

Incorporating any amendments approved at subsequent Board meetings

The University of Dublin

Trinity College

Minutes of Board Meeting, 22 January 2003

Present Provost (Dr J Hegarty), Vice-Provost (Dr J B Grimson), Registrar (Mr R A Stalley), Bursar (Dr J W O'Hagan), Dr L E Doyle, Dr S Duffy, Dr J A Fitzpatrick, Ms A-M Gatling, Dr H Gibbons, Dr C Horn, Mr H Kearns, Ms M Leahy, Dr J G Lunney, Mrs J O'Hara, Mr W Priestley, Mr D Scammell, Dr J C Sexton, Dr F Shevlin, Ms E K Stokes, Dr D L Weaire, Dr T T West.

Apologies Senior Lecturer (Dr S M Greene), Dr S P A Allwright, Mr B Connolly, Dr J M Mossman, Mr I Moynihan, Dr A N M Ní Chasaide.

In attendance

(ex officio) Secretary, Treasurer, Assistant Secretary.

(by invitation) Mr P O'Connor, PricewaterhouseCoopers and the Deputy Treasurer for item 7/145
Mr D Kingston, Chairman of the Audit Committee and the Internal Auditor for items 7/145 and 7/146.

7/145 Financial Statements – Year to 30 September 2002 The Board considered the Financial Statements for the year ended 30 September 2002, Additional Financial Information for the same year, Financial Statements for Ghala Limited for the year ended 30 September 2002, report from PricewaterhouseCoopers relating to the Prompt Payment of Accounts Act 1997 for the year ended 30 September 2002, Academic Faculties and Departments - Analysis of Recurrent Expenditure and Research Accounts for the year ended 30 September 2002 and a report from the Audit Committee with an accompanying letter from PricewaterhouseCoopers, all of which had been circulated.

The Treasurer, introducing the topic, invited Board's particular attention to her report which accompanied the financial statements for the year ended 30 September 2002. In presenting the accounts, the Treasurer advised Board that they had been prepared in accordance with the format approved by the HEA with the addition of a note to explain that, in providing for the grant reductions which had taken place during 2002 in the last quarter of that year as required by the HEA, the College is reporting a surplus of €831,000 for the year 2001/2002. The Board noted that there will be a new format required of the College for the year 2002/2003 which will result in consolidated financial statements and a HEA funding statement (the existing Income and Expenditure format). The Treasurer invited Board's attention to the changes in accounting policy and treatment which had taken place during the year 2001/2002 and also invited Board's attention to the legislative and regulatory framework within which the College operates. The Board noted that the final audit meeting had taken place on 4 December 2002.

The Treasurer and the Deputy Treasurer invited Board's attention to financial issues in relation to the College's capital programme, research activities and the income and expenditure highlights for the year, including pay:non-pay ratios greatly in excess of the stated Board policy of 70:30, drawing comparisons, where appropriate, with the university

sector as whole. The Treasurer also invited Board's attention to a Faculty analysis of key indicators.

The Treasurer, in response to queries from Board members, clarified a number of issues in relation to funding for recurrent equipment, outstanding pay awards agreed under the PCW and the deficit on the capital building programme. She also noted the very serious financial difficulties which any future bench-marking pay awards would present for the College unless special funding provision is made available by the State. In response to a query, the Treasurer advised Board that the College is not legally exposed on completed capital projects by any proposed changes in tax-based developments, noting that the College's participation in such schemes for recent capital projects was a requirement of the HEA, notwithstanding the very high costs in terms of time and money which their execution have imposed on the College.

Mr O'Connor, of PricewaterhouseCoopers, present by invitation, advised Board that an unqualified audit opinion had been issued in relation to the financial statements and that the external auditors had been satisfied with the judgements which had been made in relation to accounting for the treatment of the grant and tax-related issues, noting that detailed discussions had taken place with the Audit Committee on all matters relating to the audit.

The Chairman of the Audit Committee, present by invitation, advised Board that, following detailed discussions with PricewaterhouseCoopers and the Treasurer's Office, the Audit Committee was in a position to report that there were no issues of concern which should be brought to the attention of Board when considering the approval of the financial statements for the year under review. The Chairman invited Board's attention to the management letter received from PricewaterhouseCoopers, which had been circulated, and which stated that an unqualified audit report had been issued on 4 December 2002 for the College's financial statements and those of Ghala Limited and that their audit had not identified any adjustments to the financial statements as presented by the Treasurer. The Board noted that a number of internal control issues which had been identified by the external auditors would be considered in due course by the Finance Committee and would be kept under review by the Audit Committee. The Chairman also invited Board's attention to a number of issues in relation to the future format of financial statements which are currently the subject of discussion with the Comptroller and Auditor General, the HEA and the sector, noting that the Audit Committee is of the view that the primary function of the financial statements should be to show a true and fair view of the financial position of the College and not be driven solely by a desire to move closer to generally accepted accounting principles which may not be wholly relevant to the sector. The Board also noted that the proposed move to a consolidated basis of accounting would greatly increase the work-load in the Treasurer's office and would have an impact on the timing of presenting the accounts to Board.

The Financial Statements for the College and Ghala Limited were approved by the Board and signed by the Provost and the Treasurer.

Mr O'Connor and the Deputy Treasurer then withdrew.

The Board thanked and complimented the Treasurer and her staff for preparing the financial statements for consideration by Board within such a short time period following the financial year end.

- 7/146 Audit Committee – Annual Report 2002** The Chairman of the Audit Committee and the Internal Auditor invited Board's attention to the Audit Committee's Annual Report 2002 noting that a number of issues raised in the report had been considered in detail by the Board at its previous meeting. The Board, noting the programme of work which had been

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undertaken by the Audit Committee during 2002, approved the 2003 work programme as proposed. The Board noted that issues raised in the Audit Committee's report in relation to staff retention, governance and the Haughton Institute were currently being addressed by College Officers. In response to a query from Mr Kearns, the Secretary undertook to consider and report to Board on the implications for College of the EU Directive in relation to working time. The Board also noted Ms Leahy's concern that any staff performance evaluation system arising from the Programme for Prosperity and Fairness should be developed in full consultation with staff representative groups.

The Board agreed that, in future, as well as presenting an Annual Report to Board and advising Board of issues of serious concern as they arose, the Audit Committee would present quarterly reports on its work programme to Board for information.

The Board thanked the Audit Committee for its report.

Mr Kingston and the Internal Auditor then withdrew.

7/147 Finance Committee The Board noted and approved the Minutes of the meeting of the Finance Committee held on 19 December 2002. Particular reference was made to the following:

2003/45 Procurement - Stationery In response to concerns expressed by a number of Board members about the apparent lack of consultation in relation to the planned closure of the Stationery Stores, the Secretary and the Treasurer advised that full communication with all concerned would now take place following Finance Committee and Board approval of the proposal.

Signed:

Date: