

MINUTES

Board/Committee	:	Governing Authority
Meeting	:	Meeting M24-3
Venue	:	Boardroom, LISB
Date	:	28 March 2024
Attendance	:	Grainne Barron; Ronan Cahill; Liam Carroll; Roger Dsilva; Donal Donovan; Garret FitzGerald; Kevin Fleming; Ann Marie Kennedy; Shane Kilcommins; Brigid Laffan (Chair) Edmond Magner; Aibhlín McCrann; Anne O'Connor; Sinéad O'Flanagan; Emily Rosenkranz; Mark Southern; Bob Strunz
Apologies	:	June Pearson Arnold; Kerstin Mey
In Attendance	:	Grainne Frain; Ciara Hogan; John Kelly.

1. GENERAL

- 1.1 NOTED The Chancellor informed members that Mr JP McDowell, Managing Partner, Fieldfisher was attending the Governing Authority meeting in an advisory capacity and would provide legal advice to the Governing Authority in relation to matters concerning the Rhebogue acquisition. The advice given by Fieldfisher during the course of the meeting are legally privileged to the Governing Authority.
- 1.2 NOTED The Chancellor, before the Governing Authority meeting, took the opportunity to address the campus community in the University Concert Hall in order that she could hear and convey concerns raised to members. Approximately 700 attended in person and 500 joined on-line.
- 1.3 NOTED The Chancellor conveyed congratulations to Mr Liam Carroll [REDACTED] and this was reiterated by the members present.

2. CONFLICTS OF INTEREST

- 2.1 NOTED The Corporate Secretary requested members to declare if they had a conflict of interest arising in relation to any matters on the agenda. None were declared.

3. MINUTES AND MATTERS ARISING

- 3.1 AGREED The minutes of Governing Authority M24-2 of 27 February 2024 as presented.

4. GOVERNING AUTHORITY ACTION ITEMS

- 4.1 NOTED Document entitled "Sixth Governing Authority Action Items to March 2024 Meeting", previously circulated.

5. APPOINTMENTS

5.1 Academic Staff Appointments

- 5.1.1 AGREED In accordance with Section 25(1) of the Universities Act, 1997 to appoint [REDACTED] in Education with Special Education Needs on a [REDACTED] basis.

5.2 Support Staff Appointments

- 5.2.1 AGREED In accordance with Section 25(1) of the Universities Act, 1997, the filling of the following staff posts:

[REDACTED]	Educational Developer – Academic Integrity
[REDACTED]	Administrator – Reception (School of Medicine)
[REDACTED]	Senior Administrator
[REDACTED]	Instructional Designer (Digital Skills)
[REDACTED]	Accreditation Officer – KBS
[REDACTED]	Technical Officer, Chemical Sciences
[REDACTED]	Educational Technologist
[REDACTED]	Administrator
[REDACTED]	Administrator
[REDACTED]	Business Process Specialist
[REDACTED]	Senior Technical Officer, School of Medicine Research

5.3 Promotions

- 5.3.1 NOTED Memorandum from the Director, Human Resources entitled “Academic Promotions”, dated 28 March 2024, previously circulated.
- 5.3.2 NOTED Academic Promotions from Associate Professor B to Associate Professor A recently approved by the President on the recommendation of the University’s Promotions Board.
- 5.4 NOTED Research funded contract appointments for March 2024 as circulated.
- 5.5 NOTED The appointments that were approved by Governing Authority through email since the last meeting in February 2024 as set out in the memorandum.

6. PRESIDENT’S REPORT TO GOVERNING AUTHORITY

- 6.1 NOTED Document entitled “President’s Report to Governing Authority – March 2024”.

7. STUDENT RELATED MATTERS

7.1 Student Life Report

- 7.1.1 NOTED Document entitled “Report of UL Student Life for the Governing Authority as of 19/03/2024”.

7.2 Postgraduate Students' Union Report

- 7.2.1 NOTED Document entitled "Report from UL Postgraduate Students' Union to Governing Authority", dated 28 March 2024.

8. STUDENT ACCOMMODATION RHEBOGUE

- 8.1 NOTED The following documentation was previously circulated:
- "Report to the Audit and Risk Committee – Review into the acquisition of property by the University at Rhebogue", Niamh O'Donoghue dated 23 March 2024;
 - Power Property "Subject to Legal Privilege" "Commercially Sensitive" Report & Valuation 20 Residential Units, Drominbeg Square, Rhebogue, Report dated 11 March 2024;
 - Mazars, University of Limerick FRS 102 "Value In Use" Draft Report, Property: Nos 1-20 Drominbeg Square, Rhebogue, Co Limerick, 27 March 2024;
 - HEA letter to Chancellor, Ref: S.64 Review of Matter and Report to the HEA, dated 26 March 2024;
 - Response by Chancellor to HEA letter dated 26 March 2024;
 - ARC Letter to Chancellor re Report to the Audit & Risk Committee, dated 27 March 2024;
 - Memorandum from DMPR and Financial Controller re "Draft Impairment Review Rhebogue" dated 27 March.

Ms O'Donoghue, External Reviewer joined the meeting for this agenda item.

- 8.2 NOTED Briefing by the Interim Chair, Audit & Risk Committee (ARC) around the context, approach, terms of reference and timelines regarding the request from the Governing Authority on 18 December 2023 to undertake a review of the purchase of the Rhebogue Properties. The External Reviewer, Ms Niamh O'Donoghue attended ARC meetings on 20 and 27 March 2024 taking members through her progress (20 March) and subsequently completed detailed Review Report (27 March) and responding to any questions. The Review Report was prepared using documentation provided to and/or requested by Ms O'Donoghue including replies to questions posed by her. It was a fact-finding review and was predominantly paper based. The Reviewer only spoke to the ARC chair and to the appointed contact persons during the course of her review. The ARC agreed at their meeting on 27 March 2024 to accept the Report, noting Ms O'Donoghue was agreeable to brief the Governing Authority in the same manner as the ARC to ensure transparency. ARC members made a number of observations in a letter to the Chancellor which was previously circulated to members and as noted in 8.1 above.
- 8.3 NOTED The appreciation of the Chancellor and the Governing Authority was expressed to both the ARC and Ms O'Donoghue for the level of work undertaken in such a short timeframe.
- 8.4 NOTED Ms O'Donoghue gave a brief overview of her background and familiarity with the rigours that apply with regard to the C&AG and Departmental oversight and her overview of the Report included the following:
- Background to commissioning of the review into the Rhebogue acquisition.

- Work undertaken through paper-based review of the acquisition from the time of the original proposal to-date. Various questions raised were addressed to relevant persons by the Internal Auditor and responses were considered along with the initial digital folder of papers provided.
- Section 3 set out the appropriate policies and procedures, etc. that were taken into consideration.
- Section 4 outlines the proposal made to UL regarding the acquisition.
- Section 5 detailing the main sequence of events following receipt of the proposal.
- Section 6 considers the application of policies and procedures in this instance.
- Section 7 examines area of contention that have arisen in relation to the matter some raised by the Reviewer and some by the ARC.
- Section 8 summarises the conclusions of the Reviewer.

8.5 NOTED Certain concerns were expressed by members of the Authority:

- Chancellor concerned that “special” meetings of Executive Committee, FHRAMC, and Governing Authority were called to progress such a sizeable capital investment.
- An absolute obligation on the University to undertake appropriate due diligence [REDACTED]
- The campus community earlier today expressed their distress, anger and frustration about the Rhebogue acquisition there has been volumes of adverse publicity (running to several hundred pages – print off was furnished to the Chancellor) over multiple media platforms.
- Ms O’Donoghue raised a series of questions with the Internal Auditor who directed them appropriately. [REDACTED]

- [illegible]

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- [REDACTED]

- 8.6 NOTED The Chancellor briefed members on the HEA letter she received dated 26 March 2024 which outlined several urgent matters of concern including but not limited to Governance Issues, Procedural/Business Case, Value for Money and Due Diligence. As a result, the Governing Authority has now been requested under S64 of the HEA Act to undertake a review of these matters as well as of the general governance and culture of the organisation. On their review of the Report on Rhebogue, the HEA will meet with UL. HEA will exercise considerable oversight over this process and will confirm with the Governing Authority the full terms of reference for the S64 request. The HEA has already commenced a preliminary examination into the Rhebogue acquisition. Given the significance of these issues the HEA had decided it is appropriate that the UL Capital Programme be paused pending further discussion.
- 8.7 NOTED The Audit & Risk Committee at the request of the Governing Authority will consider the Student Centre Remedial Project in the context of the HEA's correspondence.
- 8.8 AGREED The Governing Authority to receive updates on capital projects.
- 8.9 NOTED Members thanked Ms O'Donoghue for her care in undertaking the Report in challenging circumstances [REDACTED]
[REDACTED] Ms O'Donoghue left the meeting.
- 8.10 AGREED To accept Ms O'Donoghue's Report as presented.

8.11 Impairment Review

- 8.11.1 NOTED Memorandum from DMPR and Financial Controller re "Draft Impairment Review Rhebogue" dated 27 March 2024. The DMPR joined the meeting for this item.
- 8.11.2 NOTED Briefing by the DMPR including the following:
- Background including a draft impairment review presented to Executive Committee and ARC on 20 March 2024 and will remain draft until Mazars Value in Use Report (VIU) is finalised and shared with ARC. The University's external auditors, PwC, commenced auditing the impairment review and PwC feedback is awaited prior to finalising the process. The timing of the finalisation of the review directly impacts completion and approval of the Financial Statements YE 30 September 2023. An update on timeline was set out in the memo.
 - The purpose of the impairment review is to assess if the carrying value of the asset is recoverable. FRS102 defines the "recoverable amount" of an asset as the higher of an asset's fair value less costs to sell and its value in use.
 - Fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Power Property valuation dated 11 March 2024 assessed that the market value of the houses at 30 September 2023 is €6,585,000.

- Value in use is the present value of the future cash flows expected from the asset. Present value involves estimating future cash inflows and outflows to be derived from the continuing use of the asset and from its ultimate disposal and applying the appropriate discount rate to those future cash flows. Mazars estimate the value in use for the asset at 30 September 2023 is €7,425,000.
- The carrying value of the asset at 30 September 2023 is €12,650,124. The higher of the fair value and value in use is the value in use of €7,425,000. The difference of €5,225,124 between the carrying value and the recoverable amount (VIU) is the amount of the impairment that is required to be reflected in the Financial Statements YE 30 September 2023. The impairment is reflected in the Financial Statements of Plassey Trust Company and in the Consolidated Financial Statements for YE 30 September 2023. It is funded in PTC from profits from the current year and reserves from prior years.
- The draft Consolidated Financial Statements have been amended to reflect this impairment. Further amendments relating to the Annual Governance Statement and the Statement on the System of Internal Controls may be required to reflect the findings of the review into Rhebogue.
- The impairment review outcome has been shared with PwC and the C&AG with whom there has been regular engagement during the review. The C&AG audit is ongoing and on 14 March 2024 the President received a letter from the C&AG regarding Rhebogue. [REDACTED]
- [REDACTED] The letter indicates the subject matter of the communication may form part of a Report of the C&AG under the Comptroller and Auditor General (Amendment) Act 1993. A reply has been requested by 4 April 2024.
- A summary of the Power Property market value and Mazars VIU including key assumptions was set out in the memorandum. In addition, a comparison of the impairment review valuations versus other valuation advice received was detailed.
- The draft impairment review concluded an impairment of [REDACTED] is required at 30 September 2023 and will be reflected in draft Financial Statements YE 30 September 2023.
- [REDACTED]

8.11.3 AGREED The importance of meeting the C&AG deadline of 4 April 2024 was emphasised and ARC have sight of anything significant that emerges in the response.

8.11.4 NOTED Detailed discussion including the following:

- Observation by the ARC that a full review into the acquisition is necessary and the HEA will agree terms of reference with Governing Authority as set out in their letter to the Chancellor, copied to the President;
- The planning issue may result in the current use of renting to students not being permitted. Should this happen it was noted that Mazars had indicated in their risk assessment that in a rental house income would likely fall and expenditure would also likely decrease;

- Potential impact on the receipt of US Federal Aid and student supports [REDACTED]. The reporting requirement to submit financial statements within six months will not be met and it was highlighted that this is a risk that cannot be mitigated as financial statements cannot be finalised until PwC indicate that they are ready to sign off. A draft set of financial statements along with an explanatory note and the outcome of the compliance audit on federal aid scheme will be submitted;
- Overall impact of Rhebogue on the ability to sign-off the Financial Statements and Annual Governance Statement, and the large impairment in 2023 which must be finalised with PwC [REDACTED]
- ARC do not see any reason to anticipate a material difference to the Mazars VIU by PwC;
- The date of issue of the Certificate of Practical Completion (29 September 2023) dictated Rhebogue be recognised in the Financial Statements in 2023 as the liability under the contract existed once that certificate was received;
- The Annual Governance Statement and Statement of Internal Control are being reviewed based on the impairment review and External Reviewer Report.

8.11.5 NOTED The DMPR to establish who received the Certificate of Practical Completion and report back to the Governing Authority. Mr Field then left the meeting.

8.12 NOTED The Chancellor set outlined chronology of events from February 2024 up to and [REDACTED]

8.13 NOTED The Chancellor briefed members on the avalanche of correspondence and calls she received over the last number of days from the UL Community and Unite Trade Union. A meeting with the campus community prior to Governing Authority left no doubt as to the strong level of anger, sadness, concern and frustration felt across the campus. The current situation is very serious and challenging with much at stake for the University. Concerns have been raised at the highest levels in Government, the HEA and the C&AG. The necessity of bringing UL to safe harbour, addressing issues and minimising reputational damage cannot be over emphasised. The Governing Authority as trustees have a responsibility to plot a way forward in a prudent, respectful and careful manner, and in a limited time, concentrating on reputation and stakeholders.

8.14 NOTED [REDACTED]

[REDACTED] The Chancellor emphasised the grave impact of the crisis on the reputation of the University among key stakeholders.

8.15

[REDACTED]

8.16

[REDACTED]

8.17

[REDACTED]

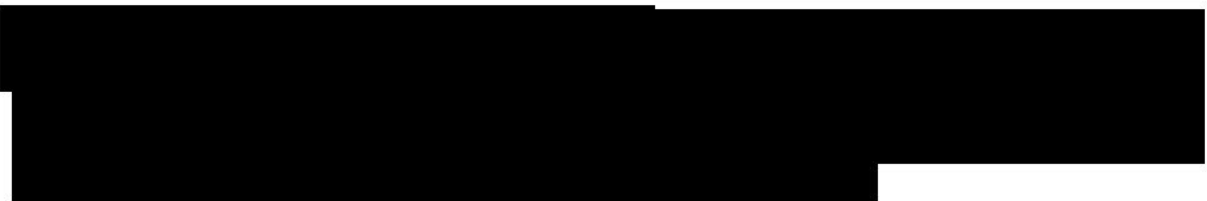
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[REDACTED]

8.19



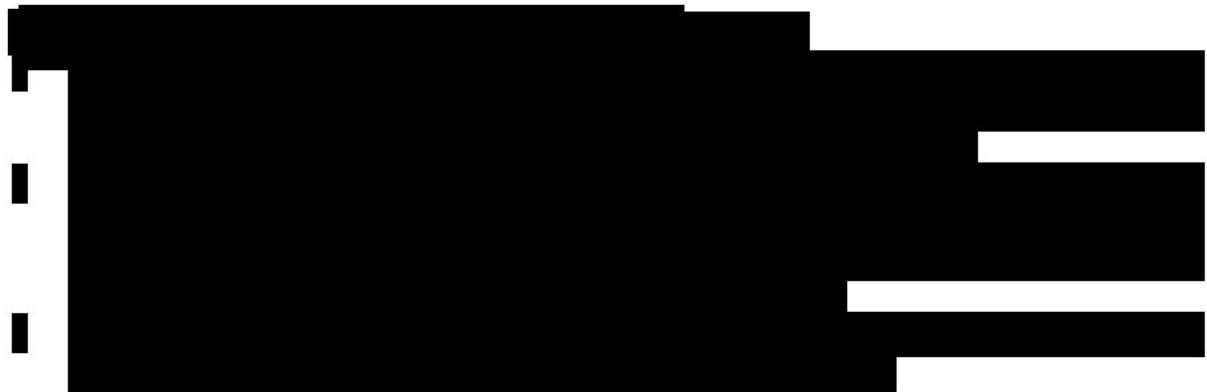
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8.21 NOTED The Chancellor will keep members informed of any updates as necessary and the opportunity to consider any relevant documentation in an appropriate setting. The Chancellor re-iterated her commitment to the University, the overwhelming need to provide some protection to the Institution in order to begin to address critical issues so UL can flourish and face the future.

8.22 NOTED The Chancellor read out a proposed statement to be issued following the meeting and to which several amendments were proposed.

8.23



8.24 AGREED The following:

- Copies of the External Review Report to be forwarded following the meeting to the C&AG, DFHERIS and the HEA.
- Governing Authority Statement to be circulated to members following the meeting and then to the campus community and media.
- Open discussions with the HEA on the status of UL's capital projects and ensure due diligence status regarding same.

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9. ANY OTHER BUSINESS

- 9.1 NOTED The Chancellor thanked outgoing members of Ms Grainne Barron and Dr Garret FitzGerald for their dedication and important contributions to the work of the Governing Authority during their term of office on the Governing Authority and wished them both well.