

HEA

An tÚdarás um Ard-Oideachas
The Higher Education Authority

Higher Education Authority

**Governance Oversight Framework -
Higher Education Institutions**

Higher Education Authority Governance Oversight Framework - Higher Education Institutions

The Higher Education Authority (HEA) Act 2022 provides that one of the functions of the HEA is to support the effective governance of designated institutions of higher education by overseeing appropriate governance oversight frameworks to underpin public confidence in the higher education system and to provide value for money for funding provided and requiring accountability and compliance with those governance oversight frameworks.

The Act further provides that in performing its functions, the HEA acknowledges the responsibility of designated institutions of higher education for the performance and governance of those institutions. In exercising its oversight role, the HEA acknowledges the value and importance of institutional autonomy and flexibility, while requiring that this should proceed within a transparent governance and accountability framework. The HEA supports continuous improvements in the quality of governance in the sector and the demonstration of modern, transparent, and accountable governance arrangements.

The role of the HEA is distinct from the responsibilities of the Governing Body of each institution and from that of the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) and the Comptroller and Auditor General (C&AG).

The C&AG is responsible for auditing the financial statements of core-funded higher education institutions. In addition, institutions are obliged to lay their accounts before the Houses of the Oireachtas. Further external scrutiny and governance is provided through the Committee of Public Accounts (PAC) who are responsible for examining and reporting to the Oireachtas on the annual financial statements of the higher education institutions.

The Governing Bodies of the higher education institutions (HEI) are responsible for ensuring that good governance, conduct, management, and accountability arrangements are in place in their institutions. The HEA must be able to rely on assurances from the institutions that the systems and procedures in place are effective and ensure timely, responsive actions are taken to address issues identified. Good governance is central to the effective operation of higher education institutions and requires that a framework of structures, policies, and processes is in place to achieve the desired outcomes.

The Governance Oversight Framework sets out the mechanisms in place for the HEA to effect robust oversight of the higher education institutions. This framework requests assurance from institutions of their compliance with relevant legislation, Government circulars, the Code of Practice for the Governance of State Bodies, 2016 (“Code of Governance”), statutes, charters, articles, and instruments of governance. In particular those which establish the Institution and those which establish the degree of their autonomy and detail their powers and duties, as well as other governance arrangements that apply to them. The Governance Oversight Framework through which the HEA exercises oversight and seeks assurance from HEI Governing Bodies of their compliance, is grounded in:

- ◆ **Legislative Provisions**

The Higher Education Authority Act 2022 sets out the functions and powers HEA in relation to supporting the effective governance of designated institutions of higher education. The primary legislation for designated institutions (as amended by the HEA Act) sets out the corresponding functions and responsibilities of institutions as regards the performance and governance of those institutions.

- **Code of Practice for Governance**

The Code of Practice for the Governance of State Bodies 2016 sets out the principles and requirements for best practice in governance by state bodies in relation to oversight, compliance, reporting requirements, appointment and responsibilities of Governing Bodies, systems of internal control, internal audit, ethics, and risk management. In the event of any conflict or inconsistency between matters that are the subject of the Code and that are also the subject of existing legislation applying to a state body, the Code provides that the legislative provisions prevail.

The Governance Oversight Framework outlined below applies to core funded higher education institutions, see addendum for a listing, and includes the following:

- Annual Oversight Agreements
- Annual Governance Statements
- Annual Budget meetings
- Annual Audited Financial Statements
- Regular Institutional Reports
- Protected Disclosure Procedures

These elements are further expanded below. They operate in parallel with Governance Oversight Engagements between the HEA and HEI Chairs and Presidents, thematic reviews of Governance, the System Performance Framework and the work of the C&AG and the PAC.

Annual Oversight Agreement

The Oversight Agreement sets out the governance and accountability requirements of the higher

education institutions by the HEA and the key responsibilities which form the relationship between the HEA and the Institution. The institution is required to confirm it is conducting its activities in line with statutory requirements and the requirements of the Code of Governance for State Bodies. It specifies that the Chief Officer of the institution is required to keep the HEA informed on a timely basis of any governance issues, concerns or major risks that may arise for the Institution. The Oversight Agreement is signed by the Chief Officer and Chair of the Governing Body of the Institution and the Chief Executive of the HEA.

Annual Governance Statements

Higher education institutions are required to submit Annual Governance Statements (AGS) to the HEA within six months of their financial year end. The Annual Governance Statement (AGS) requires confirmation of compliance with a comprehensive series of governance requirements, arising from the Code of Practice for the Governance of State Bodies and other governance items which form part of the HEA's expectation of best practice governance in the higher education sector. These items require confirmation of compliance, or an explanation of a non-compliance stating the actions that have been agreed by the Governing Authority/Body to achieve compliance, and the timeframes within which this will be done.

The AGS is reviewed by the Governing Body and signed by the Chair of the Governing Body and the Chief Officer of the Institution prior to submission to the HEA. The HEA assesses these submissions for compliance, matters identified are followed up as necessary and institutions are provided with feedback. A report on the analysis of AGS is provided to the HEA Board.

Annual Budget meetings

Annual Budget Meetings are held in late Q1/early Q2 with designated Institutions, institutional representatives include President, Bursar, Registrar and Governance. These meetings require an annual budget submission which is reviewed prior to the meeting and requires institutions to declare governance matters as necessary. These meetings involve a presentation by the institution following which matters are discussed including relevant governance matters.

Annual Audited Financial Statements

The HEA carries out a review of the audited financial statements of the higher education institutions together with supporting reports. A report on the analysis of issues identified is provided to the Finance Committee of the HEA Board.

Regular Institutional Reports

Institutions are required to provide Regular Reports to the HEA on Financial, Governance, Capital, and Strategic matters. In reviewing these reports, the HEA has oversight of governance matters as reported by designated institutions and follows up as necessary.

Protected Disclosures Procedures

The CEO of the HEA is the prescribed person under the Protected Disclosures Act 2014 (as amended) for the receipt of protected disclosures by workers in higher education institutions. The definition of a worker and the protections under the act have been expanded by the Protected Disclosures (amendment) Act 2022 to include volunteers, shareholders, board members and job applicants.

The HEA has in place formal, confidential, external channels and procedures for receiving and handling of protected disclosures. and to address additional requirements and timelines with respect to the acknowledgement, follow-up, and provision of feedback to disclosers.

Under Statutory Instrument 367 of 2020 the CEO is prescribed to be the recipient of disclosures of relevant wrongdoings, as defined by the Act, falling within the description of the following matters:

- All matters relating to the planning and development of higher education and research in the State.
- All matters relating to funding for universities and certain institutions of higher education designated under the Higher Education Authority Act.

Governance Oversight Engagements

A forum has been established to meet separately with the Presidents and Chairs of Governing Bodies of Institutions to consider governance issues and how the sector can best deal with them. This has commenced with separate TU Presidents and TU Chairs meetings and from 2024 meetings will commence with separate University Presidents and University Chairs. These meetings will be held twice yearly.

Reviews of Governance

The HEA may from time-to-time initiate reviews of higher education governance matters on individual institutions as issues arise or on a thematic basis across the higher education sector. These reviews are undertaken to establish the level of good practice and governance compliance and are informed by the assessment of Annual Governance Statements and other reporting to the HEA. The objective of the governance reviews is to support continuous improvement in the quality of governance in the sector and the demonstration of modern, transparent, and accountable governance arrangements.

System Performance Framework

The System Performance Framework 2023-2027 sets out parameters under which designated institutions of higher education can identify their contribution to the achievement of institutional and national strategy, as appropriate to each institution's mission, scale, location, and strategic plan. The creation of performance agreements with institutions, and the monitoring of same via annual reporting and strategy and performance dialogue with the HEA,

will provide robust evidence on institutional and system health and inform the development of national policy.

The System Performance Framework 2023-27 and associated performance agreements will span four years. Annual reporting under the framework will review institutions' strategic performance against performance agreements providing an opportunity to explore learning to assure progress. This review process is founded on an expectation of good institutional governance, with the HEA implementing the System Performance Framework and Governance Framework as parallel complementary frameworks.

Comptroller and Auditor General

As stated previously the financial statements of higher education institutions are audited by the C&AG. The C&AG gives an independent opinion of the financial statements and, where appropriate, reports on aspects of the arrangements set in place by the higher education institutions to ensure the proper conduct of their financial affairs. The C&AG audit is an important element in the process of accountability. The annual financial statements incorporate a Governance Statement and a Statement on the System of Internal Control.

Public Accounts Committee

Higher education institutions are obliged to lay their financial statements before the Houses of the Oireachtas. Further external scrutiny and governance is provided through the Committee of Public Accounts who are responsible for examining and reporting to the Oireachtas on the annual financial statements of the higher education institutions. The Committee plays a significant role in ensuring accountability and transparency in the way institutions spend and manage their finances. The Chief Officer of an Institution is obliged to give evidence when called on to do so by the Committee of Public Accounts on matters relating to the Institution including the:

- Regularity and propriety of the Institution's financial statements.
- Probity and efficiency of the Institution in the use of its resources.
- Systems, procedures, and practices employed by the Institution.

Addendum

Core-funded Institutions

- Atlantic Technological University
- Dublin City University
- Dun Laoghaire Institute of Art and Design
- Dundalk Institute of Technology
- Mary Immaculate College
- Maynooth University
- Munster Technological University

- National College of Art & Design
- Royal Irish Academy
- South East Technological University
- St Angela's College
- Technological University Dublin
- Technological University Shannon: Midlands Midwest
- Trinity College Dublin
- University College Cork
- University College Dublin
- University of Galway
- University of Limerick

Non-Core funded Institutions:

- RCSI University of Medicine and Health Sciences

Designated Institutions

- Atlantic Technological University
- Dublin City University
- Dun Laoghaire Institute of Art and Design & Technology
- Dundalk Institute of Technology
- Maynooth University
- Munster Technological University
- National College of Art & Design
- South East Technological University
- Technological University Dublin
- Technological University Shannon: Midlands Midwest
- Trinity College Dublin
- University College Cork
- University College Dublin
- University of Galway
- University of Limerick
- RCSI University of Medicine and Health Sciences