

The University of Dublin

Trinity College

Minutes of Board Meeting, 27 January 2010

<i>Present</i>	Provost (Dr J Hegarty), Vice-Provost/Chief Academic Officer (Dr P J Prendergast), Senior Lecturer (Dr A Douglas), Registrar (Dr J Barkhoff), Bursar (Dr M M O'Mahony), Dr S P A Allwright, Mr C Cashman, Mr P G Connell, Mr A Cooke, Mr W J Dowling, Mr R Hodson, Dr E Mac Cárthaigh, Dr A McElligott, Dr J F McGilp, Dr K J McGinley, Ms P Murphy, Mr C Ó Broin, Dr E J O'Halpin, Dr A J Piesse, Dr H J Rice, Dr S M Ryan, Dr D M Singleton, Dr J K Vij.
<i>Apologies</i>	Ms G Clarke, Ms M A Coffey, Dr D O'Neill, Mr B Sweeney.
<i>In attendance</i>	Ms S Mac Bride.
<i>(ex officio)</i>	Secretary to the College, Treasurer.
<i>(by invitation)</i>	Interim Chief Operating Officer. Internal Auditor (for BD/09-10/113, 114) Ms Laura Gallagher, Representative of the Auditors, KPMG (for BD/09-10/113) Ms Deirdre Savage, Research Accounting Manager (for BD/09-10/113) Ms Jane Corcoran, Financial Accountant (for BD/09-10/113) Dr E O'Dell (for BD/09-10/115)

SECTION A

- BD/09-10/113 Funding Statements for year ended 30 September 2009** The Board noted the following documents which had been circulated for consideration under this item:
- (i) Funding Statements for the year ended 30 September 2009;
 - (ii) Funding Statements for the year ended 30 September 2009 - Additional Information;
 - (iii) Proposed Letter of Representation to KPMG concerning Funding Statements, dated 24 January 2010;
 - (iv) Memorandum from the Treasurer, dated 19 January 2010;
 - (v) Memorandum from the Chairman of the Audit Committee, dated 13 January 2010, together with letter from KPMG to the Chairman of the Audit Committee, dated 18 January 2010.

The Provost invited Board's attention to the work which the Finance Committee and the Audit Committee had undertaken on its behalf in relation to consideration and review of the Funding Statements for the year ended 30 September 2009 (Agenda items B.1 and B.2 refer). The Board noted that, on the recommendations of these Principal Committees, it was being asked to formally approve the Funding Statements for the year ended 30 September 2009 and to authorise the Provost and the Treasurer to sign the Funding Statements and the associated Letter of Representation to the external auditors.

The Treasurer invited Board's attention to a memorandum dated 19 January 2010, which had been circulated, in which he presented his report on the Funding Statements for the year-ended 30 September 2009. The Board noted that the financial

reporting requirements associated with the Funding Statements had been prepared in accordance with the agreed harmonisation policy adopted by all Irish Universities and represented 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 for the current year in September 2009). The status of Part 2 of the financial reporting requirements was noted, with the Consolidated Financial Statements expected to be finalised in May/June 2010.

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 in due course. The Board noted that there were no adjusted or unadjusted audit differences and no material control weaknesses identified by the external auditors. The Treasurer invited Board's attention to the financial performance for the year which resulted in the elimination of the accumulated recurrent deficit and reflected the following:

- (i) Planned expenditure savings target of €8m to address a reduction in State funding €7m (set out in the Funding Group Report approved by Board in February 2009);
- (ii) Contingency provision not required €3m;
- (iii) Release of provision for FTWA €18.7m;
- (iv) Additional income & lower expenditure over projected levels;
- (v) Transfer to capital €13m.

The Treasurer also provided details in respect of the total income and expenditure (excluding Research), key figures from the Balance Sheet and highlighted the significant capital projects currently underway as well as pipeline capital projects.

The Research Accounting Manager invited Board's attention to the following:

- (a) the achievement of the strategic goal of €100m in research income in a single year;
- (b) research income, expenditure and overheads over a ten year period;
- (c) research income by source;
- (d) research expenditure - increasing trends over the past three years analysed by Faculty.

The Research Accounting Manager advised Board of the risks facing research funding including the likely reduction in income arising from contraction in the current funding environment, the increase in the number and complexity of sponsor audits and more onerous terms and conditions associated with alternative research funding sources.

The Treasurer invited Board's attention to the College's financial position in 2010, 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 underpin the College's next Strategic Plan 2009-2014 and the requirement to maintain financial flexibility. The Board noted that the College continues to be in a position of financial strength relative to the sector having no accumulated recurrent deficit and a strong balance sheet at 30 September 2009. The Treasurer advised Board that continued action would be taken by the Planning Committee to ensure that the College meets its strategic objectives in the context of the expected challenging economic environment.

The Treasurer thanked the staff in the Treasurer's Office for their assistance throughout the year.

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. In response to a query, Ms Gallagher advised Board that the decision to release the provisions previously made

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for possible liabilities under the Fixed Term Workers Act was appropriate and that she was confident that the correct decision had been taken in this regard.

Dr McGilp, the Board member on the Audit Committee, invited Board's attention to the memorandum dated 13 January 2010, and the accompanying letter from KPMG dated 18 January 2010, 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. Dr 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 response to a query the Treasurer clarified that the accounting treatment of the student charge in the Funding Statements was in accordance with the harmonised policy for financial reporting and that the allocations were within the definition of the Student Charge as advised by the Higher Education Authority.

The Board noted the dissatisfaction of the President of the Students' Union in relation to what was perceived as the misallocation and conflicting reporting of the student charge. The President of the Students' Union queried the decision-making process in relation to the definition and allocation of the charge and the College's autonomy on this regard. He also expressed concern at the College's adherence to the 1998 Framework in relation to the student charge. The Provost stated that the policy relating to the treatment of the allocation of the student charge would be addressed in another forum.

In the course of a discussion, the Treasurer clarified a number of technical issues raised by Board members. Board members also expressed concern on the following issues:

- (i) value for money and the difficulties imposed by the lack of multiannual funding from the HEA;
- (ii) incentives for Academic Staff to increase the number of postgraduate students;
- (iii) the quality of academic and student services in the face of declining budgets
- (iv) the distribution of research overheads.

The request to prepare a booklet on the College's Model Pension Scheme was noted.

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/09-10/114 College High Level Risk Register The Interim Chief Operating Officer invited Board's attention to a memorandum dated 20 January 2010 and the College's High Risk Register, which had been circulated, stating that the Risk Register had been prepared in accordance with the College's Risk Management Policy. He advised Board that the College High Level Risk Register included a revised standard template and was developed to simplify the risk registration process, embed risk management within standard management processes and assign risk ownership. Noting that the College's Strategic Plan provides the context for the compilation of the Risk Register, the Interim Chief Operating Officer advised Board that the Risk Register had been compiled incorporating the individual supporting registers from Faculties and Administrative and Support areas and in consultation with Executive Officers.

The Interim Chief Operating Officer invited Board's attention to the twenty-two risks which had been identified in the Risk Register under the following headings:

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- (i) Funding;
- (ii) Leadership and Planning;
- (iii) Human Resources;
- (iv) Processes, Systems and Infrastructure;
- (v) Quality;
- (vi) Students;
- (vii) Reputation;
- (viii) Rationalisation.

The Board noted that the Register would appear as a standard item on a quarterly basis at meetings of Executive Officers and would be subject to on-going monitoring in conjunction with the assigned risk owners.

Dr McGilp, the Board member on the Audit Committee, invited Board's attention to the memorandum from the Chairman of the Audit Committee dated 20 January 2010, which had been circulated. He advised Board that the Audit Committee welcomed the embedding and implementation process which is due take place throughout 2010. The Board noted that the Audit Committee will review the position in due course following an assessment of the monitoring of risks by the Executive Officers.

In response to queries raised by Board members, the Interim Chief Operating Officer and the Internal Auditor clarified a number of technical issues including that:

- (a) specific capital projects have been assigned their own risk management processes;
- (b) the Risk Register is a 'living' document which will be reviewed on an on-going basis;
- (c) the Risk Register is used to identify priority risks rather than list all possible risks to the College.

The Board also noted the concerns raised by the Chairperson of the Information Policy Committee in relation to the level of IT risk attached to e-strategy, given the significant change in IT processes in recent years.

The Board approved the College High Risk Register. The Provost thanked the Interim Chief Operating Officer and the Internal Auditor for their contribution to the discussion.

BD/09-10/115 Statutes Review - Disciplinary Statute The Registrar invited Board's attention to a memorandum from the Statutes Review Working Party and the Board Working Party on Academic Staff Discipline dated 20 January 2010 including a draft Ordinance, which had been circulated. Noting that the work of the Board Working Party had extended beyond addressing disciplinary procedures governing members of the Academic Staff, the Registrar advised that the draft Ordinance also contained disciplinary procedures governing members of the Technical, Administrative and Support Staff. The Board noted that provisions relating to Technical, Administrative and Support which had previously been agreed with Trade Union groups would now be contained in a Schedule and therefore capable of being renegotiated if necessary while the provisions relating to members of the Academic Staff would be elevated from a Schedule into a Statute.

The Registrar advised Board that after extensive consultation both Working Parties now proposed to insert three new chapters into the 1966 Statutes including:

- (i) Chapter XXVII - Academic Freedom and Tenure;
- (ii) Chapter XXVIII - Disciplinary procedures governing members of the Academic Staff including a Schedule;
- (iii) Chapter XXIX - Disciplinary procedures governing member of the Technical, Administrative and Support staff including three Schedules.

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Dr O'Dell, present by invitation, advised Board that in order to comply with the Universities Act 1997 and in light of a recent Supreme Court Judgement the above proposals were necessary to give statutory effect to existing disciplinary procedures.

In the course of a discussion the following issues were raised by Board members relating to Chapter XXVII:

- (a) the words "and, as far as practicable, to" should be deleted from Section 1(1);
- (b) Section 1(4) should be amended to read "Board may provide in a Schedule that such freedoms may also be exercised in other fashions, in other contexts, and/or by other members of staff"
- (c) Section 2(1)(c) should be amended to read "through discharge of the contract by operation of law".

The Board noted that a final Ordinance reflecting these inclusions would be forwarded to the Fellows for Assent.

The Provost thanked Dr O'Dell and members of the Statutes Review Working Party and the Working Party of Board on Academic Staff Discipline.

BD/09-10/116 Statutes Review - Amendments to the 1966 Statutes concerning Choice of the Provost - Electorate Under Other Business, Dr O'Dell, present by invitation, invited Board's attention to a memorandum from the Statutes Review Working Party dated 25 January 2010, which had been tabled. Noting the need to clarify the position in relation to external Board members' voting rights, the Board agreed that all members of Board and Council should be members of the same category as academic staff whose individual votes shall carry a weighting of 1.0.

SECTION B

BD/09-10/117 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 2009 and 13 January 2010, noting in particular:

AC/09-10/037 Consideration of Funding Statements for 2008/2009 Dr McGilp advised Board that the external auditors (KPMG) as part of their audit process had provided a detailed report on planned future IT systems and IT governance. The Board noted that KPMG had met with the Interim Chief Operating Officer and the Vice-Provost/Chief Academic Officer who would take KPMG's observations into consideration as matters progress.

AC/09-10/039 Risk Management in College Dr McGilp, noting the level of IT risks and the importance of e-strategy advised Board that the Audit Committee had concerns relating to the number of acting positions in IS Services including the post of Director of IS Services.

AC/09-10/040 Update on IT Security Dr McGilp, advised Board of the need to address the fact that it is possible to opt out of the College policy on IT security, noting the implications for overall management of IT.

BD/09-10/118 Finance Committee The Board noted, and where a decision was required, approved proposals in the draft minutes of the meeting of the Finance Committee held on 16 December 2009, noting in particular:

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FN/09-10/039 Estimated 2010 SFI OIP Allocation In response to a number of queries raised by Board members, the Board agreed that the Vice-Provost/Chief Academic Officer would co-ordinate a review of the policy relating to the allocation of indirect costs of research activities by way of the Research Committee and present a report to Board in due course.

SECTION C

BD/09-10/119 Financial Matters - year ended 30 September 2009 The Board noted the following, as circulated:

- (i) Academic Faculties and Departments - Analysis of Recurrent Expenditure and Research Accounts, year to 30 September 2009 (see FN/09-10/31 of 16/12/09);
- (ii) Memorandum from the Research Accounting Manager dated 19 January 2010 (see FN/09-0/32 of 16/12/09).
- (iii) Ghala Limited - Financial Statements - year ended 30 September 2009;
- (iv) Letter of Representation to KPMG concerning Ghala Ltd, dated 3 December 2009;
- (v) 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 2009.

Signed:

Date: