



## **Opening Statement to Public Accounts Committee, 24 May 2018**

**Dr Graham Love, Chief Executive, Higher Education Authority**

Chairman, Members of the Committee,

Thank you for the invitation to speak at the Committee today. I am joined by my colleagues:

- Tim Conlon – Interim Head of System Development and Performance Management
- Sheena Duffy – Interim Head of System Funding and Governance
- Stewart Roche – Management Accountant

Every year the HEA allocates and distributes over €1 billion in funding across a range of funding streams to the higher education sector. This is a major responsibility for an agency like ours so I am happy to note that the HEA's financial statements for 2016 were signed by the C&AG in June 2017 with no

issues arising. Our draft 2017 statements have also recently been audited by the C&AG and we are currently addressing follow-up queries arising.

Today the Committee will also discuss CIT's and UCC's financial statements - our briefing paper already addresses a number of issues relating to these two institutions and I will be happy to provide further detail on the HEA's engagement on these matters.

Our briefing paper also sets out other developments relating to the higher education sector that are of interest to the Committee.

In relation to the University of Limerick, the HEA continues to monitor UL's implementation of the recommendations arising from the Thorn report and engage with the University on how it is demonstrating to its staff, students, stakeholders and wider community its commitment to learning from the report and its findings.

The HEA continues to fulfil its governance role through its rolling governance reviews. The first such review dealt with procurement and has resulted in a positive engagement with the sector as well as key stakeholders such as the

Office of Government Procurement and Education Procurement Service. This has culminated in annual Higher Education Procurement Summits, most recently last month, and the introduction of a corporate procurement plan pack for institutions to adapt.

The second review dealt with intellectual property policies and arose directly from the Public Accounts Committee's engagement with the HEA and the higher education sector. This has been a valuable exercise with important recommendations that are now being implemented.

This year's rolling reviews will focus on staff remuneration and benefits and also on student non-progression.

In 2017 this Committee had a productive engagement with the higher education sector in relation to the timeliness of financial reporting and a clear message went out to the HEA and the institutions we fund about the importance of promptly preparing and submitting financial statements. Previous delays inevitably have a knock-on effect but the HEA does note the improvements that have been made as reflected in the C&AG's most recent report on public sector financial reporting. And I once again wish to

acknowledge the constructive engagement we have with the C&AG's office on these matters.

Since the HEA last appeared before this Committee there have been a number of important developments in the higher education sector. On an operational level, the review of the funding model for higher education institutions was published. This will introduce important changes to the way the HEA allocates funding and seeks to incentivise institutions to target growth areas e.g. STEM subjects, lifelong, part-time and flexible learning. It also proposes the introduction of a financial penalty for serious breaches of governance by institutions.

On a wider strategic level, earlier this year the System Performance Framework for 2018-2020 was launched - with its focus on six key system objectives ranging from meeting Ireland's skills requirements, improving equality of opportunity and improvements in governance. A key element of this is the next cycle of strategic dialogue with higher education institutions whereby institutions' performance are measured against these key objectives for the higher education system.

Finally, 2018 has seen the passing into law of the Technological Universities legislation. This is an exciting step in the future of Irish higher education that builds on the strengths and original mission of institutes of technology but also enhances their regional, national and international impact.

In closing my remarks today, I want to acknowledge the role of the Public Accounts Committee in its scrutiny of higher education matters. Last year's meetings with the HEA and institutions were robust and frank but also useful in bringing matters to the fore. The HEA sees the Committee not only rightly as a watchdog but also as a partner in improving governance and accountability in the higher education sector. This is a relationship that as Chief Executive of the HEA I think is important to continue to develop.

My colleagues and I are happy to answer any questions the Committee may have.