

**Higher Education Authority
Financial Statements
Year ended 31 December 2022**

Higher Education Authority
Financial Statements for the year ended 31 December 2022

Information

Address:	3 Shelbourne Buildings, Crampton Avenue, Shelbourne Road, Dublin 4.
Auditors:	Comptroller and Auditor General, 3A Mayor Street Upper, Dublin 1.
Bankers:	AIB Bank plc, 1-4 Lower Baggot Street, Dublin 2.
Legal Advisors:	Eversheds Sutherland, Earlsfort Centre, 1 Earlsfort Terrace, Dublin 2.

Higher Education Authority
Financial Statements for the year ended 31 December 2022

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Higher Education Authority

Governance Statement and Board Members' Report

Legislation

The Higher Education Authority was established under the Higher Education Authority Act, 1971. This Act was repealed and replaced with the Higher Education Authority Act, 2022 which commenced on 10th November 2022. The purpose of the new legislation is to provide for changes to the functions and governance of the Higher Education Authority and the oversight by it of higher education providers which are designated institutions of higher education under this Act, to provide for the preparation, review and amendment of a strategy for tertiary education, to provide for better engagement with students, to provide for equity of access to, and participation and the promotion of success in, higher education and lifelong and flexible learning, to provide for the designation of certain higher education providers as designated institutions of higher education and, if appropriate, the removal of such designation in certain circumstances, to amend the provisions regarding the composition of the governing authorities or governing bodies of certain designated institutions of higher education, to repeal and replace the Higher Education Authority Act, 1971 and to amend other legislation including the Universities Act 1997, the Technological Universities Act, 2018, the Regional Technical Colleges Act 1992 ,the Regional Technical Colleges (Amendment) Act, 1994, the National College of Art and Design Act,1971, the Student Support Act, 2011, the Qualifications and Quality Assurance (Education and Training) Act, 2012 and to provide for related matters. The functions of the Higher Education Authority are set out in Section 9 of this Act.

Governance

The Board of the Higher Education Authority is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance. It performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Higher Education Authority are the responsibility of the Chief Executive Officer (CEO) and the senior management team (SMT). The CEO and the SMT follow the broad strategic direction set by the Board and ensure that all Board members have a clear understanding of the key activities and decisions related to the entity and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of the Higher Education Authority.

Higher Education Authority

Governance Statement and Board Members' Report

Board Responsibilities

The work and responsibilities of the Board are set out in the Schedule of Matters Reserved for the Board which contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- annual budgets and corporate plans,
- annual reports and financial statements,
- executive reports.

The Board seeks to comply with best practice public sector principles in its own activities and in its use of committees.

The Higher Education Authority is required under Section 22 of the Higher Education Authority Act, 2022 (previously Section 20 of the Higher Education Authority Act, 1971) to keep, in such form as may be approved by the Minister for Further and Higher Education, Research, Innovation and Science with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts and records of all moneys received or expended by it.

In preparing these financial statements, the Board of the Higher Education Authority is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that it will continue in operation, and
- disclose and explain any material departures from applicable accounting standards.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 22 of the Higher Education Authority Act, 2022 (previously Section 20 of the Higher Education Authority Act, 1971).

The Board is responsible for approving the annual business plan and budget. An evaluation of the performance of the Higher Education Authority by reference to the 2022 annual business plan was carried out by the Board at its meeting on 24th January 2023.

Higher Education Authority

Governance Statement and Board Members' Report

The Board is responsible for safeguarding the Higher Education Authority's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of the Higher Education Authority give a true and fair view of the financial performance and the financial position of the Higher Education Authority on 31 December 2022.

Board Structure

The Board of the Higher Education Authority comprised of a chairperson and not more than eighteen ordinary members under the Higher Education Authority Act, 1971. At the start of the year there were a chairperson and fourteen ordinary members in place. Three ordinary members left during 2022 and were not replaced. On 10th November 2022 the Higher Education Authority Act, 2022 was commenced and a new Board was formed. The new Board comprises of a chairperson and eleven ordinary members. Members are appointed by the Minister for Further and Higher Education, Research, Innovation and Science. At 31 December 2022, the Board had 7 (64%) female and 4 (36%) male members. This composition of membership does not meet the Government target of a minimum of 40% representation of each gender however, there was one unfilled vacancy on the Board at 31 December 2022.

Board Changes During 2022

Dr Deirdre Lillis resigned from the Board on 9th March 2022.

Dr Jim Mountjoy and Mr Bahram Bekhradnia completed their second terms of office on 19th June 2022 and were not eligible for reappointment.

Ms. Clare Austick concluded her term of office as President of the Union of Students in Ireland (USI) on 30th June 2022 and she was replaced as a member by Ms Beth O'Reilly, the newly elected President of USI on 1st July 2022.

All members in place on 10th November 2022 concluded their term of office on the Board with the commencement of the Higher Education Authority Act, 2022 and a new Board was appointed. The Chairperson was re-appointed to the new Board until 27th July 2024 and ten ordinary members were re-appointed until 9th November 2023. Dr Ronan Lyons opted not to accept reappointment.

The table below details Board members during the year and their date of appointment.

Higher Education Authority

Governance Statement and Board Members' Report

Board Member	Role	Appointed	Reappointed
Michael Horgan	Chairperson	27/07/2016	10/11/2022
Orla Feely	Ordinary Member	27/07/2016	10/11/2022
Bahram Bekradhnia	Ordinary Member	27/06/2017	n/a
Darina Kneafsey	Ordinary Member	27/07/2016	10/11/2022
Deirdre Lillis	Ordinary Member	27/11/2017	n/a
Jim Mountjoy	Ordinary Member	27/06/2017	n/a
John Wall	Ordinary Member	27/07/2016	10/11/2022
Judith Eaton	Ordinary Member	27/07/2016	10/11/2022
Beth O'Reilly	Ordinary Member	01/07/2022	10/11/2022
Lynn Ramsey	Ordinary Member	27/07/2016	10/11/2022
Pól Ó Móraín	Ordinary Member	27/07/2016	10/11/2022
Ronan Lyons	Ordinary Member	27/11/2017	n/a
Sharon Feeney	Ordinary Member	27/07/2016	10/11/2022
Sinéad O'Flanagan	Ordinary Member	27/07/2016	10/11/2022
Tony Donohoe	Ordinary Member	27/07/2016	10/11/2022
Clare Austick	Ordinary Member	01/07/2019	n/a

Board Evaluation

The Code of Practice for the Governance of State Bodies, 2016 recommends the Board undertake an annual review of its performance and an external evaluation at least every three years. The Board considered the findings of its 2021 self-evaluation at its March 2022 meeting. The Board approved the terms of reference for an external evaluation in November 2022 and considered the findings at its June 2023 meeting.

Higher Education Authority

Governance Statement and Board Members' Report

Schedule of Attendance

The Board met 9 times during 2022 and details of attendance by members is set out below:

	Board
Total Meetings	9
Michael Horgan	8/9
Orla Feely	9/9
Bahram Bekhradnia	2/4
Darina Kneafsey	8/9
Deirdre Lillis	2/2
Jim Mountjoy	3/4
John Wall	8/9
Judith Eaton	8/9
Beth O'Reilly	2/5
Lynn Ramsey	9/9
Pól Ó Mórain	9/9
Ronan Lyons	3/7
Sharon Feeney	8/9
Sinéad O'Flanagan	9/9
Tony Donohoe	9/9
Clare Austick	3/4

Details of Board members' fees and expenses are disclosed in Note 17 to the financial statements.

Gender Balance, Diversity and Inclusion

The Higher Education Authority recognises the importance of diversity and inclusion for all staff in the Higher Education Authority and has established a working group to plan and oversee the implementation of the Higher Education Authority's Public Sector Equality and Human Rights Duty under the Human Rights and Equality Act 2014.

The senior management team of the Higher Education Authority has six (60%) female and four (40%) male members.

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Governance Statement and Board Members' Report

Irish Research Council

The Irish Research Council (IRC) operates under the aegis of the Higher Education Authority. The IRC is not a statutory body. Members of the Council are appointed by the Minister for Further and Higher Education, Research, Innovation and Science through the Public Appointments Service. The Council comprises a chairperson, ten ordinary members and an ex-officio member. There are currently two vacancies on the Council, the positions of chairperson and ordinary member. Members are appointed for a period of three years. The Council met 4 times during 2022. The members of the Irish Research Council during the year and their date of appointment were as follows:

Council Member	Role	Appointed	Meetings Attended
Daniel Carey*	Interim Chairperson	25/05/2022	4/4
Kieran Conboy**	Ordinary Member	31/08/2019	2/3
Catherine Godson*	Ordinary Member	15/12/2022	4/4
Patricia Kearney*	Ordinary Member	15/12/2022	2/4
Liam Barry*	Ordinary Member	15/12/2022	4/4
Turlough Downes	Ordinary Member	15/11/2020	3/4
Orla Muldoon	Ordinary Member	15/11/2020	4/4
Claire Connolly	Ordinary Member	08/10/2021	3/4
Colin Scott	Ordinary Member	08/10/2021	3/4
Sinéad Ryan	Ordinary Member	12/09/2022	0/0
Peter Brown***	Ex-officio Member	09/10/2017	2/2
Louise Callinan	Ex-officio Member	11/07/2022	2/2

* Reappointed for a second term.

**Completed his second term on 31st August 2022.

***Replaced by Dr Louise Callinan as the ex-officio member on 11th July 2022.

Committees

The Board had eight committees during 2022. All committees were stood down on 10th November 2022 with the enactment of the Higher Education Authority Act, 2022 and the appointment of a new Board. A new committee structure and membership was agreed by the Board at its meeting on 24th January 2023.

Details of the committees during 2022 are as follows:

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Governance Statement and Board Members' Report

Audit and Risk Committee

The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk management, control, governance, and associated assurance. The ARC is independent from the financial management of the organisation. It provides an independent view in relation to risks and risk management systems. The ARC ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting. The ARC met 3 times during 2022. The members of the Audit and Risk Committee during the year were as follows:

Member	Appointed in 2022	Meetings Attended
Sharon Feeney* (Chairperson)	09/03/2022	3/3
Deirdre Lillis* (Previous Chairperson)		0/0
Pól Ó Mórain		3/3
Lynn Ramsey		3/3
Darina Kneafsey		1/3
Orla Feely	14/06/2022	1/1
Beth O'Reilly	01/07/2022	1/1
Anne Brady (External)		3/3

*Dr Sharon Feeney assumed the position of Chairperson of the committee following the resignation of Dr Deirdre Lillis from the board on 9th March 2022.

Finance and Governance Committee

The role of the Finance and Governance Committee (F&G) is to advise and make recommendations to the Board in relation to financial and governance matters and the proposed grant allocations as well as oversight of funding to the higher education institutions, having regard to policy priorities set by the Board. It is also responsible for the oversight of the internal finances of the Higher Education Authority including the review of management accounts and budgets. The F&G reports to the Board after each meeting. The F&G met 6 times during 2022. The members of the Finance and Governance Committee during the year were as follows:

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Member	Appointed in 2022	Meetings Attended
Sinéad O'Flanagan (Chairperson)		6/6
Michael Horgan		6/6
Judith Eaton		5/6
Bahram Bekhradnia*		2/3
Clare Austick**	14/06/2022	3/4
Beth O'Reilly	01/07/2022	1/2
Anne Brady (External)		6/6
Tony Donohoe	14/06/2022	3/3
Lynn Ramsey	14/06/2022	3/3

* Completed second term as a board member on 19th June 2022.

** Replaced by Beth O'Reilly on 1st July 2022.

System Development and Performance Management Committee

The role of the System Development and Performance Management Committee (SDPM) is to support the Board in overseeing the creation and development of a co-ordinated system of higher education institutions, each with clear, diversified missions and with a strong focus on outcomes and funding for performance. The SDPM reports to the Board after each meeting. The SDPM met 4 times during 2022. The members of the System Development and Performance Management Committee during the year were as follows:

Member	Appointed in 2022	Meetings Attended
Tony Donohoe (Chairperson)		4/4
Sharon Feeney		3/4
Lynn Ramsey		4/4
Judith Eaton		4/4
Michael Horgan	14/06/2022	1/2
Clare Austick*		1/3
Beth O'Reilly	01/07/2022	0/1

*Replaced by Beth O'Reilly on 1st July 2022.

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Governance Statement and Board Members' Report

Policy and Strategic Planning Committee

The role of the Policy and Strategic Planning Committee (PSP) is to provide objective analysis and advice across higher education issues, identifying important policy and leadership issues in higher education – both immediate and long-term – in Ireland and internationally. In undertaking this policy analysis, the PSP’s objective is to improve higher education in Ireland, and enhance public accountability, by creating a better-informed policy environment, and by developing practical responses to the strategic issues facing leaders of higher education institutions and public agencies. The PSP reports to the Board after each meeting. The PSP met 4 times during 2022. The members of the Policy and Strategic Planning Committee during the year were as follows:

Member	Appointed in 2022	Meetings Attended
Darina Kneafsey (Chairperson)		4/4
Sharon Feeney		3/4
John Wall		1/4
Bahram Bekhradnia*		1/2
Tony Donohoe		4/4
Judith Eaton	14/06/2022	2/2
Pól Ó Mórain	14/06/2022	1/2

*Completed second term as board member on 19th June 2022.

Research and Graduate Education Committee

The role of the Research and Graduate Education Committee (RGE) is to ensure policy coherence between the Higher Education Authority and the Irish Research Council, prepare draft policy statements and advise on aspects of research and graduate education, oversee and report to the Board and Council on implementation of research and graduate education policy by the higher education system and constituent institutions and review relevant policy initiatives submitted by the Board or Council. The RGE reports to the Board after each meeting. The RGE met 4 times during 2022. The members of the Research and Graduate Education Committee during the year were as follows:

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Governance Statement and Board Members' Report

Member	Appointed in 2022	Meetings Attended
Orla Feely (Chairperson)		4/4
Sinéad O'Flanagan		4/4
Deirdre Lillis*		1/1
Jim Mountjoy**		2/2
Pól Ó Mórain		3/4
Jenna Barry***(External - USI)		3/3
Waqar Ahmed (External - USI)	01/07/2022	1/4
Daniel Carey (IRC)		4/4
Liam Barry (IRC)		4/4
Orla Muldoon (IRC)		1/2
John Wall	14/06/2022	0/2
Darina Kneafsey	14/06/2022	1/2

*Resigned on 9th March 2022.

**Completed second term as board member on 19th June 2022.

***Replaced by Waqar Ahmed on 1st July 2022.

Pension Appeals Committee

The role of the Pensions Appeals Committee (PSA) is to exercise a statutory function assigned to the Higher Education Authority namely to consider pension appeals submitted by university staff under Schedule 5 of the Universities Act, 1997. The decision of the Higher Education Authority on such appeals is given with the consent of the Minister for Further and Higher Education, Research, Innovation and Science and the Minister for Public Expenditure and Reform. The PSA reports to the Board after each meeting. The PSA met twice during 2022. The members of the Pension Appeals Committee during the year were as follows:

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Governance Statement and Board Members' Report

Member	Appointed in 2022	Meetings Attended
Michael Horgan** (Chairperson)		0/2
Jim Mountjoy*(Previous Chairperson)		1/1
John Wall		2/2
Orla Feely		1/2
Clare Austick***		1/1
Beth O'Reilly	01/07/2022	1/1
Sinéad O'Flanagan	14/06/2022	1/1
Ronan Lyons	14/06/2022	0/1

*Completed second term as board member on 19th June 2022.

**Assumed the position of Chairperson of the committee following completion of Dr Jim Mountjoy's second term of office on 19th June 2022.

***Replaced by Beth O'Reilly on 1st July 2022.

Nominations Committee

The role of the Nominations Committee (NOC) is to advise and make recommendations to the Board in relation to external membership of the HEA's committees having regard to the strategic objectives of the HEA. The NOC reports to the Board after each meeting. The NOC met once during 2022. The members of the Nominations Committee during the year were as follows:

Member	Appointed in 2022	Meetings Attended
Orla Feely (Chairperson)		1/1
Sinéad O'Flanagan		1/1
Jim Mountjoy**		1/1
Deirdre Lillis*		1/1
Sharon Feeney	09/03/2022	0/0
Darina Kneafsey		1/1
Tony Donohoe		1/1

*Resigned on 9th March 2022 and was replaced by Dr Sharon Feeney.

**Completed second term as board member on 19 June 2022.

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Governance Statement and Board Members' Report**

Teaching and Learning Committee

The role of the Teaching and Learning Committee (T&L) is to advise the Board in respect of teaching and learning in higher education, including the allocation of targeted funding to enhance teaching and learning.

The committee acts as a national forum for the consideration of matters pertaining to teaching and learning in higher education. The T&L reports to the Board after each meeting. The T&L met 5 times during 2022. The T&L comprised of representatives of the broad spectrum of stakeholders in Irish higher education including two board members, students, academics, senior managers, policy makers and representative bodies. The T&L comprised of a Chairperson, Deputy Chairperson and eleven ordinary members. The members of the Teaching and Learning Committee during the year were as follows:

Member	Appointed in 2022	Meetings Attended
Lynn Ramsey (Chairperson)		5/5
Marie Clarke (External-Deputy Chair)		4/5
Lewis Purser (External)		4/5
Sharon Feeney		5/5
Andrew Power		5/5
Niall Seery (External)		5/5
Sean O'Reilly (External)		5/5
Kersten Mey (External)		5/5
Clodagh Mc Givern (External)	01/07/2022	2/2
Megan O'Connor*(External)		3/3
Paul Mc Sweeney (External)		4/5
Jacqueline Mc Cormack (External)		3/5
Meadhbh Costello (External)		3/5
Karena Maguire (External)		3/5
Leo Casey**(External)		3/3

* Replaced by Clodagh Mc Givern on 1st July 2022

** Resigned on 15th June 2022.

Higher Education Authority
Governance Statement and Board Members' Report

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the Higher Education Authority has complied with the requirements of the Code of Practice for the Governance of State Bodies (“the Code”), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits

Employees' short-term benefits in excess of €60,000 are set out in note 16 to the financial statements.

There were no termination payments in 2022.

Consultancy Costs

The following consultancy costs were charged to Operating Expenses:

	2022	2021
	€'000	€'000
Governance Reviews	34	48
Tax and Actuarial Advice	6	13
Internal Audit	63	32
GDPR Advice	0	3
Legal Fees	37	70
Policy Research & Advice	455	638
External Reviews and Advisory	424	340
Business Process Review	0	82
Other	44	47
	1,063	1,273

Legal Costs and Settlements

There were no legal costs in the reporting period in relation to settlements, conciliation, or arbitration proceedings. This category does not include expenditure incurred in relation to general legal advice received by the Higher Education Authority which is disclosed in Consultancy Costs above.

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Governance Statement and Board Members' Report

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2022	2021
	€'000	€'000
Ireland		
Board	10	3
Employees	21	1
International		
Board	8	0
Employees	26	0
Total	65	4

Hospitality Expenditure

Hospitality expenditure is categorised as follows:

	2022	2021
	€'000	€'000
Staff	7	0
Board	5	0
Third Parties	2	0
Total	14	0

Higher Education Authority
Governance Statement and Board Members' Report

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies 2016 and has implemented processes and procedures to ensure compliance with its provisions.

On behalf of the Board of the Higher Education Authority:



Michael Horgan
Chairperson

Date: 27 June 2023

Higher Education Authority

Statement on System of Internal Controls

Scope of Responsibility

On behalf of the Board of the Higher Education Authority I acknowledge our responsibility for ensuring that an effective system of internal controls is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Controls

The system of internal controls is designed to manage risk to an acceptable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal controls, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Higher Education Authority for the year ended 31 December 2022 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Higher Education Authority has an Audit and Risk Committee (ARC) comprising of five Board members and one external member with financial and audit expertise. The ARC met three times in 2022.

The internal audit function of the Higher Education Authority was outsourced to a professional accountancy firm, Deloitte following a tender under an Office of Government Procurement framework. The 2022 Internal Audit Plan was approved by the Board. This plan includes a review of internal controls on an annual basis.

The Higher Education Authority has developed a risk management policy which sets out the risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within the risk management policy, to alert management on emerging risks, and to control weaknesses and assume responsibility for risks and controls within their own area of work. A Risk Register has been established and, in addition to the consideration of risk matters by the Audit and Risk committee, the risks identified as applying to the Higher Education Authority are reviewed on a regular basis by the senior management team.

Higher Education Authority

Statement on System of Internal Controls

Risk and Control Framework

The Higher Education Authority has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Higher Education Authority and these have been identified, evaluated, and graded according to their significance. The register is reviewed and updated by management on a six-monthly basis and reviewed by the ARC. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and the responsibility for operation of controls is assigned to specific staff.

Ongoing Monitoring and Review

The Board has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining and documenting management responsibilities and authority.
- Ensuring clear lines of accountability for management.
- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation.
- Establishing procedures for reporting significant control failures and ensuring appropriate corrective action is taken.
- Developing a strong culture of accountability across the organisation.
- Adopting and adhering to the Code of Practice for the Governance of State Bodies.
- Reviewing the effectiveness of the Board.
- Ensuring the control environment includes an active Audit and Risk Committee, internal audit function and regular reporting to the Board on financial results.

The system of internal controls is based on a framework of regular management information, policies and procedures including segregation of duties and a system of delegation and accountability. In particular, the following monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- A comprehensive budgeting system with an annual budget, which is reviewed and agreed by the Board. This incorporates a detailed business planning process.
- There are regular reviews by senior management of financial reports which indicate performance against budgets.

Higher Education Authority
Statement on System of Internal Controls

Procurement

I confirm that the Higher Education Authority has procedures in place to ensure compliance with current procurement rules and guidelines as set out by the Office of Government Procurement. The Higher Education Authority is fully compliant with regard to procurement.

Review of Effectiveness

I confirm that the Higher Education Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Higher Education Authority's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Audit and Risk Committee which oversees their work, the external auditors, and the senior management within the Higher Education Authority responsible for the development and maintenance of the internal financial control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2022 in March 2023.

No weaknesses in control were identified that require disclosure in the Statement on System of Internal Controls.



Michael Horgan
Chairperson

Date: 27 June 2023



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

An tÚdarás um Ard-Oideachas

Opinion on the financial statements

I have audited the financial statements of An tÚdarás um Ard-Oideachas for the year ended 31 December 2022 as required under the provisions of the Higher Education Authority Act 2022. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of An tÚdarás at 31 December 2022 and of its income and expenditure for 2022 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of An tÚdarás and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

An tÚdarás has presented certain other information together with the financial statements. This comprises a governance statement and Board members' report, a statement on the system of internal controls, and a schedule of grant income. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in regard to those matters.

Seamus McCarthy
Comptroller and Auditor General

28 June 2023

Appendix to the report

Responsibilities of Board members

The Board members are responsible for

- the preparation of annual financial statements in the form prescribed under the Higher Authority Education Act 2022
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 22 of the Higher Education Authority Act 2022 to audit the financial statements of An tÚdarás and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of An tÚdarás to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause An tÚdarás to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

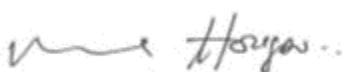
I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

Higher Education Authority
Statement of Income and Expenditure and Retained Revenue Reserves
for the year ended 31 December 2022

	Notes	2022	2021
		€'000	€'000
Income			
Oireachtas Grants	2	2,102,621	1,848,191
Other Grants	3	35,704	24,455
Other Income	4	4,379	8,174
Interest		140	0
Net deferred funding for Retirement Benefits	18(a)	1,721	1,012
		2,144,565	1,881,832
Allocation for Capital Purposes	10	(123)	0
		2,144,442	1,881,832
Expenditure			
Grants Payable	5	2,130,323	1,869,880
Operating Expenses	6	14,411	11,893
Interest		0	10
		2,144,734	1,881,783
(Deficit) Surplus before transfers from Capital		(292)	49
Transfer from Capital Reserve	10	59	29
(Deficit)/Surplus for the year		(233)	78
Balance brought forward 1 January		3,432	3,354
Balance carried forward 31 December		3,199	3,432

Notes 1 to 22 form part of these Financial Statements.

All items of income and expenditure relate to continuing activities.



Michael Horgan
Chairperson

Date: 27 June 2023



Alan Wall
Chief Executive


Date: 27 June 2023

Higher Education Authority

Statement of Comprehensive Income for the year ended 31 December 2022

	Notes	2022 €'000	2021 €'000
(Deficit)/Surplus for the year		(233)	78
Actuarial Gain/(Loss) on Retirement Benefit Assets/(Liabilities)	18 (d)	17,686	(574)
Adjustment to Deferred Retirement Benefit Funding		<u>(17,686)</u>	<u>574</u>
Total Comprehensive Income for the Year		<u>(233)</u>	<u>78</u>

Notes 1 to 22 form part of these Financial Statements.



Michael Horgan
Chairperson



Alan Wall
Chief Executive

Date: 27 June 2023

Date: 27 June 2023

Higher Education Authority
Statement of Financial Position as at 31 December 2022

	Notes	2022 €'000	2021 €'000
Non-Current Assets			
Tangible Fixed Assets	8	156	92
Advances	9	5,000	5,000
		<u>5,156</u>	<u>5,092</u>
Current Assets			
Receivables and Prepayments	11	790	2,102
Bank and Cash Equivalents	7	82,995	66,315
		<u>83,785</u>	<u>68,417</u>
Current Liabilities			
Payables and Accrued Expenditure	12	85,586	69,985
Net Current Liabilities		<u>(1,801)</u>	<u>(1,568)</u>
Total Assets less Current Liabilities before Retirement Benefit Obligations			
		3,355	3,524
Deferred Retirement Benefit Funding			
	18(e)	24,462	40,427
Retirement Benefit Liabilities	18(e)	<u>(24,462)</u>	<u>(40,427)</u>
Total Net Assets			
		<u>3,355</u>	<u>3,524</u>
Capital and Reserves			
Capital Reserve	10	156	92
Revenue Reserve	13	3,199	3,432
		<u>3,355</u>	<u>3,524</u>

Notes 1 to 22 form part of these Financial Statements.


Michael Horgan
Chairperson


Alan Wall
Chief Executive

Date: 27 June 2023

Date: 27 June 2023

Higher Education Authority
Statement of Cash Flows for the year ended 31 December 2022

	2022	2021
	€'000	€'000
Cash Flow from Operating Activities		
(Deficit) Surplus for the year	(233)	78
Depreciation and impairment of fixed assets	59	29
Decrease (Increase) in Receivables	1,312	(190)
Increase (Decrease) in Payables	15,601	(29,880)
Interest (Received) Paid	(140)	10
Allocation to Fund Capital Expenditure	123	0
Transfer from Capital Reserve Account	(59)	(29)
Net Cash Inflow/(Outflow) from Operating Activities	16,663	(29,982)
Cash Flows from Investing Activities		
Payments to acquire Tangible Fixed Assets	(123)	0
Proceeds from sale of Fixed Assets	0	0
Net Cash flows from Investing Activities	(123)	0
Cash Flows from Financing Activities		
Interest Received (Paid)	140	(10)
Net Cash Flows from Financing Activities	140	(10)
Increase/(Decrease) in Cash and Cash Equivalents	16,680	(29,992)
Bank and Cash Equivalents at beginning of year	66,315	96,307
Bank and Cash Equivalents at end of the year	82,995	66,315

Notes 1 to 22 form part of these Financial Statements.



Michael Horgan
Chairperson

Date: 27 June 2023



Alan Wall
Chief Executive

Date: 27 June 2023

Higher Education Authority

Notes to the Financial Statements

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the Higher Education Authority are set out below. They have been applied consistently.

a) Basis of Preparation

The financial statements have been prepared under the modified historical cost convention and in accordance with Financial Reporting Standard 102. The financial statements are in the form approved by the Minister for Further and Higher Education, Research, Innovation and Science with the consent of the Minister for Public Expenditure and Reform under the Higher Education Authority Act, 2022. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Higher Education Authority's financial statements.

The Financial Statements have been prepared on an accruals basis and are in accordance with generally accepted accounting practice in Ireland. Accounting Standards generally accepted in Ireland in preparing the financial statements giving a true and fair view are those published and issued by the Financial Reporting Council.

In accordance with DPER Circular 21/2015 relating to FRS 102, these financial statements comprise the Statement of Income and Expenditure and Retained Revenue Reserves, Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. In addition, notes 1 to 22 form part of the financial statements.

b) Tangible Fixed Assets

Tangible fixed assets comprising furniture, equipment and computers are stated at cost less accumulated depreciation and provision for impairment where applicable.

Capitalisation

The cost of an asset is made up of the purchase price of the asset plus any cost directly attributable to bringing the asset into working condition for its intended use. Furniture, Equipment and Computers below the capitalisation threshold are charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the year of purchase. The capitalisation threshold amount is €3,000.

Higher Education Authority
Notes to the Financial Statements

Depreciation

Depreciation is calculated to write off the original cost of the asset or the revalued amount less the estimated residual value on a straight-line basis over its estimated useful economic life as follows:

Furniture and Equipment	-	10 years
Computer Equipment	-	3 years

c) Capital Reserve

The capital reserve represents the net amount expended on tangible fixed assets funded by Exchequer grants. The grants are amortised to revenue over the expected life of the assets in line with the depreciation policy.

d) Income

Oireachtas and other grant income is accounted for on an accruals basis. Other income including income from research projects is accounted for on an accruals basis.

e) Foreign Currency and Functional Currency

Items included in the financial statements are presented in “Euro”, the currency of the primary economic environment in which the Higher Education Authority operates (the “functional currency”).

Transactions denominated in foreign currency during the year have been translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the Statement of Financial Position date. The resulting profits or losses are dealt with in the Statement of Income and Expenditure and Retained Revenue Reserves.

f) Grants Payable

Grants payable represents grants allocated to the higher education institutions and various other agencies and bodies, for the purposes of higher education in respect of the financial year.

g) Retirement Benefits

Retirement benefit costs reflect pension benefits earned by employees in the year and are shown net of staff pension contributions which are retained by the Higher Education Authority. Retirement benefit costs under FRS 102 are assessed in accordance with actuarial advice based upon the latest actuarial valuations and assumptions determined by the actuary. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

Higher Education Authority

Notes to the Financial Statements

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Department of Further and Higher Education, Research, Innovation and Science.

Retirement benefit liabilities represent the present value of future pension payments earned by staff to date. Deferred retirement benefit funding represents the corresponding asset to be recovered in future periods from the Department of Further and Higher Education, Research, Innovation and Science.

The Higher Education Authority also operates the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme member's contributions are paid over to the Department of Public Expenditure and Reform.

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the retirement benefit and post-retirement plans.

These assumptions can be affected by:

- i. The discount rate, changes in the rate of return on high-quality corporate bonds
- ii. Future compensation levels, future labour market conditions

The weighted average actuarial assumptions applied in the determination of retirement benefit and other post-retirement liabilities are contained in Note 18. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognised in future accounting periods. The assets and liabilities of defined benefit retirement benefit schemes may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future contributions, significant cash contributions may be required by the Department of Further and Higher Education, Research, Innovation and Science to remediate past service deficits.

Higher Education Authority
Notes to the Financial Statements

h) Operating Leases

Rental expenditure in respect of operating leases are charged to the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

i) Significant Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

2. Oireachtas Grants	2022	2021
	€'000	€'000
Department of Further and Higher Education, Research, Innovation and Science Vote 45		
Sub-Head B04 General	1,334,587	1,130,791
Sub-Head B10.2 Pensions	226,290	211,229
Sub-Head B11 Access	34,531	39,824
Sub-Head B16 Capital	116,182	73,948
Sub-Head C4 Capital Research	8,682	9,106
Sub-Head B12 Research	61,484	50,309
Sub-Head B03 Administration	9,200	9,031
NTF Labour Market Focused	152,555	153,523
NTF Apprenticeship	59,599	44,000
NTF Springboard	39,910	53,849
NTF Human Capital Initiative	59,601	72,581
	<u>2,102,621</u>	<u>1,848,191</u>

Higher Education Authority
Notes to the Financial Statements

3. Other Grants	2022	2021
	€'000	€'000
Health Service Executive	7,508	8,496
Department of Tourism, Culture, Arts, Gaeltacht, Sport & Media	1,911	1,684
Department of Further & Higher Education, Research, Innovation & Science – B13 International	1,313	716
Department of Education - Teacher Education	1,881	2,486
Department of Further & Higher Education, Research, Innovation & Science - International Support	3,500	2,343
Department of Health – Healthy Campus	33	350
Sustainable Energy Authority of Ireland	1,961	157
EU Gender Action	1	0
EU Erasmus+	17,596	8,223
	35,704	24,455

4. Other Income	2022	2021
	€'000	€'000
Research Partners	4,379	8,135
Sundry	0	39
	4,379	8,174

Included in Research Partners is funding received from Irish Aid of €0.222m. (2021: €1.607m).

Higher Education Authority
Notes to the Financial Statements

5. Grants Payable	2022	2021
	€'000	€'000
Recurrent		
Core Grant	780,704	693,831
Fee Recoupment	337,123	351,869
Nursing	55,250	50,296
Student Wellbeing	5,772	5,000
Strategic Initiatives	161,011	115,819
Student Contribution	147,657	0
Irish Initiatives	2,666	2,666
COVID Support Costs	3,900	15,428
COVID Student Support	0	(684)
COVID Safe Return	0	48,500
COVID Antigen Tests	0	5,852
Total Recurrent	1,494,083	1,288,577
 Skills		
Apprenticeships	59,580	44,000
Springboard+	39,665	53,603
Human Capital Initiative	59,355	72,464
July Stimulus	0	5,171
Total Skills	158,600	175,238
 Other		
Irish Language Initiatives	1,911	1,684
GOI Mobility Schemes	513	716
International Support	800	2,343
Teacher Education	1,881	2,486
Healthy Campus	0	350
Pensions	226,290	211,229
Total Other	231,395	218,808
 Access		
Students with Disabilities	5,766	7,917
Student Assistance Fund	16,532	9,100
COVID Student Assistance	0	9,400
Programme for Access to Higher Education	11,561	11,093
COVID Support - Other	0	1,900
Other	541	414
Total Access	34,400	39,824

Higher Education Authority
Notes to the Financial Statements

Erasmus	20,620	7,869
Capital	118,143	74,106
Research		
Capital Research	8,682	9,106
North South Program	14,250	0
Irish Research Council	50,150	56,352
Total Research	73,082	65,458
Total Grants Payable	2,130,323	1,869,880

Higher Education Authority
Notes to the Financial Statements

6. Operating Expenses		2022	2021
		€'000	€'000
	Note		
Salaries		6,965	5,842
Retirement Benefits	18(b)	2,163	1,785
Travel and Subsistence		65	4
Hospitality		14	0
Training and Development		94	58
Depreciation		59	29
Establishment Costs		1,252	1,097
Information Technology		782	358
Programme Overheads		762	395
Consultancy		1,063	1,273
Assessors and Panel Members		616	647
Audit Fees		47	47
Publications and Seminars		409	246
Board Members Fees		65	74
Other Overheads		55	38
		14,411	11,893

7. Bank and Cash Equivalents

	2022	2021
	€'000	€'000
Bank Balances	9,627	1,184
Treasury Notes	73,368	65,131
	82,995	66,315

Higher Education Authority
Notes to the Financial Statements

8. Tangible Fixed Assets

	Furniture & Equipment €'000	Computer Equipment €'000	2022 Total €'000	2021 Total €'000
<u>Cost</u>				
Cost at 1 January 2022	479	828	1,307	3,891
Additions	0	123	123	0
Disposals	0	0	0	(2,584)
At 31 December 2022	<u>479</u>	<u>951</u>	<u>1,430</u>	<u>1,307</u>
<u>Depreciation</u>				
Balance at 1 January 2022	388	827	1,215	3,770
Charge for the year	18	41	59	29
Depreciation on Disposals	0	0	0	(2,584)
At 31 December 2022	<u>406</u>	<u>868</u>	<u>1,274</u>	<u>1,215</u>
Net Book Value at 31 December 2022	<u>73</u>	<u>83</u>	<u>156</u>	<u>92</u>

9. Advances

	2022 €'000	2021 €'000
Advance to MTU	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

€5m was advanced to Institute of Technology Tralee in 2019. The Institute of Technology Tralee merged with Cork Institute of Technology on 1 January 2021 to form Munster Technological University.

Repayment terms were agreed with the Department of Further and Higher Education, Research, Innovation and Science and Munster Technological University in March 2023. The advance is to be repaid over a 20-year period commencing in May 2024 at €250,000 per annum.

	Note	2022 €'000	2021 €'000
10. Capital Reserve			
Balance at 1 January		92	121
Allocation to Fund Fixed Assets		123	0
Amortisation in line with Depreciation	8	(59)	(29)
Balance at 31 December		<u>156</u>	<u>92</u>

Higher Education Authority
Notes to the Financial Statements

11. Receivables and Prepayments	2022	2021
	€'000	€'000
Grants Receivable	268	1,511
Prepayments	522	591
	790	2,102

12. Payables and Accrued Expenditure

	2022	2021
	€'000	€'000
Deferred Oireachtas Grants	49,790	41,906
Deferred Other Grants	22,104	14,314
Deferred Research Grants	5,519	4,638
Grant Accruals	5,000	5,124
Other Accruals	1,005	722
Other Creditors	2,168	3,281
	85,586	69,985

13. Revenue Reserve	2022	2021
	€'000	€'000
Balance at 1 January	3,432	3,354
(Deficit)/Surplus for year	(233)	78
	3,199	3,432

Higher Education Authority
Notes to the Financial Statements

14. Lease Commitments

The Higher Education Authority's offices at 3 Shelbourne Buildings, Shelbourne Road, Ballsbridge, Dublin 4 are held under two separate tenancy agreements. The first floor is held under a 25-year agreement from May 2001 with a 5-year rent review. The ground floor is held under a 25-year agreement from November 2001 with a 5-year review. The HEA signed a Deed of Variation to its lease in August 2015. The lease expires on 31 March 2026. Rent includes car parking spaces.

A rent review was undertaken during 2021 and the following rent increases were implemented from 1 April 2021: - Ground floor from €281k to €317k per annum and first floor from €456k to €512k per annum. These rents will continue to apply until expiry of the lease.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	€'000	€'000
Payable within 1 year	829	829
Payable within 2 to 5 years	1,866	2,695
Payable after 5 years	0	0
	2,695	3,524

15. Related Parties

HEAnet Ltd. was incorporated as a company limited by Guarantee and not having a share capital in November 1997. It operates on a non-profit basis. A subsidiary company, EduCampus Services DAC was incorporated in April 2015. The Higher Education Authority is an ordinary member of HEAnet Ltd. Other ordinary members of the company are higher education institutions and the Department of Enterprise, Trade and Employment. The Higher Education Authority paid no grants to the HEAnet Group in 2022 or 2021. HEAnet Ltd provided services to the Higher Education Authority in 2022 in the amount of €25,838 (2021: €4,120).

Higher Education Authority
Notes to the Financial Statements

16. Employee Benefits

The table below provides details on employees earning €60,000 or more. This includes salary and allowances but excludes employers PRSI. There was no overtime paid in 2022.

Range	2022 No. of employees	2021 No. of employees
€60,000 to €69,999	7	4
€70,000 to €79,999	15	16
€80,000 to €89,999	6	2
€90,000 to €99,999	1	3
€100,000 to €109,999	4	4
€110,000 to €119,999	1	0
€120,000 to €129,999	0	0
€130,000 to €139,999	0	0
€140,000 to €149,999	0	0
€150,000 to €159,999	0	1
€160,000 to €169,999	1	0
€170,000+	0	0
	35	30

The average number of employees (whole-time equivalents) during the year, excluding EU funded Irish Research Council posts and temporary agency staff, was 112 for 2022 (2021:97.5).

Higher Education Authority
Notes to the Financial Statements

17. Key Management Personnel

Key management personnel in the Higher Education Authority consist of the Chief Executive Officer (CEO) and members of the Board. Total compensation paid to key management personnel, including Board Members fees and expenses and total CEO remuneration, amounted to €296,031 (2021: €277,718).

a) Chief Executive Remuneration

	2022 Remuneration €	2022 Expenses €	2022 Total €	2021 Remuneration €	2021 Expenses €	2021 Total €
Alan Wall (CEO) Gross Salary	167,143	2,157	169,300	159,994	0	159,994
Employer PRSI	3,078	0	3,078	2,954	0	2,954
Pension*	<u>40,436</u>	<u>0</u>	<u>40,436</u>	<u>38,649</u>	0	<u>38,649</u>
TOTAL	210,657	2,157	212,814	201,597	0	201,597

Standard public sector pension arrangements applied to Dr. Alan Wall. No performance related bonus was applicable.

*Dr Alan Wall is on secondment from the Department of Education. The HEA contributes towards his pension costs through a payment to the Department of Education based on 25% of his salary.

Higher Education Authority
Notes to the Financial Statements

b) Board Member Fees and Expenses

Board Member	2022 Fees €	2022 Expenses €	2022 Total €	2021 Fees €	2021 Expenses €	2021 Total €
Michael Horgan - Chair	11,970	0	11,970	11,970	0	11,970
Bahram Bekhradnia	3,584	1,766	5,350	7,695	0	7,695
Orla Feely	0	0	0	0	0	0
Sinéad O'Flanagan	7,695	6,026	13,721	7,695	2,591	10,286
Deirdre Lillis	0	0	0	0	0	0
Ronan Lyons	0	0	0	0	0	0
Jim Mountjoy	3,584	0	3,584	7,695	0	7,695
Lynn Ramsey	0	3,216	3,216	0	0	0
John Wall	0	0	0	0	0	0
Sharon Feeney	0	1,118	1,118	0	0	0
Tony Donohoe	7,695	0	7,695	7,695	0	7,695
Judith Eaton	7,695	1,544	9,239	7,695	0	7,695
Pól Ó Móráin	7,695	2,027	9,722	7,695	0	7,695
Darina Kneafsey	7,695	2,211	9,906	7,695	0	7,695
Lorna Fitzpatrick	0	0	0	3,848	0	3,848
Clare Austick	3,848	0	3,848	3,847	0	3,847
Beth O' Reilly	3,848	0	3,848			
TOTAL	65,309	17,908	83,217	73,530	2,591	76,121

Member's fees and travel and subsistence expenses are paid in accordance with rates set by the Department of Public Expenditure and Reform. The approved annual fee for members of the board is as follows; Chairperson €11,970, Ordinary Member €7,695. Under the 'One Person, One Salary' Principle, implemented from 1 November 2011 a fee is not paid to a member in receipt of a public sector salary. Members who served for only part of the year were paid a pro-rata fee. Expenses may include directly reimbursable claims or expenses paid on behalf of the Member.

Higher Education Authority
Notes to the Financial Statements

18. Retirement Benefits

Eligible staff members of the Higher Education Authority have access to two pension schemes. Staff members appointed before 1 January 2013 in general are members of a defined benefit pension scheme approved under Section 15 of the Higher Education Act, 1971 which is funded annually on a pay as you go basis from monies provided by the Department of Further and Higher Education, Research, Innovation and Science and from contributions deducted from staff salaries. The benefits on which the FRS 102 calculations are based are set out in the scheme documents for:

- (a) HEA Staff Superannuation Scheme 1980
- (b) HEA Staff Superannuation (Amendment) Scheme 1993
- (c) HEA Spouses' and Children's Scheme 1985, and
- (d) HEA Spouses' and Children's (Amendment) Scheme 1992

The Higher Education Authority also operates a voluntary AVC scheme.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouses' and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

The valuation used for FRS102 disclosures has been based on a full actuarial valuation by a qualified independent actuary to take account of the requirements of FRS102 in order to assess the scheme liabilities.

The principal actuarial assumptions used to calculate the retirement benefit liabilities under FRS102 were as follows:

	At 31/12/2022	At 31/12/2021
Discount Rate	4.30%	1.30%
Rate of Expected Salary Increase	3.25%	3.00%
Rate of Increase in Pension Payment	2.75%	2.50%
Inflation	2.25%	2.00%

The demographic assumptions i.e. mortality rates in service and in retirement are in line with standard tables employed in the actuarial valuations of similar public sector type schemes. This reflects the current trend of improvements in mortality and the general expectation that this trend is set to continue for the immediate future.

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Notes to the Financial Statements

		Implied life expectancy for a 65-year-old	
		2022	2021
Post-retirement – current pensioners (age 65 at the valuation date)	Male	21.9	21.7
	Female	24.3	24.1
Post-retirement – future pensioners (age 65 +10 years at the valuation date)	Male	23.1	22.9
	Female	25.3	25.2

a. Net Deferred Funding for Retirement Benefits

	2022	2021
	€'000	€'000
Funding recoverable in respect of current year	2,304	1,930
State Grant applied to pay pensioners	(583)	(918)
	<u>1,721</u>	<u>1,012</u>

b. Retirement Benefit Costs

	2022	2021
	€'000	€'000
Current service cost	1,234	1,150
Contribution - Employees	525	433
Interest on Pension Scheme Liabilities	545	347
EE and ER contributions retained	(141)	(145)
	<u>2,163</u>	<u>1,785</u>

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c. Deferred Funding for Retirement Benefits

The Higher Education Authority recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. While there is no formal agreement regarding these specific amounts with the Department of Further and Higher Education, Research, Innovation and Science, the Higher Education Authority has no evidence that this funding policy will not continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31 December 2022 amounted to €24.5 million (2021: €40.4 million).

d. Analysis of Total Retirement Benefit Costs charged to the Statement of Comprehensive Income

	2022 €'000	2021 €'000
Experience Gain on Retirement Benefit Liabilities	50	421
Changes in assumptions underlying the present value of Retirement Benefit Liabilities	17,636	(995)
Actuarial Gain (Loss) on Retirement Benefit Liabilities	<u>17,686</u>	<u>(574)</u>

e. Movement in Net Retirement Benefit Obligations

	2022 €'000	2021 €'000
Scheme Deficit at beginning of year:	(40,427)	(38,841)
Current Service Cost	(1,234)	(1,150)
Contribution - Employees	(525)	(433)
Pensions paid in year	583	918
Interest on Pension Scheme Liabilities	(545)	(347)
Actuarial Gain (Loss)	<u>17,686</u>	<u>(574)</u>
Scheme Deficit at end of year	<u>(24,462)</u>	<u>(40,427)</u>

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f. History of Defined Benefit Obligations

	2022	2021	2020
Experience gains and (losses) on scheme liabilities: Amount (€'000)	50	421	(586)
Percentage of Scheme Liabilities	0.2%	1.0%	(1.5%)
Total amount recognised in the Statement of Comprehensive Income Amount (€'000)	17,686	(574)	(3,504)
Percentage of Scheme Liabilities	72.3%	(1.4%)	(9.0%)

19. University Pension Control Accounts

At 30 September 2022 the universities had net deficits of €75.9m (2021: €198.6m) on their pension control accounts for their Closed and Model pension schemes. In the 3 months to 31 December 2022 the Department of Further and Higher Education, Research, Innovation and Science provided funding of €142.3m towards these deficits.

In addition, the universities had net surpluses at 30 September 2022 of €74m (2021: €73.6m) on their pension control accounts for their Single Public Service pension scheme.

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Notes to the Financial Statements

20. Events after the Reporting Period

There are no events between the reporting date and the date of approval of these financial statements that require adjustment to the financial statements.

21. Comparative Figures

Comparative figures in the prior year have been adjusted to conform with changes in presentation in these financial statements.

22. Approval of Financial Statements

The financial statements were approved by the board of the Higher Education Authority on 25th April 2023.

Higher Education Authority

Schedule 1

Grant Income Year Ended 31 Dec 2022					
Oireachtas Grants					
NAME OF GRANTOR	TYPE OF GRANT	OPENING DEFERRAL	GRANT RECEIVED	CLOSING DEFERRAL	INCOME AND EXPENDITURE
		01-Jan-22	2022	31-Dec-22	2022
		€'000	€'000	€'000	€'000
Department of Further and Higher Education, Research, Innovation and Science	General Vote 45 B04	13,900	1,332,315	11,628	1,334,587
	Pensions Vote 45 B10.2	0	226,290	0	226,290
	Access Vote 45 B11	2,189	40,794	8,452	34,531
	Capital Vote 45 B16	0	116,182	0	116,182
	Research Vote 45 B12	6,451	63,450	8,417	61,484
	Capital Research Vote 45 C4	0	8,682	0	8,682
	Administration Vote 45 B03	0	9,200	0	9,200
	NTF Labour Market Focused	0	152,555	0	152,555
	NTF Apprenticeship	0	59,599	0	59,599
	NTF Springboard+	5,553	41,438	7,081	39,910
	NTF Human Capital initiative	<u>13,813</u>	<u>60,000</u>	<u>14,212</u>	<u>59,601</u>
		41,906	2,110,505	49,790	2,102,621

An amount of €313.592m (2021: €287. 668m) was received during the year from the National Training Fund. These funds were used to raise the skills and knowledge of both the employed and unemployed and to provide learning to meet existing or future labour market skills needs of the economy including apprenticeships, skills training and enterprise focused higher education.

Higher Education Authority

Other Grants					
NAME OF GRANTOR	TYPE OF GRANT	OPENING DEFERRAL	GRANT RECEIVED	CLOSING DEFERRAL	INCOME AND EXPENDITURE
		01-Jan-22	2022	31-Dec-22	2022
		€'000	€'000	€'000	€'000
Health Service Executive	Nursing	0	7,508	0	7,508
Department of Further and Higher Education, Research, Innovation and Science.	B13 International	1,062	2,700	2,449	1,313
Department of Education.	Teacher Education	0	1,881	0	1,881
Department of Further and Higher Education, Research, Innovation and Science.	Erasmus International Support (BAR)	0	3,500	0	3,500
Department of Tourism, Culture, Arts, Gaeltacht, Sport & Media	Gaeltacht Initiatives	0	1,911	0	1,911
Department of Health	Healthy Campus	25	220	212	33
Sustainable Energy Authority of Ireland	Capital	2,045	8,797	8,881	1,961
EU	Gender Action	0	63	62	1
EU	Erasmus+	<u>11,182</u>	<u>16,914</u>	<u>10,500</u>	<u>17,596</u>
		<u>14,314</u>	<u>43,494</u>	<u>22,104</u>	<u>35,704</u>