



12 May 2023

Ms Sarah O'Farrell,
Clerk to the Committee of Public Accounts,
Leinster House,
Dublin 2.

BY EMAIL ONLY: pac@oireachtas.ie

YOUR REF: S1284 PAC33

Dear Ms O'Farrell,


Thank you for your letter of 3rd April 2023 requesting my attendance before the Committee of Public Accounts on 18th May 2023.

I enclose for your attention a briefing document to supplement our Annual Report and Financial Statements for the year 2020-2021. My Opening Statement to the Committee will follow.

As requested, the contact details for the attendees are as follows:

Attendee	Mobile Number	Email address
Professor Kerstin Mey, President	[REDACTED]	[REDACTED]
Professor Shane Kilcommins, Provost	[REDACTED]	[REDACTED]
Ms. Rosemary Fogarty, Financial Controller	[REDACTED]	[REDACTED]
Mr. Bobby O'Connor, Director, Human Resources	[REDACTED]	[REDACTED]
Mr. John Kelly, Corporate Secretary	[REDACTED]	[REDACTED]

Yours Sincerely,


Professor Kerstin Mey
President
University of Limerick

Enclosed: University of Limerick Briefing Document



PRESIDENT'S BRIEFING PAPER

FOR

PUBLIC ACCOUNTS COMMITTEE

1. INTRODUCTION

- 1.1 University of Limerick welcomes the opportunity to address the Public Accounts Committee on the 18th of May 2023 regarding the Committee's examination of the University's Financial Statements for Financial Year 2020-21.
- 1.2 The Governing Authority during its term of office (which expires on 30 September 2023) along with the President and her Executive Committee have worked closely together to implement significant governance improvements, including the following:
- Governing Authority Role & Responsibilities
 - UL Code of Governance
 - Schedule of Matters Reserved to Governing Authority
 - Internal Control & Risk Management
 - Statutes and Policies
 - Strategic Plan
 - Oversight Agreement
 - Strengthened Executive
- 1.3 Arising from concerns surrounding the University's acquisition of the former Dunnes Stores site (now the city campus), the Higher Education Authority (HEA) had scheduled quarterly meetings with the University on a rolling basis to discuss governance-related matters.
- 1.4 In January of this year, the HEA confirmed that it was satisfied that these enhanced oversight arrangements were no longer necessary, and normal oversight arrangements have now resumed.
- 1.5 It is pleasing to report that State funds allocated but withheld totalling €3.7m have been released to the University by the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS). This includes a figure of approximately €2m of devolved capital funding and a further €1.7m under the Energy Efficiency and Decarbonisation Pathfinder Programme. UL has also been approved for the full amount (€25m) of Higher Education Strategic Investment Fund

(HESIF) it sought for its Future of UL Education (FULE) project to modernise a significant part of our main campus building. We view this as a vote of confidence in the University and in the measures that we have undertaken to rebuild trust and confidence with our funders and stakeholders.

- 1.6 The University's Executive and its Governing Authority are fully committed to operating the University in an open, transparent, and fully accountable manner. We are aligned about the importance of dealing with any issues or concerns (whether raised by our staff, students, or our external stakeholders) promptly and in accordance with the principles of good corporate governance.
- 1.7 The President and Governing Authority are also committed to instilling an improved organisational culture based on a human-centric approach. This means acting at all times in an ethical and socially responsible way and by viewing difference and diversity as an organisational strength.
- 1.8 The intention of this briefing paper is to deal with matters highlighted in the invitation to attend the PAC namely:
- (a) Financial Statements for 2020-21;
 - (b) Governance and associated due diligence of the University's purchase of a site in Limerick city centre in 2019.

2. **ABOUT UNIVERSITY OF LIMERICK**

- 2.1 At the outset, it is appropriate to provide a very brief overview of University of Limerick for Committee Members as follows:
- 2.1.1 University of Limerick (UL) is located on the west coast of Ireland along the picturesque River Shannon and enjoys an unspoiled natural environment blended with state-of-the-art teaching and research facilities.
- 2.1.2 UL was awarded prestigious and global 5-star rankings for graduate employability, innovation and knowledge transfer, teaching, engagement, internationalisation and infrastructure by QS Stars independent assessors in 2021.
- 2.1.3 UL is the first institution in Ireland to receive the prestigious Athena Swan Silver Award in recognition of the demonstrable actions it has taken to promote gender equality, diversity and inclusion. Approaching 18,500 students, including more than 2,000 international students each year and nearly 2,000 staff, UL is a young research-led, enterprising and sustainable university with a proud record of innovation in higher education.
- 2.1.4 Our ambition is to grow to 25,000 students to the end of the decade. A survey of Irish students recently voted UL Ireland's most popular university with a satisfaction rating of 85%. Indeed, UL was recently honoured with five awards at the Irish Education Awards 2023 including the top honour for Overall Excellence.
- 2.1.5 UL offers more than 50 undergraduate programmes across Arts, Humanities and Social Sciences; Education and Health Sciences; Science and Engineering and the Kemmy Business School (KBS). The KBS has received accreditation by the prestigious EFMD global quality systems (EQUIS), which puts the KBS into the top echelon of business schools globally. UL also delivers a strong postgraduate offering with more than 200 taught postgraduate programmes to Doctoral and Post-doctoral level.

- 2.1.6 UL pioneered the concept of Cooperative Education in Ireland, placing nearly all undergraduate students, i.e., more than 2,600 students in paid and semi-paid work placements annually – with 30% of these being international placements. These invaluable work experiences, which are intrinsic to our model of higher education, make UL graduates highly employable, which is why the UL graduate employment rate is 15% higher than the national average.
- 2.1.7 With exceptionally strong links to business, industry, and to the public sector, UL excels at translational research – underpinned by fundamental research – which aims to accelerate the practical application of academic research to benefit society and the knowledge economy.
- 2.1.8 UL houses some of the most innovative and successful research centres in Ireland including the three Science Foundation Ireland (SFI) funded Centres: LERO, Confirm and SSPC; two Enterprise Ireland (EI) funded Centres: Dairy Processing Technology Centre (DPTC) and Pharmaceutical Manufacturing Technology Centre (PMTC) and an SFI funded Doctoral Training Centre in Data Science. The Nexus Innovation Centre hosts a growing community of international researchers and entrepreneurs supporting new businesses and the creation of jobs.
- 2.1.9 Sustainability is at the heart of UL and our comprehensive Sustainability Framework 2030 is being implemented across the institution with an ambitious Climate Action Roadmap building on this foundation to accelerate reducing our carbon footprint over the next seven years.
- 2.1.10 In the 50th anniversary year of Ireland having joined the EU, UL continues to host the largest Erasmus+ programme and international credit mobility in Ireland.
- 2.1.11 Known as ‘Ireland’s Sporting Campus’, UL boasts unrivalled sporting facilities catering simultaneously for the needs of our campus community, sports enthusiasts and of our sports elites. UL was the first location in Ireland to have an Olympic-sized swimming pool. Our 3G pitches are the largest artificial grass development in Europe and the UL Sport Arena attracts more than 600,000 visitors each year. An Olympic size climbing wall was added in 2021.

3. **FINANCIAL STATEMENTS 2020-21**

- 3.1 The Committee is examining the Financial Statements for 2020-21.
- 3.2 As in 2019-20, the impact of the COVID-19 pandemic continued to present challenges for the University. However, once again, the University community pulled together to support our staff and students as well as our various partners and stakeholders.
- 3.3 Academic and professional staff have continued to deliver the core activities of teaching and research in different and innovative ways, despite the challenging circumstances. The end of year financial position shows that the University had a surplus of €7.9m, which we have committed to reinvesting in further enhancing the student experience.
- 3.4 In order to assist the Committee with its examination of the University’s financial accounts, we wish to outline the following points in relation to that year:
- 3.5 **Financial performance**
- 3.5.1 The consolidated and University’s statement of comprehensive income and net profit for the year to 30 September 2021 are shown on page 70 of the financial statements.
- 3.5.2 Total consolidated income increased by €21.7m / +7.5% (2020: €8.9m / +3.2%) and total expenditure increased by €16.5m / +5.8% (2020: €3.6m / +1.2%).

- 3.5.3 The surplus before other gains and losses on investments was €8.4m (2020: €3.1m). There was a net loss on investment property of €0.5m (2020: €0.8m gain) and a taxation charge of €0.009m resulting in an overall surplus of €7.9m (2020: €3.9m).
- 3.5.4 The surplus is made up of a University surplus of €8.6m (2020: €4.7m) and a loss generated by subsidiary undertakings of €0.7m (2020: €0.8m loss). The loss in the subsidiary undertakings is COVID-19 related and is funded from past revenue reserves.
- 3.5.5 At the end of September 2021, the University had consolidated revenue reserves of €263.7m.

3.6 Financially Significant Developments

- 3.6.1 The financially significant developments for the period are set out in the Annual Governance Statement on page 30 of the Financial Statements.
- 3.6.2 The impact of the COVID-19 pandemic is the most financially significant development affecting the University in the financial year. The financial impact in FY2020-21 in overall terms was positive as the reduction in operating costs arising from the impact of restrictions was greater than the reduction in income as a result of the pandemic.
- 3.6.3 The financial impact on the University can be summarised under the following headings:
- (a) **Fee income** – the main negative impact on fee income in 2020-21 was a reduction in fee income from Non-EU students of €2.3m when compared to the prior year. This reduction was more than offset by an increase in fee income from EU students of €8.9m. Of this growth in EU fee income of €8.9m, a total of €3.6m related to undergraduate students and €4.7m related to taught Masters students.
 - (b) **State grant income** – the Core Grant for 2021 was not affected by Covid. Additional state grants were received for Covid related costs incurred and for additional research related costs arising as a result of COVID-19.
 - (c) **Residences, Sports and University Concert Hall income** – this income source was substantially impacted by COVID-19 with significant periods of closure of Sports and Concert Hall facilities and the cancellation of summer events on campus. The impact has been mitigated through cost management and state supports.
 - (d) **Operating costs** – the closure of the campus led to a significant reduction in operating costs.
 - (e) **Surplus** - The University achieved a surplus for the Financial Year 2020-21. This was an improvement on budget due to savings in operating costs and growth of fee income of €6.6m compared to the prior year.
 - (f) **Framework for Physical Development** - In February 2020, the Governing Authority Finance, HR & Asset Management Committee (FHRAMC) reviewed the Framework for Physical Development and the Physical Development Plan. The consideration of these plans by Governing Authority was scheduled for March 2020. This was deferred because of the uncertainty caused by COVID-19 restrictions impacting on meetings of Governing Authority. The plans are being currently revised to reflect changes arising from the impact of the pandemic, the completed calibration of the Strategic Plan UL@50, and the recently approved Sustainability Framework to 2030. The University has also been considering current developments in the construction sector, including hyper-inflation of building costs.

- (g) **Bank of Ireland** - On 1 March 2021, the University was advised by Bank of Ireland that the Bank was closing a number of branches from September 2021 and that its plans included the UL branch. The sole on-campus banking concession and the rent of the bank branch are valuable sources of income for the University. It is likely in the short to medium term that there will be a significant reduction in the level of income from this source. The need for a physical bank on-site has diminished significantly as students continue to migrate to on-line banking and to the FinTech banking options such as Revolut, N26 and others.
- (h) **Student Centre** - During the period under review, the Governing Authority received regular updates on progress in the retendering for completion of the Student Centre capital development project, resulting in additional costs to that originally estimated for completion of the project. This additional cost is to be funded by extending the period of repayment through the student levy. A letter of offer was issued to the successful contractor. Post financial year end they advised that their costs had increased, and they could not contract at the tender amount.

Following engagement with the second and third lowest tenders these contractors similarly advised that they would not be in a position to stand over their May 2021 bids.

The University re-tendered the completion contract for the new Student Centre. Following a competitive procedure with negotiation, in December 2022 the Governing Authority authorised additional cost relating to the completion of the Student Centre.

The entire re-tendering process has resulted in a substantial increase in cost of €14,098,549, bringing the final gross cost of development to €33,998,427. On the recommendation of FHARMC, the Governing Authority approved the additional costs of the development of the student centre.

4. **COMPTROLLER & AUDITOR GENERAL AUDIT OPINION AND REPORT**

- 4.1 The Comptroller and Auditor General (the “**Comptroller**”) has issued an unqualified audit opinion on the Financial Statements for 2020-21. The University welcomes this.
- 4.2 In the report of the Comptroller on information other than in the financial statements, attention is drawn to procurement non-compliance. The steps that have been taken to address these are set out in detail in the Annual Report and summarised hereunder.

5. **PROCUREMENT NON-COMPLIANCE**

- 5.1 A detailed breakdown of the non-compliant procurement totalling €551,770 is attached as **Appendix A**.
- 5.2 The University undertook a full review of its procurement compliance on all VAT exclusive supplier spend above €25,000 during the year. The University is working closely with the Office of Government Procurement (OGP) to address the identified areas of non-compliance. It is acknowledged that as the portfolio of OGP frameworks expand and are renewed, taking increased account of sector requirements, greater compliance will be achieved. However, the matching of contract expiry with the OGP framework availability will continue to present challenges for the foreseeable future.
- 5.3 Annually, the University submits its Corporate Procurement Plan, including three-year multi annual planning, to the Education Procurement Service, the education procurement hub of the OGP.

5.4 The University is continuing to invest in improvements to the processing of expenditure to further enhance compliance with procurement requirements:

5.5 Projects delivered to date include:

- Improving the data available for deciding where procurement resources are allocated new supplier database fields to enable contract management and category spend analysis reporting were implemented.
- Mitigating against inadvertent non-compliance as a result of aggregation of spend exceeding the €25k threshold. The University has implemented tracker alerts for current year spending when such expenditure reaches €20k (including open orders).
- Addressing the risks of incurring expenditure after the contract end date (that would render the University non-compliant). Tracker alerts to end-users have been implemented to flag contract approaching their end dates.

5.6 Planned improvements which are nearing conclusion include:

- (a) Automating the production of three years historical spend by categories and contracts for the annual corporate procurement planning process.
- (b) Implementing E-procurement whereby purchasing system interfaces seamlessly with contracted supplier catalogues for approved products at the contracted prices/discounts. This application is for high volume, low value products with considerable compliance and operational efficiency for end user purchasers. This project is shortly moving to user accepted testing and schedule to be live for the coming financial year.

5.7 The table below sets out the amount of non-compliance disclosed for the past four years and expresses the amount as a percentage of total expenditure.

Financial Year	21-22	20-21	19-20	18-19
Non-Compliant spend over €25k	251,101	551,770	407,583	690,953
Non-Compliance percentage of related spend	0.3%	0.9%	06%	1.0%
TOTAL OPERATING EXPENDITURE AND EQUIPMENT ADDITIONS	€'000 €75,168	€'000 €63,798	€'000 €63,297	€'000 €68,748

Table 1 – Details of procurement non-compliant expenditure –2018 - 2022

5.8 The non-complaint expenditure as a percentage of total expenditure in UL for 2020-21 is 0.9%. We recognise that improvements are still needed. While this figure compares favourably with the 1.8% non-compliance rate for the HE sector, we have continued to strengthen our compliance procedures and processes as outlined above.

5.9 The University naturally accepts that any level of non-compliance is problematic and may be subject to legitimate criticism by the Comptroller and by the Committee. However, as stated, the University continues to strive for improvements. Closing figures for last year's accounts (2021/2022), once approved by the C&AG, are likely to show further significant improvements relative to the FY 2020-2021 baseline.

6. PURCHASE OF SITE FOR CITY CAMPUS

6.1 Background

6.1.1 The University made a decision to purchase a commercial property in Limerick City for the purposes of developing a city-based campus.

6.1.2 The transaction was executed in May 2019.

6.1.3 It has been a long-standing, strategic goal of the University to have a presence in Limerick City. This goal was referred to in various iterations of the University's Strategic Plan over the past 20 years, the preparation of which is a statutory obligation under the Universities Act, 1997.

6.1.4 As an acknowledged driver of economic and social development, it continues to be the University's strategy to support the development of Limerick City and the Mid-West by making further and higher education more accessible to persons from a diversity of backgrounds, but most particularly students with backgrounds which are underrepresented in Higher Education.

6.1.5 The development of a city campus was and remains of cardinal importance to UL in advancing this most important element of its strategic plan. Quite apart from meeting the needs of present and future learners, regeneration of this area and, in time, the full redevelopment of this site is complementary to the extraordinary work being led by our colleagues in Limerick City and County Council on the physical regeneration and the social revitalisation of Limerick City.

6.1.6 Members of the Committee will be aware that funding in the order of €116m has been allocated to Limerick through the Government's Urban Regeneration and Development Fund (URDF). Limerick City and County Council (LCCC), working closely with the University applied for and was successful in submitting two major projects which are in line to be funded as part of "Call 2" of the URDF. These are:

- (a) **World-Class Waterfront €73.4m** – a plan to link the Opera site and the University's city campus to the Cleaves riverside campus towards the docklands, incorporating major improvements to Arthur's Quay, riverside flood defences, high-quality public realm and pedestrian bridge.
- (b) **Liveable Limerick City Centre Initiative €42.6m** - This project is about making positive, innovative and transformational change to revitalise the centre of Limerick City. It is an integrated programme of urban redevelopment, focussing particularly on the under-utilised Georgian areas of the city that will be under pinned by a programme of innovative collaboration.

6.1.7 We hope in time to draw down our portion of these URDF funds and to raise our own funding through philanthropic and other means in order to redevelop this site, and fully realise our vision for a top-quality campus in the heart of Limerick city that serves as an exemplar of sustainability.

6.2 The Property (the "city campus")

6.2.1 The University concluded negotiations to purchase a sizeable (5,535 sq. m) building in a strategic location, previously owned and occupied by Dunnes Stores. Following the relocation of Dunnes to a newly built premises close by, the building went unused for many years.

6.2.2 What attracted the University to purchase the former retail property was its exceptional potential. It is situated on a large waterfront site, in a prime location on the banks of the River

Shannon, and in close proximity to another key public site earmarked for URDF funding, Arthur's Quay Park, and to a public transport hub.

- 6.2.3 A significant portion of the existing building has already been brought back to life, and it currently hosts the University's 'Fab Lab'. Fab-Lab is a fully functional digital fabrication laboratory that offers cultural, educational and research programmes on digital fabrication, bridging the gap between these technologies and other creative disciplines.
- 6.2.4 Also within the city campus is LCCC Citizen Innovation Lab, a collaboration between the local authority and the University. The Citizen Innovation Lab was developed through a *Horizon 2020* project, and includes a citizen's observatory, providing access to digital tools used to gather information useful to Limerick's decarbonization efforts. It also includes an engagement hub which provides space for information events and co-creation activities where people can work together to explore local responses to the challenges of climate change.
- 6.2.5 Just last week, the University lodged a planning application with LCCC for a "change of use" of the building. This will (if approved) change the building's current designation from predominantly retail use to predominant use for educational purposes. Once this procedural step has been concluded the University intends to bring a further portion of the building back into use. The additional space will be configured in a manner that facilitates flexible utilisation.
- 6.2.6 The location of the new campus is a key enabler of UL's strategic vision so that it can harness the power of talent, imagination and partnerships already present in abundance in Limerick city. The future development of the campus is a matter upon which there will be much consideration over the coming months. The intention is to facilitate the principle of 'flexible learning' by including reconfigurable and flexible education spaces as a curated space adaptable to changing programmes and future-proofed for new ways of learning with a constant footfall of staff and students.
- 6.3 Costs of works to City Campus**
- 6.3.1 The works undertaken on the Fab Lab, Engagement hub and Citizen Information Lab were funded under an earlier Urban Regeneration and Development Fund (URDF) grant allocation to UL in collaboration with Limerick City and County Council. The sum involved was €750,000.
- 6.3.2 In order to bring larger proportions of the building into use, the University has completed some enabling works, in particular the removal of asbestos, which was undertaken under two phases. Phase 1 works cost €42k which was funded under the URDF referred to above, and the Phase 2 works were funded by the University at a cost of €221.3k
- 6.3.3 Glazing and painting works commenced in January 2023 and were completed in February 2023. The total cost of these works was €70,000, which were funded by the University.
- 6.3.4 Substantial external works were carried out to the exterior of the building in response to its poor appearance. This involved repairs to the external edifice, to the facade with related works, fixtures and installation of a mural by internationally renowned urban artist Digo Diego in partnership with Draw Out and Limerick City and County Council. The total costs were €113,158 (ex VAT), funded by the University.

7. **Governance Issues Associated with the Purchase**

- 7.1 The PAC has by now seen the KPMG Report, which was provided pursuant to the Committee's statutory powers, acquired from the CPPO.
- 7.2 The University wishes to acknowledge the governance shortcomings referred to in that report, which are discussed further hereunder.
- 7.3 The University at the relevant time saw an opportunity to acquire a landmark site, which it pursued vigorously, and ultimately purchased.
- 7.4 There had been exploratory discussions about purchasing this building in the past, but these came to nothing.
- 7.5 The opportunity to purchase arose again in early 2019. The University considered, given the past course of discussions, that it would need to move quickly if it wished to reach an agreement with the vendor.
- 7.6 The University, very regrettably fell into error in the governance of the purchase of this property because it did not adhere to the due diligence steps that such a purchase would ordinarily require. That is what precipitated the review that was subsequently commissioned and is now in the hands of the PAC.
- 7.7 After some discussion the purchase price was agreed with the vendor, but any final agreement required Governing Authority approval.
- 7.8 In order to conclude the sale, a proposal for the purchase of the property was tabled at a meeting of the Governing Authority on 5 April 2019. On the basis of assurances that all necessary due diligence had been complied with, the Governing Authority ultimately approved the University to enter into a contract for the purchase of the property.
- 7.9 The ultimate purchase price of the property was €8.343m, a figure which necessitated the consent of the University's Governing Authority in accordance with its reserved functions.
- 7.10 In line with our accounting policy and as part of the preparation of the financial statements for 2020-21, we undertook a review of the carrying value (at cost) of this asset. The University commissioned a professional review of the reinstatement cost of its portfolio of premises for insurance purposes. The Report assesses the like-for-like reinstatement cost of this premises to exceed €20m. This information was shared with our external auditor PWC prior to their sign-off of the 2020-21 financial statements.
- 7.11 It emerged subsequently through a Freedom of Information request that the due diligence undertaken prior to the purchase appeared to be lacking in certain respects, most notably with respect to the obtaining of formal written valuations. This brought into question the approval given by the Governing Authority and whether the Governing Authority had in fact been given the necessary information for it to act and to approve the acquisition on a fully informed basis.
- 7.12 These concerns prompted the Governing Authority to commission the audit and consulting firm KPMG to conduct a review into the purchase of the property. KPMG's Report was duly completed and submitted to the President of the University on 21st December 2021. A number of governance recommendations were made within the Report pertaining to the due diligence that was undertaken in the course of the acquisition and these recommendations are set out below.

7.13 **Policies and Procedures**

- 7.13.1 KPMG recommended that a formal policy for the acquisition of new property (the “**Policy**”) be implemented by the University, and that the policy should consider best practice guidelines from the Code of Practice for the Governance of State Bodies, and with DPER Circular 17/2016 (*Policy for Property Acquisition and for the Disposal of Surplus Property*).
- 7.13.2 KPMG noted that a review of UL’s Code of Governance, which is based on the Irish Universities Association model Code of Governance (2019) includes defined procedures (at Section 14.2) and recommended that these procedures should apply to all acquisitions and be incorporated into UL’s policy.

7.14 **Governance**

- 7.15 KPMG recommended that the Policy should clearly document the process through which property acquisitions should be approved within UL’s governance structure. These approvals should be completed and documented prior to being proposed at Governing Authority or at Finance, Human Resources and Asset Management Committee (FHRAMC) level.
- 7.16 KPMG recommended that the property acquisition approval process should be documented in all proposals presented for Governing Authority or FHRAMC consideration.
- 7.17 KPMG recommended that consideration should be given to recording divergent views on property acquisitions where the matter is ultimately not a unanimous decision of the Governing Authority.
- 7.18 KPMG recommended that all property acquisitions are led by the appropriate UL executive. This should also be clear on the documentation presented to the Governing Authority.
- 7.19 The University wishes to inform the Committee that the KPMG recommendations have been implemented in full. It has provided the Governing Authority, the HEA, the C&AG, DFHERIS and the Charities Regulator (and now this Committee) with a status update in relation to each of these recommendations.
- 7.20 The status update showing all actions completed since June 2022 is available at **Appendix B** to this briefing document.
- 7.21 The University is grateful to the PAC for affording it an opportunity to discuss these matters in private session given the ongoing, and as yet unresolved High Court litigation to which we have previously referred.

8. **CONCLUDING REMARKS**

- 8.1 Since its establishment 50 years ago, University of Limerick has shaped the lives of thousands of individuals and played an extremely important role in the growth, revitalisation and prosperity of the Mid-West region.
- 8.2 We know from our industry partners and the IDA that the quality and impact of our over 120,000 graduates has often been the decisive factor in deciding to invest in this region.
- 8.3 The success of this institution has resulted in job creation and prosperity on a level that few would have imagined possible when NIHE’s first students were enrolled in 1972.

- 8.4 UL continues to transform Higher Education and research in Ireland, providing innovative and sustainable solutions to local and global problems that revitalise and create connections with internal and external partners and that reflect our values and history as a university.
- 8.5 We are very proud of the reputation that UL has developed over the last 50 years and as President I am extremely attuned to the significance of the University's achievements.
- 8.6 The University, through its Strategic Plan is committed to sustainably increasing both the breadth and the sophistication of its research and academic offering. We are also fully intent on strengthening our community outreach efforts, and to bringing Higher Education to the broadest demographic possible. It is our hope that in time *everyone* in this region will have the opportunity to share in social and economic prosperity that is already being experienced by so many.
- 8.7 We are also anxious to continue to contribute to Ireland's reputation internationally, as a country whose economy and societal development is driven by high-quality education, of research with societal impact and advanced knowledge exchange.
- 8.8 The University endeavours at all times to operate in good faith and in doing so, we have adhered to our statutes, policies and procedures.
- 8.9 The Governing Authority has supported the University's Executive in its journey to ensure that our decision-making as well as our lines of accountability are clearly understood, transparent and aligned fully with the strategic objectives which have been set for this organisation.
- 8.10 We remain mindful of the need to continuously review our processes and procedures to ensure adherence to best governance practice both nationally and internationally. We fully recognise that expenditure of public funds must adhere to the highest standard of governance.
- 8.11 The University's leadership is also very aware of the great pride that the people of Limerick and the Mid-West region and the growing number of alumni have in the University, and their corresponding expectations that it will be properly governed so that it continues to thrive and prosper.
- 8.12 As always, we remain open to new learnings and taking on board perspectives as to how we can continue to ensure the confidence of all our stakeholders.
- I look forward to meeting with the Committee again and to engaging with its members in answering any questions that you might have in relation to the University's performance in the financial year under review.

Yours sincerely



Prof Kerstin Mey
President
University of Limerick

SCHEDULE OF APPENDICES

- (A) **APPENDIX A:** - Breakdown of Non-Compliant Procurement
- (B) **APPENDIX B:** - KPMG Report: Governing Authority Review and Summary of Work Undertaken to
End June 2022
- (C) **APPENDIX C:** - Statutes / Policies approved by Governing Authority (2017 – present day)

Appendix A: Particulars of Procurement Non-Compliance

Service/ Commodity	€	Status at Financial Year-End	Previously tendered?	Status
PG marketing campaigns and associated works	€117,995	Contract expired, delays in provision of new framework which is now in place	Yes	Resolved
Marketing campaigns multiple media and website services	€100,791	Contracts now in place covering media campaigns, web tender process is being progressed for the web element	Yes	Resolved
Digital Marketing	€42,867	Delay in completing new tender process which was completed before the year end and is now in place	Yes	Resolved
Finance system upgrade support and development	€61,541	Currently going to tender	No	Resolved
Specialist module delivery	€40,549	Recruitment of a lecturer	No	Resolved
Website hosting	€35,285	Moving website to new platform tender is being progressed, hosting of legacy sites pending transfer to new platform	No	Resolved
Specialist research testing	€35,162	Article 32 urgency – out-sourcing of specialist research testing during COVID. No on-going requirement	No	Resolved
Occupational health assessments	€34,649	Currently reviewing procurement strategy to address	No	Procurement process is underway
Seeds , turf and other landscaping suppliers	€30,324	Planned to run a tender process during 2022	No	Procurement process is underway
UG CAO campaign	€27,392	Contract expired, delays in provision of new framework which is now in place	Yes	Resolved
Employee Assistance Programme	€25,215	Currently reviewing procurement strategy to address	No	Resolved
	€551,770			

APPENDIX B:

**KPMG REPORT:
GOVERNING AUTHORITY REVIEW AND SUMMARY
OF WORK UNDERTAKEN TO END JUNE 2022**

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CONFIDENTIAL
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	Recommendation No.	Response	Owner	Timeframe
	Referring to: Policies and Procedures			
1.	<p><i>We recommend that a formal policy for the acquisition of new property be implemented by UL. This policy should consider best practice guidance from:</i></p> <ul style="list-style-type: none"> <i>the Code of Practice for Governance of State Bodies; and</i> <i>Circular 17/2016: Policy for Property Acquisition and for the Disposal of Surplus Property.</i> 	<p>A new policy document entitled: <i>Policy for the Acquisition of New Property, Buildings, Land or Infrastructure</i> (the “Policy”), has been drafted by the executive, reviewed by the Finance, HR and Asset Management Committee (FHRAMC) and approved by the Governing Authority. This document addresses the issues referred to above as follows:</p>	<p>Director of Buildings and Estates / Corporate Secretary</p>	<p>30 June 2022 Implemented</p>

	Recommendation No.	Response	Owner	Timeframe
		<p>A. The Policy outlines the requirement to follow best practice across a number of policies, which are expressly referenced.</p> <p>B. The “Promoter” (as defined) of any new acquisition, along with the Director of Buildings & Estates are required to adhere to the relevant legislation, policies, guidelines etc. (or any combination thereof), prior to any such acquisition.</p> <p>C. The reserved functions of the University’s Governing Authority are expressly referred to within the policy, noting the assurances that must be in place before the Governing Authority or the FHRAMC will be in a position to approve any proposed acquisition on a fully informed basis.</p> <p>In addition to this, the University has drafted a new <i>Contract Signing Policy</i>, which has been reviewed by the Audit and Risk Committee and has been approved by the Governing Authority. This policy outlines both the due diligence requirements and the financial thresholds at which senior personnel of the University have delegated authority to sign contracts for the acquisition of land, property and other significant university assets.</p>		
2.	<p>Referring to: Policies and Procedures</p> <p><i>A review of UL’s Code of Governance (which was approved by the Governing Authority on December 2021) includes defined</i></p>			<p>30 June 2022 Implemented</p>

	Recommendation No.	Response	Owner	Timeframe
	<p><i>procedures at Section 14.2 that should apply to all acquisitions. We recommend that these procedures are incorporated into UL's policy.</i></p>	<p>A. The requirement to adhere to the University's Code of Governance has been incorporated into the new Policy.</p> <p>B. The Policy also makes it clear that the Code of Practice for the Governance of State Bodies (2016) and the IUA Code of Governance for Irish Universities (2019) form part of the regulatory context for any proposed acquisition of property, land, buildings and infrastructure.</p>	<p>Director of Buildings and Estates</p>	
<p>3.</p>	<p>Referring to: Governance</p> <p><i>We recommend that the policy clearly documents the process through which property acquisitions should be approved within UL's governance structure. These approvals should be completed and documented prior to being proposed at Governing Authority or FHRAM Committee level.</i></p>	<p>The <i>Policy for the Acquisition of New Properties, Buildings, Land or Infrastructure</i>, deals with the following:</p> <p>A. The identification of a "Promoter" for any proposed acquisition, who will take the lead role in relation to any future acquisitions proposed.</p> <p>B. The requirement of the University to comply with the policies (whether set out in codes, circulars or any combination thereof), that relate to or may affect the University's legal capacity to purchase or otherwise hold property, buildings, land or infrastructure.</p> <p>C. The responsibility held by the Director, Buildings and Estates to execute procedural elements of the policy, e.g., in terms of appropriate reports to be undertaken as part of required due diligence.</p>	<p>Corporate Secretary/ Director of Buildings and Estates</p>	<p>30 June 2022 Implemented</p>

	Recommendation No.	Response	Owner	Timeframe
		<p>D. The legal, procedural, and regulatory context within which the policy must be operated.</p> <p>E. The report to FHRAMC/Governing Authority: In order for the FHRAMC/Governing Authority to have the required assurance to approve any proposed acquisition submitted, it must receive a comprehensive report, consistent with the requirements of:</p> <ul style="list-style-type: none"> i. the Policy; ii. the applicable legislation; and iii. relevant codes, policies, circulars referred to therein. 		
4.	<p>Referring to: Governance</p> <p><i>The property acquisition approval process should be documented in all proposals presented for Governing Authority or FHRAM Committee consideration.</i></p>	<p>On 24 February 2022 a new control and process was introduced in respect of submissions from the University's executive to its Governing Authority, including the approval of the acquisition of property.</p> <p>This requires all such acquisitions submitted to include a broad range of particulars about prior approvals at Executive Committee, at the FHRAMC, as well as particulars of any prior discussions at Governing Authority.</p>	Corporate Secretary / Director of Buildings and Estates	30 June 2022 Implemented

	Recommendation No.	Response	Owner	Timeframe
		A template document developed for this purpose is available at Appendix 1 to the <i>Policy for the Acquisition of New Property, Buildings, Land or Infrastructure</i> .		
5.	<p>Referring to: Use of External Consultants</p> <p><i>We recommend that all property acquisitions are led by the appropriate UL executive. This should also be clear in the documentation presented to the Governing Authority.</i></p>	<p>The <i>Policy for the Acquisition of New Properties, Buildings, Land or Infrastructure</i>, introduces the concept of a “Promoter” which is defined in the policy as follows:</p> <p><i>“A member of the University’s Executive Committee or such other senior member of University staff as the President may nominate, who on the President’s authority, is assigned the lead role in relation to any proposed acquisition of property, buildings, land, or infrastructure by the University.”</i></p> <p>This means that acquisition of properties, land or infrastructure will be led at the highest levels in the University.</p>	Corporate Secretary / Director of Buildings and Estates	30 June 2022 Implemented
6.	<p>Referring to: Governance</p>		Corporate Secretary	30 June 2022 Implemented

	Recommendation No.	Response	Owner	Timeframe
	Consideration should be given to recording divergent views on property acquisitions views where a matter is ultimately not a unanimous decision of the Governing Authority.	<p>It is usually the case that the Governing Authority operates on the basis of consensus, and items for decision are generally approved or rejected on a unanimous basis.</p> <p>If following a full discussion on a proposed acquisition by the Governing Authority, there remains a minority which is opposed to the proposed acquisition proceeding as presented, this will be recorded on the minutes of the Governing Authority.</p>		

Appendix C:

UNIVERSITY OF LIMERICK STATUTES /

POLICIES APPROVED BY GOVERNING AUTHORITY

1. The Governing Authority has agreed a diverse range of policies dealing with matters such as protected disclosures, recruitment/appointment of employees, codes of conduct for both Governing Authority and Employees. The following is a listing of the statute and policies approved during the lifetime of this Governing Authority. The dates of approval/update are supplied for information.
2. **STATUTES**
 - 2.1 **Statute No.4** of the University of Limerick: Statute on Disciplinary Matters, Suspension, Termination and Capacity – updated in August 2019 to provide for some level of flexibility in the departure from disciplinary procedures were considered necessary by the University and, a closer alignment between the Statute and the University’s Probationary Policy.
 - 2.2 **February 2018**
 - 2.2.1 The **Policy & Procedures for Granting Multi-Annual Status to Tenure Track Academic Staff** was updated to clarify that it related to tenure track and not just entry-level employees. There was an added requirement for independence of the candidate’s referee who is to be chosen by the Dean;
 - 2.2.2 The **Policy & Procedures for Progression Across the Merit Bar** was updated to clarify that any staff progressing to lecturer above the bar do so on the basis of their existing contract and do not gain entitlement to multi-annual status etc. There was an increased requirement for referee to be nominated by the Dean to improve the independence.
 - 2.3 **May 2018**
 - 2.3.1 **Smoking and Vape Free Campus** was introduced to promote a healthy UL campus and was a prelude to the Healthy UL Framework considered by Governing Authority in December 2018.
 - 2.4 **November 2018**
 - 2.4.1 **Process for Development of New Buildings Projects** – was updated to include details of the stages for the development of a capital project and reference to applicable Government circulars and guidelines.
 - 2.5 **December 2018**
 - 2.5.1 **Data Protection Policy** – extensive revision to previous Policy which was replaced by Data Protection Privacy Notices, a new Data Protection Policy and Data Protection Guidance (FAQ). The implementation of Data Protection requirements and update on data protection activities are reported regularly to the Audit & Risk Committee and subsequently the Governing Authority.
 - 2.6 **April 2019**
 - 2.6.1 **Policy on Provision of non-audit services by the External Auditor** - in order to preserve the independence of the External Auditor, establish a clear approval process for the use of the external auditor in providing any services additional to external audit, and to comply with various accounting standards.

- 2.7 **June 2019**
- 2.7.1 **Policy for the Award of University of Limerick Honorary Doctorates** – the main change was the introduction of procedures to revoke the award of an honorary doctorate.
- 2.8 **September 2019**
- 2.8.1 **IT Security Policy:** An amalgam of a range of policies under the IT Security Framework into one overarching IT Security Policy. This was supported by the addition of a campus wide Acceptable Usage Policy.
- 2.8.2 **Acceptable Usage Policy:** The objective of the Policy is to provide users with clear guidance on the acceptable, safe and legal way in which they can use the University’s IT and Network Resources.
- 2.8.3 **Policy Management Framework** - was approved in order to put in place a standard template for policy documents, establish a set of policy principles and instruments for policy development, approval, implementation, monitoring and review. The Policy Hub forms part of this Framework and is the single authoritative source for UL approved Statutes and Policies.
- 2.9 **October 2019**
- 2.9.1 **Framework for the Management of Severance Agreements** – this was introduced to improve transparency around the development and approval of severance agreements, including the requirement for Government Department approval prior to entering into a severance agreement.
- 2.10 **December 2019**
- 2.10.1 **Flexible Working Hours Scheme** - updated to ensure consistency in language used and clarification of approval process for annual leave.
- 2.11 **April 2020**
- 2.11.1 **Protected Disclosures Policy** – updated to implement a recommendation from a governance review that there should be procedures included in the Policy for handling matters brought to the attention of the University that do not fall within the Protected Disclosures Act.
- 2.12 **July 2020**
- 2.12.1 **Official Entertainment Policy:** updated with minor amendment to reflect current Strategic Plan of the University
- 2.13 **September 2020**
- 2.13.1 **Selection Procedures for Deans and Vice Presidents** - updated relating to composition of Selection Board, introduction of open competition for the roles, removal of limit of the number of times an individual may serve as Dean/VP and also the introduction of the option of the University providing termination noted of 6 months.
- 2.13.2 **Long Services Awards Policy** - updated to reflect requirements of Policy Management Framework Policy Template

- 2.13.3 **Personal Development Leave Scheme** – updated to reflect requirements of Policy Management Framework Policy Template.
- 2.13.4 **Conflicts of Interest Policy** – developed in response to HEA requirements and was reflective of wide- spread consultation throughout the University. Training requirements were noted and the delivery of this training monitored by the FHRAMC.
- 2.14 **December 2020**
- 2.14.1 **IP Policy** – updated to bring it into line with Policy Management Framework Policy Template and more importantly, to ensure compliance with the HEA governance statement requirements and in response to recommendations arising from an Internal Audit Review. The main changes were an addition of a section on spin-out companies, sections on conflict of interest and dispute resolution and also the inclusion of UL share distributions.
- 2.14.2 **Asset Disposal Policy** – updated to bring it into line with Policy Management Framework and ensuring consistency with the national Code of Governance for Irish Universities
- 2.15 **February 2021**
- 2.15.1 **Further Study Policy** – updated approval of engagement in internal programmes changed to Dean/Head of Department from HR; reinforcement of recoupment of funds in certain circumstances, i.e., leaving the University within 24 months following formal notification of final grade and award.
- 2.15.2 **Recruitment Policy & Procedures** – updated to replace individual policies by making this Policy & Procedure applicable to academic, professional and research roles with updated requirements regarding the size of selection board, operating screening and shortlisting online, to name but a few.
- 2.15.3 **Anti-Fraud Policy** – updated to reflect requirements of the Policy Management Framework, extension of scope to vendors and also to subsidiary companies. Also, there was an changes to reporting structure at Executive level.
- 2.16 **April 2021**
- 2.16.1 **Policy for Retention of Academic Staff** – updated to Policy from a Scheme, change to the Committee composition provided for in the Policy and explicit requirement for gender balance.
- 2.16.2 **Policy for the Award of Distinguished Professorships:** new University Policy to provide a mechanism to award exception staff the title of Distinguished Professor.
- 2.16.3 **Reassignment Policy & Procedure: replaced Redeployment Policy and Employee Transfer Policy** - to reflect the temporary and permanent nature of the process and associated updating of definitions; updated to reflect new policy template requirements; amendments made to improve general procedures.
- 2.16.4 **Probation Policy:** updated to amend probationary period from 12 months to 11 months; addition of section to address contracts of less than 11 months in duration and the provision of a total of 11 months service required irrespective of number of contracts involved; requirement for employees to confirm they have read and understood UL policies procedures and completed relevant training requirements also added.

- 2.16.5 **Part-time working procedures:** updated to reflect required Policy Management Framework format; amended from Policy to Procedure; revised eligibility criteria; details of application and approval process; requirement for approval at Executive level rather than by Governing Authority.
- 2.16.6 **Compassionate Leave Procedure:** updated to reflect required Policy Management Framework format; amended from Policy to Procedure and requirement for approval at Executive level rather than by Governing Authority.
- 2.17 **June 2021**
- 2.17.1 **Risk Management Policy:** updated to reflect the additional requirements of 2019 national Code for the Governance of Irish Universities; format revised to adhere to Policy Management Framework; addition of definitions and risk management principles; revised reporting structure and training procedures.
- 2.17.2 **Risk Appetite Statement:** updated to adhere to requirement for review and approval on a regular basis; the addition of sub-categories to provide further guidance on the assessment of risk
- 2.18 **July 2021**
- 2.18.1 **Student Substance Use and Misuse Policy:** updated to replace the pre-existing University Alcohol Policy and address significant development nationally e.g., National Drugs Strategy and Framework for Response to Use of Illicit Substances within HE and reflect best practice
- 2.19 **September 2021**
- 2.19.1 **Travel & Subsistence Policy:** updated with minor amendments to clarify matters relating to costs for Irish residence permits resting with the employee; updates required to kilometre claims including the inclusion of confirmation of distance claimed; tightening of regulations relating to foreign travel and change in level of costs that can be claimed for conference fees from €10,000 to €1,500.
- 2.19.2 **Treasury Management Policy:** updated to address challenges to the University arising from negative interest rates and the placement of funds on deposit being guided by the principle that the cost of negative interest should be minimised.
3. **NOTE:** The Policy Management Framework puts in place a timeframe for the revision of policies and procedures and deadlines for review/renewal are highlighted to the policy owners well in advance of the review date by those responsible for management of the Framework. The process includes a three-year rolling review cycle of HR policies that commenced some years ago.
- In the period from October 2021 to-date the following policies have also been approved:
 - Protected Disclosures Policy
 - Grievance Policy
 - Sabbatical and Special Research Leave Policy
 - Risk Appetite Statement
 - Policy and Procedures on Employee Protection – Substance Misuse
 - High Performance Athlete Policy

- Policy and Procedure for Blended Working
- Staff DisAbility Policy
- Policy for the Disposal of Assets
- Official Hospitality Policy
- Travel and Subsistence Policy
- Contract Signing Policy
- Acceptable Usage Policy
- Policy for the Acquisition of New Property, Buildings, Land or Infrastructure
- Gender Identity and Gender Expression Policy
- Reassignment Policy and Procedure
- Policy for UL Research Institutes and Centres: Establishment, Governance and Management Arrangements
- IT Security Policy
- Policy on Provision of Non-Audit Services by the External Auditor
- Health Research Policy
- Data Protection Policy
- Student Death Policy
- Code of Conduct for Employees
- Probation Policy
- Records Management Policy
- Policy for the Recruitment of Staff
- Student Charter

NOTE: The Policy Management Framework puts in place a timeframe for the revision of policies and procedures and deadlines for review/renewal are highlighted to the policy owners well in advance of the review date by those responsible for management of the Framework. The process includes a three-year rolling review cycle of HR policies that commenced some years ago.