

*Incorporating any amendments approved at subsequent Board meetings*

The University of Dublin

Trinity College

Minutes of Statutory Board Meeting, 26 January 2011

<i>Present</i>	Provost (Dr J Hegarty), Vice-Provost/Chief Academic Officer (Dr M A Marsh), Senior Lecturer (Dr A Douglas), Registrar (Dr J Barkhoff), Bursar (Dr F M Boland), Dr S P A Allwright, Dr S D C Barrett, Dr M Bouroche, Mr F Cowzer, Mr W J Dowling, Ms J Fox, Mr J Gallagher, Dr H Gibbons, Dr R Gilligan, Ms D Lawless, Dr J F McGilp, Dr K J McGinley, Dr N Marples, Ms N Murray, Dr H J Rice, Dr D M Singleton, Mr N Trigoub-Rotnem.
<i>Apologies</i>	Dr O Braiden, Ms M A Coffey, Ms S Fleming, Dr E J O'Halpin, Professor D O'Neill.
<i>In attendance</i>	Ms S Mac Bride.
<i>(ex officio)</i>	Secretary, Treasurer.
<i>(by invitation)</i>	Chief Operating Officer  Chair of the Audit Committee (for BD/10-11/112 and 113) Internal Auditor (for BD/10-11/112 and 113) Ms Laura Gallagher and Mr Sean O'Keeffe, representatives of the Auditors, KPMG (for BD/10-11/112) Ms Deirdre Savage, Research Accounting Manager (for BD/10-11/112) Ms Jane Corcoran, Financial Accountant (for BD/10-11/112)

The Provost reminded Board members of the importance of maintaining confidentiality regarding the discussions which take place during all Board meetings.

SECTION A

- BD/10-11/112 Funding Statements for year ended 30 September 2010** The Board noted the following documents which had been circulated for consideration under this item:
- (i) Funding Statements for the year ended 30 September 2010;
  - (ii) Funding Statements for the year ended 30 September 2010 - Additional Information;
  - (iii) Proposed Letter of Representation to KPMG concerning Funding Statements, dated 26 January 2011;
  - (iv) Memorandum from the Treasurer, dated 19 January 2011;
  - (v) Memorandum from the Chairman of the Audit Committee, dated 19 January 2011, together with letter from KPMG to the Chairman of the Audit Committee, dated 18 January 2011.

The Treasurer invited Board's attention to a memorandum dated 19 January 2011, which had been circulated, in which he presented his report on the Funding Statements for the year-ended 30 September 2010. The Board noted that the financial reporting requirements associated with the Funding Statements had been prepared in accordance with the agreed harmonisation policy. The status of Part 2 of the financial reporting requirements was noted, with the Consolidated Financial Statements expected to be finalised in Trinity Term 2011. The Treasurer advised Board of the challenges in preparing both sets of accounts due to the current manual system and the need for a new financial information system.

The Treasurer invited Board's attention to the audit status of the Funding Statements as presented and advised that the College's external auditors (KPMG) expected to issue an unqualified audit opinion. The Board noted that there were no material control weaknesses identified by the external auditors. The Treasurer invited Board's attention to the key aspects of the College's financial performance throughout the year resulting in a surplus of €0.18 million that included the:

1. nine month impact of the absolute reduction of 26% in the 2010 calendar Grant notified in February 2010;
2. increase in the student charge of €900 to €1,500 from 1 October 2009;
3. national pay rate reductions effective from 1 January 2010;
4. achievement of €6m expenditure savings target set out in Report No 1 of the Planning Group;
5. allocation of €2 million to Faculty Deans and the Chief Operating Officer for strategic purposes.

Noting the College's pay/non-pay trend, the Treasurer advised Board that the College is currently in discussion with the HEA with a view to introducing an incentivised early retirement initiative in an effort to reduce the College's pay costs. The Board noted that there is a level of interest in such an initiative as expressed in the recent government ISER, particularly by staff with 40 years' service who are not yet entitled to full pension on retirement. The Treasurer advised Board that should approval be given by the HEA, funds could be made available from provisions held in respect of liabilities associated with the Model Pension Scheme that are no longer required following the transfer of the College's pension funds and liabilities to the State.

The Treasurer advised Board of details in respect of the total income and expenditure (excluding research), the Balance Sheet and highlighted the significant capital projects currently underway and new disclosures relating to investment properties held by the College.

The Research Accounting Manager invited Board's attention to the level of research activity for 2009/10 including the proportion of research investment from exchequer and other sources in the period 2006 - 2010. Given the high proportion of research activity currently funded by the State, the Board noted the risk associated with any future downward adjustment in State research investment. The Board noted the possible impact of the research funding trends over the five year period to 2014/15 which are currently being considered by both the Planning Group and Research Committee.

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The Treasurer invited Board's attention to the College's financial position in 2011, noting the expected reduction in the core grant and the challenges facing the College in the current economic climate. He advised Board of the fundamental financial priorities required to face future challenges and the requirement to maintain financial flexibility. The Board noted that the College continues to be in a position of financial strength having no accumulated recurrent deficit and a strong balance sheet at 30 September 2010. The Treasurer advised Board that there are opportunities in terms of revenue generation and incentivised activities noting they will require a strategic approach and continued investment.

Ms Gallagher, representative of KPMG, present by invitation, advised Board that there were no additional matters which she wished to bring to the Board's attention and that on receipt of the signed Funding Statements and Letter of Representation it was the auditors' intention to issue an unqualified audit opinion.

Mr Collins, Chair of the Audit Committee, invited Board's attention to the memorandum dated 19 January 2011, and the accompanying letter from KPMG dated 18 January 2011, which had been circulated. He advised Board that the audited Funding Statements had been the subject of detailed consideration by the Audit Committee subsequent to their review by the Finance Committee. Mr Collins noted that the Audit Committee was not aware of any issues or concerns which would preclude the Board approving the Funding Statements and the Letter of Representation for the year under review.

In the course of a discussion, the Board noted comments that funds ear-marked for an early retirement scheme might be better used to support academic activities and that efforts should be made to present income from international activities more transparently in the Funding Statements.

The Treasurer clarified a number of technical issues raised by Board members, including:

- (i) that the provision has not been made in the Funding Statements as the liability for possible future redundancies of contract staff has yet to fully assessed;
- (ii) there is no guarantee that the HEA will agree to any proposed retirement initiative;
- (iii) the College has not acquired or developed any new tax incentivised properties in the year in question;
- (iv) income generation which focuses on attracting international students will require investment in support services.

In conclusion, the Provost thanked KPMG, the Audit Committee and the Treasurer's Office. The Board approved the Funding Statements for 2008/2009 and the associated Letter of Representation and agreed that they should be signed by the Provost and the Treasurer on its behalf.

**BD/10-11/113 College High Risk Register** The Chief Operating Officer invited Board's attention to the memorandum, dated 19 January 2011 and the College High Risk Register which had been circulated. She advised Board that the Register contained 17 risks; one classified as "critical", nine classified as "high" and seven risks classified as

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“medium”. The ability to deliver core services and key objectives has been identified as a “critical” risk in the context of the challenging funding environment and economic outlook impact. The Board noted that the Planning Group has been focusing on addressing this risk through the introduction of revenue generation and cost reduction strategies.

Mr Collins, Chair of the Audit Committee, invited Board’s attention to the memorandum dated 18 January 2011, which had been circulated. He advised Board that the Committee, having considered the Register, is satisfied with the progress which has been made in updating the Register. Noting the importance of continuing this process and keeping the Register under review, Mr Collins advised Board of the Audit Committee’s recommendation that all significant proposals presented to Board be accompanied by a formal risk assessment.

In response to a query, the Chief Operating Officer advised Board that the reduction in the quality teaching and research had been identified by Schools as a high risk and that it was considered to be important to keep this risk under review given the challenging economic environment.

The Board approved the College High Risk Register as presented and the recommendation that all future significant proposals to Board would be accompanied by a risk assessment.

**BD/10-11/114 Health and Social Care Professionals Council - Radiographers Registration Board**  
Under other business, the Board approved the nomination of Ms Coffey as the College representative to the Radiographers Registration Board.

**BD/10-11/115 Ethics in Public Office Acts**

Under other business, the Secretary reminded Board members of their obligations to submit the necessary declarations under the Ethics in Public Office Acts, noting that Board members who also hold designated positions must make separate declarations for each role.

**SECTION B**

**BD/10-11/116 Audit Committee** The Board noted, and where a decision was required, approved proposals in the draft minutes of the meeting of the Audit Committee of 30 November 2010 and 12 January 2011, noting in particular:

**AD/10-11/27 Policy on Hospitality and Entertainment** The Board noted the Audit Committee’s recommendation that procedures for travel and subsistence should be further strengthened and clarified. The Provost advised Board that the policy on the Hospitality and Entertainment would be presented to Board at its next meeting.

**AD/10-11/29 Consideration of the Draft Consolidated Financial Statements for year ended 30 September 2009** The Board noted the Audit Committee’s recommendation that given the challenges presented by the current manual system, a new financial

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information system will be needed to achieve a more efficient process of delivering the consolidated accounts.

**AD/10-11/33 Inter-Institutional Arrangements (Separate Legal Entities) - Update**

The Board noted the Audit Committee's concerns in relation to the governance procedures in place.

**BD/10-11/117 Finance Committee** The Board noted, and where a decision was required, approved the extract from the draft minutes of the meeting of the Finance Committee held on 15 December 2010.

**SECTION C**

**BD/10-11/118 Financial Matters - year ended 30 September 2010**

The Board noted and approved the following, as circulated:

- (i) Ghala Limited - Financial Statements - year ended 30 September 2010;
- (ii) Letter of Representation to KPMG concerning Ghala Ltd, dated 30 November 2010;
- (iii) Report of the Auditors to the Board of the University of Dublin, Trinity College ('College') Pursuant to Section 13 of the Prompt Payment of Accounts, Act 1997, dated 8 December 2010.

Signed: .....

Date: .....