

Higher Education Authority**Report of the 397th Meeting held on 26th March 2019
HEA Offices, 3 Shelbourne Buildings**

Present¹: Dr Bahram Bekhradnia
Ms Síona Cahill
Mr Tony Donohoe
Dr Judith Eaton
Professor Orla Feely
Dr Sharon Feeney
Mr Michael Horgan, Chairperson
Ms Darina Kneafsey
Dr Deirdre Lillis
Dr Ronan Lyons
Dr Jim Mountjoy
Dr Sinéad O’Flanagan
Mr Pól Ó Móráin
Dr Lynn Ramsey (via teleconference)
Dr John Wall

In attendance: Mr Paul O’Toole (items 1-12.2)
Ms Orla Nugent (items 1-11)
Mr Padraic Mellett (items 1-11)
Dr Gemma Irvine (items 1-11)
Ms Caitriona Ryan (items 1-9)
Dr Vivienne Patterson (items 1-11)
Ms Mary Farrelly (items 1-3)
Mr Stewart Roche (items 4-5)

Members at the start of the meeting considered any potential conflict of interest.²

1. Report of 396th Meeting

1.1 The minutes were approved.

¹ The quorum for HEA Board meetings, six members, was met.

² Dr Sinéad O’Flanagan and Mr Michael Horgan, current and former employees respectively of RCSI recused themselves from the discussion on RCSI (par. 6.7), Dr Sharon Feeney and Dr Deirdre Lillis recused themselves from discussions to the Landscape Reform call (par. 6.3) and the TU Dublin Governing Body criteria (par. 6.5). Dr Lynn Ramsey absented herself from item on the National Teaching and Learning Forum (par. 7.2). Dr Lillis a former employee of IT Tralee absented herself from the discussion under item 9.

2. Matters arising

2.1 Kantar Milward Brown Report

The CEO confirmed that the IUA and THEA were involved in the commissioning of the Kantar Milward Brown report on the perceptions of higher education by the Irish public and therefore received a briefing last September. The Chair indicated that, in his opinion, the Board should have received the report earlier and that the delay in informing the Board had never been explained.

3. CEO's Report

3.1 Report content

Following the introduction of the business plan monitoring report the CEO indicated that he planned to submit shorter CEO reports in future focusing on strategic and topical reports. He noted that there was currently a considerable amount of overlap with the Business Plan monitoring report and the standing Committees' reports. Members welcomed this.

3.2 HEA Resources

The CEO briefed members on discussions with the DES in relation to resources and the development of a new Performance Delivery Agreement. Work has commenced on the review and upgrading of the HEA's financial processes, business processing review and a review of the 2018-22 HEA Strategic Plan. Another key development will be the forthcoming new HEA legislation. The CEO informed the Board of the resignation of Ms Mary Farrelly as Head of Finance and System Governance to take up another position outside the HEA. He thanked Ms Farrelly for her contribution to work of the HEA. The Chair, on behalf of the Board, congratulated Ms Farrelly on her new role and wished her the best of luck.

3.3 Finance Systems

The Chair noted the importance of the HEA putting in place a robust system for managing the HEA's finances and to manage the significant risks at this stage. The Chair of Audit and Risk Committee concurred noting that the concern was with the systems, not the people. The CEO outlined the arrangements he has planned to manage the transition to a new Head of Finance and the development of a new finance system. The Deputy CEO will assume temporary responsibility for System Governance. The enactment of new HEA legislation may offer the HEA the opportunity to review its senior management resources. A review of the role and

scope of activities assigned to system governance needs to be undertaken in this regard. An interim Head of Finance will be appointed immediately, this post will exclude the System Governance portfolio, and a member of the Executive will be appointed as interim AP Finance. The CEO will lead a working group on Finance and System Governance which will include Ms Nugent and Mr Mellett. He agreed on the need to centralise financial activities in the organisation and build up a Finance team. Ms Farrelly noted the importance of this noting the Head of Finance needs to be in a position to be able to proactively engage with the HEIs.

The Chair stressed this undertaking must be the number one priority for the Board and Executive in the immediate future

3.4 New HEA Act

The CEO briefed Members on the development of new HEA legislation. The current draft Heads of Bill envisage a significant role for the HEA including the opportunity to contribute to strategy and policy. He indicated that Members will be briefed on the new HEA legislation through the Policy and Planning Committee.

3.5 Members raised the following issues;

- Clarification was requested on whether PPP developments in the HEI including provision for building fit-out? Ms Nugent agreed to report back on this.
- Engagement with the DES on resources. The CEO reported that he met with a group of DES Assistant Secretaries whose remit includes engagement with the HEA. This was a useful session to create greater awareness of the work challenges facing the HEA. The Department have been provided with the HEA's annual workplan as an input into the PDA. The Department has also been advised that the HEA has insufficient staffing and administrative funding to deliver on its work commitment. Mr Mellett is preparing a revised budget setting out the HEA's funding requirements. It is important that the HEA's historical underfunding is addressed to enable it put in place the necessary staffing and systems in place.
- Current status of the Human Capital Initiative. Dr Patterson reported that meetings have been held with the DES, IUA and THEA. A meeting will shortly be held with the National Training Fund Advisory Group. No decisions have yet been made on the structure or processes for the call other than that it is envisaged that the call will issue in Q3 and will entail an operational element and strategic element. The latter will entail more sector wide initiatives.
- Having regard to the RFAM working group what was the position of HEIs who do not belong to either IUA or THEA? It was confirmed that TU Dublin is represented on the working group. In relation to work on the development of

a Full Economic Cost model Mr Bekhradnia advised that there is a transparent model in place in the UK.

- Ms Nugent updated Members on the four Working Groups established by the DES under the Technological Universities Research Network. It is anticipated that a report will be submitted to the Minister in May.
- Other issues arising from the designation of TU Dublin
 - Impact on applications to that institution
 - Will other TUs look the same as TU Dublin? It was suggested that while the TU Act will to some extent set the standard for TUs there would be scope for each TU to have its own distinctive mission.
 - There will be challenges on funding and contractual issues.
- Role of the Board in relation to the allocation of programmes such as the Summer Camps Programme. The CEO acknowledged that the Executive currently manage a number of initiatives such as this where the respective roles of the Board and Executive need to be clarified. He indicated that a review of the arrangements in place for these programmes will be undertaken.
- It was agreed to provide HR metrics on staff turnover, staff development days and staff sick leave.
- The CEO updated the Board on the status of the CIT protected disclosures. A report prepared by Mazars is near finalisation. He will revert back to the Board in advance of the HEA's submission to the PAC.

4. Report of Finance and Governance Committee

The Chair introduced the Committee's report.

4.1 2018 Recurrent Grant Outturn

The 2018 Recurrent Grant allocation as set out in F3/19 and supporting appendices was approved.

4.2 Access Funds Allocation 2019

The 2019 Access Fund allocations were approved.

4.3 IT Sligo – KTI metrics

The proposed approach for inclusion of IT Sligo metrics, validated by KTI, was approved.

4.4 IUA Management and Leadership Capacity

Funding for strand 1 and 2 activities within the IUA submission was approved. It was noted that's Strand 3 activities must be further considered by the HEA before funding is approved

4.5 Institutions with Deficits

The change in DkIT's status to green was noted.

4.6 Terms of Reference for Review of the Devolved Grant Allocation Model

The terms of reference were approved. It was noted that the Executive will seek confirmation from the DES that funding will be provided for the review.

4.7 Universities Multi Annual Budgetary Framework

- Arising from discussions between the HEA Executive and the IUA concerning the development of a multiannual budgetary framework, the IUA had submitted a document outlining their projections to 2022. The Committee had asked the Executive for their views and analysis of the projections. Ms Nugent indicated that some preliminary modelling work has been carried out and it is proposed that further work will be commissioned.
- Mr. Roche noted the impact of FRS 102 on university consolidated accounts. This resulted in the transfer of non-state deferred capital grants to revenue reserves resulting in a substantive boost in 2016/17 accounts. However, the relevant assets will be depreciated over the lifetime of those assets. There will be no matching amortisation credit due to the transfer to the reserves. This will result in an annual loss until the assets are fully depreciated reducing the revenue reserves.

It was noted that further analysis of the IUA submission will be undertaken.

4.8 UL Monitoring Reports

The most recent UL report was noted. It was also noted that further UL monitoring reports will only be considered for exceptional matters

Decision: Members approved the report of the Committee.

5. Report of Audit and Risk Committee

Dr Feeney introduced the Committee's reports of meetings held 28th January and 4th March noting a verbal presentation was made on the former at the Board's last meeting.

5.1 2018 Financial Statements

Members approved the 2018 financial statement subject to audit. It was also agreed that, subject to there being no material changes proposed by the C&AG, the financial statements will be signed by the Chair and CEO upon completion of the audit.

5.2 Corporate Risk Register

Members agreed to consider the Corporate Risk Register at the April Board meeting.

5.3 Interim CEO Appointment

Members approved the policy for the appointment of an interim CEO.

5.4 Internal Audit Workplan

Members noted the 2019 internal audit workplan as approved by the Committee.

Decision: Members approved the Committee's two reports.

6. Report of the System Development and Performance Management Committee

Mr. Donohoe introduced the Committee's report.

6.1 System Performance Report

The Committee considered how best to come up with a meaningful System Performance report rather than seek to report on 201 System Performance Framework metrics. Concern was expressed that some of the measures required a long-term timeframe for success to emerge. The CEO updated on work undertaken by Mr Conlon and Ms Harvey in the Executive since the Committee's meeting. He agreed that it was essential that the HEA step back and make the case for a more meaningful report. A key concern is the absence of meaningful

baseline data for many of the targets. Another concern was the absence of basic research from the framework.

It was agreed that the Board would consider at its meeting in April the draft report prepared by the Executive and the key messages the HEA would like to convey.

6.2 System Performance Framework – HEA Strategy and Performance Dialogue Compact Review process 2019

It was noted that the Committee agreed a revised strategy and performance review process which includes a forward revision to timelines to better incorporate 2019 performance funding and alignment of Budget and Performance Review meetings in Q2 2020

6.3 Call for support for higher education landscape reform

Members considered the landscape reform call. The DES is responsible for determining the criteria although it has taken on board the views of the Committee. The CEO was requested to examine the circumstances where apparently, one HEI may have been given advance notice of the call by the HEA.

It was agreed that the HEA should avail of external expertise in considering the proposals received.

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6.4 Technological University Process

Members considered memorandum A 15/19. The Executive will check the possible availability and confirm there are no potential conflicts of interest. It was also agreed that the Executive would recommend that the panel should include one or two members who were involved in the TU Dublin process.

Members agreed the shortlist of names for the TU advisory panel and recommended that ideally, one or two of those involved in the TU Dublin process should be included in the current application review.

6.5 Appointment of External Members to the TU Governing Body

Members were informed of a requirement for HEA approval of the competencies required for the selection of external members to the TU Dublin governing body.

Members approved the criteria proposed by TU Dublin subject to the suggestion of one additional criterion – experience in the management of risk.

6.6 Ms Nugent advised the Executive is addressing the recommendations outlined in TU process review carried out on foot of the TU Dublin application. The main risk is the timeframe. The CEO indicated that the risk would be lessened if the HEA is allowed the timeframe envisaged in the legislation. The Chair noted the obligation of the Board, under Health and Safety legislation, in looking after the well-being of staff. Staff were put under considerable stress and pressure during the previous application process and consideration should be given to seeking the short-term secondment of staff with experience from the TU Dublin application. It was also noted that there will be a need for some financial expertise to assist with the Munster TU application.

6.7 Clarification was sought as to the status of the RCSI's request for University status given the recent Irish Times article. The CEO anticipated the Department will be in touch with the HEA. He also noted that the Department has proposed amendments to the QQI bill currently going through the Houses of the Oireachtas.

Decision: Members approved the Committee's report.

7. Report of the Policy and Planning Committee

Ms Kneafsey presented the Committee's report.

7.1 HEA position on global rankings

It was noted that the Committee recommended that the HEA would not take a position on any particular ranking which may lead to a focus on supporting only the 'elite' to succeed, but rather acknowledge the importance of rankings internationally and of the value of international benchmarking within the System Performance Framework process. The HEA Executive will investigate establishing a multinational higher education policy group for mutual learning and benchmarking.

7.2 Chair of the National Forum for the Enhancement of Teaching and Learning

Members approved the recommendation of the Committee that Dr Lynn Ramsey be appointed as Chair of the National Forum for the Enhancement of Teaching and Learning. The Chair congratulated Dr Ramsey on her appointment.

7.3 Draft Communications Implementation Plan

Members noted that further work was required on the plan. The Senior Management Team should review the revised plan prior to its consideration by the Committee.

Decision: Members approved the Committee's report.

8. Report of the Research and Graduate Education Committee

Professor Feeley made a verbal presentation.

8.1 Irish Research Council Strategy

The Committee received a presentation on the Irish research Council's forthcoming strategy. The Council would welcome the opportunity to make a presentation to the Board. The Council's Laureate awards will be announced shortly.

8.2 National Statement on Open Research

The Committee agreed the next steps for a Framework for Good Research Practice. The Committee considered a National Statement on Open Research. It is intended to seek approval for this at the April Board meeting, however if an Innovation 2020 meeting is convened before that it may be necessary to seek approval electronically. Members considered the implications of researchers paying to have their research published via open access in prestigious journals. It was noted many institutions such as the University of California have already decided not to pay for access to journals.

Decision: Item noted.

9. IT Tralee

9.1 The CEO updated members on developments since the last meeting. As previously noted the Institute is seeking;

- €1.5m to cover its operational deficit

- €4.5m in respect of the Kerry Sports Academy – he noted this was a matter for the DES to decide. The Department in turn is consulting the Department of Transport, Tourism and Sport who had committed funding towards the project.

Emergency funding of €0.75m has already been provided by the HEA to avert a cashflow crisis, with up to another €2.5m being required by the end of May to meet funding commitments. He briefed Members on discussions with the DES who have stressed that returning the Institute to financial viability was a priority. The agreement of the DES will be required to access emergency funding available for HEIs. He proposed that any additional funding should be subject to conditions as set out in memorandum A 11/19.

9.2 Members raised the following issues;

- Status of Deloitte report: Members were advised that the Institute has stated that it has taken whatever actions it could, with cuts of €0.75m being made. The Institute has appointed a further two senior staff to its Finance Section.
- Concern was expressed over the actions of senior management and governing body that have led to the Institute's current position. The CEO noted that the Institute came out of the recession in a very weakened state. The free fees element of the RFAM effectively increases the income of those able to grow their numbers at the expense of those which are not. ITT was not in a position to increase its student numbers at the same level. The Institute might not be in the same position with a different funding model, the moderator has however helped the institute to some extent.
- Will the provision of an additional €2.5m resolve matters? Members were advised that it would only stabilise the Institute's current funding situation. An additional €1.5m per annum over 4 years has also been sought under the Munster TU application. The financial situation of ITT will require constant monitoring.
- Appointment of an inspector – Members were advised that the HEA's policy framework for engagement with IoTs in deficit does make reference to the possibility that the HEA may recommend to the Minister that an inspection process be put in place under stage 2. Members were advised that Ms Nugent is undertaking a review of the policy framework, however it would be reasonable to assume that ITT was at stage 2.

Decision: Members approved the three steps outlined in memorandum A 11/19

- Recommend to the DES that the Institute be provided access to emergency funding from funds not currently allocated to the HEIs

- Appointment by the HEA of a financial specialist to receive, assess and monitor weekly and monthly reports on the financial situation of ITT and to report these to the HEA
- A review of the governance, operating process and decision making within ITT to be undertaken. In this regard the Board recommends that the review be undertaken under the inspection provisions of the IoT Act, 2006.

It was also agreed that in parallel, the Executive should prepare a draft media briefing in respect of this matter.

10. 2020 Board and Committee meetings

Decision: The schedule of meetings was agreed.

11. Appointment to the Boards of HEAnet and EduCampus

Decision: Members approved the reappointment of Ms Sheena Duffy to the Board of HEAnet and Ms Mary Kerr to EduCampus.

12. Members only session

12.1 Appointment of new CEO

The CEO informed the Board of the meeting of the Working Group and the submission made to the Minister and Department making the case for enhanced conditions of service. Regrettably, the initial response from DPER had been negative.

PAS have agreed to undertake the recruitment process on our behalf, including the executive search elements. The timeline for recruitment will probably involve advertising the post in late April/early May 2019.

12.2 Organisational Structural issues

Members discussed with the CEO a number of issues to do with the structure of the organisation. It was hard to avoid the conclusion that the HEA had been neglected in terms of development of both capacity and resources over the past number of years. In addition to Finance, which was an immediate and critical concern, other areas of the organisation required attention also.

Mr O'Toole left the meeting at this stage.

12.3 Members Concern

The Board agreed that the earlier comments by a Board member relating to the Landscape call are potentially of significant concern. It was noted that the CEO had committed to examining the matter and would be reporting back.

Next Meeting

29th April, TU Dublin City Campus

Chairperson

Date