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8 September 2015

Ms Jan O'Sullivan, T.D.,  
Minister for Education and Skills,  
Department of Education and Skills,  
Marlborough Street,  
Dublin 1.

Dear Minister,

I am pleased to submit a copy of the HEA's annual report and audited accounts for 2014.

In 2014, the programme of reform in higher education, set out in the National Strategy for Higher Education, moved decisively into implementation mode. The creation of a co-ordinated system of diverse higher education institutions took a significant step forward with the completion of the first round of strategic dialogue and the agreement between the HEA and the higher education institutions of compacts for performance. This also brought into reality the new relationship between the State and the higher education sector, with a much stronger focus on outputs and outcomes from the investment made in the sector.

The National Strategy also set out to achieve significant structural reform in higher education and our report sets out the major developments relating to initial teacher education, consolidation in the institute of technology sector, the development towards technological universities and the development of regional clusters.

A vitally important aspect of the reform programme is the mandate given to the HEA to implement the National Strategy for enhanced performance of the sector. As part of that mandate, we submitted to the then Minister the first Higher Education System Performance Report in May 2014.

Other key achievements in 2014 that I would like to bring to special notice include:

- The HEA continued to contribute to the Government's job creation programme with the successful delivery again of the Springboard and ICT skills programmes.
- The higher education institutions increased student numbers, notwithstanding the restrictions in funding and staffing.
- Given the importance of the quality of the student experience, I am pleased to report that key achievements during 2014 included publication of the Irish Survey of Student Engagement and the near completion of a survey of employers, subsequently published early this year.

Notwithstanding the overall positive developments in the sector in 2014, a key black spot continued to be the overall funding and staffing available to the sector. Staff numbers continued to decline under the Employment Control Framework even as student numbers continued to rise. In November 2014, I wrote to you in the context of the Budget Statement. In that letter, I highlighted the very deep concerns of the Board of the HEA as to the funding situation - in particular, the continuing practice of cutting the core grant combined with offsetting the increase in the student contribution against core funding.

My letter highlighted the inadequacy of capital funding, with implications for health and safety and an overall deterioration in capital infrastructure and the environment for students; the absence of any resource to support major structural reform; the risks to quality of unfunded growth in the number of students; and the financial vulnerability of an increasing number of institutes of technology. All of these matters have worsened since then.

A strategically important development was, of course, your decision to set up an expert group to advise on the future funding of higher education. While we look forward to the expert group's report in early 2016, there is little prospect that any of the recommendations can be implemented in sufficient time to prevent further serious damage to the higher education system. The danger is that it may be several years before any policy can be agreed, implemented and have an impact. In the meantime, especially if the number of students continues to grow, I repeat the advice given in my November letter that current practices will further undermine the quality of the system and its outcomes, impacting on the life chances of graduates and ultimately the health of the economy, as well as undermining the reform agenda.

Turning to HEA governance matters, in accordance with section 13.1 of the Code of Practice for the Governance of State Bodies, I wish to report to you on the Authority's compliance with the code, and specifically on the following matters:

- There were no events of commercial significance during the reporting period. However, the Authority is conscious of, and responding fully to, the changed economic climate, in particular by seeking efficiency gains both in its own operations and throughout the higher education system. It is also conscious of, and acting on, the need for closer monitoring of the financial performance of the institutions.
- The HEA's audited financial accounts for 2014, together with the Comptroller and Auditor General's certificate, are attached. The accounts have already been conveyed to your Department for submission to the Houses of the Oireachtas.
- On behalf of the Higher Education Authority, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated. The Authority, some years ago, appointed an audit committee and put in place an internal audit function.
- While recognising that a system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period, the Authority has endeavoured to put in place measures to ensure that an enhanced control environment operates in the HEA. These will be detailed in the statement of the system of internal financial controls which forms part of the audited accounts. The HEA's internal auditors carried out a review of the HEA's internal controls in July 2014. A further review will take place in 2015.
- The HEA has adopted a code of business conduct for Members of the Authority and for its employees. The code for Members was reviewed and updated in March 2010. The Authority undertook an evaluation of its performance in October 2012 and a Board self-evaluation exercise was carried out in January 2014; a further review will be carried out before the end of this year.
- The HEA complies with Government remuneration guidelines. Members' fees are in accordance with rates sanctioned by the Department, as are salaries and allowances paid to staff. The HEA applies the One Person, One Salary circular issued by the Department of Public Expenditure and Reform.
- The HEA has no post-balance sheet events to report.

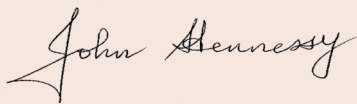
- The HEA has a procurement policy that is compliant with Department of Public Expenditure and Reform guidelines. I can confirm that this policy is implemented in full. A procurement plan is in place and is being implemented. The HEA subscribes to a number of National Procurement Service framework agreements.
- The HEA has a travel policy that is compliant with Department of Public Expenditure and Reform guidelines and adheres to this policy.
- The HEA has complied with its obligations under tax law.
- The HEA currently has no capital expenditure proposals.

The HEA would be happy to provide any further clarification you require in relation to any of the above.

I would like to thank you and your officials in the Department for the assistance given in securing approval for a number of additional posts for the Executive. I fully appreciate how unusual such a decision is in the current climate. I would also like to pay tribute to two members who left the Authority during 2014, Professor Ellen Hazelkorn and Mr. Joe O'Connor.

I, together with the Authority and its Executive, look forward to continuing to work with you and your Department, in particular on the development of a new National Strategy for Science, Technology and Innovation and the continued implementation of a system performance framework.

Yours sincerely,



John Hennessy,  
Chairman

# 2014

## General Overview

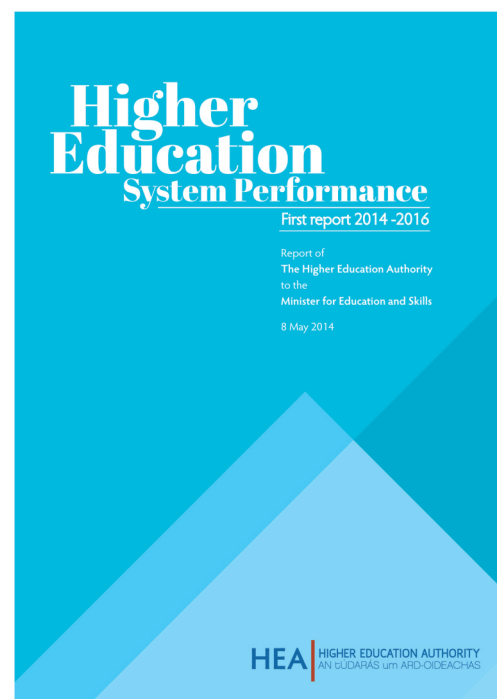
## Key Strategic Developments

2014 saw the higher education sector moving significantly towards a more co-ordinated system, with a strong focus on outcomes. Restructuring for scale and impact continued strongly while the HEA continued to position itself to carry out its new mandate. Key strategic developments are now outlined.

### First Strategic Dialogue

2014 marked a significant escalation in the implementation of the National Strategy for Higher Education. Key reforms recommended in the Strategy were the creation of a co-ordinated system of diverse higher education institutions and a new relationship between the State and the higher education sector, with a much stronger focus on outputs and outcomes from the investment made in the sector. Early in the year, the HEA completed the first round of “strategic dialogue”. This phrase encompasses the process whereby the State, through the Minister for Education and Skills, sets out the key deliverables from the higher education sector; the HEA, following a period of dialogue with each institution, enters into a compact in which the HEI states which of the national objectives it will focus on and its proposed target performance level. Progressively, from 2014 forwards, strategic dialogue will be used to assess performance against targets as well as reviewing the compact commitments. Funding will follow performance. In 2014, the HEA took a preliminary step in that direction by reviewing the quality of engagement in the process by the HEIs and allocating €5 million funding withheld from budgets.

### First System Performance Report



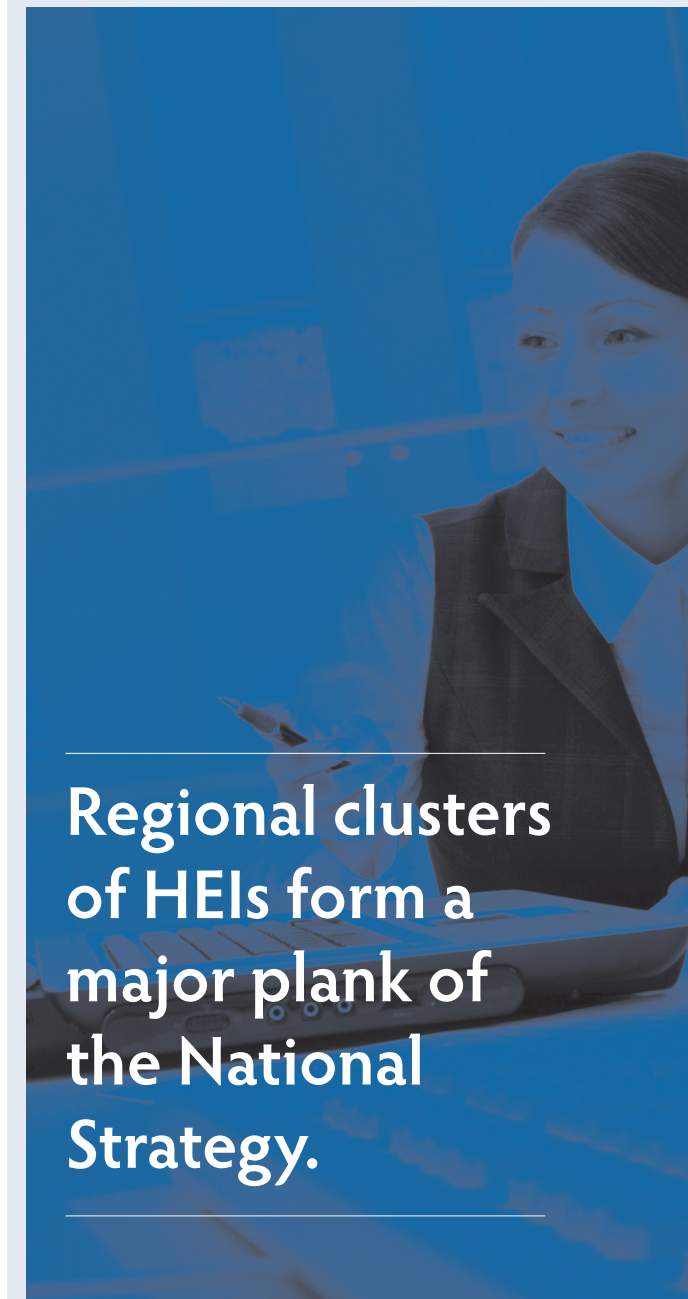
An important aspect of strategic dialogue is how the HEA accounts to the Minister for the performance of the system of HEIs, having regard to the national objectives. 2014 saw the presentation to the Minister by the HEA, and publication, of the first System Performance Report. The report outlines how well Ireland is performing against the Minister’s system framework, including international benchmarks and was published by the Minister in June 2014.

A particular focus was given to the role of the higher education system in supporting job creation, including reference to the National Action Plan for Jobs and Pathways to Work and the 2014-2018 ICT Action Plan. Volume II of the report comprises the second iteration of the multi-dimensional profiles of higher education institutions and of the sub-sectors of higher education in Ireland (universities, colleges, institutes of technology, and HEA-funded institutions).

Overall, the process of review of performance through strategic dialogue records a system delivering well against national objectives and setting appropriate and challenging performance targets. Against that, the report warned of the risk to the quality of outcomes if unfunded growth continues unchecked.

## Structural Reform

The National Strategy also set out to achieve significant structural reform in higher education. This gathered pace in 2014. Major developments included the continuing merger arrangements of DCU, St. Patrick’s College and Mater Dei Institute. The second major hub for initial teacher education saw UL, Mary Immaculate College and Limerick IT move into close collaboration. Mergers also gathered pace in the two consortia bidding to become technological universities – DIT, IT Blanchardstown and IT Tallaght; and Cork IT and IT Tralee. Both consortia moved through stages 2 and 3 of the four-stage TU process in 2014.



Regional clusters of HEIs form a major plank of the National Strategy. Some progress was achieved in 2014 with the formal setting up of the clusters, agreement on governance arrangements and initial work on academic planning and pathways. Clusters will require robust focused attention in 2015 if their potential is to be realised.

### Funding

The difficult economic situation continued to predominate the higher education sector as regards funding in 2014, with a further reduction in core recurrent allocations. The original allocation to the HEA for 2014 was €938,943,000, a reduction of -7.2% on the outturn of €1,011,987,000 for 2013. It had been anticipated that the once-off reduction of €25m applied to the 2013 grant would be restored in 2014. However, it was decided that it would be restored in 2015. In 2013, the adjustment was applied to the fee grant. However, in 2014, the adjustment impacted on the core grants of the institutions.

The student contribution increased by €250 in 2014 to €2,750. Taking account of the adjustment for salary reductions (Haddington Road Agreement) and the increase of €250 per student in respect of the student contribution, the overall net reduction is 1% approximately.

The HEA met with each of the HEA-funded institutions to consider budgets and accumulated financial positions. A number of HEIs presented budgets with underlying deficits. The HEA engaged proactively with these HEIs and, in some cases, has agreed plans which will return them to financial sustainability. Further work will be required to address institutions in particular difficulties and the HEA agreed its approach in this regard for 2015.



Institutions were informed in May 2014 that further reductions in public sector numbers would be required by 31st December 2014. The overall sectoral reduction required was 1%. Overall, staff numbers in the sector have been reduced in line with the target set. Since the commencement of the ECF in December 2008, core staff numbers across the sector have been reduced by c. 12.8%.

A strategically important development with regard to funding was that the Minister set up an expert group to advise on the future funding of higher education. While welcome, the value of this initiative was blunted by the fact that it is not expected to report to the Minister until the end of 2015. In the meantime, the funding situation will continue to deteriorate.

### Quality

The agreement of an MOU with the QQI marked an important strategic relationship and brought clarity and synergy to the respective roles of the HEA and the QQI in respect of quality and quality assurance. Two other important developments relating to the quality of outcomes and the student experience were the publication of the Irish Survey of Student Engagement and the near completion of a survey of employers.

### Research

The most significant development in research occurred at the end of the year with the Department of Jobs, Enterprise and Innovation announcing a review of the strategy for science, technology and innovation. Engaging with this will be a key priority for the HEA in 2015. Otherwise, the year saw significant success for the Irish Research Council with two major publications (Engaging Civic Society and Creative Connections) and considerable success in EU programmes.

### Labour market activation

The HEA continued to contribute to the Government's key priority job creation programme with the successful delivery again of the Springboard and ICT skills programmes.



## HEA

Organisationally, the HEA executive was re-structured to better reflect its new mandate while additional resources approved in late 2013 were recruited. Of particular note was the addition of three new staff to data management, collection and analysis. The Board and the executive also undertook a review of the HEA's governance and regulatory roles and agreed a set of reforms.

### Other significant developments in 2014 included -

- The HEA Forward-Look Forum series was launched in 2014. This series of bi-annual fora provides opportunities for the leadership of Irish higher education to engage in forward-looking and disruptive thinking about the future of the sector that is fully cognisant of the global context within which it operates. The inaugural Forward-Look Forum, 'Re-casting the Sustainability Debate: Positioning Irish Higher Education as a Driver of Sustainable Social, Cultural and Economic Development', was held in May, with a keynote address from Professor Nancy Zimpher, Chancellor of the State University of New York. The second Forward-Look Forum, 'From Regional Clusters to Knowledge Hubs: Unlocking the Potential', was held in November, and included keynote addresses from Professor John Goddard, O.B.E. (Newcastle University) and Professor Susan Christopherson (Cornell University).
- An initial review of workload allocation models within the institutions was completed. The HEA will work further within the institutions in 2015 to continue to develop these systems, in particular to provide greater coherence and external transparency.
- The HEA circulated for consultation a series of documents relating to the governance and regulation of the higher education system - these included a statement of the regulatory and governance role of the HEA, enhanced accountability procedures and a financial memorandum. Analysis and follow-up on the annual governance statements provided by the HEIs was strengthened and will in the future become an important requirement in respect of strategic dialogue and performance funding.
- With the support of the HEA's Strategic Innovation Fund (SIF), the national Campus Engage network launched a Charter for Civic and Community Engagement, the signatories to which are 20 presidents of HEIs. Under the Charter, the signatory institutions have committed to the promotion of civic and community engagement through their mission and strategy.
- Outcomes related to job creation and enterprise engagement included:
  - Over 5,000 unemployed people enrolled on Springboard upskilling courses in 2014. This brings the number of participants to over 20,000 since 2011.
  - An average of 52% of Springboard graduates were back in work within six months of finishing their Springboard course.
  - As part of the targeted skills evaluation framework, two Springboard trend analyses were published, showing positive upward trends across a range of indicators.





- An evaluation of ICT targeted skills provision was published, supporting the new national ICT skills action plan.
- Implementation of the ICT skills action plan began, with two calls issued for additional ICT undergraduate places.
- A survey of employers was carried out in partnership with QQI and Solas. Findings from the survey will be available Q1 2015.
- The HEA began participation in the roll-out of the new apprenticeship model, including participation on the new National Apprenticeship Council.
- Progress continued in respect of Irish participation in the Brazilian Science without Borders Programme in 2014. Ireland was the 4th most popular destination in the programme behind USA, UK and Australia. A total of 975 admissions were achieved in 2014.
- Twenty-two Government of Ireland Scholarships were awarded in 2014 for students enrolling in September 2014. This was the third year of the scheme and the first where all 22 awards were realised.
- During 2014, the HEA completed a review of expenditure on student services in higher education institutions from 2010/11 to 2012/13. The review examined the level of student involvement in the consultation process in relation to the disbursement of monies and also reviewed the specific expenditure on student services in higher education institutions. The report was subsequently presented to the HEA's Finance Committee and circulated to institutions.
- The HEA continued to work with the Department of Education and Skills and the higher education sector in the development of shared services and joint procurement initiatives, including as part of the Education and Training Sector Shared Services Plan 2014-2016.
- A Working Group consisting of representatives of An Chéim, HEAnet, DIT and the HEA continued its work in 2014 in relation to the establishment of An Chéim as a subsidiary of HEAnet. The decision was taken in the context of public sector reform and the development of shared services. A new company, EduCampus Services Limited, will be established as a subsidiary of HEAnet with the business and assets of An Chéim to be transferred to HEAnet. Heads of Agreement were signed by the Chairpersons of HEAnet and An Chéim.

#### • Capital Programmes

The annual capital budget for investment in higher education infrastructure was significantly lower than previous years at just over €34.8 million, excluding PRTLl expenditure of €19.76 million. Construction significantly progressed on the St. Patrick's College Drumcondra Campus Development Project. Construction was expected to be completed in early 2015. The provision of new teaching accommodation and refurbishment of the existing buildings is necessary to address space deficiencies and to adequately support the academic programme delivery to a student population of up to 2,500, in a campus originally designed to accommodate 800 students. The development is central to the College's Campus Development Plan.



In 2014, the DIT Grangegorman Campus opened its doors to its first cohort of 1,000 students. This followed the completion of a €26 million 'Site Infrastructure and Public Realm' contract. The next phase of construction will be delivered under a Public Private Partnership and the total value of the contract exceeds €200 million. The Grangegorman project, which has the support of the European Investment Bank, is the biggest development of its kind in any European capital city. Two major quadrangles which are being built through this process are due to be occupied by 10,000 DIT students in September 2017. The two quadrangles are due for completion at the same time as the Luas Cross City project, which will provide a new sustainable public transport service for the city and for the students and staff coming to the new campus in Grangegorman.

Towards the end of 2014, a Devolved Grant for minor capital works was announced for the Institutes of Technology sector. The total allocation was €10 million. €8 million was disbursed by the HEA before year-end, with the remaining €2 million to be disbursed in 2015.

#### • The Programme for Research in Third Level Institutions - PRTLl

The HEA during 2014 continued to manage the implementation of the capital (and recurrent) elements of all the PRTLl Cycle 5 research projects on behalf of the Department of Jobs, Enterprise and Innovation. 2014 saw the completion of a number of higher education capital projects funded through the Programme - the CREATE building in Cork IT, the NRF-TRF building in DCU and the AHSSRB & SRB buildings in NUIG. Other key PRTLl projects funded in 2014 include: the new TCD Biomedical Sciences Institute, the research bundle at NUIG which includes a new Biomedical Sciences building as well as a translational research element at Galway University Hospital, new space for biosciences research at UCC and research elements of the UCD Science Centre development.

#### • Third Level Access Measure

The total amount available for allocation in 2014/15 was €16.9m, a decrease of €0.35m compared to the allocation for 2013/14.

The allocation under the Fund for Students with Disabilities has remained broadly static over the past two years, while there have been continued increases in the numbers of students presenting for support. In 2013-14, 8,809 students were supported under the fund, an increase of 14% over the 2012-13 academic year. Provisional figures indicate that just over 10,000 students were supported under the Fund in the 2014-15 academic year.

#### Student Assistance Fund

An allocation of €6.6m was made for 2014-15 for the SAF, a 5% reduction on the allocation [€6.95m] in the previous year. In view of available resources, a clear, evidenced-based approach to targeting those students most in need is particularly important for colleges in managing the SAF allocation. One of the objectives for the next National Access Plan will be to assess the impact of financial supports and how these can be best targeted to improve access, participation and completion.

The allocation model for the Fund apportions 50% of the fund on the basis of FTEs and the remaining 50% on the basis of the number of students in the institution from target socio-economic groups (SEGs), as collected through Equal Access data collection. The change in each institution's proposed allocation for 2014-15 reflects not only the change in the overall budget, but also relative changes in each institution's share of total FTEs and total target SEG numbers.

Four smaller institutions in receipt of the SAF annually are outside the scope of the Equal Access survey and continue to be allocated funding on the basis of FTEs

## A total provision of €10.3m was allocated for the Fund for Students with Disabilities for 2014-15

### Fund for Students with Disabilities

A total provision of €10.3m was allocated for the FSD for 2014-15, which is similar to the level allocated in 2013-14. The number of students being supported by the fund in 2014 was 10,000, consistent with growing demand in previous years. Some institutions reported that supporting a growing demand in view of available resources is proving challenging. Models of good practice in mainstreaming of supports for students with low to moderate needs has helped to relieve pressure in some institutions. These will continue to be encouraged as part of the implementation of the National Access Plan for 2015 and a comprehensive review of the fund is also planned.

In early 2014, the HEA undertook a comprehensive analysis of progress achieved under the National Plan for Equity of Access to Higher Education 2008-2013, in order to assess progress in the different areas for which targets were set, consider lessons learned and best practice that emerged over the period, and begin the process of setting targets and preparation for the next National Access Plan.

In August 2014, the National Office for Equity of Access to Higher Education, in partnership with the Department of Education and Skills, published a Consultation Paper: Towards the Development of a new National Plan for Equity of Access to Higher Education, with the aim of bringing together the perspectives and ideas of all stakeholders in the framing of a new National Access Plan. The paper included the most up-to-date data on participation from the national target groups. This consultation process brought a strong response, including a total of 58 written submissions and a series of round-table meetings. The main points that emerged from the process will be included in the National Plan for Equity of Access to Higher Education 2015-2019, to be published in 2015.

Throughout 2014, the National Office for Equity of Access to Higher Education worked closely with the Department of Education and Skills, the HEA Board and the National Access Office Advisory Group on the development and drafting of the National Access Plan.

In 2014, equity of access and lifelong learning objectives and performance indicators were an integrated part of the compacts agreed by each higher education institution with the HEA. Work also advanced in 2014 by regional clusters of higher education institutions on the development of transfer and progression pathways.

The HEA supported the first year of a new College Awareness Week initiative, which took place in November 2014. There was a wide participation in this event by students and staff in schools, further and adult education providers and higher education. There was a particular emphasis, as part of the event, on highlighting further and higher education opportunities to communities with low rates of progression and participation.

- The Irish Research Council - outcomes included:  
The launch of the 'Engaging Civic Society' research funding initiative by the IRC in partnership with The Wheel (the national support and representative body for community and voluntary groups).

The launch of the 'Creative Connections' initiative as a stimulus for collaborations across and within the AHSS and STEM domains by the IRC.

At the beginning of the year, the Commission reported that the IRC had been in the Top 5 of most successful COFUND participating entities in FP7. At year-end, the Irish Research Council itself reported, jointly with SFI, 8 successful European Research Council awardees (of ~320 across Europe). In addition in 2014, the IRC-funded Marie Skłodowska-Curie office at the IUA supported 28 successful Irish participations in H2020.

Following on from successful pilot initiatives, the Employment-Based Postgraduate Programme ('Industrial Masters and PhDs') was launched by the IRC. In line with the Action Plan for Jobs, awards under the scheme increased by 65% in 2014. This national initiative led by the IRC is a partnership with DAFM, Teagasc, SFI, SEAI, the Marine Institute, engaging as funding partners and EI as a promotion partner. In June 2014, the number of enterprise partners on IRC schemes exceeded 250.

The publication of 'Creating Ireland – Research and the role of the Humanities and Social Sciences' by the Irish Research Council (IRC).

- The National Forum for the Enhancement of Teaching and Learning continued its work to promote excellence in teaching and learning. Key outcomes in 2014 were:
  - The launch of the national, student-led 'Teaching Heroes' award scheme.
  - The support of a National Seminar Series through which 62 seminars were held across 28 HEIs from January–June 2014; and the launch of the 2014/15 series through which 48 seminars are being held across 21 HEIs.
  - The launch of a postgraduate scholarship scheme in partnership with the IRC to fund research in teaching and learning and thereby to enhance the evidence-base for effective pedagogical practice. Three 4-year Ph.D. projects have been funded and commenced in September.
  - Seven focused research projects were commissioned (at a total cost of €175,000) in the areas of the transition from secondary to higher education; student-progression; retention in ICT; the recognition of prior learning; teaching and learning in Irish higher education; and learning resources and open-access.
  - The launch of a Teaching and Learning Enhancement Fund, in respect of which funding totalling €1.96 million was awarded to 10 consortia of HEIs to support collaborative, inter-institutional projects in technology-enhanced learning, and seed-funding (totalling €50k) was awarded to 3 additional projects.
  - Funding totalling €73k was awarded to 18 disciplinary networks, groups, and associations which play a key role in supporting teaching and learning in higher education to support their on-going activities.

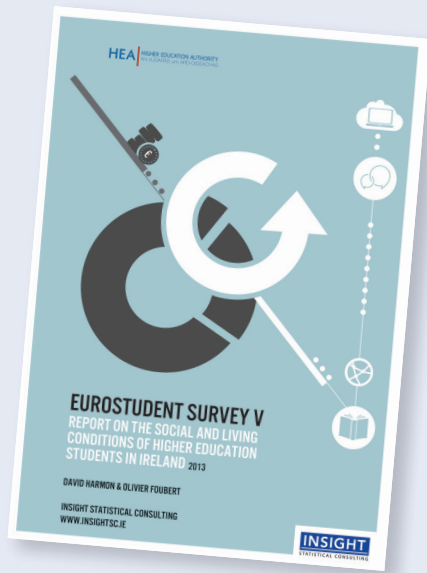




Statistics publications

The following were published in 2014:

- 1. Key Facts and Figures – 2012/13 (13/05/2014)
- 2. Euro Student Survey V - A report on the social and living conditions of higher education students in Ireland (24/06/2014)
- 3. Institutional Profiles 2011/12 (6/6/2014)
- 4. A Study of Progression in Irish Higher Education Institutions, 2010/11 – 2011/12 (14/07/2014)
- 5. What Do Graduates Do? The Class of 2013 (22/12/2014)



HEA Governance

Members of HEA

Members of the HEA appointed by the Government on the nomination of the Minister for Education & Science generally for a period of up to 5 years, with the exception of the President of USI who holds membership for the duration of his/her office as President of USI.

HEA Members for 2014:

HEA Board Membership 2014
Mr. Bahram Bekhradnia
Mr Brendan Byrne
Dr. Mary Canning
Professor Maeve Conrick (Deputy Chair to July 2014)
Mr. Paddy Cosgrave
Mr. John Dolan
Mr. Eamonn Grennan
Ms Siobhan Harkin
Professor Eileen Harkin Jones (Deputy Chair from August 2014)
Ms Laura Harmon (from 1/7/14)
Professor Ellen Hazelkorn (to 15/1/14)
Mr. John Hennessy, Chairman
Dr. Stephen Kinsella (from 12/3/14)
Dr. Maria Meehan
Dr. Jim Mountjoy
Mr. Joe O'Connor (to 30/6/14)
Mr. Gordon Ryan
Professor Anthony Staines
Dr. Brian Thornes
Professor Marijk van der Wende
Mr. Declan Walsh (from 12/3/14)

Outlined in appendix 1 are details of Authority and standing committee meetings attended. Members are paid a fee approved by the Minister for Finance. The fee does not apply to serving public servants in

accordance with the one person one salary decision. Travel and subsistence payments are in accordance with rates approved by the Minister for Public Expenditure and Reform. Details are outlined in the HEA accounts (note 17).

### Meetings of the HEA

Meetings of the Higher Education Authority are normally held every second month. There were 7 meetings of the Authority in 2014. The HEA undertakes work through six standing committees and task forces which it sets up from time to time. The following standing committees were in place during 2014;

Audit Committee

Finance Committee

Pension Appeals

Policy and Planning

Research and Graduate Education (joint HEA – Irish Research Council committee)

System Governance and Performance Management

### Code of Practice for the Governance of State Bodies 2009

The Authority carried out a review of its governance in 2014. The review undertaken by Bob Semple recommended a number of actions to improve board effectiveness. Further work on the HEA's governance is planned for 2015 having a revised Code of Practice for the Governance of State Bodies. A further Board self-evaluation exercise is planned before the end of 2015.

### HEA Committees

#### Audit Committee

The Audit Committee's primary function is to assist the Authority fulfil its oversight responsibilities. It does this by reviewing the financial information provided in the HEA audited accounts; employing established systems of internal financial controls and risk management; and the internal audit function.

During 2014 the Committee met on four occasions and considered the following issues:

- HEA 2013 Annual Accounts
- Report on Risk Management
- System of internal financial control
- Terms of reference for HEA Audit Committee
- HEA Policy on Accommodation & Hospitality
- Appointment of internal auditors
- Review of HEA Banking Arrangements
- HEA Procurement Plan

#### Members of the HEA Audit Committee

- Professor Anthony Staines (Chair)
- Mr. Eamonn Grennan
- Mr. John Dolan
- Mr. Gordon Ryan
- 

### Finance Committee

The HEA Finance Committee met on four occasions in 2014. The main role of the Committee is to review and recommend to the Authority, the proposed recurrent and access grant allocations to the Universities, Institutes of Technology and other bodies funded by the Authority, along with funding allocations under a number of additional programmes. The Committee also received an update on the funding position of the various institutions following the 2014 annual budget meetings. The Committee considered the funding position of a number of vulnerable institutions. The Committee reviewed proposals from a number of institutions to purchase land. The Committee undertook a review of its terms of reference and considered a report prepared by the Executive on expenditure on student charges.

#### Members of the HEA Finance committee:

- Cllr. Brendan Byrne
- Dr Mary Canning
- Ms Laura Harmon from 1st July 2014
- Mr. John Hennessy
- Dr. Jim Mountjoy
- Mr. Joe O'Connor to 30th June 2014
- Dr. Brian Thornes

### Pensions Appeals Committee

This Committee was established in 2012 to exercise a statutory function assigned to the HEA namely to consider pension appeals submitted by University staff under schedule 5 of the Universities Act. The decision of HEA on such appeals is given with the consent of the Ministers for Education & Science and Public Expenditure & Reform. During 2014 the HEA issued six determinations which were all consented to by the Ministers for Education & Science and Public Expenditure & Reform. The Committee had 3 meetings in 2014.

#### Members of the HEA Pensions Appeals committee:

- Cllr. Brendan Byrne, Chairman
- Mr. John Dolan
- Ms Laura Harmon from 1st July 2014
- Mr. Joe O'Connor to 30th June 2014
- Dr. Brian Thornes

### Standing Committee on Research and Graduate Education

This Committee was established in 2011 and reconfigured in 2012 following the amalgamation of the Irish Research Council for the Humanities and Social Sciences and the Irish Research Council for Science, Engineering and Technology. The Committee includes representation from the Authority and the Council. The purpose of this Committee is to ensure policy coherence between the HEA and the Council, prepare draft policy statement and advice on aspects of research and graduate education, oversee and report to the Authority and Council on implementation of research and graduate education policy by the higher education system and constituent institutions and review relevant policy initiatives submitted by the Authority or Council. The Committee met three times in 2014 and issues considered the following;

- The development of a new national Strategy for Science, Technology and Innovation
- Framework for doctoral education in Ireland

- Review of Irish HEI participation on Horizon 2020
- Review of sectoral trends in relation to graduate education and research investment and international institutional rankings
- Forfas survey on Research and Development in the Higher Education sector
- The introduction to Ireland of the Athena Swann gender equality initiative.
- A review of the Committee's terms of reference

#### **Membership of the Standing Committee on Research and Graduate Education**

- Professor Maeve Conrick, HEA, Committee Chair to July 2014
- Ms Siobhan Harkin, HEA
- Professor Eileen Harkin Jones, HEA, Committee Chair from August 2014
- Mr. John Hennessy, HEA
- Dr. Jim Mountjoy, HEA
- Professor Orla Feely, IRC
- Professor Sean Ryder, IRC
- Professor Alan Smeaton, IRC

#### **Standing Committee on Policy and Planning**

This Committee was established in 2012. The role of the Committee is to provide objective analysis and advice across higher education issues, identifying important policy and leadership issues in higher education – both immediate and long-term – in Ireland and internationally. In undertaking this policy analysis the Committee's objective is to improve higher education in Ireland, and enhance public accountability, by creating a better informed policy environment, and by developing practical responses to the strategic issues facing leaders of higher education institutions and public agencies. The Committee met five times in 2014 and considered the following;

- Governance, accountability and operational arrangements for the National Forum for the Enhancement of Teaching and Learning
- Proposals for the HEA Forward-Look Forum
- HEA Data Strategy
- Development of an MoU with QQI
- Irish Survey of Student Engagement
- Transitions Reform Process
- Development of a new National Plan for Equity of Access to Higher Education
- Briefing on Higher Education Access Route and Disability Access Route to Higher Education
- Presentation on International Trends and how Ireland fares
- Expert Group on Funding (with SGPM Committee)

#### **Membership of the Standing Committee on Policy and Planning**

- Mr. John Hennessy, Chair to 3rd November 2014
- Mr. Bahram Bekhradnia
- Dr. Mary Canning
- Professor Maeve Conrick
- Ms Siobhan Harkin, chair from 4th November 2014

- Professor Eileen Harkin-Jones
- Professor Marijk van der Wende
- Mr. Declan Walsh, from 27th May

#### **Standing Committee on System and Institutional Governance and Performance Management**

This Committee was established in 2012 with the mandate of assisting the Board in overseeing the creation and development of a co-ordinated system of higher education institutions, each with clear, diversified missions and with a strong focus on outcomes and funding for performance. The Committee met five times in 2014 and oversaw the strategic dialogue process. In addition the Committee considered the following:

- TU Designation Process – stage 3 process
- Issues relating to Higher Education legislative programme
- Review of HEI Statements of Governance
- Development of performance funding
- Review of Workload Management Systems
- Proposed changes to HEA funding models
- Expert Group on Funding (with P&P Committee)
- Development of the Regional Clusters

#### **Membership of the Standing Committee on System and Institutional Governance and Performance Management**

- Mr. John Hennessy, Chair to 3rd November
- Dr. Mary Canning
- Professor Maeve Conrick
- Mr. Eamonn Grennan
- Professor Eileen Harkin-Jones
- Dr. Jim Mountjoy, Chair from 4th November
- Mr. Gordon Ryan
- Professor Anthony Staines

#### **Labour Relations Commission Proposals for the Public Service 2013-16 (Haddington Road Agreement)**

The HEA continued to implement the terms of the above agreement which came into effect from 1st July 2013.

The HEA is subject to the Government's employment control framework. The ECF target for the HEA and Irish Research Council as at 31/12/14 was 62. The actual number of staff employed by the HEA (including the Council) at that date was 59.1, this excludes a small number of staff employed on EU-funded fixed-term contracts which are excluded from the HEA Council ECF targets.

#### **Functions and Legislation**

The general functions of the HEA derive from the following legislation:

- 1971 Higher Education Authority Act
- 1997 Universities Act
- 2006 Institute of Technology Act
- National Strategy for Higher Education published in 2011



These functions include:

- Development:** (a) **Furthering the development of higher education**
- Co-ordination:** (b) **Assisting in the co-ordination of the State investments in higher education and preparing proposals for such investment**
- Promotion:** (c) **Promoting an appreciation of the value of higher education and research**
- Equity:** (d) **Promoting the equality of opportunity in higher education**
- Democracy:** (e) **Promoting the democratisation of the structure of higher education**
- Excellence:** (f) **Promoting the attainment and maintenance of excellence in learning, teaching and research in higher education (from 2006 Act)**

Further functions from the 1971 Act include:

- Advising the Minister on the need for the establishment of new institutions.
- Maintaining a continuous review of the demand and need for higher education.
- Conducting and publishing studies on challenges affecting higher education and research.
- Assessing the amount of State financial provision, both current and capital, which recommends for higher education and research.
- Allocating among Universities, Institutes of Technology and the designated institutions the grants voted by the Oireachtas.

Under the **1997 Universities Act**, and the subsequent **Institutes of Technology Act 2006**, the Higher Education Authority's remit broadened and it now carries out an additional number of functions in respect of the higher education sector.

Areas covered include review of:

- Strategic development plans
- Quality Assurance procedures
- Equality and access policies & implementation
- Frameworks for: Salary Departures; Borrowing; Payments to staff by Institutional Corporations; Acquisition of Land.

**National Strategy for Higher Education**

The National Strategy for Higher Education assigns certain operational responsibilities to the HEA, including establishing high-level key performance indicators for the sector and engaging in strategic dialogue with individual institutions and leading and driving the process of structural change. The HEA provided the Minister for Education and Skills with advice on a system configuration and inter-institutional collaboration in April. The Minister provided the green light in May for a major programme of structural reform which also provides for a new relationship between the State and HEIs. In July 2013, the Minister published a performance framework for the system.

The HEA published its first System Performance report to the Minister in May 2014. A second volume to this report addressed the Institutional and Sectoral Profiles 2011-12.

**Other relevant Legislation**

There are a number of Government Acts which have particular relevance to the HEA in the management of its business.

**Freedom of Information Act, 2014**

- Since January 2001, the HEA is covered by the provisions of the Freedom of Information (FOI) Act, 1997. The Act asserts the right of members of the public to obtain access to official information to the greatest extent possible, consistent with the public interest and the right to privacy of individuals. This Act established their new statutory rights.
- A legal right for each person to access information held by public bodies.
- A legal right for each person to have official information relating to him/herself amended where it is incomplete, incorrect or misleading.
- A legal right to obtain decisions affecting oneself.
- Under the 2014 Act, the initial €15 fee has been abolished.

To date, the HEA has received 7 requests (October 2001-December 2014). The FOI Act allows public access to records held by the HEA, which are not routinely available through other sources. Access to information under the Act is subject to certain exemptions and involves specific procedures and time limits.

The HEA received 7 requests under the Act during 2014. Two of these were granted and four were partially granted and one was refused.

**Official Languages Act, 2003**

The HEA is designated under the Official Languages Act, 2003. The primary objective of the Act is to ensure better availability and a higher standard of public services through Irish. The Official Languages Act seeks to give legislative effect, insofar as the delivery of public services is concerned, to Article 8 of the Constitution as follows:

- The Irish language as the national language is the first official language.
- The English language is recognised as a second official language.
- Provision may, however, be made by law for the exclusive use of either of the said languages for one or more official purposes, either throughout the State or any part thereof.

In accordance with Part 3, (section 9-13) of the Act, the HEA prepared a scheme specifying which services it proposes to provide through the following channels:

- Exclusively through the medium of the Irish language
- Exclusively through the medium of the English language, and
- Through the medium of both the Irish and English languages.

**Re-Use of Public Sector Information**

The re-use of Public Sector information regulations 2005 sets out a harmonised framework within which public sector data from across the EU can be accessed. The Directive is intended to stimulate economic activity, innovation and competition and to assist the evolution of an information and knowledge-based economy and society. The Higher Education Authority complies with the regulations on the re-use of Public Sector information regulations 2005 and actively encourages the re-use of the information that the HEA produces. The regulations are available at [www.psi.gov.ie](http://www.psi.gov.ie)

**Ethics in Public Office Act, 1995 and Standards in Public Office Act, 2001**

In accordance with the provisions of the above Acts, members of the Authority are obliged to provide any statements of interest each year to the Standards in Public Office Commission. Senior members of the Executive also provide statements of interest to the Chief Executive.

**Employment Equality Acts, 1998 and 2004**

The HEA is committed to a policy of equal opportunities. The HEA has agreed with its staff a number of policies including an equal opportunities policy and dignity at work policy. The Authority also has in place a number of schemes to enhance work-life balance opportunities including a flexi-time scheme and a formal policy on part-time working agreed in 2008. The HEA makes voluntary annual returns to the Department of Education and Skills under the 2005 Disability Act.

**Safety, Health and Welfare Act, 1989**

The HEA has prepared a safety statement in accordance with the Act. In 2007, the HEA introduced an Employee Assistance Programme for its staff and pensioners. The HEA Executive has a health and safety committee which met twice in 2014.

**Prompt Payment of Accounts Act, 1997**

The HEA complies with the provision of the above Act and has put in place procedures to ensure all invoices are paid promptly. There were no interest payments made during 2013.

**Quality Customer Service Plan**

Following consultation with its stakeholders, the Authority adopted a Quality Customers Service Plan in 2005. This plan is to be updated in 2015 having regard to the HEA's revised role under the National Strategy for Higher Education and the amalgamation of the two Research Councils in 2012.

**Environment-Friendly Initiatives**

The HEA operates a recycling scheme. The Authority took further measures to cut back on the use of paper. The HEA also recycles print toner. All Annual Reports published by public bodies must include information on the organisation's energy usage and the actions taken to reduce consumption. The HEA consumed 131,600 kWh of electricity in 2014 against 149,150 kWh in 2013. The GPRN data was not available at the time of this report. The HEA will take measures in 2015 to monitor energy usage, improve staff awareness and replace old servers with more energy-efficient VM Ware machines.

# Appendix One

## HEA Membership and Meetings Attended during 2014



HEA Membership and Meetings Attended during 2014							
	Number of Authority Meetings Attended	Number Finance Committee Meetings Attended	Number of Audit Committee Meetings Attended	Number of System Governance and Performance Management Meetings Attended	Number of Policy and Planning Committee Meetings Attended	Number of Research & Graduate Education Meetings Attended	Number of Pension Appeals Committee Meetings Attended
Mr. Bahram Bekhradnia	5/7				1/5		
Mr. Brendan Byrne	4/7	3/4					2/3
Dr. Mary Canning	7/7	3/4		4/5	4/5		
Professor Maeve Conrick	6/7			3/5	2/5	3/3	
Mr. Paddy Cosgrave	3/7						
Mr. John Dolan	4/7		3/4				1/3
Mr. Eamonn Grennan	7/7		4/4	5/5			
Ms Siobhan Harkin	7/7				5/5	2/3	
Professor Eileen Harkin Jones	6/7			3/5	2/5	1/3	
Ms Laura Harmon (from 1/7/14)	4/4	3/3					2/2
Professor Ellen Hazelkorn (to 15/1/14)	0/0						
Mr. John Hennessy	7/7	4/4		5/5	5/5	3/3	
Dr. Stephen Kinsella (from 12/3/14)	6/6						
Dr. Maria Meehan	6/7				3/5		
Dr. Jim Mountjoy	7/7	4/4		5/5		3/3	
Mr. Joe O'Connor (to 30/6/14)	3/3	1/1					1/1
Mr. Gordon Ryan	6/7		3/4	5/5			
Professor Anthony Staines	7/7		4/4	3/5			
Dr. Brian Thornes	5/7			0			2/3
Professor Marijk van der Wende	6/7				0/5		
Mr. Declan Walsh	6/6				1/3		







## Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### An tÚdarás um Ard-Oideachas

I have audited the financial statements of An tÚdarás um Ard-Oideachas for the year ended 31 December 2014 under the Higher Education Authority Act 1971. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes and schedule. The financial reporting framework that has been applied in their preparation is the Higher Education Authority Act 1971 and generally accepted accounting practice in Ireland.

#### Responsibilities of An tÚdarás

An tÚdarás is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the affairs of An tÚdarás and of its income and expenditure, and for ensuring the regularity of transactions.

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with the Higher Education Authority Act 1971.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the circumstances of An tÚdarás, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

#### Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of affairs of An tÚdarás at 31 December 2014 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by An tÚdarás. The financial statements are in agreement with the books of account.

#### Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the compliance of An tÚdarás with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

#### Pension funding

Historically, universities that operated funded pension schemes received recurrent grant funding from An tÚdarás to cover salary costs plus employer pension contributions. Following the introduction of the model pension schemes for new employees, which do not involve employer contributions, An tÚdarás did not adjust downwards the funding provided to the universities. Instead, it instructed the universities to set aside in separate funds the employee pension contributions paid by model scheme members, together with amounts equivalent to employer contributions. The accumulated funds in the five universities concerned stood at €159 million at 30 September 2014 (30 September 2013: €125 million).

I have nothing to report in regard to other matters.

**Seamus McCarthy**  
Comptroller and Auditor General  
30 June 2015

**An tÚdarás um Ard-Oideachas**  
**Statement of Responsibility of an tÚdarás**

Paragraph 20 (1) of the Schedule to the Higher Education Authority Act 1971, requires An tÚdarás to prepare financial statements in such form as may be approved by the Minister for Education & Skills after consultation with the Minister for Finance for each financial year which give a true and fair view of the state of affairs of the Higher Education Authority.

In preparing those financial statements, An tÚdarás is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that An tÚdarás will continue in operation;
- Disclose and explain any material departures from applicable accounting standards

An tÚdarás is responsible for keeping proper books of account which disclose with reasonable accuracy at any time its financial position and which enable it to ensure that the financial statements comply with paragraph 20 (1) of the Schedule to the Act. An tÚdarás is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairperson:   
John Hennessy

Chief Executive:   
Tom Boland

Date: 30.6.15  
\_\_\_\_\_

**An tÚdarás um Ard-Oideachas**  
**Statement of the System of Internal Financial Controls.**

1. On behalf of the members of the Higher Education Authority I acknowledge our responsibility for ensuring that an effective system of internal financial controls is maintained and operated.
2. The system of internal financial controls can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

**3. Key Control Procedures**

The Authority has taken steps to ensure an appropriate control environment by:

- Clearly defining management responsibilities, including segregation of duties;
- Adopting the principles of corporate governance contained in the Code of Practice for Governance of State bodies;
- Establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action is taken; and
- Establishing formal procedures to monitor the activities and safeguard the assets of the organisation.

The system of internal financial controls is based on a framework of regular management information, a system of delegation and accountability, a set of financial and administrative procedures and rigorous ongoing checks by the finance function. In particular it includes:

- A comprehensive budgeting system with an annual budget, which is reviewed and approved by the members of the Authority;
- Regular review by the members of the Authority of periodic and annual financial information and reports which indicate financial performance against budgets; and
- Setting authorisation limits for expenditure in relation to requisition of funds and disbursement of funds.

The Authority has an Audit Committee who meet on a regular basis to review the work of Internal Audit. The Audit Committee report to the Authority. The work of the Internal Audit is outsourced with the current firm having being appointed by the Board in November 2014 following a supplementary tender undertaken jointly by the HEA and the State Examinations Commission.

The Audit Committee approved an internal audit work-plan at its meeting in March 2015. It was prepared having regard to the HEA's risk analysis profile. The plan includes provision for a review of internal financial controls on an annual basis.

**An tÚdarás um Ard-Oideachas**  
**Statement of the System of Internal Financial Controls.**

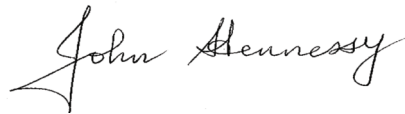
The Authority's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal auditor, the Audit Committee, the executive management team of the Authority which has responsibility for the development and maintenance of the financial controls framework, and comments made by the Comptroller and Auditor General in his report as applicable.

The HEA's outsourced internal auditors carried out a review of internal financial controls in August 2014. The latter report was considered by the Audit Committee at its meeting held 9th September 2014. The internal auditors will commence work on a review of strategic planning and its implementation in July 2015.

The Authority has approved a risk management framework and with the assistance of the internal auditors a risk register has been put in place. The Audit Committee received a report from the CEO on implementation of the HEA's risk management framework at its meeting in July 2014. The CEO will prepare a report on risk management for consideration by the audit Committee at its meeting in July 2015.

**4 Annual Review of Controls**

I confirm that for the year ended 31 December 2014, the Authority conducted a review of the effectiveness of the system of internal financial control.



John Hennessy  
 Chairperson

Date  
 30.6.15

**An tÚdarás um Ard-Oideachas**  
**Statement of Accounting Policies**

An tÚdarás um Ard-Oideachas was established on 15 May 1972 to perform functions assigned to it by Acht an Údaráis um Ard-Oideachas 1971. The format of its financial statements has been approved by the Minister for Education and Skills with the concurrence of the Minister for Finance and comprise Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Balance Sheet and a Cash Flow Statement.

ACCOUNTING POLICIES

1. Basis of Accounting  
 The Financial Statements have been prepared under the historical cost convention. These Statements are prepared on an accruals basis, except as stated below, and are in accordance with generally accepted accounting practice. Financial Reporting Standards, recommended by the Accounting Standards Board, are adopted as they become effective.
2. Oireachtas Grants  
 Income from Oireachtas grants represents accrued income in the year.
3. Fixed Assets  
 The fixed assets of the Authority comprising furniture and equipment and computers are stated in the financial statements at cost or valuation less accumulated depreciation and provision for impairment where applicable.

Depreciation and Provision for Impairment

Computers are depreciated at a rate of 33 1/3 % per annum straight line method. All other fixed assets are depreciated at a rate of 10% per annum straight line method. Where evidence of impairment exists the Authority compares the carrying value of the affected assets with the higher of value in use and expected disposal proceeds less cost to sell. Value in use is measured as discounted cash-flows expected to flow from similar assets grouped as cash generating units.

4. Capital Funding  
 The assets of the Authority are financed out of administration grants. The Capital Reserve Account represents the amount of income allocated for capital purposes less the amount released to revenue over the life of the assets.



An tÚdarás um Ard-Oideachas  
Statement of Accounting Policies

5. Grants allocated to Universities, Institutes of Technology and Designated Institutions;  
The expenditure under these headings represents the grants which were allocated to the Universities and the Institutes of Technology in respect of the year. The designated institutions are St. Patrick's College Drumcondra, Mary Immaculate College, St. Angela's College and Mater Dei. These grants are applied by the institutions on the following basis:
- (a) Recurrent Grants  
In addition to meeting running expenses these grants may also be applied for certain other purposes, including the purchase of furniture, the replacement of equipment or the carrying out of minor capital projects.
- (b) Building Grants  
These grants are used to meet building, infrastructure, property acquisitions and refurbishment costs, and in certain circumstances may be used to fund initial issues of library stock, equipment or furniture.
- (c) Research Initiative Grants  
These grants comprise
- Funding under the Programme for Research in Third Level Institutions (PRTL) for recurrent and capital purpose schemes.
  - Funding under the Research Schemes of the Irish Research Council for Humanities and Social Science (IRCHSS) and the Irish Research Council for Science, Engineering and Technology (IRCSET), now Irish Research Council (IRC).
  - Funding since 1 October 1999 on behalf of the Department of Education and Skills under a post doctoral fellowship scheme.
- (d) The National Office for Equality of Access to Higher Education.  
These grants comprise
- Funding under the Student Assistance Programme.
  - Funding under the fund for Students with Disabilities.

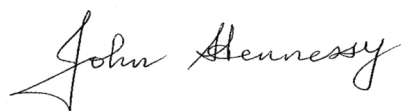
An tÚdarás um Ard-Oideachas  
Statement of Accounting Policies

5. SUPERANNUATION
- The Higher Education Authority operates a defined benefit pension scheme approved under Section 15 of the Acht an Údaráis um Ard-Oideachas, 1971 which is funded annually on a pay as you go basis from monies provided by the Department of Education and Skills and from contributions deducted from staff salaries.
- Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the Higher Education Authority. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.
- Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Education and Skills.
- Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Education and Skills.
- The HEA also operates the Single Public Service Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2103. Single Scheme member's contributions are paid over to the Department of Public Expenditure and Reform.
7. MEMBERS' INTERESTS.
- The Authority adopted procedures in accordance with guidelines issued by the Department of Public Expenditure & Reform (D/PER) in relation to the disclosure of interests by Authority Members and these procedures have been adhered to in the year.
- There were no transactions in the year in relation to the Authority's activities in which the Authority Members had any beneficial interest.

**An tÚdarás um Ard-Oideachas**  
**Income & Expenditure Account**  
**For the year ended 31st December 2014**

	Notes	2014 €'000	2013 €'000
<b>INCOME</b>			
Oireachtas Grants	1.	1,121,392	1,208,413
Interest Earned	2.	32	124
Net deferred funding for Pensions	18b	810	950
Other Income	3.	<u>24,999</u>	<u>20,478</u>
		1,147,233	1,229,965
Less			
Amounts allocated for HEA Capital Purposes	7.	<u>(96)</u>	<u>(119)</u>
		<u>1,147,137</u>	<u>1,229,846</u>
<b>EXPENDITURE</b>			
Recurrent and Access Grants	4.	1,017,474	1,086,264
Capital Grants	4.	39,378	40,792
Research Grants	4.	79,967	94,009
Administration Overheads	5.	<u>9,246</u>	<u>8,978</u>
		<u>1,146,065</u>	<u>1,230,043</u>
		1,072	(197)
Transfer from Capital Reserve	7.	80	98
Net (Deficit) for the year.		<u>1,152</u>	<u>(99)</u>

The Statement of Accounting Policies and notes 1-19 form part of the Financial Statements.



John Hennessy  
Chairperson



Tom Boland  
Chief Executive


Date  
30.6.15

Date  
30.6.15

**An tÚdarás um Ard-Oideachás**  
**Year ended 31st December 2014**  
**Statement of Total Recognised Gains and Losses**

	Notes	2014 €'000	2013 €'000
Experience gain/(loss) on pension scheme liabilities	18e	347	971
Changes in assumptions underlying present value of pension Scheme liabilities		(4,075)	897
Actuarial gain/(loss) on pension scheme liabilities	18e	(3,728)	(1,868)
Adjustment to deferred pension funding	18g	3,728	(1,868)
Surplus (Deficit) for the year		<u>1,152</u>	<u>(99)</u>
<b>Total Recognised Surplus for the year</b>		<u><b>1,152</b></u>	<u><b>(99)</b></u>

The Statement of Accounting Policies and notes 1-19 form part of the Financial Statements.



John Hennessy  
Chairperson

Date  
30.6.15



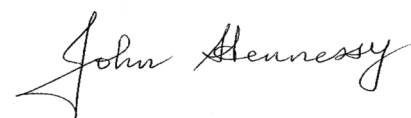
Tom Boland  
Chief Executive

Date  
30.6.15

**An tÚdarás um Ard-Oideachas**  
**Balance Sheet as at 31st December 2014**

	Notes	2014 €'000	2013 €'000
Fixed Assets	6.	135	119
<b>CURRENT ASSETS</b>			
Debtors and Prepayments	8.	2,175	2,003
Bank and Cash Balances		<u>19,783</u>	<u>19,810</u>
		<u>21,958</u>	<u>21,813</u>
<b>CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	9.	<u>17,260</u>	<u>18,267</u>
Net Current Assets		4,698	3,546
Total Assets less Current Liabilities before Pensions		<u>4,833</u>	<u>3,665</u>
Deferred Pension Funding	18f	21,477	16,939
Pension Liabilities	18f	<u>(21,477)</u>	<u>(16,939)</u>
		<u>0</u>	<u>0</u>
Net Assets		<u>4,833</u>	<u>3,665</u>
Represented By:			
Capital Reserve	7.	135	119
General Reserve	10.	<u>4,698</u>	<u>3,546</u>
		<u>4,833</u>	<u>3,665</u>

The statement of Accounting Policies and Notes 1-19 form part of the Financial Statements.



John Hennessy  
Chairperson

Date  
30.6.15



Tom Boland  
Chief Executive

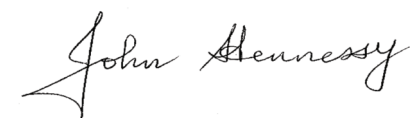
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**An tÚdarás um Ard-Oideachas**  
**Cash Flow Statement for the Year ended 31st December 2014**

Reconciliation of Operating Surplus/(Deficit) for the year to Net Cash Inflow/(Outflow) from Operating Activities

	2014 €'000	2013 €'000
Surplus/(Deficit) on Income and Expenditure Account	1,152	99
<b>Adjustment for Non Operating Items</b>		
Interest Received	(32)	(124)
Allocation to Fund Capital Items	<u>96</u>	<u>119</u>
	1,216	(104)
<b>Adjustment for Non-Cash Items</b>		
Depreciation	80	98
Transfer from Capital Reserve Accounts	(80)	(98)
Movement in Debtors	(172)	731
Movement in Creditors	(1,007)	(116)
Net Cash Inflow/((Outflow) from Operating Activities	37	511
<b>Finance Servicing</b>		
Interest Received	32	124
Investing Activities		
Payments to acquire tangible fixed assets	(96)	(119)
Net Increase/(Decrease) in Cash	<u>(27)</u>	<u>516</u>
Reconciliation of Net Cash Flow to Movement in Net Funds		
Increase/(Decrease) in Cash	(27)	516
Opening Net Funds	<u>19,810</u>	<u>19,294</u>
Closing Net Funds	<u>19,783</u>	<u>19,810</u>

The Statement of Accounting Policies and notes 1-19 form part of the financial statements.



John Hennessy  
Chairperson

Date  
30.6.15



Tom Boland  
Chief Executive

Date  
30.6.15



**An tÚdarás um Ard-Oideachas**  
**Year ended 31st December 2014**

**Notes to the Financial Statements**

	Notes	2014 €'000	2013 €'000
<b>1. Oireachtas Grants</b>			
Recurrent Grants		983,609	1,059,054
Access Office Grants		<u>16,275</u>	<u>14,825</u>
	11.	<b>999,884</b>	<b>1,073,879</b>
Capital Grants		39,377	40,785
Research Grants	11.	74,567	86,824
Administration Grants		<u>7,564</u>	<u>6,925</u>
		<b>1,121,392</b>	<b>1,208,413</b>
<b>2. Interest Earned</b>		32	124
<b>3. Other Income - Administration</b>			
European Project Financing		1,071	441
Irish Aid /Other Contribution		<u>464</u>	<u>378</u>
		1,535	819
Non State Grant Income		<u>23,464</u>	<u>19,659</u>
Total Other Income		<b>24,999</b>	<b>20,478</b>
<b>4. Grants to Institutions – Schedule 1</b>			
Recurrent Grants		999,713	1,071,459
Access Office Grants		<u>17,761</u>	<u>14,805</u>
		<b>1,017,474</b>	<b>1,086,264</b>
Capital Grants		39,378	<u>40,792</u>
Research Grants		<u>79,967</u>	<u>94,009</u>
		<b>1,136,819</b>	<b>1,221,065</b>

**An tÚdarás um Ard-Oideachas**  
**Year ended 31st December 2014**  
**Notes to the Financial Statements (cont'd...)**

	Note	2014 €'000	2013 €'000
<b>5. ADMINISTRATION OVERHEADS</b>			
<b>STAFF COSTS</b>			
Salaries and Wages		4,149	3,786
Superannuation	18c	1,150	1,178
Travel and Subsistence Expenses		<u>222</u>	<u>241</u>
		<b>5,521</b>	<b>5,205</b>
<b>Premises - Upkeep and Overheads</b>			
Light and Heating		20	28
Maintenance		168	163
Rent & Insurance		850	856
Depreciation		<u>80</u>	<u>98</u>
		<b>1,118</b>	<b>1,145</b>
<b>General Administration Costs</b>			
Office Expenses		153	158
Postage and Telephone		54	58
Bank Charges		1	1
Information Technology		169	155
Staff Development		55	66
Audit Fees		<u>25</u>	<u>30</u>
		<b>457</b>	<b>468</b>
<b>Education Research and Development</b>			
Publications		719	378
Seminars		194	221
Research and Survey Fees		759	1,012
Assessors Costs		265	388
HERA, Council & European Projects		32	22
ESF Membership		68	21
Careers and Appointments		<u>24</u>	<u>33</u>
		<b>2,061</b>	<b>2,075</b>
Board members fees	17	<u>89</u>	<u>85</u>
Total		<b>9,246</b>	<b>8,978</b>

**An tÚdarás um Ard-Oideachas**  
**Year ended 31st December 2014**  
**Notes to the Financial Statements (cont'd .....)**

	<b>Furniture&amp; Equipment €'000</b>	<b>Computer Equipment €'000</b>	<b>2014 Total €'000</b>	<b>2013 Total €'000</b>
<b>6. FIXED ASSETS</b>				
<b><u>Cost</u></b>				
Cost or Valuation at 1 January 2014	1,866	2,174	4,040	3,921
Additions during the year	0	96	96	119
Disposals during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1,866	2,270	4,136	4,040
<b><u>Depreciation</u></b>				
Balance at 1 January 2014	1,806	2,115	3,921	3,823
Charge for the year	10	70	80	98
Less Depreciation on Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>1,816</b>	<b>2,185</b>	<b>4,001</b>	<b>3,921</b>
Net Book Value at 31 December 2014	50	85	135	119
Net Book Value at 31 December 2013	60	59	119	98
<b>7. Capital Reserve</b>			<b>2014 Total €'000</b>	<b>2013 Total €'000</b>
Balance at 1 January			119	98
Oireachtas Grant			96	119
Amount released to Income				
- Depreciation			<u>(80)</u>	<u>(98)</u>
Balance at 31 December			<b><u>135</u></b>	<b><u>119</u></b>

**An tÚdarás um Ard-Oideachás**  
**Year ended 31st December 2014**  
**Notes to the Financial Statements (cont'd .....)**

	<b>2014 €'000</b>	<b>2013 €'000</b>
<b>8. DEBTORS AND PREPAYMENTS</b>		
Research Grants Receivable	1,040	1,401
Prepayments	1,132	600
Access Prepayments	<u>3</u>	<u>2</u>
	<b><u>2,175</u></b>	<b><u>2,003</u></b>
<b>9. CREDITORS AND ACCRUED EXPENDITURE</b>		
Socrates/Erasmus	95	95
Accruals		
- General	1,979	2,892
- Recurrent	537	1,836
Research Grants payable	3,798	1,873
Access Grants received in advance	1,805	1,896
Research Grants received in advance	<u>9,046</u>	<u>9,675</u>
	<b><u>17,260</u></b>	<b><u>18,267</u></b>
<b>10. GENERAL RESERVE</b>		
Balance 1 January	3,546	3,645
Surplus/(Deficit) for year	<u>1,152</u>	<u>(99)</u>
Balance 31 December	<b><u>4,698</u></b>	<b><u>3,546</u></b>

**An tÚdarás um Ard-Oideachas**  
**Year ended 31st December 2014**  
**Notes to the Financial Statements (cont'd .....)**

**11. GRANT INCOME**

Recurrent Grants income of €983.6 million (2013: €1,059 million) is comprised of €938.9 million received from the Department of Education and Skills under Vote 26 C4 General Current Grants to Universities, Institutes of Technology and other designated Institutions of Higher Education (Grant in Aid), €15 million received under Vote 26 C10 Superannuation and €27.8 million received from the National Training Fund for Springboard and ICT Skills. In addition €1.6 million was received from the Department of Arts, Heritage and Gaeltacht Affairs and €0.2 million was received as part of the Government of Ireland scholarship scheme. The balance is made up from changes in amounts deferred at the year end and allocations to the Administration Grants category.

Access Office Grants of €16.3 million (2013: €14.8 million) are comprised of €16.2 million received from the Department of Education and Skills Vote 26 C11 Student Support and related expenses, €0.67 million received from the National Training Fund as part of European Globalisation Funding with the balance related to changes in year-end deferrals and allocations to the Administration Grants category.

Capital Grants of €39.4 million (2013: €40.8 million) are comprised of €31.4 million received from the Department of Education and Skills Vote 26 D4 Building Grants and Capital costs of Universities, Institutes of Technology and other designated Institutions of Higher Education and €8 million was received from the Department under the new Infrastructure Maintenance Fund for Institutes of Technology.

Research Income of €74.6 million (2013: €86.8 million) is comprised of €37.6 million received from the Department of Education and Skills Vote 26 C12 – Research Activities and €39.1 million received from the Department of Jobs, Enterprise and Innovation Vote 32 B5 – Programme for Research in Third level Institutions (PRTLTI). In addition €1.4 million was received from the Department of Foreign Affairs and Trade as part of the Irish Aid programme. The balance is comprised of miscellaneous Research receipts, changes in year-end deferrals and allocations to the Administration Grants category. The research grants amounts shown have been adjusted to reflect refunds of €2.6 million (2013: €1.5 million) made to the Department of Education and Skills and Department of Jobs, Enterprise and Innovation in the year.

Administration Grants of €7.6 million (2013: €6.9 million) are comprised of €5.4 million received from the Department of Education and Skills Vote 26 C3 Grant-in-aid for general expenses of Higher Education Authority, €0.69 million allocated from the Department of Education and Skills Vote 26 C11 Student Support and related expenses income and €1.5 million allocated from Department of Education and Skills Vote 26 C12 Research Activities income.

Institutional breakdown of Grants paid is available at [www.hea.ie](http://www.hea.ie)

**An tÚdarás um Ard-Oideachas**  
**Year ended 31st December 2014**  
**Notes to the Financial Statements (cont'd .....)**

**12. LIFELONG LEARNING PROGRAMME - EU**

The HEA is the national agency in Ireland for the EU funded Life Long Learning programme.

**ERASMUS GRANTS SCHEME**

This scheme provides grants for transnational student mobility within the member states of the EU, covering a period between three and twelve months. To be eligible a person must be a fully registered student pursuing a full time course in an approved third level institution.

Funding is received from the EU and paid out to the Universities and Colleges on an academic year basis. Allocations to Universities and Colleges for the 2014/2015 and 2013/2014 academic years were €7.8 million and €6.3 million respectively.

Unexpended amounts are refundable to the EU at the end of each academic year.

At 31 December 2014, an amount of €0.32 million was refundable to the EU in respect of academic years up to 2013/2014. For the academic year 2014/2015 the amount, if any, refundable to the EU will be established on finalisation of all claims.

At 31 December 2014, an amount of €0.32 M was refundable to the EU in respect of academic years up to 2013/2014. For the academic year 2014/2015 the amount, if any, refundable to the EU will be established on finalisation of all claims.

	<b>2014</b>	<b>2013</b>
	<b>€'000</b>	<b>€'000</b>
Balance 1 January	2,093	1,853
<b>INCOME</b>		
Grant	5,092	6,350
Bank Interest	<u>2</u>	<u>13</u>
	<b><u>7,187</u></b>	<b><u>8,216</u></b>
<b>LESS</b>		
<b>EXPENDITURE</b>		
Grants to Universities, Colleges and designated institutions	6,044	5,824
Refund to EU	<u>28</u>	<u>299</u>
	<b><u>6,072</u></b>	<b><u>6,123</u></b>
Balance 31 December	<b><u>1,115</u></b>	<b><u>2,093</u></b>

**An tÚdarás um Ard-Oideachas**  
**Year ended 31st December 2014**  
**Notes to the Financial Statements (cont'd .....)**

**13. CAPITAL COMMITMENTS**

The amount of capital commitments under contract and approved by the Authority at 31 December 2013 amounted to €99.5 million (2013: €134.5 million). Commitments not under contract but approved by the Authority are estimated at €109.5 million at 31 December 2014 (2013: €6.1 million).

**14. LEASE OF ACCOMMODATION**

Premises at Brooklawn House, Shelbourne Road, Ballsbridge, Dublin 4 are held under two separate tenancy agreements.

The first floor is held under a 25 year agreement from May 2001 with a 5 year review at an annual cost of €0.521 million.

The ground floor is held under a 25 year agreement from November 2001 with a 5 year review at an annual cost of €0.320 million. There was no change in the rent for both floors of Brooklawn House following a rent review in 2011.

There are ongoing discussions relating to both floors. It is anticipated that a lower rent will be negotiated for the 5 year period 2016 - 2021

**15. Comparative Figures**

Comparative figures have been adjusted to conform with changes in presentation in these financial statements.

**16. Related Parties**

HEAnet Ltd. was incorporated on 12 November, 1997. The company is limited by Guarantee with no Share Capital and the Higher Education Authority is an Ordinary member of the company. Other Ordinary members of the company are TCD, UCC, UCD, NUIG, UL, DCU, NUIM, DIT, Athlone IT, Carlow IT and DJEI. Income for 2014 was €22.6 million (2013: €18.5 million). There was a surplus in 2014 of €105,447 (2013: (€83,570)). The company provides internet services to subscriber higher educational and research Institutions as primary and post primary schools and other research organisations. There was an accumulated surplus of €679,694 on the company's activities as at 31 December 2014, (€574,247 at 31 December 2013). The HEA paid total grants to HEAnet Ltd of €8.8 million in 2014, (€9 million in 2013).

**An tÚdarás um Ard-Oideachas**  
**Year ended 31st December 2014**  
**Notes to the Financial Statements (cont'd.....)**

Board Member	2014 € Expenses	2014 € Gross Fee	2014 € Total	2013 € Expenses	2013 € Gross Fee	2013 € Total
John Hennessy – Chairman	1,077	11,970	13,047	3,300	11,970	15,270
Tom Boland - Chief Executive	15,754	0	15,754	15,951	-	15,951
Eileen Harkin-Jones	2,663	7,695	10,358	2,977	7,695	10,672
Brendan Byrne	3,766	7,695	11,461	7,083	7,695	14,778
Eamonn Grennan	3,169	7,695	10,864	2,822	7,695	10,517
Mary Canning	0	7,695	7,695	907	7,695	8,602
Marijk van der Wende	2,898	7,695	10,593	2,275	7,695	9,970
John Dolan	0	7,695	7,695	-	7,695	7,695
Bahram Bekhradnia	4,450	7,695	12,235	4,074	7,695	11,769
Brian Thornes	0	7,695	7,695	-	7,695	7,695
Jim Mountjoy	0	7,695	7,695	-	7,695	7,695
Paddy Cosgrove	0	0	0	-	(4,046)	(4,046)
Gordon Ryan	3,682	0	3,682	5,158	0	5,158
John Logue (Started July 2012 – Finished July 2013)	0	0	0	-	3,848	3,848
Ellen Hazelkorn	172	0	172	2,040	0	2,040
Siobhan Harkin	833	0	833	514	0	514
Joe O'Connor (Finished July 2014)	0	3,848	3,848	0	3,848	3,848
Anthont Staines	0	0	0	290	0	290
Maria Meehan	0	0	0	211	0	211
Maeve Conrick	0	0	0	47	0	47
Laura Harman (Joined July 2014)	0	3,848	3,848	0	0	0
Declan Walsh (Joined 2014)	628	0	628	0	0	0
<b>Total</b>	<b>39,182</b>	<b>88,921</b>	<b>128,103</b>	<b>47,649</b>	<b>184,875</b>	<b>123,522</b>



An tÚdarás um Ard-Oideachas  
Year ended 31st December 2013  
Notes to the Financial Statements (cont'd.....)

Member's fees and travel and subsistence expenses are paid in accordance with rates set by the Department of Public Expenditure and Reform. The approved annual fee for members of the HEA is as follows; Chairperson €11,970, Ordinary Member €7,695. Under the 'One Person, One Salary' Principle, implemented from 1st November 2011 the fee is not paid to a member in receipt of a public sector salary. Members who finished or started in July were paid a pro-rata fee. Expenses may include directly reimbursable claims or expenses paid on behalf of the Member.

Chief Executive's remuneration and expenses.

The Chief Executive Remuneration for 2014 was €135,806. Expenses (€15,754) include the following categories: motor travel, subsistence, accommodation, flights, taxis, transport and sundry items. Chief Executive of the HEA was seconded from the Department of Education and Skills until 4 January 2013 and became a member of the HEA superannuation scheme from this date. The salary for the Chief Executive and all staff in the HEA is approved by the Minister for Education and Skills and the Minister for Public Expenditure and Reform and is paid in accordance of implementation of the Labour Relations Commission Proposals (May 2013) for Public Service Stability Agreement 2013-2016 'Haddington Road Agreement'

Chairman remuneration and expenses.

The Chairman's Fee for 2014 was €11,970. Expenses (€1,077) include the following categories: motor travel, flights, subsistence, taxis, and sundry items. The Chairman is not a member of the HEA superannuation scheme. The Chairman was appointed on 25 January 2011.

An tÚdarás um Ard-Oideachas  
Year ended 31st December 2014  
Notes to the Financial Statements (cont'd .....)

18. SUPERANNUATION

a. Composition of the schemes

Eligible staff members of the Higher Education Authority have access to two pension schemes. Staff members appointed before 1 January 2013 in general are members of a defined benefit pension scheme approved under Section 15 of the Achta an Údaráis um Ard-Oideachas, 1971 which is funded annually on a pay as you go basis from monies provided by the Department of Education and Skills and from contributions deducted from staff salaries. The benefits on which the FRS 17 calculations are based are set out in

- (a) HEA Staff Superannuation Scheme 1980
- (b) HEA Staff Superannuation (Amendment) Scheme 1993
- (c) HEA Spouses' and Children's Scheme 1985, and
- (d) HEA Spouses' and Children's (Amendment) Scheme 1992

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouses' and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It included an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

Benefits accruing to the Single Scheme members at 31 December 2014 are not considered material and have not been included in the actuarial calculated FRS 17 figures in these financial statements.

The valuation used for FRS 17 disclosures has been based on a full actuarial valuation by a qualified independent actuary to take account of the requirements of FRS 17 in order to assess the scheme liabilities. The financial assumptions used to calculate scheme liabilities under FRS 17 are

	At 31/12/2014	At 31/12/2013
Discount Rate	2.25%	3.75%
Rate of Expected Salary Increase	2.5%	3.0%
Rate of increase in Pension Payment	2.0%	2.5%
Inflation	1.5%	2.0%

The demographic assumptions i.e. mortality rates in service and in retirement are in line with standard tables employed in the actuarial valuations of similar public sector type schemes. This reflects the current trend of improvements in mortality and the general expectation that this trend is set to continue for the immediate future. The tables employed are:

	Implied life expectancy for a 65 year old	
	2014	2013
Post-retirement – Male pensioners	22.0	22.0
current pensioners Female pensioners	24.7	24.7
Post-retirement – Male pensioners	23.4	23.4
future pensioners Female pensioners	26.0	26.0
 b. Net Deferred Funding for Pensions in year	 2014	 2013
	€'000	€'000
 Funding recoverable in respect of current year	 1,282	 1,337
Pension costs		
State Grant applied to pay pensioners	(472)	(387)
	<u>810</u>	<u>950</u>

## An tÚdarás um Ard-Oideachas

### Year ended 31st December 2014

#### Notes to the Financial Statements (cont'd.....)

#### c. Analysis of total pension costs charged to Expenditure

	2014	2013
	€'000	€'000
Current service cost	632	694
Interest on Pension Scheme Liabilities	650	643
Employee Contributions	(132)	(159)
	<u>1,150</u>	<u>1,178</u>

#### d. Deferred Funding Asset for Pensions.

The Higher Education Authority recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. While there is no formal agreement regarding these specific amounts with the Department of Education and Skills, the Higher Education Authority has no evidence that this funding policy will not continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31 December 2014 amounted to (€21.5 Million) (2013: €16.9 Million)

#### e. Analysis of amount recognised in statement of total recognised gains and losses

	2014	2013
	€'000	€'000
Experience loss/(gains) on Pension Scheme liabilities	347	971
Changes in assumptions underlying the present value of Pension Scheme Liabilities	(4,075)	(897)
Actuarial loss/(gain) on Pension Liabilities	(3,728)	(1,868)

#### f. Movement in deficit during the year

Deficit in scheme at beginning of year	(16,939)	(17,857)
Movement in year:		
Current service cost	(632)	(694)
Pensions paid in year	472	386
Interest on Pension Scheme Liabilities	(650)	(642)
Actuarial (Loss)/Gains	(3,728)	1,868
Deficit in Scheme at end of year	<u>(21,477)</u>	<u>(16,939)</u>

An tÚdarás um Ard-Oideachás  
Year ended 31st December 2014  
Notes to the Financial Statements (cont'd.....)

g. History of experience gains and (losses)

	2014 €'000	2013 €'000	2012 €'000	2011 €'000
Experience gains and (losses) on scheme liabilities: amount (€)	347	971	(458)	90
Percentage of Scheme Liabilities	1.6%	5.7%	(2.6%)	0.7%
Total amount recognised in statement of Total recognised gains and (losses) Amount (€)	(3,728)	1,868	(3,870)	(498)
Percentage of Scheme Liabilities	(17.4%)	11.0%	(21.7%)	(3.8%)

19. The financial statements were approved by the Authority on 25th March 2015.

An tÚdarás um Ard-Oideachás  
**SCHEDULES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014  
SUMMARY OF ALL GRANTS PAID**

SCHEDULE 1

	2014 €'000	2014 €'000	2013 €'000	2013 €'000
<b>RECURRENT GRANTS</b>				
ANNUAL GRANTS	579,718		637,290	
MINOR WORKS	639		665	
FEE RECOUPMENT	289,048		292,899	
STRATEGIC INNOVATION FUND	5,842		4,707	
NURSING	43,000		44,238	
SPRINGBOARD	22,623		18,600	
STRATEGIC INITIATIVES	51,593		69,875	
INFORMATION TECHNOLOGY INVESTMENT FUND	<u>7,250</u>	999,713	<u>3,185</u>	1,071,459
<b>ACCESS GRANTS</b>				
STUDENTS WITH DISABILITIES	10,223		7,938	
STUDENT ASSISTANCE FUND	8,864		6,801	
DORMANT ACCOUNTS	0		14	
EUROPEAN GLOBALISATION FUND	<u>674</u>	17,761	<u>52</u>	14,805
<b>CAPITAL GRANTS</b>				
BUILDING GRANTS	38,446		38,936	
EQUIPMENT GRANTS	<u>932</u>	39,378	<u>1,856</u>	40,792
<b>RESEARCH GRANTS</b>				
PRTLÍ RECURRENT GRANTS	27,139		34,065	
PRTLÍ BUILDING GRANTS	13,503		16,752	
PRTLÍ EQUIPMENT GRANTS	4,013		3,324	
IRCSET RESEARCH SCHEMES	17,649		16,811	
IRCHSS RESEARCH SCHEMES	16,804		19,703	
EINFRANET AND TECHNOLOGY SECTOR RESEARCH	109		39	
IRISH AID	<u>750</u>	79,967	<u>3,315</u>	94,009
<b>TOTAL GRANTS PAID</b>	<b>1,136,819</b>		<b>1,221,065</b>	

