



**RE: Further information request**  
**Anne Hession** to: Neil McDermott, PAC  
Cc: Sheena Duffy

07/09/2018 13:54

Dear Margaret,

Please see below the HEA's response to the Committee's request for further information as per your email of 27<sup>th</sup> August.

Kind regards,  
Anne

### **Examination of expenditure associated with retirement events for the former President of CIT**

On 29 June 2018 the President of CIT wrote to the HEA confirming that our correspondence of 17 May 2018 had been brought to the attention of CIT's Governing Body's Audit and Risk Sub-Committee at its meeting on 14 June 2018. In the letter, the Sub-Committee expressed its disappointment in the weaknesses in controls identified, namely that prior approval was not evidenced for the hospitality costs associated with the functions held. The letter also outlined the measures taken by CIT to strengthen its processes in that regard.

This correspondence was considered by HEA Board's Finance and Governance Committee at its meeting on 24 July 2018. At the meeting the Committee agreed that the HEA should reply to CIT noting the process changes the Institute has implemented and recommending a change to the sign-off process. Specifically, the Committee recommended that in relation to the change made to CIT's hospitality procedure that requires prior approval from the Vice-President for Finance and Administration for President or Governing Body-related expenditure over €500, the Committee was of the view that it would be more appropriate for such expenditure to be signed off by the Chairman of the Governing Body's Finance Sub-Committee. A letter to that effect issued to CIT on 29 August 2018.

In relation to the amount of expenditure incurred for these events that the HEA considers was not subject to appropriate controls (ca. €6,700), the HEA is currently considering the most appropriate means of recouping this money from CIT.

### **Technological Universities Borrowings**

Section 21 of Technological Universities Act 2018 provides for a TU to have the ability to borrow. However such borrowings will be subject to rules to be set by the HEA with the approval of the Minister of Education and Skills with the consent of the Minister for Public Expenditure and Reform and Minister for Finance. Such rules have not yet been developed and therefore there is currently no borrowing framework in place for TUs. The issue of whether potential borrowings would be classified as State debt would form part of any such deliberations on a borrowing framework for TUs.

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**From:** Neil McDermott  
**Sent:** 04 September 2018 17:33  
**To:** PAC <PAC@oireachtas.ie>  
**Cc:** Anne Hession <ahession@hea.ie>  
**Subject:** RE: Further information request

Hi Margaret,

Just to let you know that we should have a response over to you in the next couple of days.

Regards,  
Neil

**From:** Margaret Falsey <[Margaret.Falsey@Oireachtas.ie](mailto:Margaret.Falsey@Oireachtas.ie)> **On Behalf Of** PAC  
**Sent:** 27 August 2018 16:53  
**To:** Neil McDermott <[nmcdermott@hea.ie](mailto:nmcdermott@hea.ie)>  
**Cc:** Jacintha Healy <[jacintha@hea.ie](mailto:jacintha@hea.ie)>  
**Subject:** Further information request

Hi Neil,

The Committee is currently working on its next periodic report on meetings from May to July.

Having reviewed the transcripts and documentation, I outline below two further queries that we have regrading the HEA.

1. *Re: PAC32-R-1366 B - Letter from CIT President Dr. Barry O'Connor to HEA Chief Executive Dr. Graham Love dated 22 May 2018 (See attached file: PAC32-R-1366 B - CIT Follow Up.pdf)*

The letter is in response to Dr. Love's letter of 17 May 2018 concerning the HEA examination of expenditure associated with retirement functions for the former President of CIT. In the letter of 22 May Dr. O'Connor states that the issue would be brought before CIT's Governing Body Risk and Audit

Sub-Committee on 14 June 2018, and that a response would then be provided to the HEA as requested.

The Committee would appreciate if you could advise whether:

- The matter was brought before the Risk and Audit Sub-Committee of CIT?
- A response was provided to the HEA?
- The matter has been brought before the HEA's board?
- A course of action has been decided upon?
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2. *Re: PAC32-R-1380(iii) B - HEA Note on borrowing & funding for IoTs (See attached file: PAC32-R-1380(iii) B - HEA Note on borrowing & funding for IoTs.pdf)*

The Committee would appreciate if you could clarify if Technological Universities designation as Universities will clear the way for the approval of borrowing frameworks - under the Technological Universities Act 2018 - by the Minister for Finance and the Minister for Education and Skills i.e. will the designation prevent any borrowing undertaken by Technological Universities being classified as State debt?

I would appreciate if this information could be made available in the next ten days.

Kind Regards  
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