	
1.	<u>**Chairpersons Welcome**</u>:
1.1	<u>Chairpersons opening</u>: NOTED The Chairperson welcomed members to the meeting, and confirming the meeting was quorate he commenced the business of the meeting.
1.2	<u>Conflict of Interest Declaration</u>: NOTED The Chairperson asked members if they had any conflicts to declare, particularly associated with items on the agenda. The President declared a conflict in respect of agenda item 2.8, and confirmed that she would leave for the duration of that item.

1.3	Memo re appointment of Chief Financial Officer NOTED The President advised that, following the appointment of a new Chief Financial Officer for the University, the Finance & Capital Investment Committee Terms of Reference have been updated to reflect this role. The committee considered the memo from the President proposing that the Chief Financial Officer will assume responsibility as Secretary to the Finance & Capital Investment Committee. AGREED The Chief Financial Officer will assume the role as Secretary to the Finance & Capital Investment Committee.
1.4	Approval of minutes: 5 February 2026: AGREED To approve the minutes of 5 February 2026 and publish on the website.
1.5	Matters arising (Action Log): NOTED The Action Log was presented. While it was noted that two items were scheduled for discussion on today's agenda, the Chairperson requested updates on the status of the items that were currently in progress. Updates on the items in progress were provided and noted. The committee agreed the following with regard to specific items on the Action Log, and the log will be updated accordingly: *Item No. 1* - It was noted that a number of the themes identified in the Effectiveness Review Self-Assessment exercise had also emerged through the recent IPA Effectiveness Review. It was agreed that a memo would be presented to the next meeting outlining the actions undertaken following the IPA Review. *Items No. 5 & 6* - Both of these items to be merged on the Action Log. The merged entry will note that an interim update on the Novus Implementation Plan will be presented at the next committee meeting, and a comprehensive review and strategy regarding commercialisation will be presented at a subsequent meeting. *Item 7* - A list of all SETU subsidiaries to be provided to the committee at their next meeting, including their respective legal status. This will provide clarity to the committee on the SETU subsidiaries that are under the remit of the Finance & Capital Investment Committee.
2A.	**Items for noting/approval:**
2.1	Budget 2026 NOTED The VP Finance presented a summary of the draft 2026 Budget Submission, highlighting that the University is forecasting a breakeven position for the 2026 calendar year. The presentation outlined the following: ➢ Budget Approval Process ➢ Budget Overview ➢ Budget 2026 vs Actual 2025 (Calendar Year) ➢ SETU Budget 2026 to 2028 - by year ➢ State Grants Analysis ➢ Tuition Trend ➢ Expenditure (Pay & Non-Pay) Key points included: **Income:** ➢ Core Grant increasing by 1.7%. Other state grants include €3.7m additional funding for Veterinary & Pharmacy. ➢ Tuition income to grow modestly for EU undergraduates and strongly for international postgraduate students. ➢ Reductions in research payments to partners and other income. **Expenditure:** ➢ Pay costs to increase by 10%, reflecting additional posts carried forward from 2020, 80 new posts in 2026, and public sector pay increases.

- Non-Pay costs to increase to 8%, reflecting significant additional Budget requests, inflation, and costs returning from funded projects.

Tuition and Grant Analysis:

- Tuition trends, state grant allocations and their impacts on overall income were reviewed.

Next Steps:

- Detailed Faculty and Department reviews planned, with meetings scheduled mid-April to mid-May.
- Pay and Non-Pay by Department to be reviewed. Overall income and expenditure view to follow, subject to a new income allocation process.
- Principles of income allocation to be defined and agreed by end of May.

The Chairperson invited input from the committee on the 2026 Budget. A query was raised in relation to the reliance on growth in the international student market for revenue. It was pointed out that if the anticipated growth in this market is not achieved, despite investment in recruitment efforts, this could have a significant impact on the overall Budget. The Chief Financial Officer noted this represents one risk among several, with ongoing work to identify flexibility and mitigation strategies.

Further queries and clarifications were sought in relation to the budget process, amortisation of deferred capital grants, deferred pension funding, increases in computer and equipment costs, and cyber-related costs. A query was also raised regarding procurement and how the University monitors value for money in this area. Responses were provided, and noted by the committee. In response to a query on 'Other Income', the VP Finance advised that this category relates to retained pensions contributions and a number of other income streams. He confirmed that an explanation of the acronyms used, together with a detailed breakdown of 'Other Income' would be circulated to the Committee.

Research expenditure was discussed, particularly the allocation of approximately 15% of non-pay expenditure to research activities. Benchmarking and visibility on total research-related expenditure were highlighted. The VP Finance confirmed that a schedule providing a breakdown of research-related income and expenditure by activity level would be circulated to the Committee.

It was noted that the University is currently forecasting a surplus of approximately €230k, compared with a surplus of €15m in the previous year. The Chief Financial Officer advised that a number of factors are impacting this position, with the most significant being the investment in headcount over the past two years. It was emphasised that greater diligence will be required in relation to future expenditure, including careful consideration of any further increases in headcount. The President noted that, while the University has made a significant investment in headcount, it is not anticipated that this level of growth will continue. She outlined the rationale for a number of the additional posts. The Committee noted the importance of ensuring that the investments being made are delivering the intended outcomes.

It was noted that the forecast assumes a reduction in non-pay expenditure, but concerns were raised as to whether this is a reasonable assumption. Members highlighted that if pay costs continue to increase, potential deficits could become more significant. A question was raised regarding whether Budgets submitted to the HEA should show a deficit or whether income streams should be identified to cover these costs and avoid a deficit position. The VP Finance advised that the University is forecasting a reduction in non-pay expenditure due to the cessation of certain funding streams. No additional *Funding the Future* has been included in the forecast, as that funding was paused this year. The Chief Financial Officer emphasised that the budget is based on assumptions intended to be as forward-looking and realistic as possible. She noted that if funding streams cease, the University will need to identify ways to reduce costs, with pay costs representing the largest expenditure. Given limited flexibility to reduce pay or headcount, careful planning is required to avoid a deficit. Investment in the Finance team was highlighted as necessary to support realistic forward planning. The Chief Financial Officer advised that further work will consider potential actions if anticipated income does not materialise, including re-prioritisation of investments and headcount decisions. The current Budget reflects an expected case based on the information available.

	AGREED On the basis of the discussion that had taken place, the committee agreed to recommend the Budget 2026 to the Governing Body for approval and submission to the HEA. ACTION To circulate the following to the committee 1) explanation of the acronyms used in the Budget document, 2) detailed breakdown of 'Other Income' and 3) schedule providing a breakdown of research-related income and expenditure by activity level.
2.2	<u>Internal Financial Controls Review 2025 - Internal Audit Report</u> NOTED The Chairperson welcomed Ms Morrissey to the meeting who presented the Internal Financial Controls Review 2025 to the committee for noting. Ms Morrissey advised the committee that this Internal Audit Review was conducted on behalf of the University by Deloitte. She noted that a review of Internal Financial Controls is included annually in the Internal Audit Plan and that this review forms part of the evidence considered by the Audit & Risk Committee in assessing the effectiveness of the overall system of internal control. Ms Morrissey provided background on the review, including the scope of the fieldwork undertaken. She noted that the findings of the review are summarised in the Executive Summary and took the Committee through the key points outlined within the report. The Chairperson thanked Ms Morrissey for her presentation and she left the meeting.
2.3	<u>AGM Resolutions for subsidiary companies</u> NOTED The VP Governance reminded the committee, as in previous years, of the requirement to provide a written resolution to dispense with the requirement for SETU subsidiary companies to hold an Annual General Meeting. The request in this instance relates to SETU subsidiaries Lean Industry 4.0 and ThreeD DAC, for the financial year ended 31 August 2025. Ms Lynch made a comment and observation, noting that, as previously discussed and recorded on the Action Log, there is a need for a process to oversee, at some level, the activities and expected position of the subsidiary companies. She highlighted that it was important that an additional step is taken to ensure the Finance & Capital Investment Committee is provided with documentation explaining the position of these companies, so that when reviewing the Financial Statements, the Committee has a clear understanding of the companies' status at that point in time. The VP Governance agreed with Ms Lynch's observation, noting that this is in line with the previous discussion recorded under the Action Log item. AGREED To recommend to the Governing Body the written resolution to dispense with an AGM for the SETU subsidiary companies outlined above.
2B.	**<u>Items for information</u>:**
2.4	<u>HEA Capital Development Reserve agreement</u> NOTED As requested at a previous meeting, the HEA Protocol for Transfers to Capital Development Reserves in the Technological Sector was presented to the Committee for information.
2.5	<u>Consideration of revised 5-year projections/scenarios</u> NOTED Following the presentation made to the Committee at a previous meeting on 5-year projections and scenarios, the VP Finance presented the second scheduled update, providing an overview of the latest 5-year projections and scenario analysis, for information.
2.6	<u>Update on Philanthropy</u> NOTED The Chairperson welcomed Mr Nick Sparrow, O'Kennedy Consulting to the meeting. The VP Governance provided context, noting that the University's Strategic Plan includes an Enabler action to ***"Explore opportunities for philanthropic support to assist the University in achieving its ambitions"*** which provided a pathway for this initiative. SETU applied for funding under the Technological Sector Advancement

	Fund (TSAF) to engage O'Kennedy Consulting to assist with the development of a Philanthropy Plan, strategy, and framework. Mr Sparrow provided a presentation to the committee on this initiative, outlining the work completed to date, the current position, and the programme of work planned for the next 18 months. It was noted that no decision was required from the committee at this point. The presentation was provided for information and transparency, and any advice or input from the committee was welcomed. The Chairperson thanked Mr Sparrow for his presentation and he left the meeting.
2.7	<u>HEA 4-month report Sept to Dec 2025</u> NOTED The VP Finance presented this report to the committee for information.
2.8	<u>President's Expenses</u> The President left the meeting for this item. A summary report of the President's expenses was circulated to the committee for the period 1 September 2024 to 1 September 2025 for noting. There being no other matters to attend to, the Chairperson thanked everyone for their attendance and closed the meeting at 5.40pm.

Approved: ______________________ Date: 28th May 2026