

Incorporating any amendments approved at subsequent Board meetings

The University of Dublin

Trinity College

Minutes of Statutory Board Meeting, 23 January 2013

<i>Present</i>	Provost (Dr P J Prendergast), Vice-Provost/Chief Academic Officer (Professor L Hogan), Senior Lecturer/Dean of Undergraduate Studies (Professor P Geoghegan), Registrar (Professor S P A Allwright), Bursar (Professor G J Lacey), Professor S D C Barrett, Professor M Bouroche, Dr O Braiden, Mr F Cowzer, Professor W J Dowling, Professor E Drew, Mr R Dunne, Mr D Ferrick, Mr J Gallagher, Professor H Gibbons, Professor R Gilligan, Mr M J McAndrew, Professor J F McGilp, Ms N Murray, Ms A S Ní Chonaire, Professor C O'Farrelly, Professor M Ó Siochrú, Professor H J Rice.
<i>Apologies</i>	Ms J Byrne, Mr D Frost, Professor N Marples, 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. Internal Auditor (for BD/12-13/134, 135 and 136) Chair of the Audit Committee (for BD/12-13/134, 135 and 136) Mr Sean O'Keefe, Representative of the Auditors, KPMG (for BD/12-13/134 and 135) Ms Jane Corcoran, Senior Financial Accountant (for BD/12-13/134 and 135)

SECTION A

BD/12-13/133 Declaration of Interest

The Board noted there were no Statements of Interest declared.

BD/12-13/134 Funding Statements for year ended 30 September 2012 The Board noted the following documents which had been circulated for consideration under this item:

- (i) Memorandum from the Treasurer, dated 16 January 2013;
- (ii) Funding Statements for the year ended 30 September 2012;
- (iii) Funding Statements for the year ended 30 September 2012 - Additional Information;
- (iv) Proposed Letter of Representation to KPMG concerning Funding Statements, dated 23 January 2013;
- (v) Finance Committee Minute 36 of 19 December 2012;

- (vi) Memorandum from the Chair of the Audit Committee, dated 16 January 2013, together with letter from KPMG to the Chair of the Audit Committee, dated 16 January 2013.

The Treasurer invited Board's attention to a memorandum dated 16 January 2013, which had been circulated, in which he presented his report on the Funding Statements for the year-ended 30 September 2012. 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, 1997 and have been prepared in accordance with the agreed harmonisation policy adopted by all Irish universities, the format of which had been approved by the HEA in September 2012.

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 effectively a breakeven position, a result that had necessitated the use of resources previously retained for strategic purposes. He provided Board with details of income and expenditure and key figures from the Balance Sheet. He invited the Board's attention to the key financial highlights and issues, future financial challenges and the key financial risks. He stressed the need for regular monitoring and oversight of key strategies and the importance of College continuing to take a conservative approach to financial management.

The Treasurer advised Board of the challenges faced by the College in terms of its present reliance on State funding and the need to address this through income generation strategies to diversify funding streams. The Board also noted the issues and risks regarding cash balances, the lack of a dynamic State funding model, pensions and Trust Funds.

The Treasurer thanked KPMG and all the staff in the Treasurer's Office and across the College community for their ongoing commitment and dedication in the effective management and stewardship of College's finances.

Ms O'Neill, Chair of the Audit Committee, present by invitation, invited Board's attention to her memorandum, dated 16 January 2013, and the accompanying letter from KPMG dated 16 January 2013, which had been circulated. She advised Board that the audited Funding Statements had been the subject of detailed consideration by the Audit Committee subsequent to their consideration by the Finance Committee. Ms O'Neill 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.

Mr O'Keefe, representative of KPMG, present by invitation, advised Board that the audit had proceeded very efficiently and according to plan and that there had been very good support and cooperation from the Treasurer's Office throughout the audit. The Board noted that there were no adjusted or unadjusted audit differences and no material control weaknesses identified by the external auditors. He 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.

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In the course of a discussion, the Treasurer clarified a number of issues raised by Board members, including:

- a. that the College's underlying financial position requires careful management given that the College's current income generation strategies are in the early stages of implementation;
- b. clarifying the terms and conditions of the College's financing arrangements for the Trinity Biomedical Science Institute and Trinity Hall;
- c. that the College should only go into deficit for strategic purposes where a sustainable income stream has been identified to revert to a surplus in due course;
- d. that should the College's income generation plans prove successful the level of funding received from the State would represent less than 50% of the College's total income by 2015-16;
- e. that it is difficult to make a comparison with other Universities outside the jurisdiction regarding the College's level of academic reserve as the accounting format of the funding statements is unique to Ireland;
- f. that the College is currently developing a policy to support resource allocation to areas that develop new and incremental activity.

The Vice-Provost/Chief Academic Officer advised Board that the College's strategic plans have been considered by the Planning Group and that procedures for all future activities will require robust analysis of all business cases. The Board noted the need for a prudent approach in this regard and the Treasurer's duty to advise the Board of this course of action. The Bursar advised Board that further proposals for the College's Commercialisation Strategy will be presented to Board in the near future. The Vice-President for Global Relations advised Board that progress is being made with the College's Global Relations Strategy in the context of a tough global environment and that work is on-going with Trinity Foundation in relation to fundraising.

In response to a query, the Vice-Provost/Chief Academic Officer advised Board that significant progress has been made in relation to implementing the College's Strategic Plan as indicated in the recent Mid-term Review despite the current financial challenges.

In response to a query regarding the value of the College's Collections for insurance purposes, the Provost advised that the Treasurer would enquire with the Office of the Director of Buildings.

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 2012 and the associated Letter of Representation and agreed that they should be signed by the Provost and the Treasurer on its behalf.

BD/12-13/135 US GAAP Financial Statements for year ended 30 September 2011

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

- (i) Memorandum from the Senior Financial Accountant, dated 16 January 2013;
- (ii) US GAAP Financial Statements for the year ended 30 September 2011;
- (iii) Proposed Letter of Representation to KPMG concerning US GAAP Financial Statements, dated 23 January 2013;
- (iv) Finance Committee Minute 35 of 19 December 2012;

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- (v) Memorandum from the Chair of the Audit Committee, dated 16 January 2013.

Ms Corcoran, the Senior Financial Accountant, present by invitation, invited Board's attention to the memorandum, dated 16 January 2013, which had been circulated. She advised Board of the background to the requirement to prepare financial statements in accordance with US GAAP and of the level of engagement between the College and the US Government in relation to the necessity of the College to prepare this format of accounts. The Board noted that the College has made a number of submissions together with other Universities in Ireland and the UK in this regard but these had proved unsuccessful. Ms Corcoran advised Board that the financial statements were prepared solely for US filing requirements. She advised Board of the key reconciling items when converting from Irish to US GAAP and that comparison figures are not required as the preparation and audit of US GAAP accounts will only be completed only every third year.

The Treasurer advised Board that the Financial Statements have been considered by the Finance and Audit Committees. Noting the cost of preparing the Financial Statements and the cost going forward, he further advised Board that it is planned that the new Financial Information System will facilitate the more efficient preparation of these accounts in the future. He 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.

The Board approved the US GAAP Consolidated Financial Statements for the year ended 30 September 2011, along with the draft letter of representation.

The Provost thanked the Treasurer and his staff.

BD/12-13/136 College High Level Risk Register

The Chief Operating Officer invited Board's attention to a memorandum, dated 15 January 2013, which had been circulated. She advised Board the document had been considered by Executive Officers and by the Audit Committee referring to a memorandum from the Chair of the Audit Committee, dated 15 January 2013, which had been circulated.

The Board noted that the format of the document had been refined and that all risks were now presented within eight categories and that in some cases the ownership of the risks had been amended. The Chief Operating Officer advised Board that due to increased risk to the College IT infrastructure a business case to address this issue is being prepared and will be presented to Board in due course.

During the course of a discussion, a number of queries were raised by Board members, including:

- (i) the need for continued financial support for student services, in particular Student Counselling;
- (ii) the need for provision to be made from the Global Relations Strategy to contribute to student services given that these services will be under increased pressure due to increased student numbers;

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- (iii) the Human Resources risk relating to the lack of flexibility following the interpretation of the job security protections of the Public Service Agreement could be downgraded given that issues surrounding the recent Labour Court recommendation have now been resolved;
- (iv) heads of Bill to amend the Universities Act, 1997 should be referenced as a reputational risk;
- (v) reputational risk should be amended from medium to high;
- (vi) that the risk that the College will be unable to attract and retain high quality candidates in positions of academic leadership should be amended to also include management roles;
- (vii) the risk to the Tutorship Scheme should be reviewed.

The Chief Operating Officer advised Board that funding for Student Counselling had increased over the last number of years. The Vice-President for Global Relations further advised that provision has been made within the Global Relation business plan to support student services noting that should such provision prove inadequate the level of the contribution will be revisited.

The Provost advised Board that in light of the recent Labour Court recommendation the College could be facing a situation where it is forced to continue to employ staff who hold contracts of indefinite duration even in situations where there is no work for them or where the funding source for their post has ceased. Given this risk the Board noted that it would not be prudent to downgrade the risk relating to the lack of HR flexibility. The Provost advised Board that the risk to the College's reputation was implicit in almost all other risks as well as being explicit, noting Board's wish to have it upgraded from medium to high.

The Provost also advised Board of the risk to academic roles due to the inflexibility of the College to remunerate academics for management duties and that he had written to the Department of Education & Skills outlining the difficulties the College is facing in that regard. The Board acknowledged the on-going contribution of staff in taking on leadership roles without extra remuneration pending a clear directive from the Department of Education & Skills on the issue. The Board further noted that the Provost intends to establish a working group with a view to addressing the issue and that he will once again write to the Department of Education & Skills presenting the views of the Board.

The Vice-Provost/Chief Academic Officer advised Board that since the Department of Education & Skills has indicated that the College can no longer remunerate staff for Tutorship duties, she has been liaising with the Senior Tutor in relation to the future of the Tutorship Scheme. The Board noted that a working group had been established to examine possible options and it is hoped that an acceptable resolution can be achieved. Mr Dunne, President of the Students' Union indicated the willingness of the Students' Union to support all efforts to retain the current Tutorship Scheme and that he is willing to undersign a letter to the Department of Education & Skills to this effect.

In response to a query, the Chief Operating Officer advised Board that discussions are on-going with the Trinity Biomedical Science Institute in order to address the risks in relation the lack of research space.

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Ms O'Neill, Chair of the Audit Committee, present by invitation, advised Board that the Committee had welcomed the significant continued improvement in the risk management process and the High-Level Risk Register as presented. The Board noted that the Audit Committee recognize the current financial challenges facing the College and need to address these through income generation and cost reduction measures. The Board noted that the Audit Committee recommend taking a prudent and strategic approach to the College finances and that any approved deficit should be for strategic purposes only.

Noting that the Risk Register will be amended to reflect the views of the Board, the Board approved the register.

SECTION B

BD/12-13/137 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 15 January 2013, noting in particular:

AD/12-13/46 Code of Governance

Professor McGilp, a member of the Audit Committee, advised the Board that the views of the Audit Committee in relation to the issues raised by the Governance Sub-Group established by Board would be communicated to the Board Sub-Group. In response to a query, the Secretary advised Board that the Sub-Group will review the College Fraud policy to assess its suitability as a mechanism for good faith reporting and that the role of the College Secretary is explicitly provided for in that policy. The Board noted that legislation in the area has been included in the Government's legislation programme for 2013.

SECTION C

BD/12-13/138 Financial Matters - year ended 30 September 2012

The Board noted the following documents which had been circulated:

- (i) **Related Entity Financial Reporting**
 - (a) Memorandum from the Treasurer, dated 16 January 2013;
 - (b) Ghala Limited - Financial Statements - year ended 30 September 2012;
 - (c) Letter of Representation to KPMG concerning Ghala Ltd, dated 12 December 2012;
 - (d) Finance Committee Minute 47 of 19 December 2012.

- (ii) **Prompt Payments of Accounts Act, 1997**
 - (a) 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 2012;
 - (b) Finance Committee Minute 48 of 19 December 2012.

BD/12-13/139 Senior Promotions Committee - *ad hoc* Appeals Committee on Senior Promotions 2012 - Council Representation (approved by Council on 16 January 2013)

The Board noted and approved a memorandum from the Senior Dean, dated 7 January 2013, which had been circulated.

Signed:

Date: