

*Incorporating any amendments approved at subsequent Board meetings*

The University of Dublin

Trinity College

Minutes of Statutory Board Meeting, 25 January 2012

<i>Present</i>	Provost (Dr P J Prendergast), Vice-Provost/Chief Academic Officer (Professor L Hogan), Senior Lecturer (Professor P Geoghegan), Registrar (Professor S P A Allwright), Bursar (Professor D Lloyd), Mr R Bartlett, Professor S D C Barrett, Dr M Bouroche, Dr O Braiden, Professor M A Coffey, Mr F Cowzer, Professor W J Dowling, Professor H Gibbons, Professor R Gilligan, Professor J F McGilp, Dr K J McGinley, Professor N Marples, Ms N Murray, Professor E J O'Halpin, Professor H J Rice, Professor D M Singleton.
<i>Apologies</i>	Ms R Barry, Mr J Gallagher, Ms L Miller, Ms M O'Connor, Professor C O'Farrelly, Professor D O'Neill.
<i>In attendance</i>	Ms S Mac Bride.
<i>(ex officio)</i>	Secretary to the College, Treasurer.
<i>(by invitation)</i>	Chief Operating Officer, Vice-Provost for Global Relations.  Internal Auditor (for BD/11-12/127) Mr Sean O'Keefe, Representative of the Auditors, KPMG (for BD/11-12/127) Ms Deirdre Savage, Research Accounting Manager (for BD/11-12/127) Ms Janet Byrne, Financial Resources Manager (for BD/11-12/127)

SECTION A

**BD/11-12/127 Funding Statements for year ended 30 September 2011**

The Board noted the following documents which had been circulated for consideration under this item:

- (i) Funding Statements for the year ended 30 September 2011;
- (ii) Funding Statements for the year ended 30 September 2011 - Additional Information;
- (iii) Proposed Letter of Representation to KPMG concerning Funding Statements, dated 25 January 2012;
- (iv) Memorandum from the Treasurer, dated 17 January 2012;
- (v) Memorandum from the Chairman of the Audit Committee, dated 11 January 2012, together with letter from KPMG to the Chairman of the Audit Committee, dated 11 January 2012.

The Treasurer invited Board's attention to a memorandum dated 17 January 2012, which had been circulated, in which he presented his report on the Funding

Statements for the year-ended 30 September 2011. By way of presentation, the Board noted that the Funding Statements represent Part 1 of the financial reporting requirements under Section 37 of the Universities Act (the format of which was approved by the Higher Education Authority in August 2011). The status of Part 2 of the financial reporting requirements were noted.

The Treasurer advised Board of 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 Treasurer invited Board's attention to the financial performance for the year which resulted in a balanced budget and no accumulated deficit.

The Board welcomed the financial highlights for 2010/11 presented by the Treasurer as follows:

- (i) balanced budget position in 2010/11;
- (ii) no accumulated recurrent or capital deficit;
- (iii) the level of net asset;
- (iv) the investment in capital and recurrent projects between 2008 and 2011 (for which a full funding strategy is in place);
- (v) plans and structures to address future financial challenges;
- (vi) financial flexibility to fund approved strategic projects.

The Treasurer advised Board of the challenges faced by the College in terms of its capacity to plan strategically as a result of a series of factors which include the global economic uncertainty, visibility of future State funding levels and the reliance on the State for core and research funding, the lack of a dynamic State funding model and uncertainty around the reintroduction of tuition fees. Furthermore, barriers to recovering the full economic cost of key activities, increased competition for staff and students along with external factors affecting student and staff retention provide significant additional challenges.

The Board noted that the College is currently well positioned in terms of its capacity to invest in certain proposals that will enable it to progress the delivery of its strategic objectives and endorsed the Treasurer's view that the College must continue to focus on the delivery of international student intake, commercialisation and philanthropy as the three main areas for generating additional non-exchequer income.

Ms Byrne, Financial Resources Manager, invited Board's attention to the total income and expenditure and key figures from the Balance Sheet, noting the comparisons with last year's accounts. The Board noted that although there had been a reduction in research activity the value of the contracts signed had increased in 2010/2011. The Treasurer advised Board that it was difficult to predict future research funding streams. The Board noted that if current levels of research funding cannot be maintained there will be a knock-on effect on indirect costs, fee income, staffing levels and the staff/student ratio. The Treasurer outlined the College's financial strategy, future financial projections, noting the need to align resource allocation to the College's strategic objectives and to implement full economic costing in order to allow the College to make fully informed financial decisions.

The Treasurer thanked KPMG and the staff in the Treasurer's Office for meeting the very tight audit deadlines.

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Mr O'Keeffe, representative of KPMG, present by invitation, advised Board that there were no additional matters which he 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.

Professor McGilp, member of the Audit Committee, invited Board's attention to the memorandum from the Chairman, dated 11 January 2012, and the accompanying letter from KPMG dated 11 January 2012, 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. Professor McGilp noted that the Audit Committee was not aware of any issues or concerns which would preclude Board approving the financial statements and the Letter of Representation for the year under review.

In the course of a discussion, the Treasurer and the Financial Resources Manager clarified a number of technical issues raised by Board members, including that:

- (i) the calculation of the EU fee for the EU/Non-EU fee ratio included the core grant received by the College;
- (ii) a breakdown of the Non-EU fee total will be considered by the Planning Group to assist with future strategic plans;
- (iii) certain College buildings have been reclassified as investment properties in the Funding Statements to reflect that they are not used for College's core business but rather generate commercial income;
- (iv) historically ancillary service surpluses have been held as reserves and that the College may wish to consider a more strategic use for the funds available in the future;
- (v) the College needs to balance strategic investment with future income generation/cost reduction in order to ensure that reserves are not depleted;
- (vi) the financial viability of certain services will be kept under review.

In response to a query, the Chief Operating Officer and the Treasurer confirmed that a dispute on the final costs of a capital building project had gone to mediation and the College is currently awaiting the final report from the appointed Mediator. The Board acknowledged the need to review the management process for all capital and other large-scale projects.

In conclusion, the Provost thanked KPMG, the Audit Committee and the Treasurer's Office. The Board approved the Funding Statements for the year ending 30 September 2011 and the associated Letter of Representation and agreed that they should be signed by the Provost and the Treasurer on its behalf.

#### **BD/11-12/128 College High Level Risk Register**

Professor McGilp invited Board's attention to a memorandum from the Chairman of the Audit Committee, dated 11 January 2012, which had been circulated. He advised Board that the Committee, having considered the Register, is satisfied with the progress which has been made and stated that the Register had assisted with prioritising the work of Internal Audit. Noting the importance of continuing this process and keeping the Register under review, Professor McGilp advised Board of the Audit Committee's recommendation that the Register should be embedded further in the College's management practices.

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The Chief Operating Officer invited Board's attention to the memorandum, dated 19 January 2012 and the Risk Register, which had been circulated. She advised Board of removal of completed projects from the Risk Register and the addition of HR-related high level risks. She also noted that a risk associated with the student experience in College had been elevated to "High". In considering each risk in turn, the Chief Operating Officer also invited Board's attention to the steps being taken to mitigate the risks and the further actions planned for the coming six-twelve months.

In the course of a discussion, Board members expressed concern at potential reputational risk arising from the College's current policies on redundancies and possible conflicts with the Croke Park Agreement. It was agreed that this would be the subject of a detailed discussion at a future Board meeting.

The Board noted the difficulties which have been experienced in recent times in attracting suitable qualified staff to fill both Chair and Lecturer positions.

In response to a query, the Vice-Provost/Chief Academic Officer advised Board that she was working with the Chief Operating Officer in order to progress an off-books policy to address the risk to the Trinity Student Experience outlined in the Risk Register.

The Board noted the College High Risk Register as presented.

**BD/11-12/129 Membership of Audit Committee**

The Provost, noting that Mr Collins had stepped down as Chair of the Audit Committee after three years in office, proposed to Board that he be replaced by Ms Julie O'Neill who has been a member of the Committee since September 2010.

The Provost also invited Board's attention to the nomination of Mr John Cunningham as an external member of the Audit Committee. The Provost advised that Mr Cunningham is a Chartered Accountant with significant international experience, noting that his appointment would fulfil Board's commitment to appoint a member to Committee from a professional accounting background.

The Board approved the nominations as presented.

**SECTION B**

**BD/11-12/130 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 11 January 2012, noting in particular:

**AD/11-12/45 Matters Arising**

Professor McGilp advised Board that the Audit Committee would continue to keep the GeneSIS Project under review noting that the issues raised to date will be addressed at the next Board meeting.

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**AD/11-12/51 Self Evaluation of the Effectiveness of the Audit Committee**

Professor McGilp advised Board of the risk to the effective functioning of Internal Audit due to limited resources and its capacity to keep high priority issues under review on an on-going basis. The Board, noting that this risk also affects the level of assurance the Audit Committee can provide to the Board, noted the Chief Operating Officer’s support for additional resources to the Internal Audit function.

**AD/11-12/52 Capital Projects - Reporting and Monitoring**

The Board noted the views of the Audit Committee that the College’s approach to project management of large scale and complex projects should be reviewed and strengthened.

**BD/11-12/131 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 14 December 2011, noting in particular:

**FN/11 - 12/36 Institute of Population Health**

The Board noted that proposals to establish the Institute of Population Health will be presented to Board at its next meeting.

**FN/11 - 12/42 Trinity Research Institutes**

The Board noted that a comprehensive review of the sustainability of TRIs will be carried out by the Research Committee in 2012 and the outcome in relation to TRI finances will be reported to the Finance Committee in due course.

**SECTION C**

**BD/11-12/132 Financial Matters - year ended 30 September 2011**

The Board noted:

- (i) **Related Entity Financial Reporting**
  - (a) Memorandum from the Treasurer, dated 17 January 2012;
  - (b) Ghala Limited - Financial Statements - year ended 30 September 2011;
  - (c) Letter of Representation to KPMG concerning Ghala Ltd, dated 1 December 2011.
- (ii) **Prompt Payments of Accounts Act, 1997**  
 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 December 2011.

Signed: .....

Date: .....