

Incorporating any amendments approved at subsequent Board meetings

The University of Dublin

Trinity College

Minutes of Statutory Board Meeting, 22 January 2014

Present 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 Bourcoche, Mr F Cowzer, Professor W J Dowling, Professor E Drew, Ms S Dunphy, Mr J Gallagher, Mr G J Garrahan, Mr S Garry, Professor H Gibbons, Professor R Gilligan, Mr R Kenny, Mr T Lenihan, Professor J F McGilp, Professor N Marples, Professor C O'Farrelly, Professor D O'Neill, Professor M Ó Siochrú, Professor H J Rice.

Apologies Mr D Frost, Mr J Leahy.

In attendance Assistant Secretary to the College (Ms V Butler).

(ex officio) Secretary to the College (Mr J Coman), Treasurer/Chief Financial Officer (Mr I Mathews).

(by invitation) Interim Chief Operating Officer (Ms G Ruane), Vice-President for Global Relations (Professor J H Ohlmeyer).

Mr Francis Sheeran, Internal Auditor (for BD/11-12/133)
Ms Julie O'Neill, Chair of the Audit Committee (for BD/11-12/133)
Mr Sean O'Keefe, Representative of the Auditors, KPMG (for BD/11-12/133)
Ms Janet Byrne, Financial Resources Manager (for BD/11-12/133)

SECTION A

BD/13-14/132 Statement of Interest

The Provost welcomed the Interim Chief Operating Officer, Ms Geraldine Ruane, to her first Board meeting. Ms Ruane declared that she was a member of the Board of Science Foundation Ireland.

BD/13-14/133 Funding Statements for year ended 30 September 2013 The Board noted the following documents which had been circulated for consideration under this item:

- (i) Funding Statements for the year ended 30 September 2013;
- (ii) Proposed Letter of Representation to KPMG concerning Funding Statements, dated 22 January 2013;
- (iii) Memorandum from the Treasurer/Chief Financial Officer, dated 14 January 2014;
- (iv) Memorandum from the Chair of the Audit Committee, dated 15 January 2014, together with letter from KPMG to the Chairman of the Audit Committee, dated 15 January 2014.

The Treasurer/Chief Financial Officer invited Board's attention to a memorandum dated 14 January 2014, which had been circulated, in which he presented his report on the Funding Statements for the year-ended 30 September 2013. By way of presentation, the Board noted that the Funding Statements represent Part 1 of the financial reporting requirements prepared in accordance with the agreed harmonisation policy adopted by the Higher Education Authority in October 2013. The status of Part 2 of the financial reporting requirements were noted.

The Treasurer/Chief Financial Officer 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 following Board approval in January 2014. The Treasurer/Chief Financial Officer invited Board's attention to the financial performance for the year which resulted in a modest surplus and no accumulated deficit.

The Board welcomed the financial highlights for 2012/13 presented by the Treasurer/Chief Financial Officer as follows:

- (i) net core activity surplus;
- (ii) net underlying core activity deficit after adjusting for once-offs;
- (iii) the level of revenue reserves;
- (iv) the level of net assets;
- (v) the reduction in cash balances;
- (vi) the unchanged level of academic balances;
- (vii) the level of long term debt.

The Treasurer/Chief Financial Officer advised Board that no critical risks had been identified at this time but that 5 high risks have been identified.

The Treasurer/Chief Financial Officer 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. The Treasurer/Chief Financial Officer expressed the view that the College must continue to focus on the delivery of the key strategies and the benefit realisation of same.

Ms Janet 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 the strong growth in the value of new research awards entered in to in the year in comparison to the previous year. It was also noted that while the outlook for research funding remains relatively uncertain, current projections are that research expenditure may rise in the next 3-4 years. Highlighting the risks associated with research, the Treasurer/Chief Financial Officer identified the current dependency on exchequer funding sources.

The Treasurer/Chief Financial Officer advised Board that it is understood that going forward the HEA Allocation model will have three elements: core funding (including fee grant); performance funding and earmarked/targeted funding with all elements being kept under review. He also advised that the HEA is to conduct further work on the model in 2014.

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With reference to pension costs the Treasurer/Chief Financial Officer advised Board that the State had become a debtor at year end and on 31.12.2013 the College received the majority of the funding owed by the State in respect of pension costs paid on its behalf.

With reference to the Trust Funds, the Treasurer/ Chief Financial Officer informed Board that the change in year end to 30 September and the change of name to "Trinity Endowment Fund" (as approved by Board at the meeting of 11 December 2013(BD/13-14/116), will now proceed to the Commissioners of Charitable Donations and Bequests for Ireland for final approval.

The Treasurer/Chief Financial Officer highlighted to Board that when the cost versus the contribution of the College to the State is reviewed, the College could well be viewed as a net contributor to the economy.

In conclusion the Treasurer/Chief financial Officer advised the Board that as the new Strategic Plan is finalised the College must ensure that objectives and actions are set that are consistent with available resources.

The Treasurer/Chief Financial Officer thanked KPMG and the staff in the Financial Services Division and across the College community for their ongoing commitment and dedication in the effective management and stewardship of College's finances.

The Chair of the Audit Committee, invited Board's attention to the previously circulated memorandum, dated 15 January 2014, and the accompanying letter from KPMG dated 15 January 2014. She 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. It was 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'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.

In response to a query, the Treasurer/Chief Financial Officer clarified that given the high level of activity being processed through the casual payroll there is a need for greater controls and visibility particularly from a human resources perspective.

In response to a query, the Treasurer/Chief Financial Officer confirmed that the possibility of restructuring the current fixed term loan arising from the financing of the purchase of student residences had been explored but, the bank is currently not in a position to consider this.

In response to a comment from a Board member in relation to Government awareness of the contribution the College makes to the economy, the Provost suggested that greater publication of this should be explored.

The Treasurer/Chief Financial Officer, in response to a query, emphasised the importance of tracking the benefits that are to be delivered from the key investment

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strategies such as FIS, GeneSIS and START and acknowledged that a significant body of work is to be conducted on this.

Mr Gallagher, Mr O’Keefe, Ms O’Neill and Mr Sheeran left the meeting at that point.

A discussion then followed in relation to the reliance of the College on the State grant and the various approaches the College may take in light of the reducing level of State income. The increasing ratio of non-Exchequer: Exchequer generated funds and the flexibility this would provide to the College in relation to the spending of the non-Exchequer funds was noted. However, the Provost acknowledged that such increased non-Exchequer funding was a distinct question from that of any changes to the governance of the College. The Vice-Provost/Chief Academic Officer outlined the current funding model including the newly drafted performance related components noting that the College is actively engaged in discussions with the HEA and the Department of Education and Skills, and that it was well placed in this constantly changing landscape. The Board noted that further thought and strategic discussion on this item is required and the Provost confirmed that this item will be discussed at a future Board meeting.

Noting the rise in academic pay costs the Vice-Provost/Chief Academic Officer clarified that 2012/13 saw the recruitment of 80 additional academic staff members compared to the previous year.

In conclusion, the Provost thanked KPMG, the Audit Committee and the Treasurer/Chief Financial Officer’s Office. The Board approved the Funding Statements for the year ending 30 September 2013 and the associated Letter of Representation and agreed that they should be signed by the Provost and the Treasurer/Chief Financial Officer on its behalf.

BD/13-14/134 Any Other Urgent Business

There was no business under this item.

Section C

BD/13-14/135 Financial Matters - year ended 30 September 2013 - Related Entity Financial Reporting

The Board noted the following items, as circulated:

- (i) Memorandum from the Chief Financial Officer, dated 14 January 2014;
- (ii) Ghala Limited - Financial Statements - year ended 30 September 2013;
- (iii) Letter of Representation to KPMG concerning Ghala Ltd, dated 6 December 2013;
- (iv) Finance Committee Minute FN/13-14/51 of 18 December 2013.

Signed:

Date: