

# DÁIL ÉIREANN

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## AN COISTE UM CHUNTAIS PHOIBLÍ

## COMMITTEE OF PUBLIC ACCOUNTS

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*Déardaoin, 1 Iúil 2021*

*Thursday, 1 July 2021*

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The Committee met at 9.30 a.m.

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### MEMBERS PRESENT:

Deputy Colm Burke,	Deputy Paul McAuliffe,
Deputy Matt Carthy,	Deputy Imelda Munster,
Deputy Cormac Devlin,	Deputy Catherine Murphy,
Deputy Alan Dillon,	Deputy Verona Murphy.
Deputy Marc MacSharry,	

DEPUTY BRIAN STANLEY IN THE CHAIR.

**Mr. Seamus McCarthy** (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

### **Higher Education Authority: Financial Statements 2019**

**Dr. Alan Wall** (*Chief Executive Officer, Higher Education Authority*) called and examined.

**Chairman:** Apologies have been received from Deputies Neasa Hourigan and Sean Sherlock. I welcome everybody to the meeting. Due to the situation with Covid-19, only the clerk, support staff and I are in the committee room. Members of the committee are attending remotely from within the precincts of Leinster House. This is due to the constitutional requirement that, in order to participate in public meetings, members must be present within the confines of the place where the Parliament has chosen to sit, either Leinster House or the Convention Centre Dublin. I ask members to confirm their location before contributing to ensure that we are adhering to that constitutional requirement. The Comptroller and Auditor General, Mr. Seamus McCarthy, is a permanent witness and is attending remotely.

Today, we will engage with officials from the Higher Education Authority, HEA, to examine its 2019 financial statements. The HEA has been advised that the committee has an interest in the following matters: the recurring deficit in third level institutions; the impact of funding cuts; occasional and hourly staff in third level institutions; how funding is used to support scaling up and spin-out companies; private company funding of third level institutions and training; ring-fenced funding for Galway-Mayo Institute of Technology's Mayo campus; and the HEA's role in the University of Limerick's purchase of the former Dunnes Stores site.

We are joined remotely from outside the precincts of Leinster House by the following representatives from the HEA: Dr. Alan Wall, chief executive officer, Ms Orla Nugent, deputy chief executive officer and head of system funding, capital funding and system governance, Ms Pearl Cunningham, head of finance, and Ms Orla Christle, senior manager with responsibility for system governance. We are also joined remotely from outside the precincts of Leinster House by Mr. William Beausang, assistant secretary general of the tertiary division of the Department of Further and Higher Education, Research, Innovation and Science. When we begin to engage, I ask members and witnesses to mute their devices when not contributing so that we do not pick up any background noise or feedback. As usual, I remind all in attendance to ensure their mobile phones are on silent mode or switched off.

Before we start, I will explain some limitations to parliamentary privilege and the practice of the Houses regarding references witnesses may make to other persons in their evidence. The evidence of witnesses physically present or who give evidence from within the parliamentary precincts is protected, pursuant to both the Constitution and statute, by absolute privilege. However, today's witnesses are giving their evidence remotely, from a place outside of the parliamentary precincts, and as such may not benefit from the same level of immunity from legal proceedings as a witness who is physically present does. Such witnesses have already been advised that they may think it appropriate to take legal advice on this matter.

Members are reminded of the provisions of Standing Order 218, that the committee shall refrain from inquiring into the merits of a policy or policies of the Government, or a Minister of the Government, or the merits of the objectives of such policies. Members are also reminded

of the long-standing parliamentary practice that they should not comment on, criticise or make charges against any person outside the Houses or an official either by name or in such a way as to make him or her identifiable.

To assist the broadcasting and debates services, I ask that members direct their questions to a specific witness. If the question is not directed to a specific witness, I ask the witness responding to state his or her name when first contributing. I call Mr. McCarthy to make his opening statement.

**Mr. Seamus McCarthy:** The Higher Education Authority, HEA, is the statutory planning and development body for higher education and research in Ireland, and the primary State funding source for Irish universities, institutes of technology, ITs, and other higher education institutions. The HEA's income in 2019 was €1.4 billion, with more than 80% coming from Vote 26, education and skills. A further 13% came from the national training fund. Following the establishment of the Department of Further and Higher Education, Research, Innovation and Science, the bulk of the HEA's funding from 2020 onwards will come from the Vote for that Department. The payment of recurrent and capital grants, totalling €1.39 billion, to higher education institutions represented almost all of the HEA's expenditure in 2019.

The HEA's operating costs in 2019 amounted to €11.8 million. I issued a clear audit opinion on the 2019 financial statements. Members may wish to note that I certified the authority's 2020 financial statements earlier this week. These will be presented to the Oireachtas in due course. My audit opinion on the 2020 financial statements was also unqualified.

Most of the HEA's expenditure involves grant funding to higher education institutions, which I audit. As the HEA has oversight responsibility for the sector generally, this presents an opportunity for us to provide feedback on sectoral problems or on patterns identified during audits. This is done mainly through regular meetings, usually held quarterly, between staff of my office and HEA officials. This approach has proven useful in resolving common concerns, advancing accounting and governance issues, and exchanging information.

**Chairman:** I call Dr. Wall to make his opening statement.

**Dr. Alan Wall:** My colleagues and myself are pleased to assist the committee in its consideration of matters which are of specific interest to it, as indicated in its letter of 4 June. I will provide some general comments on the HEA's role of supporting the Minister in the achievement of national policy priorities and ensuring effective accountability and oversight of governance in HEA-funded higher education institutions, HEIs.

The past year has been a difficult one for students and staff, and the HEA has worked closely with all parties in the higher education sector to help overcome the challenges presented by the Covid-19 pandemic. Throughout, a quality student experience has remained the core consideration and I look forward to a more holistic higher education experience for students in the coming academic year. Recent years have been a period of significant and ongoing reform of the higher education landscape. We now have a sector that is moving towards a smaller number of institutions but with greater opportunity for development and innovation, and which will continue to play a central role in Ireland's social and economic development.

The HEA is accountable to the Minister for Further and Higher Education, Research, Innovation and Science for the achievement of national outcomes for the higher education sector. These national outcomes are supported by the authority through its policy advisory role and

through the allocation of targeted funding supporting national policy priorities for skills. The authority also has responsibility for the effective accountability and oversight of governance in HEA-funded higher education institutions and it takes this responsibility very seriously. The remit of the authority is under review with the development of the new higher education Bill 2021, which is due to go through the Houses of the Oireachtas later this year. The new Act is expected to give the HEA appropriate regulatory legislative powers. The original HEA Act is 50 years old and while it has done the nation some service, it is no longer fit for purpose. The new legislation will provide greater clarity in respect of the extent and operation of the HEA's responsibilities, including those of the institutions and the Minister. Pending the enactment of the new legislation, the HEA continues to evolve the governance mechanisms for the sector.

Building on existing governance frameworks for higher education, since 2021, the HEA has required each institution to sign an oversight agreement confirming that it is conducting its activities in line with statutory requirements and the requirements of code of governance for State bodies, as reflected in the relevant sectoral code. This agreement specifies that the chief officer of an institution is required to keep the HEA informed, on a timely basis, of any governance issues, concerns or major risks that may arise for the institution. If an institution does not comply with these requirements, it must provide an explanation to the HEA and set out the actions agreed by the governing body to achieve compliance and an agreed timeline. The authority also requires an annual governance statement and statement of internal control from each institution. The annual governance statement needs to include confirmation of compliance by each HEI with a comprehensive list of governance requirements. Non-compliance in any matter must be identified in the statement. The template is signed by the chair of the governing body and the president of the institute. Set-piece meetings, such as budget meetings and strategic dialogue meetings, also allow for any material issues relating to governance or financing to be declared to us. In exercising its oversight role, the HEA seeks to be respectful of institutional autonomy within an accountability framework. The role of the authority is distinct from the responsibilities of the governing authority of each institution and from the Department of Further and Higher Education, Research, Innovation and Science.

I refer to the HEA's financial statements for 2019. I am pleased to note that these were signed by the Comptroller and Auditor General in June 2020 with no issues arising. Regarding recurring deficits in third level institutions, the HEA monitors the financial position of all higher education institutions continually. Over the past year, the Covid-19 pandemic has heightened the financial challenges facing higher education institutions and in May 2020, the authority prepared a report on the implications of Covid-19 for the sector. Following engagement with the Department, a Covid-19 related support package of €130 million was agreed to for the sector with an additional €52 million in student supports, which were disbursed by the HEA. Three institutions have been operating with accumulated deficits and I refer members to our briefing paper for further information on this. While progress has been made in reducing these deficits, it will be some years before they are fully eliminated. The HEA continues to engage with the institutions that are in deficit to ensure they are financially sustainable and return to a position of growth.

On the impact of funding cuts, a 2018 spending review by the Department of Public Expenditure and Reform noted that funding for higher education decreased by approximately 20% between 2008 to 2014, while, from 2015 to 2018, there was an increase of 9%. In parallel to this, student numbers increased by approximately 30% from 2008. Recent initiatives to increase funding to the sector and meet the challenges of increased demographics are set out in detail in our briefing paper and include human capital initiative investment, increased investment in ap-

prenticeships and Springboard+, a transformational fund for technological universities, Project Ireland 2040 funding, Covid-19 funding, and funding to support additional CAO places. The general impact of previous funding reductions continues to present challenges in areas such as increased student-staff ratio, a lag in investment in capital infrastructure and limited industrial relations tools to address inescapable pay costs. The HEA contribution to the annual Estimates process identified areas where additional funding is required for 2022. Work has also been advanced by the Department on an independent economic review on the future funding options for the tertiary education sector.

In reference to occasional and hourly staff, the HEA appreciates the concerns of the committee relating to casualisation of work, precarious employment, employment rights and job security of occasional staff in the higher education sector. Employment contracts are the responsibility for HEIs as employers, while sectoral industrial relations are under the remit of the Department. The HEA notes the intention of the committee to write to the Minister to highlight concerns. In response to queries from the committee, the HEA liaised with the HEIs and provided data on the use of occasional hourly-paid staff. We have also raised these matters with the HEI representative bodies, the Irish Universities Association and Technological Higher Education Association, with the aim of providing further and better information to the committee before the end of 2021.

The Department of Business, Enterprise and Innovation is responsible for national intellectual property, IP, policy and the funding to support the scaling up and spin-out of companies in higher education institutions. Through the annual governance statement, each institution is asked by the HEA to confirm it has an IP policy that reflects the requirements of national IP policy. This requirement for HEIs has evolved from two reviews of intellectual property policies by Knowledge Transfer Ireland and the HEA. With regard to private company funding of third level training, the HEA has written to all HEIs seeking confirmation that governance requirements are being met in their associations with regard to third parties and receipts of non-exchequer funding specifically as these relate to climate change concerns. We will revert to the committee on its queries in this regard.

In 2017, ring-fenced funding of €750,000 was committed to the Galway-Mayo Institute of Technology, GMIT, campus for five years to support the implementation of a plan that had been recommended by the working group. A review of progress of the implementation of the plan has been completed by Mazars on behalf of the HEA. The final report has been provided by the HEA to the Department with the recommendation that consideration should be given to specific policy and funding arrangements for remote campuses such as GMIT, Mayo. A copy of the report and the HEA's letter to the Department has been provided for the information of the committee.

While significant challenges remain with the evolving higher education landscape and the clarity the new legislation will bring, I believe we are at a point of opportunity for significant reform and modernisation. I am happy to answer any questions the committee may have.

**Chairman:** Thank you, Dr. Wall, for your opening statement.

Some more apologies have come in. Deputies Cormac Devlin and Jennifer Carroll MacNeill have sent apologies. Deputy Verona Murphy has had to leave for an interview. Some members are tied up with Dáil duties. Deputy Matt Carthy is held up for the moment but hopefully he will join us later on.

The lead speaker is Deputy Catherine Murphy, who has 15 minutes. Deputy Neasa Hourigan was due to be the second speaker but she is chairing the Committee on Budgetary Oversight this morning and cannot take up her speaking slot. I propose to give each member six minutes. I will give a reminder after five minutes when the speaker has one minute left. I hope we can move along through it and get people back in for a second time if necessary. Deputy Murphy has 15 minutes and I will give a reminder after 12 minutes.

**Deputy Catherine Murphy:** Dr. Wall and his team are very welcome. Time is limited so I will try to be as brief as possible with my questions and I would appreciate if the witnesses would give me brief replies so that I can get through the questions I want to ask.

The HEA is the statutory funding authority for all the higher education institutes on the capital and current sides. In particular, I wish to pay attention to University of Limerick, UL, and the Dunnes Stores site. We had representatives from the university before the committee recently. Professor Mey accepted that how this was handled was not best practice. There was no written valuation. The site was valued two years prior to purchase at €3 million but there was an €8 million purchase tag. There was non-compliance in terms of the procurement of the consultant. What information did the HEA have? Three options were given in the first instance but the Dunnes Stores site was not one of those. Approval was sought from the authority. What documentation did it require to approve the funding? What funding did it approve?

**Dr. Alan Wall:** In the context of the competition that was being run for capital expenditure we noted that a change of site was being made as part of the application. The change was from the opera site to the Dunnes Stores site. Under the legislation, it is a matter entirely for the university to make land purchases. It can undertake purchases and does not require oversight or any permission from the HEA to buy land. In the past ten years there have been dozens of land purchases by universities. We have not had sight of them and we do not generally have sight of them.

What happened here is that in the context of the competition we got a letter, which said that the board of governors had signed off on the purchase, that it was a good deal and that they thought it was a good deal. That was in the letter we had in that context.

We also had the annual governance statement from 2018 to 2019, which we require everyone to sign. In the statement we had a place where any financial risks or new financial information could be disclosed. The €8 million was disclosed there by the UL. We also asked about capital investments and whether the governance requirements were observed, and we have a statement saying that they were. The board signed off with no issues. There is a general question in the template asking whether there are any general governance issues that we need to be aware of.

**Deputy Catherine Murphy:** Would Dr. Wall say that was a truthful statement of governance or the arrangements at that point in respect of the Dunnes Stores site?

**Dr. Alan Wall:** I can answer it in the following way: we are anxious to talk to UL in case we have misunderstood what is in that. We asked direct questions further to that. I mentioned in my opening statement that we had two set-piece meetings, the budget meeting and a strategic dialogue meeting, in early 2020. They were rolled in together. At the end of the meeting I asked whether there were any governance issues I needed to be aware of. “No” was the answer.

**Deputy Catherine Murphy:** Knowing what the HEA knows now, if every university was to do what UL did, how would the authority control the capital budget? What was the estimate

to begin with? What were those involved provided with? What has the HEA committed to in the funding of this particular site?

**Dr. Alan Wall:** The answer is nothing. There is no funding for this. We are not funding anything to do with this site or the development. That is the first thing.

The second thing is that we would not have committed to anything because we would not have been aware of it. The Act allows for the universities to make decisions about purchase of lands without any reference to us.

**Deputy Catherine Murphy:** Does Dr. Wall agree with Professor Mey that this is far from best practice?

**Dr. Alan Wall:** As things stand at the moment, and from what I know, we are not happy. We are anxious to talk to the university about what we know. We have correspondence in respect of other matters in which we have asked about general governance questions at UL. We received no indication that there were difficulties. A budget meeting was held recently and this did not come up at all.

The Deputy should remember that we have limited powers - this has been well rehearsed - but we ask direct questions in terms of the annual governance statements. In my view we are entitled to rely upon them. If we misunderstood them or if there is something we have not picked up on in those annual governance statements, then we are anxious to have a number of meetings about this and other issues with the university.

**Deputy Catherine Murphy:** To be honest, the expression used was “not picked up”. That is pretty tame stuff when we consider there is non-compliant procurement in respect of the consultant. That was a finding from the Comptroller and Auditor General. That is not at issue. It is a significant governance failure. The university put forward three proposals and Dunnes Stores was not part of that. It was suboptimal in terms of how this was done at a late stage without any valuation. There is nothing in dispute about that. Professor Mey has pretty much confirmed those things. It is not something that the HEA has taken up wrong. We know some of those things. The HEA may well have misinterpreted the statement. It is really not credible, to be honest. I am sure the HEA is paying attention to the media coverage on this and to the meetings of the Committee of Public Accounts. Why can the authority not agree at this point that this is less than credible?

**Dr. Alan Wall:** We are concerned about what we can rely on in terms of some of this. That is why I want to talk to UL about it.

**Deputy Catherine Murphy:** There are borrowing limits and the HEA controls certain borrowing limits. Was this something that cropped up in that respect or in respect of any other site in terms of a controlling mechanism of the HEA? I accept that the authority’s remit is limited and that legislation is required. I have said as much repeatedly at meetings of the committee during the previous Dáil. Is that something the authority keeps control over?

**Dr. Alan Wall:** Yes, in general terms we do. Where universities borrow from European banks, for instance, there is a gearing requirement that we observe.

I wish to make one point in respect of this case. This is not a defensive position. If the university was not applying for capital development work - it was not applying for money for the site but for capital development work in respect of the expansion of the university - then we

would not have had any record of this at all. We would have relied on the annual governance statement to disclose the amount and to tell us about the governance arrangements around it. That is consistent with the legislation. From where I am sitting now, that is what I have.

**Deputy Catherine Murphy:** The governance here and how this happened is deplorable. Surely the HEA can acknowledge that.

**Dr. Alan Wall:** I am not at all happy but I have to be careful, with respect, Deputy, because I am sitting outside the precincts. Moreover, I need to talk to UL about what may or may not have happened.

**Deputy Catherine Murphy:** I want to move on to another topic relating to the accumulated debts in Waterford, the Institute of Technology, Tralee and the National College of Art and Design. IT Tralee is now joined with Cork Institute of Technology. How is that going to be handled? Will CIT accumulate the debt? How is it intended to reduce the deficit?

**Dr. Alan Wall:** We worked through a process with IT Tralee before it was incorporated around the overheads it has and the way in which we could address them. Recommendations came out of that and we used a third party to work between the two of us to work through what the options were. We have shared those options with the Department because they are not options we can trigger but they are being considered in the context of MTU. They are with the Department but they are being considered in the context of the new dispensation that is down there. IT Tralee is under the protection of what was the IT so to an extent that is being covered. We are engaging with the Department and MTU around this. On the basis of the due diligence we have done, we have recommended taking certain steps. This took a while. We worked very closely with-----

**Deputy Catherine Murphy:** Is Dr. Wall satisfied that there is a means of dealing with this?

**Dr. Alan Wall:** I am satisfied there is a means of dealing with it. This comes up in terms of GMIT as well. There is a broader issue around campuses like this - GMIT is one example while Letterfrack and Killybegs might be others - about what we expect from them involving the social good and how we manage them generally. In the context of GMIT, we have also asked to discuss with the Department a general policy approach to campuses that are not main urban ones.

**Deputy Catherine Murphy:** There was a difference in funding in 2020 because of Covid. There was an increased income of €263 million and a lot of additional places, some of which were split places, were provided. Has the HEA factored that into how that is going to run from 2020 onwards because courses will run over a period of time?

**Dr. Alan Wall:** What we got for those courses was €20 million in additionality and they are factored into the base for the next five years because some courses go on to five years so they are in the base for the next five years.

**Deputy Catherine Murphy:** Could Dr. Wall give us a projection of those for those five years? If he could send that to us in a note, it would be helpful. Did the HEA have any concerns about the use by the institutions of the additional funding?

**Dr. Alan Wall:** In terms of the Covid-19 space?

**Deputy Catherine Murphy:** Yes.

**Dr. Alan Wall:** We did not have concerns. We trusted but verified. Both we and the institutions were working at speed. We created a structure around that where the institutions signed an undertaking by the president and the bursar saying that they had certified the figures they had given us and that they could provide vouchers for them and if there was any overpayment by us, we would reclaim it through the core grant and have a third party carry out an audit, which is what is happening at the moment.

**Deputy Catherine Murphy:** Is a third party carrying out an audit?

**Dr. Alan Wall:** A third party is carrying out an audit at the moment.

**Deputy Catherine Murphy:** Who is that?

**Dr. Alan Wall:** From memory, it is Deloitte - sorry, it is Mazars.

**Deputy Catherine Murphy:** Is the HEA concerned that anything is likely to be shown up here? Has the HEA identified anything of concern?

**Dr. Alan Wall:** We have not identified anything of concern yet. There are issues arising and we have raised them with the Department but-----

**Deputy Catherine Murphy:** What are those issues?

**Dr. Alan Wall:** They are issues about clarifying what is in and what is out. Some of it has to do with when expenditure was incurred, although there may have been delays in getting the thing in terms of-----

**Deputy Catherine Murphy:** Is the HEA concerned about overpayments and duplication in payments?

**Dr. Alan Wall:** We are concerned about that and have asked that the audit look at that. We carried out a sample audit and found some duplication so we then carried out a sample audit of all 22 institutions. Any overpayment will be taken back from the core grant.

**Deputy Catherine Murphy:** How many of them would the HEA have concerns about?

**Dr. Alan Wall:** I will not name them but there were three or four where we were glad to go back in and have a fuller look at.

**Deputy Catherine Murphy:** So it is not sector-wide; it is specific.

**Dr. Alan Wall:** We would have been critical but at the same time, they are moving at speed so some people may have miscalculated things. They may have double counted. We are worried about probably two or three at most.

**Deputy Catherine Murphy:** When does the HEA expect that audit to be complete?

**Dr. Alan Wall:** It is near completion. There is some toing and froing with institutions because they must confirm things. We expect to have it finished by the end of the month.

**Deputy Catherine Murphy:** Where will the HEA share that?

**Dr. Alan Wall:** I do not have any sensitivity about sharing it because we are using it as a gauge and are learning from it as well. We can talk to the committee about it.

**Deputy Catherine Murphy:** I suspect the Comptroller and Auditor General will get a copy of it and it will come to us at some point but it would be better if we saw it at an early stage. Has the HEA met with UL? Has it talked to UL about what has transpired?

**Dr. Alan Wall:** We have arranged a meeting with UL. The first meeting will be between my officials and some officials from UL on Monday. We have a set piece meeting on Friday - the strategic dialogue meeting, which is part of the performance dialogue - but that is not the place for it. This will be among a number of meetings over the next couple of months. In light of the stuff we know now or that has been unearthed, and we are looking at the documentation we have around us-----

**Chairman:** The Deputy's time is up.

**Deputy Colm Burke:** I thank Dr. Wall and his team. I appreciate the work being done by the HEA. Regarding governance and governing bodies in third-level institutions, I was on a governing body for a short period of time. Regarding the review of structures, is a review of structures taking place and does Dr. Wall accept that some of the structures that are there are not adequate if we really want to progress development and setting clear targets for all of our third-level institutions?

**Dr. Alan Wall:** There is no review of the structures *per se*. The vehicle for that is the legislation before the House. I am here about 20 months. I had a previous job as deputy director of the Teaching Council of Ireland. There are limits to what we can do as things stand at the moment. We are not an ombudsman and we do not have investigatory powers. We rely on governing authorities to provide with undertakings that we have to use. We are trying to fix upon a more global, systemic, organised and modern approach to governance, which is a cascade of governance from us down to the governing authorities, which have a responsibility to exercise them, and assurances. It is another case of trust but verify at an appropriate level. The legislation before the House is about that kind of subsidiarity and co-regulation so it is not a case of a police force but rather us being able to rely on and governing authorities being empowered to do what they need to do.

**Deputy Colm Burke:** I accept what Dr. Wall is saying but I found that some of the governing bodies are extremely large. What is really needed is a board of management. I know governing bodies delegate powers. Is the best way forward with regard to developing our third-level institutions? Has the way it has been structured restricted development? A smaller structure allows decisions on developing policy to be made more quickly. Does that need to be reviewed in view of how the world changes by the hour and minute compared to when those structures were set up, which in many cases was over 100 years ago?

**Dr. Alan Wall:** I will defer to Mr. Beausang but I think the Act envisages smaller competency-based boards, which is more in line with what we would see in most modern organisations.

**Deputy Colm Burke:** Does Dr. Wall think this can be implemented in a timely manner or will it be dragged out for another number of years while at the same time, our third-level institutions lose out?

**Dr. Alan Wall:** I cannot speak for the timelines but what I can say is that we continue to do things such as our oversight agreements and governance statements that attempt to reinforce that notion of a cascade of governance as it goes down so that we rely on governing authorities where we need to.

**Deputy Colm Burke:** Can I move on to the issue of-----

**Chairman:** The representative from the Department has indicated that he wishes to come in.

**Mr. William Beausang:** I will just very quickly respond to the Deputy's question to Dr. Wall. The review has essentially been carried out through the consultation process, leading to the publication of the general scheme of a Bill. I think that Bill will be subject to pre-legislative scrutiny in July and certainly the Minister is anxious to have a Bill enacted by the end of the year. Just as the Deputy said, the priority - or one of the priorities, in the interest of securing stronger governance of HEIs is to look at governing structures which are, as the Deputy said, very large and sometimes quite intractable when it comes to providing effective oversight. The objective is that each HEI would have an independent chair, a majority of external members and competency-based membership to ensure it was equipped to address the very complex issues HEIs are called upon to look at.

**Deputy Colm Burke:** I thank Mr. Beausang. I move to the issue of pensions and pension funds. I understand there is a deficit in some pension funds. What action is being taken to deal with that? With the return on investments now, it is a different world from what it was even three or four years ago.

**Chairman:** The Deputy has one minute left.

**Deputy Colm Burke:** How is that now being planned out for the higher education institutions? What is the total workforce in higher education, between all the colleges where we must ensure adequate pension funds are in place?

**Dr. Alan Wall:** I thank the Deputy. I think he is referring to the pension control account which exists in Irish universities now and has the inflows and outflows. They were set up following central Government's taking over of the pension arrangements which were in five, in particular, of the seven universities. At the moment, those pension control accounts are in deficit, in other words they are paying out more than they are getting in, given that more and more people are retiring and there is a change in the structure there. We follow that very closely and we are working very hard with the sector. We have seen the figure there; it is quite large at more than €140 million and I know that is an issue. Clearly we have told our parent Department about it and we have also done projections showing how this will grow. I know it is an issue the Department is raising centrally with central Government so it is being watched and being monitored and is a live issue of discussion, as things stand at the moment.

**Chairman:** The Deputy's time is up but he may come back in briefly.

**Deputy Colm Burke:** On the management of the pension funds, how is that structured within each individual university?

**Dr. Alan Wall:** I do not know if this helps the Deputy but as I understand it they are control accounts so they are nominal accounts. The pensions themselves are public sector pensions effectively so they are being managed as public sector pensions are. They are paid by the public sector; they are a public sector debt.

**Deputy Colm Burke:** All right. I thank Dr. Wall.

**Chairman:** The Comptroller and Auditor General has indicated.

**Mr. Seamus McCarthy:** Just on that point, the pension funds are not like typical private sector pension funds. Pensions are paid on what is called a “pay as you go” basis, so there is not a central fund that must be fund-managed. The reference in the HEA statements is because there are liabilities between the HEA and the third level institutions in relation to how the contributions that are collected are actually disbursed. Thus it is a kind of balancing account between the HEA and the third-level institutions.

**Chairman:** I thank Mr. McCarthy. Deputy Carthy is next. He has six minutes.

**Deputy Matt Carthy:** Go raibh maith agat, a Chathaoirligh. I welcome our guests and thank them for being here. I want to talk about the technical universities and particularly the issue in the south east. Generally, does Dr. Wall know how many universities employ an executive director?

**Dr. Alan Wall:** I do not know off the top of my head. What does the Deputy mean by executive director?

**Deputy Matt Carthy:** I mean the position Mr. Tom Boland holds in the south-east university.

**Dr. Alan Wall:** I do not, no.

**Deputy Matt Carthy:** He is not aware of any other universities-----

**Dr. Alan Wall:** I do not know off the top of my head. I probably am aware, it is probably in the region but I am afraid I cannot reach for it at the moment. I can certainly send the Deputy a note on it.

**Deputy Matt Carthy:** Dr. Wall’s understanding is that other technical universities do have the same position.

**Dr. Alan Wall:** I know they have bought in expertise to help them get through the TU process. I am aware of that. However, I do not have specifics around what is happening in the south east.

**Deputy Matt Carthy:** Okay. Would the HEA have played any role in that appointment?

**Dr. Alan Wall:** No.

**Deputy Matt Carthy:** Would there have been any dialogue at all between the HEA and the technical universities on identifying potential roles that might be necessary?

**Dr. Alan Wall:** I certainly had no part in any conversations like that. I can check it generally if there has been but I do not believe there has.

**Deputy Matt Carthy:** Okay, so the HEA would not have any role in identifying the type of positions that would need to be filled as the technical university process was-----

**Dr. Alan Wall:** That is a slightly different thing but yes, one of the things we will be looking at... What we do is we get an application and we play it very straight there. We get an application on behalf of the Minister to go through a process to see if the conglomeration is capable of meeting the requirements. That is what we manage. We manage that process. There is an independent panel and international experts and we manage that. The university - or rather the conglomeration, before it is a university, organises itself, that is part of what it does, in terms

of meeting the criteria. Thus if it hires advice then it hires advice and it is not something we generally get into. We go through the process and then we advise the Minister whatever the outcome is.

There is an ongoing discussion in the technological universities space about what the structure of a technological university should look like. That is a live discussion and we are playing a part in that. We are part of a group that has asked the OECD to look at what the structure looks like for technological universities across Europe. We are, therefore, in that space and as Deputy Carthy knows from other briefings, we are not really in the contract terms and conditions space or industrial relations, IR, space. We are playing a role in looking at a new university and what the structure should look like and that is an ongoing discussion, if that answers the Deputy's question.

**Deputy Matt Carthy:** If I am correct, Dr. Wall is saying that discussion around the structure does not involve the type of employment or contracts that will be required to oversee or support the amalgamation process.

**Dr. Alan Wall:** I am blind to that because that is part of what they do in terms of hiring in expertise. I know other people have been involved in doing it for other TUs. I am not aware of it; it is an employment matter for them. We did not suggest or have any hand, act or part in any of that, from what I am aware of.

**Deputy Matt Carthy:** On the issue in the south east, the person who was appointed to this role, Mr. Boland, is a former chief executive of the HEA. Was the HEA asked for an opinion or an evaluation of Mr. Boland's track record by the university prior to that appointment?

**Dr. Alan Wall:** We were not and I would not expect to be. I do not believe I have had any conversations like that. However, we would not have played an active part anyway. I did not have any conversations about it and I do not think I we would have played an active part it. It would be a matter for the conglomeration to do, not us.

**Deputy Matt Carthy:** It would be standard practice if somebody was going to be appointing an individual on a €1,000-per-day contract that he or she would at least consult with the individual's former employers.

**Dr. Alan Wall:** I have had no consultation. I have seen nothing.

**Deputy Matt Carthy:** Okay, so the HEA had no input whatsoever as to whether this position was required, the criteria that would be appropriate for such a position, or any interaction about the fact it was the authority's former chief executive who was being considered for the post, and the appropriateness of that.

**Dr. Alan Wall:** My answer, my own personal answer to that is "No". I can make inquiries internally to see if any conversations went on that I am not aware of but I do not believe there have been. However, I can certainly find out. We have had only two institutions so far and we are doing two now at the moment. We have only got two through the process so there is not a standard arrangement, if you like, this is a kind of one-off situation where we have a conglomeration of institutions becoming universities. Some of them were done before I got here and some where done while I have been here. I know they get expertise. I am aware who the individuals are but I have no hand, act or part in anything to do with how they are sought out or got.

**Deputy Matt Carthy:** Would the HEA ever employ consultancy-type services such as

those offered by Mr. Boland?

**Dr. Alan Wall:** Obviously we use consultancies. We just referred to the Mazars report on GMIT, so we do it all the time, yes.

**Deputy Matt Carthy:** Would it ever be the case that former employees of the HEA would then be employed or offered contracts on a consultancy basis?

**Dr. Alan Wall:** I do not know whether it happened before my time. It has not happened during my time. We had a procurement issue ourselves. We are very clear about our procurement process. We procure. There is a procurement process. That is what we do.

**Chairman:** Time is up.

**Deputy Matt Carthy:** I am trying to get my head around the situation. The HEA is essentially involved in the discussions around structure but not in discussions relating to the type of positions that would be required to implement that structure, and has no interaction with the consortium whatsoever, even when a former chief executive of the HEA is offered a very lucrative role without any procurement process, as far as we can ascertain? Does Dr. Wall see how the reputation of the HEA could potentially be damaged in such a scenario?

**Dr. Alan Wall:** From my perspective, we are aware of the individuals doing work for the consortium. It is going on. Contact has been made in relation to the work the individual is doing. In other words, we have been asked questions and they have been answered. I have not answered them directly. That is a role the consortium plays. We do not have any role in the appointment.

**Deputy Matt Carthy:** I ask Dr. Wall to clarify the point. It appears to be slightly different from what-----

**Dr. Alan Wall:** To be clear, it is not different. The Deputy asked me two questions. He asked if we had any role in the appointment and if we were aware of it. The answer is "no". The appointment happened. The individual in question does liaise sometimes with our people. There have been conversations around the preparation of a proposal, which is part of the role, as I understand it. That has happened. I am not pretending otherwise. We would have had that kind of contact with others previously. That is a separate question. To be clear, institutions sometimes get advice on how they are going to prepare an application to be a TU. Representatives of the institutions talk to us and they have talked to my staff. I am aware of it.

**Deputy Matt Carthy:** So essentially, the first that Dr. Wall was aware of Mr. Boland's appointment was when he contacted the HEA to start discussing his work in this position?

**Dr. Alan Wall:** I have not spoken to him. Yes, he was talking to some people.

**Deputy Matt Carthy:** In these questions, I do not mean that he was engaging with Dr. Wall personally.

**Chairman:** We are over time.

**Dr. Alan Wall:** To be clear, I do not have a remit in hiring people in the institutions. If a representative of an institution approaches us to discuss the preparation of a proposal, we obviously talk to them.

**Chairman:** Thank you, Dr. Wall.

**Dr. Alan Wall:** The other part of the Deputy's question went to the structure. I am talking about the structure after the institution has become a TU. What you will find is that a number of institutes of technology are being brought together, but they want to create a university structure. I participate in those discussions. That is part of the discussions, naturally. However, that is about the broader kind of-----

**Deputy Matt Carthy:** Does Dr. Wall participate in any discussions with the Department?

**Chairman:** Deputy, we have gone way over time.

**Deputy Matt Carthy:** I take it the answer is "no", then.

**Chairman:** I will let the Deputy back in on the second round of questioning.

**Chairman:** The representative from the Department, Mr. Beausang, wishes to make a point. I ask him to be brief.

**Mr. William Beausang:** It is hard to be brief on this point to assist the Deputy in the question he has posed. I will be brief and the Deputy can make another contribution later. The Department engaged with the presidents of the two institutions involved in TUSEI in relation to discussions about who could fill that really important leadership role in terms of the driving forward the technological university project in the south-east. There were a number of suggestions from the TUSEI consortium and the Department facilitated engagement. Members of the consortium suggested a number of people who they believed could assist them in driving forward the project, which, as many Deputies will know, has been very challenged over a long period of time.

Briefly, on the particular capacity and capability that Mr. Boland brought to the role, he played a similar role in relation to the Munster Technological University, MTU, another project that encountered quite significant challenges in being delivered. Obviously, I am happy to answer further questions, but we should not lose sight of the strategic importance of achieving delivery of the technological universities and the transformation in the higher education landscape that is involved in that. At previous meetings of this committee, questions legitimately were asked about the length of time it was taking to see the technological universities be designated and come into existence. The kind of role that Mr. Boland played in MTU and in TUSEI, given the progress that has been achieved, demonstrates the importance of that executive leadership role that the Department actually championed with the institutions in terms of their planning.

**Chairman:** I thank Mr. Beausang for the clarification. I do not believe Deputy Verona Murphy has joined us yet. I will call on her when she joins the meeting. The next contributor is Deputy Dillon.

**Deputy Alan Dillon:** I would like to welcome our guests. I wish to start by focusing on the GMIT Mayo campus. My first question relates to the duties and responsibility of the HEA in respect of the delivery and implementation of the 33 recommendations from the working group report that was published in 2018. Does Dr. Wall accept that the HEA has failed on the delivery of the recommendations following the publication of the independent report in May 2021?

**Dr. Alan Wall:** I do not accept that. There is an evolving situation in GMIT. As the Deputy is aware, there is an interim report that we will share with the committee. The GMIT has

not reached its targets. However, it has done good things and numbers have gone up. It has changed the mix of what it is offering, but it has not solved the problem. The question that we are raising, and which our board is considering in relation to GMIT, is whether a different approach needs to be taken in a broader policy space.

**Deputy Alan Dillon:** What level of consultation did the HEA have on the implementation of the recommendations? It is quite clear that both GMIT, in consultation with the HEA, had responsibility for delivering these recommendations. It is clearly summarised that 13 out of 33 recommendations, or 39%, are reasonably established in terms of their implementation. The report also states that a further 14 have been progressed and have yielded initial results. Where is the evidence that the actions agreed by Kieran Mulvey and Dr. Richard Thorn, the previous vice president of the Mayo campus, have moved the Mayo campus into a different space now in terms of its financial viability?

**Dr. Alan Wall:** I do not think we have failed. It is too early to say that we have failed. The report to which the Deputy has referred is an interim report. We are half way through the process. We have engaged with GMIT. We will engage with GMIT throughout the summer to see what we can do next to speed things up. However, it is important to note that we are just slightly over halfway through a process. We are three out of five years into it. Other things have impacted on it.

It is also worth considering that the Connacht-Ulster Alliance process will have an impact here. As I mentioned earlier, there are three campuses in that alliance. The Letterfrack and the Killybegs campuses are part of it. Having facilitated the GMIT report, our board has asked that we engage in discussion with the Department on the broader policy issues around remote campuses.

I accept that progress is slow and it is not what we would have liked. I do not accept that it is a failure yet. We need to keep plugging away at it and we will. We have gone through the report. We are anxious to engage with GMIT on it in the next few weeks. That is where it is at.

**Deputy Alan Dillon:** Has the report been brought to the Department's attention? I am referencing a paragraph, contained in the letter in respect of the review of the implementation report, which states that 2021 is year four of the five years of ring-fenced funding for the Mayo campus. It states that the question of long-term sustainability of the campus post-ring-fenced funding needs to be considered. What considerations is the HEA taking?

**Dr. Alan Wall:** That is the point I am trying to make. To be honest, it is a campus that is providing real services to an area. Nobody is asking primary schools or post-primary schools to be sustainable. I am wondering if there is another way to look at the issue. The board has asked us to examine it in broader terms. Our view is that the long-term sustainability needs to be seen through another lens, in the context of the kind of services being given throughout the region by the CUA. We should not just look at GMIT in isolation. We should look at other such campuses. That is the discussion we will have with the Department. That is what we hope to take forward.

**Deputy Alan Dillon:** When are these discussions expected to take place?

**Dr. Alan Wall:** We only went to the board with it at the beginning of the second week of June. Since then, we sent it to the committee and the Department. We are now going to talk to GMIT in the next couple of weeks as well. Following the board's consideration, we will move

through these things.

**Deputy Alan Dillon:** On the ring-fenced funding of €750,000 per annum over a five-year period, did taxpayers get value for money regarding how that money was spent?

**Dr. Alan Wall:** The €750,000 over five years was to prepare space and time for us to examine these issues and to offset the difficulties, which has happened. It is a good question. What is it we expect of higher education institutions and remote campuses and how do we value that? We have had time and space to consider how it was working under the old regime. We will look at it into the future. It will be a value for money issue but how value for money is measured in some of these educational provisions is a key question. It is one our board is anxious to address.

**Deputy Alan Dillon:** That is not necessarily the case when you look at what the money is actually being used for. The primary, principal and expected use would have been to implement the recommendations and put the campus on a better financial footing. However, what we have seen from the HEA correspondence is that it is being used to service the deficit.

**Dr. Alan Wall:** No. To be absolutely clear, in fairness, it is true it is being used to do some of that. However, it is also being used to give us the time and space to consider these issues. A vice president has been appointed, we have done certain things and there have been changes. There have been delays but there have been changes.

**Deputy Alan Dillon:** We are four years down the road and we still do not know. We still do not have a plan. That is what Dr. Wall is saying today.

**Dr. Alan Wall:** I am saying we would have waited five years anyway to have a plan. What we gave was five years, but we will be in active discussions with both GMIT and the Department on the issues. We will be trying to resolve the issues in a way that makes sense for everybody.

**Deputy Verona Murphy:** I have a question on the deficits that are currently being carried by Waterford Institute of Technology, WIT. The figure is an accumulated deficit of €5.97 million. What is the HEA doing to reduce the overall deficit within the sector? How is it handling that?

**Dr. Alan Wall:** What we understand is that, as things go, WIT will be moving to a break-even position in 2025 or 2026. We are moving in consultation on a regular basis. WIT is regularly contacted about what it can do around new development and programmes to bring that overhead down. I will invite Ms Cunningham to respond.

**Ms Pearl Cunningham:** We meet WIT representatives on a regular basis. They have projections to show that it will break even in 2026 or 2027. It has increased student numbers and, of course, is in the technological university, TU, application process at the moment, along with the Institute of Technology, IT, Carlow. Those are the main factors.

**Deputy Verona Murphy:** Have there been previous projections from WIT that it has not been able to meet?

**Ms Pearl Cunningham:** I personally am not familiar with those.

**Deputy Verona Murphy:** Is it that Ms Cunningham does not know or is that a “No”?

**Ms Pearl Cunningham:** I will have to check that for the Deputy.

**Deputy Verona Murphy:** Does anybody know within the group?

**Dr. Alan Wall:** We can check it for the Deputy. I do not have those details.

**Deputy Verona Murphy:** What does the HEA expect the effect will be? I am newly elected but I have been involved in the technological university of south east Ireland, TUSEI, process with Carlow and Waterford for the last number of months. I am glad that the application has gone in but I would like to understand what effect this may have in future. Will it affect the finances of IT Carlow, which has a campus in Wexford? We are also looking at having a newly-built campus in Wexford. Will this deficit cause an issue when it comes to funding those facilities?

**Dr. Alan Wall:** Our intention is that it will not. For instance, we continue to talk about Munster Technological University, MTU, although, internally, we continue to refer to IT Tralee because the IT Tralee issue belongs to itself, not so much to MTU. That is what we do and we will do the same for this issue. We will continue to see what overheads can be cut and what we can do around the developments in Waterford in the context of the Carlow-Waterford amalgamation.

**Deputy Verona Murphy:** Is that realistic on the basis that once the TUSEI is formed, which should be in January 2022, how do you go back and separate issues? This has been the bone of contention. We need to understand whether there is going to be a hold-up on the funding for a new campus for Wexford. That is really what I am at. I need to understand that there will be no adverse effects on that project.

**Dr. Alan Wall:** It is absolutely not our intention that there will be. In the case of MTU, we have isolated the IT Tralee stuff and are considering-----

**Deputy Verona Murphy:** How has the HEA done that?

**Dr. Alan Wall:** We continue to monitor that. There is a solution on the table that is only for IT Tralee and which relates to it. That is what we are doing.

**Deputy Verona Murphy:** How long has that process been going on?

**Dr. Alan Wall:** What process is the Deputy referring to?

**Deputy Verona Murphy:** From the time the MTU formed, how long has the HEA been in the process of still dealing with IT Tralee-----

**Dr. Alan Wall:** It is about a year and a bit. From memory, MTU formed about this time last year. Sorry, it formed in December, but we oversaw the process of amalgamation around this time last year.

**Deputy Verona Murphy:** Has it been successful in reducing the deficit?

**Dr. Alan Wall:** It is still a live issue. It is still between us and the Department so we are still talking about the solutions. I have given an indication of that in my note.

**Deputy Verona Murphy:** I understand about Dr. Wall's note, but has there been a successful reduction as a result of the HEA's input?

**Dr. Alan Wall:** No. There has not been a successful reduction.

**Deputy Verona Murphy:** Does the HEA have a specific input? Is there a penalty? For instance, if the deficit continues is there a penalty that ensues from the HEA?

**Dr. Alan Wall:** No. Our legislation does not allow us to do anything around penalties or any of that kind of stuff. It is one of the reasons why legislation is coming through the House. We do not have any capacity to do that kind of thing.

**Deputy Verona Murphy:** From that, I understand that should the Waterford IT deficit grow or not be reduced, there would be no imposition on funding for the TUSEI in future?

**Dr. Alan Wall:** We will continue to treat Waterford in isolation from the whole-----

**Deputy Verona Murphy:** Can Dr. Wall just answer “Yes” or “No” to that question? If the deficit grows or is not reduced, will there be no imposition on funding for the TUSEI project in future?

**Dr. Alan Wall:** I think the answer is “No”. Is the Deputy asking will it damage TUSEI?

**Deputy Verona Murphy:** Yes. Will it damage the funding?

**Dr. Alan Wall:** No.

**Deputy Verona Murphy:** It will not. That is good to hear. Does Dr. Wall have any information on where the project for the Wexford campus is at with Carlow IT at the moment? It is in the commercial stages but these are not commercially sensitive. Has a site been purchased yet?

**Dr. Alan Wall:** From memory, that is ongoing. I will ask my deputy, Ms Nugent, to give an update on the Wexford campus.

**Ms Orla Nugent:** It is currently in discussions with the HEA so I do not have any further information for the Deputy right now but it is an active conversation.

**Deputy Verona Murphy:** My understanding is that the HEA has given the go-ahead for funding of a site purchase. Is that correct?

**Dr. Alan Wall:** That is correct.

**Deputy Verona Murphy:** Does the HEA know if that site has been acquired, as such, at this point?

**Dr. Alan Wall:** Ms Nugent is probably in a better position to answer.

**Ms Orla Nugent:** No. I am not aware of that Deputy.

**Deputy Verona Murphy:** The plans for this campus are pretty substantial. At what point will we know whether we will actually receive funding? We are looking at in excess of €20 million or €30 million for a new campus in Wexford. What stage are we at on that financial projection?

**Dr. Alan Wall:** We were not prepared for those specific questions on the capital developments in TUSEI. With her permission, we will send her a note on the details.

**Deputy Verona Murphy:** That is absolutely fine. I am glad to hear that Dr. Wall stated the Waterford IT deficit will not have an impact on any of that. That is encouraging.

**Deputy Paul McAuliffe:** I confirm I am in the precincts of Leinster House. I thank the witnesses for attending today. To follow on from Deputy Verona Murphy's point on Waterford, it is very clear there are now three institutions with long-term deficits. How does the HEA intend to address that, particularly in relation to the intention to establish a long-term funding model for higher education? Are there institutions under the HEA's remit that consistently have deficits of this order? Is it because of numbers? What solutions have been put in place?

**Dr. Alan Wall:** There are three where that is usually the case, namely, Waterford Institute of Technology, IT Tralee and the National College of Art and Design, NCAD. They are all different in origin and came about in different ways. There is not really a commonality around them. In all three, solutions are being worked through. NCAD is close to breaking even, while the projections for Waterford Institute of Technology showed 25% or 26%. For IT Tralee, there is a solution on the table about reducing costs. There are solutions, and while they are difficult to work through and take time and it is mucky work, it is done more or less.

I cannot yet talk to the funding model because I have not seen it. It is a matter more for the Minister than for us. I do not know whether it is the issue. There is a funding issue but I do not know whether it would help here. We have identified the three ways out of these and they are slightly different for each of the institutions. That is what we are relying on.

**Deputy Paul McAuliffe:** There is not a commonality across three institutions or anything regarding strictly numbers of students.

**Dr. Alan Wall:** It can be a strictly headcount number, although in WIT that would not have been an issue. IT Tralee is slightly different. It bought land and it is a fine site, but it meant its reserves went. NCAD had a range of issues. One cannot identify it is an issue around funding, in my view. It happened for a number of different reasons in those cases. They have been there for a while and they have long tails. Ms Cunningham----

**Deputy Paul McAuliffe:** There are specific reasons for each them.

**Dr. Alan Wall:** There are specific reasons and they are not the same. Ms Cunningham might comment if I have missed something.

**Deputy Paul McAuliffe:** I take that on board. My next question relates to the establishment of the Department of Further and Higher Education, Research, Innovation and Science and the non-compliance, procurement and governance of it. Has the new Department put in place any new oversight measures for the HEA in regard to procurement?

**Dr. Alan Wall:** We would, obviously, regularly meet the Department around these issues. We would have kept it apprised of our governance changes and it would have fed in to that. In terms of new dispensations, we would have been talking to the Department about them.

**Deputy Paul McAuliffe:** My final question relates less to finances and more to governance, although it has an impact on finances. The new technological universities have a reduced level of representation compared with that of the traditional ETB sector. What is the rationale for that? There has been some disquiet within the ETB sector that its traditionally strong representation on some of those governance arrangements is not as strong as it was in the past.

**Dr. Alan Wall:** I do not have a view on that because the legislation is passed to the Oireachtas. I do not know what the reasoning behind it was.

**Deputy Imelda Munster:** Dr. Wall stated that no funding had been provided to University of Limerick in respect of the project or the purchase of the site. Is that correct?

**Dr. Alan Wall:** That is correct, yes.

**Deputy Imelda Munster:** An institution under the HEA's remit would have to submit its intentions to the HEA. Is that correct?

**Dr. Alan Wall:** No, it would not have to tell us at all.

**Deputy Imelda Munster:** The HEA is providing funding and the institution could change its plans on a whim, as it appears to have done. The HEA did not realise this was happening until media reports exposed it. Is that correct?

**Dr. Alan Wall:** Yes.

**Deputy Imelda Munster:** Dr. Wall stated earlier that the HEA takes oversight of governance very seriously. Where was the oversight there?

**Dr. Alan Wall:** As I outlined earlier, the annual governance statement is one of our centrepieces because it allows institutions to tell us they are compliant with the governance arrangements in regard to a number of things. We also have set-piece meetings, as I said before, and an oversight agreement, all of which gives rise to the capacity of the institution to tell us about any issues. They do, and we hear about procurement things particularly, in general.

In respect of the academic year 2018-19, we have a governance statement that indicates that €8 million was spent. On the question of capital investment, there are no issues with governance, as we read it. On the general question about governance, it is stated that there are no governance issues to be raised either. In subsequent meetings when I asked questions about governance, we did not get any indication there was any issue here.

**Deputy Imelda Munster:** The university indicated everything was grand and the HEA took it at its word. I am wondering about the due diligence in regard to the level of oversight of governance. The HEA was happy enough and did not realise what had happened until the media exposed it. Did the university play the HEA for fools?

**Dr. Alan Wall:** I do not know that it played us for fools. I will have to meet it again in case we missed something because we may have done. At this point, I have a question around the AGS that was signed and given to us at the beginning of 2020, and I will ask those questions. The Deputy asked a good question-----

**Deputy Imelda Munster:** The HEA did not know about it until media reports emerged. Can Dr. Wall recall exactly when that was?

**Dr. Alan Wall:** No, not off the top of my head.

**Deputy Imelda Munster:** Can any of the witnesses recall roughly how long ago it was when they discovered through media reports what had happened?

**Dr. Alan Wall:** For me, it is not that long, but I cannot recall specifically.

**Deputy Imelda Munster:** Dr. Wall stated that the HEA was not happy about it and that it was looking to meet the university. Did Dr. Wall state earlier that he is going to meet it next Monday?

**Dr. Alan Wall:** Yes.

**Deputy Imelda Munster:** When was the meeting for next Monday arranged?

**Dr. Alan Wall:** This week.

**Deputy Imelda Munster:** Before the HEA was going to appear before this committee.

**Dr. Alan Wall:** There is that but also it was-----

**Deputy Imelda Munster:** My point is that the HEA has known about it for some time. The meeting was this week arranged for next Monday, yet it has been plastered all over the papers and the representatives of the university appeared before the committee a short while ago. The HEA was in no real hurry to look into the matter, question the university and find out exactly what had happened. It is fair to say there was no real haste on the HEA's part to carry out an investigation. Until Dr. Wall said that, I had planned to ask what investigation the HEA had carried out, and then I realised it had done nothing. Dr. Wall then confirmed that the meeting had this week been arranged for next Monday. The HEA is charged with oversight of governance and Dr. Wall stated that he takes it seriously, but they did not bother their backsides - pardon the phrase - to do anything about it. It arranged the meeting only this week.

**Dr. Alan Wall:** Yes, we arranged the meeting this week but I would not confuse that with how seriously we take it-----

**Deputy Imelda Munster:** How seriously can we take Dr. Wall in regard to his claim to take oversight of governance seriously?

**Dr. Alan Wall:** Very seriously. We wanted to be go carefully through the proceedings of the Committee of Public Accounts and have a sense of what had been said. We wanted to do that before we went into a meeting with UL. It is a reasonable thing to do want to do.

**Deputy Imelda Munster:** The Committee of Public Accounts is one thing. One would imagine the HEA would have had all its ducks in a row before its representatives appeared before the committee. One would have imagined that the HEA would have carried out an investigation into the university in order that it would be able to come to us and tell us it had exercised due diligence, met the board, discovered something and was now carrying out X, Y and Z as a result. It could have told us there were serious issues and questions to be answered, and outlined what it was doing in response. It did not do any of that, however.

**Dr. Alan Wall:** We have not done any of that yet-----

**Deputy Imelda Munster:** That is crazy-----

**Dr. Alan Wall:** I do not want to give the impression-----

**Deputy Imelda Munster:** We are talking about the possibility of serious mismanagement of funds, and the HEA has done nothing about it to date.

**Dr. Alan Wall:** First of all, we did not know about it. Now that we do, we are meeting the university and we are going to take steps. The truth is our investigative powers are limited to non-existent, so we have internally to understand what happened at meetings of the Committee of Public Accounts, through the Official Report, and then put the questions. That is what we will be doing.

**Deputy Imelda Munster:** I think the public and possibly even the media will find it astounding that the HEA has done zippo on this to date, given the seriousness of it.

**Dr. Alan Wall:** That is not true.

**Deputy Imelda Munster:** The HEA has come here with one hand as long as the other, so to speak. It has not set up a meeting or carried out an investigation. It is meeting its representatives next Monday but there is no hurry. It seems to be a case of “What is the hurry here?”, which raises serious questions.

**Dr. Alan Wall:** In fairness, I do not think that is a fair characterisation of what we are doing.

**Deputy Imelda Munster:** In fairness, Dr. Wall has said nothing to convince us otherwise. Does he have any confidence in the leadership of the university to act in good faith and in the interests of students, the community and the Exchequer?

**Dr. Alan Wall:** Those are the kinds of questions we will be asking and we will be going through. That is why we need to take our time and do it properly. I envisage a number of meetings-----

**Deputy Imelda Munster:** Dr. Wall has had ample time to meet them, if that was a cut.

**Dr. Alan Wall:** It was not a cut.

**Deputy Imelda Munster:** There is no hurry on him.

**Dr. Alan Wall:** I disagree.

**Deputy Marc MacSharry:** I welcome the witnesses. We were given evidence at the last meeting that the HEA received a protected disclosure about the Dunnes site. Can Dr. Wall confirm that?

**Dr. Alan Wall:** We did not. The answer to that is “No”. I got a copy of a letter which was a protected disclosure to the chancellor, which we acknowledged. To be clear about this, to get a protected disclosure sent to me which is marked “private and confidential” and says “for your information only” puts me in a kind of strange position in regard to how that is handled. We had a difficulty there and we had ongoing correspondence around another piece of correspondence that we had with the university.

**Deputy Marc MacSharry:** Can I put it another way? I understand Dr. Wall’s difficulties and I understand there are anomalies in legislation and we will get to that shortly. Is it fair to say that, notwithstanding the limitations placed on Dr. Wall by legislation and by previous practice, he was sent information about the Dunnes site that he just was not in a position to use? Would that be fair to say?

**Dr. Alan Wall:** I do not think I was in a position to use it properly, although I could have done something. I want to say something and the Deputy might give me the opportunity to say it. With regard to a reading of that in isolation, having had an annual governance statement, AGS, signed off and having had a meeting with the institution where no governance issues arose, I read it at that point as an issue around HR and being bypassed in terms of decision-making, not as a specific issue around governance of the site. No reading of the letter gives any understanding of an issue around the site, other than fast decision-making. When we looked at it, our sense was that this was a HR complaint and had it been one for us, we would have

treated it as a HR complaint. We knew we would try to get a report. We have been asking for the report since October and we have not got the report, and that is the outcome of that. What we have got is the high-level recommendations, which are around HR, but that is another one of the questions we will have and that we have been working through to try to get some clarity on that. Therefore, no, it was not usable but, also, it was not clear to me on a reading of that.

In fairness, on the question asked by Deputy Munster, reading backwards on a whole range of things is changing our perception of a number of things that have happened. We have limited powers. As the Deputy knows, we have no investigatory powers and there are very limited things we can do, and we rely on the statements we are entitled to. Reading backwards from where we are is why we are preparing to take a long, hard look at a number of engagements with the university.

**Deputy Marc MacSharry:** I let Dr. Wall finish but we are getting repetitive.

**Dr. Alan Wall:** I beg the Deputy's pardon.

**Deputy Marc MacSharry:** Here is how it looks to me. A protected disclosure was made in the University of Limerick, UL. Pressure was applied. Some of the protected disclosure was withdrawn. I have a kind of conspiratorial mind and I feel pressure was applied to do that. I sympathise with the limitations on the HEA but I am not happy about this. What new powers will the legislation give the HEA?

**Dr. Alan Wall:** Specifically, I do not know, but we have the heads of a Bill and maybe-----

**Deputy Marc MacSharry:** We have the heads of a Bill but we are a long way from the Bill.

**Dr. Alan Wall:** As the Deputy knows, we have difficulty getting data for institutions because GDPR has confused that, so regarding the capacity to get data or the capacity to apply penalties at some level where there is non-compliance, we do not have any of that. What we have, effectively, is a number of agreements which do not have underpinning. Therefore, it will underpin things like an annual governance statement and financial declarations. In fairness, if the Deputy does not mind, I will defer to Mr. Beausang on the detail.

**Mr. William Beausang:** The principle underpinning the Bill is to provide explicit powers for the HEA to carry out roles it is already carrying out in a significant way. That is a significant objective and a significant priority in the Bill. In regard to how we address concerns about governance issues in institutions, in the published heads a number of steps are being proposed that would be captured in the legislation, that is, a kind of an escalation path, I suppose, in terms of what would happen in a scenario like the one we are talking about this morning, where there was a concern around governance in an institution. They would include the provision of expert assistance, putting-----

**Chairman:** The Deputy has one minute left.

**Mr. William Beausang:** Sorry, I am out of time.

**Deputy Marc MacSharry:** Was the HEA in any way involved in the appointment of the previous president of UL? Was it consulted on it? Was it aware of the recruitment process? Very specifically, was it aware that the selection process for short-listing was not followed?

**Dr. Alan Wall:** I am not aware of it. I do not know but I doubt the HEA was aware.

**Deputy Marc MacSharry:** It seems the successful candidate's CV was never provided to the governing authority's short-listing selection committee. I would also like the HEA, to the extent that its powers allow, as limited as they are, to examine the integrity of the current process to recruit a permanent president.

**Chairman:** The time is up.

**Deputy Marc MacSharry:** I am just finishing and I will not come back in. There is an interim president at the moment. It is a matter of concern to me that the corporate secretary to the board reports to the chief corporate officer, who was in with us, a Mr. Flaherty, and Mr. Flaherty did not go through a recruitment process and was appointed by the interim president. I think the integrity of the recruitment process is, therefore, compromised and I think that none of the above should be involved. That is a personal view, based on evidence given to us on the last day. What will the HEA do about it? What can it do about it? Would this not concern it?

**Dr. Alan Wall:** Because I am not in the precincts, let me say that these are issues, and we have more than one issue to discuss with UL arising out of the things we heard.

**Deputy Marc MacSharry:** Why is Dr. Wall not on the precincts, by the way?

**Dr. Alan Wall:** It never occurred to me to be, to be honest.

**Deputy Marc MacSharry:** When Dr. Wall got his invitation, was he not told he would only have qualified privilege by not being here?

**Dr. Alan Wall:** It did not occur to me, to be honest.

**Deputy Marc MacSharry:** It would not have occurred to me either, but they do not let us go to the loo here without writing to us.

**Dr. Alan Wall:** I will not do it again.

**Deputy Marc MacSharry:** It would surprise me if they did not write to Dr. Wall to tell him. Did they not advise him of that?

**Dr. Alan Wall:** No, they did not.

**Deputy Marc MacSharry:** Perhaps it is my conspiratorial mind but was it tactical?

**Dr. Alan Wall:** No, it was not. I will not do it again.

**Deputy Marc MacSharry:** Please do not.

**Chairman:** Dr. Wall, I want to say-----

**Dr. Alan Wall:** I am happy to say that, as we go through this process, I am happy enough to brief the committee in confidence anyway.

**Chairman:** The witnesses have been advised that they do not have the same level of privilege by not being on campus. It is the choice of the witnesses whether they should be on campus or not. That is the choice of the witness. However, it is a fair question for the Deputy to ask.

**Deputy Marc MacSharry:** If it is the choice of the witness, that further undermines our position. We know about Standing Orders and we know about the two-hour limits. I am not accusing Dr. Wall and I simply pose the question. There is now the ability to tactically decide

that if one does not turn up to the precincts, one can hide behind the fact one does not have privilege, which is not acceptable to us.

**Dr. Alan Wall:** There is no tactic being used here. In fact, I have only at one point invoked the privilege issue.

**Chairman:** I have a couple of questions for Dr. Wall. In his opening statement, he said the HEA also had responsibility for the effective accountability and oversight of governance in HEA-funded higher institutions and that it takes the responsibility very seriously. Deputy Munster dealt with some of this. One of the authority's main functions is as the funding body for the different institutions. In the year that concerns us, €1.4 billion went to those institutions from the HEA and there was a deficit of €4 million in Limerick. UL got €47 million in special grants in 2019. Can Dr. Wall confirm what I have just said? Am I correct as regards the HEA's role? The €1.4 billion was mentioned in the Comptroller and Auditor General's opening statement so we can take that as read. Am I correct about the State grants of €47 million in 2019 and that Limerick had a deficit of €4 million?

**Dr. Alan Wall:** I do not have the figures in front of me but I imagine that is correct. If it is not, I will come back to the Chairman. It sounds correct.

**Chairman:** We will take it that is the case. UL submitted an application for approval for the opera house site to the HEA in 2019. In fact, it submitted it three days before it moved to the Dunnes Stores site. Is that correct?

**Dr. Alan Wall:** No. I need to be accurate here. UL does not submit anything to us for approval. It makes an application for funding and describes the elements of that funding but it requires no approval from us for the purchase of land under the Act. The bottom line is that it was not looking for approval to purchase land. It was apprising us of its change of mind about the shape of its application in a competition for funds.

**Chairman:** The HEA's role seems to be just to write the cheque. Before I write a cheque, which would be for a much smaller sum, I want to know where the money-----

**Dr. Alan Wall:** We did not write any cheque for it. No money was paid for that.

**Chairman:** I ask Dr. Wall to bear with me for a second. UL had submitted a detailed plan to the HEA for the opera house site just three days before the decision was made. Can he confirm that is correct?

**Dr. Alan Wall:** Yes.

**Chairman:** Suddenly, three days later this was changed. Is Dr. Wall aware that this came before the governance board three days after UL submitted the application to the HEA? I am reliably informed that the board was told the deal had to be done by that evening. It appears that most members of the board were not aware of the Dunnes Stores site. As far as they were concerned, they had assembled to discuss the opera house site and other matters and they were told a decision had to be made that day because the owner of the site, Margaret Heffernan, would not wait beyond that evening. Was Dr. Wall aware of that?

**Dr. Alan Wall:** No, I was not.

**Chairman:** When he meets with the officials from UL next Monday, will he put this to them?

**Dr. Alan Wall:** There is a range of things we will put to them. Whatever about the issues around the site and what we knew or did not know in April 2019, what we did know we knew in the context of an examination of a capital application that was not successful. No funding was given for this. We have no approval rights as regards land. We get a letter saying the board has approved something or that it has changed its mind. It is an institution and has authority-----

**Chairman:** Sorry-----

**Dr. Alan Wall:** The board has the remit to do this. It tells us that. We would not end up following it up anyway because it would be discarded in terms of the competition.

**Chairman:** Just a moment. What Dr. Wall just said about getting a letter is incredible. This university received €47 million in grants and had a deficit of €4 million that year. There were clearly issues arising from a range of matters and the HEA does this on the basis of a letter. Surely to God, as-----

**Dr. Alan Wall:** What do we do on the basis of a letter? The point is that nothing happened here. It told us-----

**Chairman:** Wait until I put the question, please.

**Dr. Alan Wall:** It did not get any funding on the basis of this.

**Chairman:** I want to ask Dr. Wall the question.

**Dr. Alan Wall:** I beg your pardon.

**Chairman:** Why would the HEA not require a detailed plan and a full development of costs for any site before writing the cheque? I find it incredible that the HEA would deal with things in such a casual manner. This is not buying sweets at the corner shop. This is millions of euro of precious taxpayers' money, which seems to be thrown around like confetti on the basis of letters received.

**Dr. Alan Wall:** We would take that very seriously. That is not the issue here.

**Chairman:** As Deputy Munster has extracted from you-----

**Dr. Alan Wall:** The money had been spent. The board had no obligation to tell us about this. For us, the issue that arises from this, and the reason we need to be very careful about what we do next and the questions we ask, is around governance and other matters as we read these things backwards. There was no money expended. Had we awarded some money in the process, due diligence would have been done about things like site and so on. That would have been done but it was not because that did not happen. UL had bought the site and we moved on.

**Chairman:** Did you raise questions?

**Dr. Alan Wall:** It was a university decision. The question that arises for us is not about the expenditure of money but about the governance arrangements around it.

**Chairman:** Did anyone from the HEA ask why UL was changing horses halfway through the race? It ditched the opera house-----

**Dr. Alan Wall:** That does not appear to be the case. To be honest, I was not here at the time. I am not using that as an excuse but I cannot talk in detail about what happened at the time

because I do not know.

**Chairman:** Will Dr. Wall put that question to UL and come back to us?

**Dr. Alan Wall:** Absolutely. I will be coming back to the committee.

**Chairman:** Please come back to me with a note on that. I would love to know its explanation for why that happened in a three-day period and why members of the governance board were brought in that morning and faced with having to make a decision by that evening. Obviously I was not sitting at that meeting myself - it would be an interesting place to be a fly on the wall - but I am reliably informed that is what they were told. They were pushed by senior people in the university and told that this had to be done by that evening because of the owner of the site. Please put that question and come back to me.

As regards the Dunnes Stores site, Deputy Munster fleshed out the issues around the timelines not being met. I cannot get my head around the fact that this has been going on for a long time. I have been aware of it for a considerable period, as have the media. People have been reading about it in newspapers and there have been numerous interactions around it. Why has the HEA not acted before now to get a handle on what is going on down in UL? I find that incredible. It is unacceptable that on the week the HEA comes before the committee, it suddenly decides it will meet with UL next Monday. The red flags are up. There is not one red flag; there is a bundle of them and they have been there for a long time. I will come back in with other questions later.

I will let Deputies in for three minutes each. If they want to come in, I ask them to put up their hands. I call Deputy Catherine Murphy.

**Deputy Catherine Murphy:** The third level sector was very much a feature of the previous Committee of Public Accounts. In fact, "Prime Time" did a special report on it. There were conflicts of interest and problems with things like spin-out companies and how the accounts were presented. Dr. Wall spoke about taking people on trust. I certainly would not take this sector on trust. Taking it on trust is a box-ticking exercise. The previous committee concluded that the HEA was toothless, as did I, and I stated that on numerous occasions. The HEA itself accepts that and that is why the Government is bringing in new legislation to increase its powers. That needs to happen. One can only work with what one has. Governance is the one area where the HEA has a role. Dr. Wall spoke at the beginning of the meeting about the Dunnes Stores site. I know it was not funded - Dr. Wall has told us that - but he told us that the HEA would take it on trust. He spoke about reading things backwards from now. Was any attention paid to the previous hearings of the Committee of Public Accounts with regard to this sector? It is a sector that is likely to feature in this committee's meetings again. I wish it was not. I wish it would clean up its act but we continue to see matters arising. Is the HEA taking it on trust?

**Dr. Alan Wall:** No. To be clear, I was trying to get to trusting but verifying, which is a standard approach in governance. One trusts but one verifies. I will tease out a couple of these issues. I know we do not have much time but I ask the Deputy to bear with me. In my 20 months here, we have been involved in tightening up the governance arrangements as much as possible without legislation. The oversight agreement is much more specific about what bodies sign off on when they get money from us. The annual governance statements are much more specific and we require sign-off on very specific issues. As the Deputy will be aware, the issues she has raised, such as the issues of spin-out companies and intellectual property, have all been subject to rolling reviews and changes have been made that have affected the annual governance

statements. However, there can be frustration because, even if one sees red flags such as the Chair has mentioned, our capacity to act is very limited. We have seen this in respect of other investigations we were required to carry out and which we could not. I do not know enough yet because I have to ask direct questions but I am not happy. The Deputy is right about the sector. We need to move towards legislation so that we can be less toothless. “Toothless” is not an unfair term to use. The committee will have heard the frustration of other CEOs before me with regard to what we do not have capacity to do. We are in very close dialogue with our parent Department about our own resources. Our internal systems are not great for gathering information. There are things for us to learn from this. We need to watch that. I do not want to take up the Deputy’s time but, overall, we are not happy. We want to see improvement. We need a strengthened legislative basis.

**Deputy Catherine Murphy:** The universities know this legislation is on the way. Has there been a cultural change, even with regard to the definition of employment? There has been some very precarious employment. In parts of the sector, there are much poorer levels of secure employment than in even the preschool sector. Some of it is deplorable. Is Dr. Wall getting the impression that they are changing, even in defining precarious employment, zero-hour contracts and so on? Some of it is of a very poor standard.

**Dr. Alan Wall:** With regard to changing culture, it will not happen overnight. I take the committee’s criticisms but we are being more forensic in how we deal with things. That has certainly been the case over the past two years. We are as worried about precarious employment as we understand the committee to be. We have been very frank that we do not have the data to back this up. We have engaged with the Irish Universities Association, IUA, and the Technological Higher Education Association, THEA, with a view to agreeing a definition so that we can go out and get very specific answers as to the kind of employment that is out there and from where it is paid. That is another issue which has arisen. Is this employment paid through payroll or other means? It may have to do with a registered student who is at an event while in some cases senior counsel may be involved. As we said, we are also getting returns about other things as regards overtime allowances and so on. We are going to get very specific about the questions. We have not asked them before. We should have known but did not. That is what we are trying to do with regard to occasional hours.

**Deputy Alan Dillon:** I will be very brief. Dr. Wall mentioned weaknesses in the HEA’s internal systems. Will he explain the HEA’s procurement systems for external service providers? As an example, Mazars completed the working group’s report. Will Dr. Wall explain how the HEA procured its services?

**Dr. Alan Wall:** I will defer to Ms Cunningham, if the Deputy does not mind, because she has the detail on it.

**Ms Pearl Cunningham:** We ran an open tender process for those services.

**Deputy Alan Dillon:** What was the overall cost?

**Ms Pearl Cunningham:** Mazars came back with a daily price. When we ask it to do a review, we agree terms of reference and the number of days to be spent on the assignment in advance.

**Deputy Alan Dillon:** Were the authors of the report generated aligned with the HEA in any way? Were they ex-employees? Were they completely independent of the HEA?

**Dr. Alan Wall:** They were independent.

**Ms Pearl Cunningham:** They were independent, yes.

**Deputy Alan Dillon:** Was that so in this specific case?

**Dr. Alan Wall:** Yes, they were independent.

**Deputy Alan Dillon:** Will the witnesses come back to me with a note on the overall cost?

**Dr. Alan Wall:** Absolutely.

**Ms Pearl Cunningham:** Yes.

**Deputy Imelda Munster:** Dr. Wall said earlier that he envisages smaller competency-based boards in the future. Does he have an opinion on the expansion of the University of Limerick's board, the creation of new positions and the significant increase in the number of staff earning more than €180,000? Is it Dr. Wall's opinion that he wants to see smaller competency-based boards in future?

**Dr. Alan Wall:** These smaller competency-based boards relate to what is in the legislation. The legislation says that is what is going to happen. That is what happens with organisations like this in the modern day. I do not have a view on the internal terms and conditions. We generally would not have a view but I will be asking about them. That will be one of a range of questions asked in the meetings we will be having.

**Deputy Imelda Munster:** I have one other question for clarity. Am I right in saying that, when the application for funding was submitted by the University of Limerick, it was for the overall project?

**Dr. Alan Wall:** It was for the development, yes. It was not for the site at all.

**Deputy Imelda Munster:** Was that application ever approved?

**Dr. Alan Wall:** No.

**Deputy Imelda Munster:** What was the reason for that?

**Dr. Alan Wall:** I do not know. It happened before my time. There was a competition for capital expenditure under the higher education strategic infrastructure fund, HESIF. I believe it came fifth in a competition in which four projects were awarded funding. I do not have sight of that. I do not have detail on it yet.

**Deputy Imelda Munster:** Is it possible to get information on that?

**Dr. Alan Wall:** I can certainly see what we know, yes.

**Deputy Matt Carthy:** During my previous contribution, Mr. Beausang touched on the role of the executive director at the technological university for the south east. Will he take this opportunity to outline the precise role of the Department in that appointment? Will he comment on the need for the role?

**Mr. William Beausang:** The objective to establish technological universities was set out in the higher education strategy in 2011. As we came to 2018 and 2019, despite significant funding having been allocated to support that objective and to build capacity in the institutions,

we were encountering very serious difficulties in delivering on that objective or vision. Technological University Dublin, TU Dublin, had been established by the amalgamation of three institutions from the beginning of 2019 and a single person chaired the governing body of each institute. It was our assessment that leadership could be provided by one individual representing the role of the institution to be rather than, as would be the case in other circumstances, existing presidents, who have to be conscious of the interests of their own institutions. When the Munster technological university consortium ran into difficulties in getting its application over the line, we recommended that it find an individual to discharge the type of role played by the chairs of the governing bodies of the three institutions that were ultimately established as TU Dublin. Independently of the Department, the two institutions, Cork Institute of Technology and the Institute of Technology, Tralee, appointed Tom Boland to that role. He worked with the institutions, their staff and student representatives to secure the successful designation of Munster Technological University. When we turned our attentions to the long-standing issues with the technological university for the south east, we made the same suggestion to the two presidents, who provided us with a list of individuals they believed could fulfil that role. In order to support the process, we met with three people and for various reasons, none of those individuals wished to take up the role. The two institutes then identified Mr. Tom Boland, given his experience and performance in the Munster Technological University, as an appropriate person to discharge that executive leadership role in TUSEI. To be fair, he is only just one person working with the institutions, their staff, the project team and a large number of working groups to successfully secure the submission of an application for the establishing of a technological university, which I understand will be assessed by the international panel from the beginning of July. I hope we are on a time path to the establishment of a really important strategic objective in the south east, a technological university that we hope can be transformative in terms of regional development needs.

**Deputy Matt Carthy:** On the timeframe, essentially there was a process being undertaken by the Department and that process did not resolve the issue or identify a successful applicant so another applicant was chosen without a process by the institutions. Is that the case? Is that position still warranted in the Department's view or for how long does it consider the position of the executive director to be necessary?

**Mr. William Beausang:** The Department is just a facilitator or somebody opening the door to individuals for the two institutes. There were four individuals that had been identified for us as meeting their requirements. We were just involved in initial discussions. If any of those individuals wished to proceed further, we would have got them in touch with the two institutes to work through the formal arrangements in terms of appointment, procurement and whatever else. That was the Department's role in context.

The Deputy also asked about the role going forward. That is a role in the context of the transition and developing an application, working with stakeholders to ensure that application is as strong as possible. It is not an ongoing role. It is completely distinct from the set of matters around the kind of structure that the new technological universities will need to put in place to meet the very ambitious objectives that the Government will have set for them and which they have set for themselves through their own work and strategies.

**Deputy Imelda Munster:** The committee recently received correspondence about the ice rink owned by Dundalk Institute of Technology, DKIT. It appears DKIT let this sit idle for years and apparently it is now seeking to commercialise it. There was a standing offer for years that would have yielded a return and provided a public service. In providing funding to an in-

stitute under the authority's remit, does it have any scope at all to suggest any possible actions that might provide a good public service with projects? Would the authority have an opinion on something that has been allowed to sit idle for years when there were offers that would have brought in some funding? Does the authority have an opinion on why the institute would do it?

**Dr. Alan Wall:** We would have had an opinion on the ice rink and expressed it, in fairness, over the years. To contextualise this a bit, the institute acquired the ice rink in an overall package, 80% of which is being used by the student body all the time. This is 20% of the overall package. As I understand it - and this is where my limits are - there have been ongoing negotiations. Ms Nugent may have further information. Those negotiations reached a certain point with one organisation but it did not succeed and the process has moved to another party. Overall, we have made suggestions over the years about the ice rink. In general, 80% of what was bought is being used appropriately.

Dundalk Institute of Technology has an issue in that we would like to see better income from it and we have certainly spoken about that. Perhaps Ms Nugent has further information on the ice rink?

**Ms Orla Nugent:** Dundalk Institute of Technology is in discussions with parties to lease the ice rink and then it will revert to the Higher Education Authority. There is an ongoing conversation with the Dundalk Institute of Technology and the process is being whittled down.

**Deputy Imelda Munster:** I thank the witnesses. An ice hockey team is looking for it and it would have provided a service or benefit as there are not too many ice rinks in the country. Out of curiosity, would there have been any benefit had the institution been able to claim it hosted a high-profile sports team? Would it have assisted the institution had it taken the offer at the time?

**Dr. Alan Wall:** No. It would not have been of assistance, to be honest, because there are certain research or doctoral metrics etc.

**Deputy Catherine Murphy:** I refer to the information on employment. Has that been forthcoming from the various institutions and colleges? The previous Committee of Public Accounts got detailed information because we probed the ratio of permanent to temporary contracts. We are not talking about visiting lecturers but people who are being exploited. For example, they do not get holiday entitlements or anything like that. We are then wondering why standards are slipping and institutions are falling down rankings etc. because there is very little research backing up contact hours and so on and so forth.

How forthcoming are the universities because we had to really drag this out by forensically examining elements? We saw a very inappropriate ratio as a result. Are these institutions forthcoming?

**Dr. Alan Wall:** Yes, they are. In my correspondence to the committee I more or less indicate that we were not asking the right questions or perhaps we thought we were asking one question but they were answering another because of a lack of a common definition. During our meeting with the Irish Universities Association and the Technological Higher Education Association, we agreed to sit down and move through a number of definitions so as to get very specific answers to very specific questions, with a shared agreement on meaning. To answer the Deputy's question, I have no sense there was any kind of resistance to this. It is more a language thing and we must ensure we get the questions right.

We want to know about the number of registered students related to occasional hours. We

do not want to see overtime and consultants or procured services as occasional hours. We want to know what are occasional hours. It was a matter for us to clarify what we meant. The committee helped us to clarify our thinking because we were going to respond in a certain way but we stopped because it did not shed light on the matter. It is an issue for us and the questions we were asking. We are not getting any sense from those institutions that they are resisting.

**Chairman:** I have one or two other questions on the financial statements from 2019, specifically board members using expenses. There were two interesting elements. One is that a board member is based in the US. Would that member attend board meetings?

**Dr. Alan Wall:** Yes, that member physically attended in that year, from what I understand. Much of that depends on flights in and out. The individual involved is a very important part of our board and brings international perspective to many matters. It is not unusual for the board of the HEA, as I understand it, to have international experts appointed to it. That is where the expenses arise. During the pandemic-----

**Chairman:** That person is still on the board.

**Dr. Alan Wall:** That person is still with the board.

**Chairman:** What kind of expertise does the member have?

**Dr. Alan Wall:** The member has major expertise in the administration of third level education in the United States.

**Chairman:** That level of experience was not in the country or Europe?

**Dr. Alan Wall:** We do have someone else from within the European Union on the board. It is to bring a more global sense of expertise. We have both.

**Chairman:** There is one based in Britain.

**Dr. Alan Wall:** There is one based in the UK, yes.

**Chairman:** Is that the one that Dr. Wall was referring to in the EU?

**Dr. Alan Wall:** Yes.

**Chairman:** Formerly of the European Union, obviously, with Brexit. What would the expenses typically be? There is €17,274.

**Dr. Alan Wall:** For flights, yes, and overnights.

**Chairman:** That is for flights back and forward.

**Dr. Alan Wall:** Yes.

**Chairman:** On the expenses incurred by the universities, while we do not expect the HEA to micromanage, we would expect that where clear red flags are shown that it would intervene, question, take note of and examine what was happening.

Moving to the HEA itself, the former chief executive had a benefit-in-kind of €9,270 paid on a car for a previous CEO of the HEA. Did the HEA provide a car on an interim basis?

**Dr. Alan Wall:** I do not know the details of the former arrangement. I could find out.

**Chairman:** Does the HEA do that now?

**Dr. Alan Wall:** No.

**Chairman:** Okay, I thank Dr. Wall for clarifying that.

On staff contracts, the HEA told the committee in correspondence that the total staffing in the universities is 17,304 staff, of whom 11,191 are permanent and 6,102 are temporary. I was surprised by the figure. We are not dealing with a fast-food outlet or temporary stalls for Christmas. We are dealing with third level institutions. If the HEA is going to be given more powers, that is one area that it might get into. It is something that surprises a lot of people, including students. Over the years, I have spoken to many people in universities who are employed in jobs that operate on an if-and-when-we-need-you basis. They do not have any great contracts or security. The hours are very *ad hoc*. They may have limited hours of nine or 11 hours a week. They are expected to be available if-and-when needed. We have seen the levels of pay enjoyed by senior staff, in relation to University of Limerick, for example, where several people were on over €180,000. These are lecturers and highly qualified people and it is an area that we have to deal with. Dr. Wall may say there are issues around funding for the sector. They have been touched on here today and we understand that but we have to try to make this more secure and more regular for people with more regular hours. In the county I am from, County Laois, there are people who work in third level institutions. I was surprised at the hours available to them, the level of pay and the *ad hoc* nature of the pay. There did not seem to be any set pay for the hours they work. I was very surprised that people who are highly qualified, having spent years studying in university and who have high academic achievements, end up employed on a very casual basis. There are people working in fast-food outlets who have better terms and conditions. It is an area to which the HEA and the Department need to pay attention.

**Dr. Alan Wall:** It is important, to respond to comments of the Chair and Deputy Catherine Murphy, that we get to the bottom of what the employment landscape looks like. I suspect that will be part of any ongoing work.

**Chairman:** I thank Dr. Wall. I thank the witnesses for joining the committee and the staff at the HEA for the work involved in preparing for the meeting and the information provided to the committee. As always I thank the Comptroller and Auditor General and his staff for attending and for assisting the committee in preparation today.

Is it agreed to request the clerk to seek any follow-up information and carry out any agreed action arising from the meeting? Agreed.

Is it also agreed that we note and publish the opening statements and briefing provided for today's meeting? Agreed.

*The witnesses withdrew.*

### **Business of Committee**

**Chairman:** Some Deputies are on the working group on Standing Orders. We had hoped to meet online at 12 noon.

**Deputy Marc MacSharry:** Is it 12 noon or 1 p.m. I am a bit confused?

1 JULY 2021

**Chairman:** I understand that the clerk sent the notice out for 12 noon.

**Deputy Marc MacSharry:** Not that it would be tactical but must I be in the precincts?

**Chairman:** No, that is not necessary. I can see that the Deputy is in the Lough Gill suite in Leinster House.

**Deputy Marc MacSharry:** I am but I might make my way in the direction of the mountain behind me while I am having that meeting later.

**Chairman:** I know but the Deputy might take his time for half an hour, if he can. We would like to have him here for the meeting.

**Deputy Marc MacSharry:** Okay.

The committee adjourned at 11.37 a.m. until 9.30 a.m. on Tuesday, 6 July 2021.