

## MINUTES

Board/Committee	:	Governing Authority
Meeting	:	Meeting M24-9
Venue	:	Boardroom, LISB
Date	:	2 September 2024
Attendance	:	June Arnold (MST); Liam Carroll; Donal Donovan; Lucy Edith Kiiza; Ann Marie Kennedy (MST); Shane Kilcommins; Brigid Laffan (Chair); Edmond Magner; Anne O'Connor; Sinéad O'Flanagan; Mark Southern; Bob Strunz
Apologies	:	Aibhlín McCrann; Ronan Cahill; Síofra Foley; Kevin Fleming
In Attendance	:	Grainne Frain; Ciara Hogan; John Field; John Kelly; Pat O'Neill.

### 1. GENERAL

- 1.1 NOTED The following representatives from the HEA joined the meeting: Dr Alan Wall CEO; Ms Orla Nugent, Deputy CEO; Ms Pearl Cunningham, Head of Finance; Mr Tim Conlon, Head of Policy and Strategic Planning; Mr Ciaran McCaffrey, Head of Capital Funding; Ms Orla Christie, Head of System Governance; Mr Michael Donnelly, Senior Manager, Finance; Dr Vivienne Patterson, Head of Skills, Engagement & Statistics; Ms Victoria Brownlee, Senior Manager, System Development and Performance Management; and Ms Elaine Vaughan, Senior Manager, Capital Funding.
- 1.2 NOTED The Chancellor welcomed the HEA representatives and Mr Pat O'Neill, incoming Chair of the Audit and Risk Committee, to the meeting.
- 1.3 NOTED The Chancellor discussed the succession of governance issues and reports, including those from Deloitte and the C&AG, which show a striking consistency in their findings. There is a clear understanding of the significant tasks ahead and the need to implement essential safeguards to prevent such issues from recurring, and to ensure strong institutional governance. The Chancellor thanked the Acting Chief Officer and the Executive team for their work and emphasised that the University and Governing Authority must now address all these issues.

### 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. S. 64 REVIEW

- 3.1 NOTED Dr Wall's briefing to the Governing Authority included the following:
  - The concerns it has in relation to UL are different to those of the other HEIs which are the subject of a Section 64 review. The HEA has ongoing concerns regarding UL's governance and its culture;
  - The Governing Authority has responsibility for ensuring that these issues are now definitively addressed;

- HEA will continue to engage with UL to ensure that the required changes are made. It was recognised that UL is very important within the higher education landscape and it contributes enormously to the region and national and international higher education and research;
- HEA expressed views regarding the findings of the Section 64 Report and the recommendations, emphasising the importance that the recommendations and subsequent responses need to be more impactful, bearing in mind the issues which have emerged. The HEA has already communicated its views in this regard to the President and the Chancellor;
- The HEA has acknowledged that positive progress has already been made by the Executive towards an implementation plan and that UL is now moving in the right direction as a result;
- The S.64 recommendations proposed by UL should encapsulate the work of the Executive with the approval of the Governing Authority. This will be a dynamic process with the Executive responsible for driving implementation, overseen by the Governing Authority and its committees;
- It is important that the finalised Section 64 Report is comprehensive, and that there is a clear action plan to ensure that all such recommendations are measurable and implemented;
- The HEA will provide advice to the University in relation to the submission of a revised Section 64 report, and the putting in place of an implementation plan. Afterwards, the engagement will move to the implementation phase and monitoring;
- The HEA expects the University to provide independent verification with regard to the implementation of the actions arising from recommendations in the Section 64 report. The University should also implement a reporting process delivered on a quarterly basis. Subject to demonstration of satisfactory progress this may move towards a bi-annual reporting process;
- The issue of organizational culture in UL is particularly challenging and it was noted by the HEA that this may be a longer-term process issue to address.

**3.2 NOTED** A presentation by Professor Shane Kilcommins entitled “Visit of HEA to UL, Briefing on Recovery Plan, 2 September 2024” which included the following:

- Message from the Chancellor – the need for deep transformational change along two interrelated tracts (1) people and culture (2) the structures, processes and policies of governance, both encased within a re-articulation of UL’s core values;
- UL as a public good in the Mid-West region, embracing principles of good teaching research and public service and a recovery plan detailing better aligning of public good with management and governance functions;
- C&AG Special Report Number 117 on UL property acquisitions in Limerick city; Section 64 Review by Deloitte; Matters within S64 but outside scope of Deloitte Report: Structure of and requirement of all UL subsidiaries and Professional Advice given to UL in relation to property acquisition; Strategic Governance Committee Report to the Governing Authority 30 April 2024; HEA review of Culture conducted by Mazars; HEA review of Protected Disclosures conducted by Barrister; HEA commissioned valuation of Rhebogue Properties;
- UL to provide more specific and impactful recommendations with advice from Deloitte and to develop a detailed Action Plan to drive change to address the broader more holistic challenges in a transformational manner;
- A range of proposed activities which have been identified were set out;
- Consistency of approach across the five themes and their format was noted;

- UL have developed a digitised Tracker consolidating recommendations including source, theme, owner, measurable actions, desired outcomes, completion deadline, status, impact and management response;
- Actions Underway including Strategic Governance Committee recommendations; recalibration of the Fundamental Risk Register; Fraud and related matters; Statute 4; UL City Campus Project Committee; Reports; Recovery and Implementation Plan; and Reputational Rebuilding Plan;
- Stakeholders and Communications with regular engagements;
- Key Governance Tasks: balanced budget; Financial Statements sign-off, Annual Governance Statement; HEA Reporting; Risk Register; KPIs; and capital projects
- Culture and People including call for expression of interest in the Culture and Engagement Working Group, impacted staff, vacancies/absences, succession planning, organisational structural review, leadership training, mentoring and Work Allocation Model;
- Sixth Governing Authority including new Chancellor; new Chair of Audit & Risk Committee; reformulated committees with recruitment of external members to support competencies and skills requirements; Governing Authority self-assessment questionnaire, evaluation of internal audit and tighter links between the Governing Authority and Executive Committee;
- Executive Committee including: some positive indicators of change noted in Deloitte; committees and working groups; confidentiality; programme of work; legal services operating model and procedures; framework for papers; HEA Performance Agreement and staff matters;
- Subsidiaries and related activities including the Aviation Registry, SDZ, ULF, Subsidiary oversight and directorships;
- Major Projects/Initiatives: UL Strategic Plan, Performance Agreement, EC programme of work, City Centre campus, capital planning, continued implementation of projects, new programme development and resource planning;
- In summary, the presentation noted there is much work to be done. It is accepted that past assurances given did not stand up to scrutiny; there is now an opportunity through reports and engagement with stakeholders make next best decisions for UL with support; and pursue a common purpose to stabilise, strengthen and prevent re-occurrence of poor governance.

**3.3 NOTED Detailed discussion including the following:**

- Members acknowledged improved trust between the Governing Authority and the Executive Committee since the Chancellor's appointment. They also their expressed appreciation to the HEA and the Executive Team, while recognising the challenges ahead in ensuring checks and balances are in place and implementing an action plan for the coming years.
- Oversight of all the relevant reports is necessary to gain a comprehensive understanding and develop suitable recommendations.
- Recommendations must be accurate, meaningful, and impactful. Ongoing monitoring is crucial to the process, and given that past assurances were wholly unsatisfactory, the importance of independent verification on recommendations was emphasised.
- HEA has worked hard to be open and co-operative with the Executive Committee and it is only through consistent practice and time that trust will be built;
- Emphasis on fostering a culture of openness and transparency, explaining the rationale behind decisions;

- Members took the view when reviewing and approving the report that it would not be appropriate to amend (other than factual errors) the report so as to not undermine the independence of the report.

3.4 NOTED The Chancellor thanked Dr Wall and the other HEA representatives for their assistance and support in developing an action plan. The HEA representatives left the meeting.

3.5 NOTED Further discussion including the following:

- Emphasising the importance of collaborating with the HEA on the Deloitte recommendations, acknowledging the positive work already undertaken, and ensuring this is appropriately reflected.
- Deloitte's current recommendations align with the HEA terms of reference but there is a need for strengthening of recommendations so they have the transformative impact the HEA wants for impactful change in UL.
- While the Executive Committee will be responsible for doing much of the work, it is a matter for the Governing Authority to submit a final report that it is happy with. The Governing Authority bears responsibility for making recommendations appropriate to the matters that gave rise to the Section 64 review, but it may engage in an iterative process with the HEA through the Executive Committee.
- Once the recommendations have been agreed, the EC will hold regular meetings and provide updates shared with the Governing Authority and the HEA.
- The need for direct recommendations while considering the management of potential overrides of controls and process;
- The HEA need serious assurances including independent verification, from a professional services firm based on the agreed recovery plan, in order to rebuild trust.
- It is important to the HEA that UL is able to function autonomously;
- Several elements, including reports on culture and protected disclosures, are still pending. While the findings regarding governance, policies, procedures, processes, and culture is clear and uncontested, integrating these additional reports will require further consideration. This approach will help achieve a compelling set of recommendations, ensuring there is a clear pathway to recovery which UL will follow.
- The Strategic Governance Committee's recommendations will be integrated with those from other reports, and a recovery plan will be shared with members. This plan and tracker will ensure coherence around the recommendations;
- The Governing Authority will offer input and feedback on the draft recommendations, ensuring they are sufficiently detailed. A single, comprehensive report containing all recommendations will be presented in a dashboard developed by the Executive for the next stage. It is essential to maintain openness and transparency with the HEA regarding the thematic recommendations;
- The CFPO will relay the HEA's feedback on the S.64 Report to Deloitte for their consideration;
- The importance of ensuring effective oversight and compliance, implementing checks and balances on individuals, and preventing the misuse of protected disclosures. This will include setting KPIs and fostering trust;

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- Any policy and strategy document should not be approved in a single meeting. It must go through a second round, with decision time kept separate to allow for reflection. It should never be presented as an urgent item unless absolutely necessary. This process should not be treated as a mere “tick box” exercise;
- UL matured quickly and has outgrown its initial framework but some issues can be fixed promptly by regularising and improving communication between Governing Authority and the Executive Committee.
- Governing Authority is very grateful to the many dedicated individuals committed to UL. When a call was made recently for committee members, numerous high quality Alumni quickly volunteered of their time.

3.6 NOTED The Chancellor thanked the Acting Chief Officer for his enormous work. She also emphasised the necessity of being in lock step with the HEA to finalise an implementation plan.