

## **DÚN LAOGHAIRE INSTITUTE OF ART, DESIGN AND TECHNOLOGY**

### **Annual Governance Statement 2017/2018**

#### **Code of Governance (Section 2.11.4(i))**

Dún Laoghaire Institute of Art, Design and Technology (IADT) is committed to implementing and maintaining the highest standards of corporate governance. The Governing Body adopted the Code of Governance of Irish Institutes of Technology 2018 on 10<sup>th</sup> January 2018 and the amended Code on 14<sup>th</sup> June 2012.

#### **(A) Statement of Governance**

As Chairperson and President, we make the following statements on behalf of IADT in accordance with the provisions of Section 1.9 of the Business and Reporting Requirements of the State Code 2016.

The Governing Body is satisfied that, IADT is generally compliant with the provisions of the Code of Governance of Irish Institutes of Technology 2018 as outlined within this Comprehensive Report unless otherwise stated.

#### **1. Code of Conduct for Members (Section 2.11.4(i) IoTC<sup>1</sup>)**

The Governing Body adopted the Code of Business Conduct for Governing Body Members on 1<sup>st</sup> September 2010 and reaffirmed the Code on 7<sup>th</sup> September 2016. The Code of Business Conduct for Governing Body Members contains clear references and guidance for members in respect of conflicts of interest and ethics in public offices. IADT has a range of processes in place to monitor the provisions of this Code of Conduct.

#### **2. Code of Conduct for Employees (Section 2.11.4(i) IoTC)**

The Governing Body adopted the Code of Business Conduct for Employees on 5<sup>th</sup> November 2014. The Code of Business Conduct for Employees Members contains clear references and guidance for members in respect of conflicts of interest and ethics in public offices. IADT has a range of processes in place to monitor the provisions of this Code of Conduct.

#### **3. Financially Significant Developments (Section 2.11.4(ii) IoTC)**

- (i)** IADT has complied with the statutory provisions of the RTC Acts 1992-1999 and the Institutes of Technology Act, 2006.

---

<sup>1</sup> Code of Practice for the Governance of Institutes of Technology Code of Practice

The Institute has met its requirements for operating within a balanced budget at the end of December 2017 and has achieved a balanced Financial Statements for the year ended 31<sup>st</sup> August 2017. The Financial Statements have been audited by the Comptroller and Auditor General (C&AG) and will be submitted to the Department of Education and Skills (DoES) for laying before the houses of the Oireachtas.

The Institute did not establish any new subsidiaries or joint ventures and there have been no acquisitions. The Institute did not acquire any shareholdings during the year.

(ii) IADT confirms that no internal investigations were initiated that required the use of external investigators during the period.

(iii) IADT engaged the following consultants during the period 2017/2018:

<b>Name of firm/ consultant</b>	<b>Nature of work</b>	<b>Duration</b>	<b>Final cost</b>	<b>Procurement method e.g. tender, existing framework</b>
Arthur Cox	Legal Services	3 Months	€31,943.62	OGP Framework (Direct Drawdown)
Beauchamps Solicitors	Legal Services	4 years	€9,699.02	Public Procurement Process (IoTI/OGP)
PwC Ireland	Internal Audit	3 years	€18,081.00	Public Procurement Process (IADT/ e-Tenders)
CrowleysDFK	Financial Consultancy	5 years	€11,685.00	Public Procurement Process (IADT/ e-Tenders)
Reuben Hambakachere	Project Consultancy	2 Months	€1,275.00	IADT Procurement Process
Deborah Madden	Film Production Consultancy	2 Months	€5,500.00	IADT Procurement Process
Nadine Kennedy	Design Consultancy	1 Month	€500.00	IADT Procurement Process
Holly Brennan	Design Consultancy	1 Month	€2,000.00	IADT Procurement Process
Ona Mansfield	Design Consultancy	1 Month	€307.50	IADT Procurement Process
Diversity Network Ltd.	Equality Consultancy	1 Month	€2,570.00	IADT Procurement Process
Conway Communications	PR Consultancy	1 Month	€6,675.82	IADT Procurement Process
Somers & Murphy Ltd.	Business Consultancy	1 Month	€600.00	IADT Procurement Process

- (iv) The Institute entered into an Educational Partnership Agreement with Sound Training College for the delivery of a Level 8 Course in Creative Music Production in 2017. This is an extension and further development of an existing Agreement for a Level 7 Course.

The Institute entered into an articulation Agreement in 2016 with George Brown College in Toronto Ontario, Canada for the acceptance of students onto a Level 9 Masters in Interdisciplinary Design.

The Institute entered into a Memorandum of Understanding in 2018 with Sheridan College in Toronto Ontario, Canada for the development of pathways to IADT in the area of Animation.

- (v) As indicated above IADT remains compliant with the requirements to operate within budget and the Employment Control Framework. IADT notes that the budgetary and resources constraints imposed on the Sector generally and IADT in particular are impacting on the capacity of IADT to fulfil its remit and are impacting on the quality of the education being provided to its students.

#### **4. Government Policy on Pay (Sections 2.6.1 and 2.11.4(iii) IoTC)**

- (i) IADT complies with the Government Policy on pay and in particular in relation to the pay of the President of the Institute.
- (ii) IADT issued one severance payment to the value of €84,842.00, comprising €17,604.00 statutory redundancy and €67,238.00 enhanced redundancy, as agreed with the Department of Education and Skills.

#### **5. Financial Reporting (Section 2.11.4(iv) IoTC)**

All appropriate procedures for financial reporting are being carried out.

#### **6. Off Balance Sheet Transactions (BFRR)**

There have been no off balance sheet transactions during the year other than as identified within the Financial Statements and/or reported to the C&AG.

#### **7. Trusts and Foundations**

IADT has not established any Trusts and/or Foundations and therefore the incorporation of such into the Institute's Financial Statements is not applicable.

#### **8. Internal Audit (Section 2.11.4(iv) IoTC)**

IADT has outsourced its Internal Audit function through a procurement process operated in accordance with the Office of Government Procurement (OGP) requirements. The function operates in accordance with the Code of Governance, the

Terms of Reference for Internal Audit and the Internal Audit Charter and reports directly to the Audit and Risk Committee. An annually agreed plan has been agreed between the Audit and Risk Committee and the Internal Auditor.

**9. Procurement (Section 2.11.4(iv) and (ix) IoTC & Section 8.20 & 8.16 SC)**

**(i) Procurement Procedures**

IADT has a Procurement Policy which complies with the national guidelines on public procurement and the requirements of the OGP. IADT utilizes frameworks and contracts established by the OGP and Education Procurement Service (EPS), wherever appropriate. Staff members with responsibility for purchasing have been trained on and are conversant with this Policy. The Governing Body is satisfied that the public procurement guidelines have been complied with.

**(ii) Procurement Non-Compliance**

IADT monitors all procurement for compliance with the Institute's Procurement Policy and conducts periodic Internal along with External Audits in this regard. IADT maintains a register of all major contracts (including all contracts in excess of €25,000) and reports on these to the Audit and Risk Committee.

**(iii) Details of Non-Competitive Procurement**

IADT has not entered into contracts without a competitive process appropriate to the level of expenditure under the contract or otherwise in accordance with the Institute's Procurement Policy and Government Procurement Guidelines.

**(iv) Corporate Procurement Plan**

The Governing Body has approved an Institute Procurement Plan for 2018 and this is published on the Institute website [www.iadt.ie](http://www.iadt.ie).

**10. Asset Disposals (Section 2.11.4(iv) IoTC)**

IADT has put in place policies and procedures for the disposal of assets and the granting of access to assets by third parties. Decisions on asset disposals in excess of €70,000 and the granting of access to assets by third parties are a Reserved Function and must be approved by the Governing Body.

There were no significant asset disposals or granting of access to assets by third parties during the year other than as identified in the Financial Statements.

**11. Guidelines for the Appraisal and Management of Capital Proposals (Section 2.11.4(v) IoTC)**

The Guidelines for the Appraisal and Management of Capital proposals are being adhered to, where appropriate, by the Institute.

**12. Travel Policy (Section 2.11.4(vi) IoTC)**

IADT complies with the Government Travel Policy requirements.

**13. Guidelines on Achieving Value for Money in Public Expenditure (Section 2.11.4(vii) IoTC)**

IADT confirms that the Guidelines on Achieving Value for Money in Public Expenditure are being followed.

**14. Compliance with Tax Laws (Section 2.11.4(viii) IoTC)**

IADT confirms that it has, to the best of its knowledge, complied with its obligations under tax laws.

**15. Legal Disputes (Section 8.48 SC & Section 1.9 (xiv) BFRR)**

IADT can confirm that it is not involved in any legal disputes with any other state agency.

**16. Confidential Disclosure Faith Reporting - Protected Disclosures Act 2014 (Section 3.1.1.17 IoTC)**

- (i) IADT has a Protected Disclosures Policy, in accordance with the Protected Disclosures Act 2014, in place which was approved by the Governing Body on 17<sup>th</sup> June 2015.
- (ii) IADT has published an Annual Report as required under Section 22(1) of the Act
- (iii) IADT can confirm that it has received no Disclosures under the Policy or the Act during the period.

**17. Governing Body Meetings (Section 4.9 SC)**

The 6<sup>th</sup> Governing Body met on 9 occasions during the period 1<sup>st</sup> September 2017 to 31<sup>st</sup> August 2018. The Term of Office of the 6<sup>th</sup> Governing Body commenced on 1<sup>st</sup> April 2016.

Meeting Date	Attendance Level
6 <sup>th</sup> September 2017	63%
4 <sup>th</sup> October 2017	58%
1 <sup>st</sup> November 2017	63%
13 <sup>th</sup> December 2017	74%
10 <sup>th</sup> January 2018	68%
7 <sup>th</sup> February 2018	68%
21 <sup>st</sup> March 2018	74%
2 <sup>nd</sup> May 2018	63%
13 <sup>th</sup> June 2018	67%

The Governing Body met on 6<sup>th</sup> September 2017 and 13<sup>th</sup> June 2018 without the Executive members being present to discuss any relevant items.

Membership and details of attendance, fees and expenses paid to Governing Body Members is set out below:

Governing Body Member	Nominated by	Number of meetings attended	% of attendance	Governing Body Members Fees	Governing Body Members Expenses	Governing Body Interview Fees	Governing Body Interview Expenses
David Holohan	Chairperson	9	100%	None	€466.00	Nil	Nil
Dr Annie Doona	President	9	100%	None	Nil	Nil	Nil
Dr Fionnuala Anderson	DDLETB	9	100%	None	Nil	Nil	Nil
Cllr Sorcha Nic Cormaic	DDLETB	5	56%	None	Nil	Nil	Nil
Cllr Barry Saul	DDLETB	2	22%	None	Nil	Nil	Nil
Tom Taylor	DDLETB	6	67%	None	Nil	Nil	Nil
Cllr Barry Ward	DDLETB	6	67%	None	Nil	€570.00	Nil
Aine O'Sullivan	KWETB	4	44%	None	Nil	Nil	Nil
Fiona Mc Loughlin	Academic Staff	4	44%	None	Nil	Nil	Nil
Joachim Pietsch	Academic Staff	9	100%	None	Nil	Nil	Nil
Celine Blacow	Staff	7	78%	None	Nil	Nil	Nil
Helen Moynihan	Student	5	56%	None	Nil	Nil	Nil
Andrew Martin <sup>2</sup>	Student	4	44%	None	Nil	Nil	Nil
Kieron Connolly	ICTU	4	44%	None	Nil	Nil	Nil
Aoife Ruane	The Arts Council	2	22%	None	Nil	Nil	Nil
Helen Cullinane	Houghton Mifflin Harcourt	2	22%	None	Nil	Nil	Nil
Maeve McConnon	IDA Ireland	9	100%	None	Nil	Nil	Nil
John McDonnell	Irish Film Board	9	100%	None	Nil	€2,565.00	€123.00
Marie Carroll	Southside Partnership	8	89%	None	Nil	Nil	Nil

<sup>2</sup> Resigned 4<sup>th</sup> May 2018

## **18. Audit and Risk Committee (Section 4.9 SC & Section 1.13 ARCG)**

The Governing Body has established an Audit and Risk Committee in accordance with the Code. The Audit and Risk Committee submits an Annual Report for the approval of the Governing Body and the minutes of Audit and Risk Committee meetings are issued to all Governing Body Members.

Details of the membership of the Audit and Risk Committee and the attendance records are set out below.

The Governing Body appointed two members (Dr Fionnuala Anderson and Kieron Connolly) to the Audit and Risk Committee at its meeting on 15<sup>th</sup> June 2016 and a further two members (Marie Carroll and Maeve McConnon) at its meeting on 1<sup>st</sup> March 2017.

The Audit and Risk Committee met on 4 occasions during the period 1<sup>st</sup> September 2017 to 31<sup>st</sup> August 2018.

Meeting Date	Attendance Level
13 <sup>th</sup> September 2017	100%
13 <sup>th</sup> December 2017	100%
21 <sup>st</sup> March 2018	100%
23 <sup>rd</sup> May 2018	75%

Details of Audit and Risk Committee Members attendance is set out below:

Audit and Risk Committee Member	Number of Meetings Attended	% Attendance
Dr Fionnuala Anderson	4	100%
Marie Carroll	4	100%
Kieron Connolly	3	75%
Maeve McConnon	4	100%

## **19. Review of Governing Body Performance (Section 4.6 SC)**

The Governing Body conducted a formal Review of its Performance and Effectiveness in Autumn 2013. This review was conducted by the Institute's Internal Auditors Deloitte using a template developed for the IoT Sector. A Gap Analysis in respect of the Code of Governance was conducted by the Internal Auditors in 2015 and was reviewed by the Audit Committee in December 2015 and the Governing Body on 10<sup>th</sup> February 2016. The next external review will be carried out in Quarter 3 2018.

The Governing Body conducted an annual internal review of its effectiveness at its meeting on 6<sup>th</sup> September 2017 and again on 14<sup>th</sup> June 2018. The next annual internal review is scheduled to be carried out at the June 2019 meeting of the Governing Body.

**20. Salary of President (Section 1.4 (iv) BFRR)**

The President's Salary is in accordance with the Salary determined by the Minister for Education and Skills and is: €146,543 annualised.

**21. Data provided to the HEA**

- (i) IADT can confirm that data in respect of student numbers issued to the HEA is accurate and conforms to the requirements of the reporting templates.
- (ii) IADT can confirm that data in respect of student numbers issued to the HEA is accurate and conforms to the requirements of the reporting templates.

**22. Children and Vulnerable Adults Protection Policy**

IADT has a Children and Vulnerable Adults Policy in place as approved by the Governing Body on 6<sup>th</sup> February 2013 and amended on 9<sup>th</sup> December 2015.

**23. Fees and Expenses (Section 2.10 RS & Section 1.10 (vii) BFRR)**

IADT affirms that Governing Body Members do not receive fees in respect of their membership of the Governing Body. Governing Body Members may receive expenses for attending Governing Body Meeting and may receive fees and expenses for facilitating the Institute in respect of Interview Boards. All such fees and expenses are paid in accordance with guidelines issued from time to time by the Departments of Finance and Public Expenditure and Reform. The details of such payments are set in Section 17 above.

We can confirm that all fees and expenses in Section 17 above are published in the Institute's Annual Report.

**24. Subsidiaries of the Institute and interests in external companies (Section 1.9 (xvi) & 1.11 BFRR)**

IADT has not established any subsidiaries and therefore this section is not relevant.

**25. Governance and Accountability Issues**

There are no Governance and Accountability issues to be reported, other than as set out below:

- Under the Ethics in Public Office Acts 1995 and 2001, members of the Governing Body as designated directorships are required to submit Statements of Interests to the Standards in Public Offices Commission on or before 31<sup>st</sup> January 2018 in respect of the year ended 31<sup>st</sup> December 2017 and to provide a copy of same to the Secretary to the Governing Body. It is noted that copies of the above Statements were received from two members of the Governing Body on 12<sup>th</sup> October 2018 and from one member on 7<sup>th</sup> November 2018. A Statement of Interests has not been received to date from one member who resigned from the Governing Body during the period.



- Under the Ethics in Public Office Acts 1995 and 2001, persons holding designated positions of employment as listed in the Acts, and Regulation 5 of S.I. 699 of 2004 are required to submit Statements of Interests to the President of the Institute, on or before 31<sup>st</sup> January 2018, in respect of year ended 31<sup>st</sup> December 2017. It is noted that the above Statements were received from seven individuals comprehended by the Act and Regulation 5 of S.I. 699 in the period 8<sup>th</sup> to 10<sup>th</sup> October 2018. It is noted that statements from two individuals have not been received, however, both individuals have been on either approved or protected leave since 31<sup>st</sup> December 2017.

**26. Responsibility for the System of Internal Control (Section 3.4.1 IoTC)**

On behalf of the Governing Body, we acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated.

The Governing Body of IADT has formally approved the Statement of Internal Control on 7<sup>th</sup> November 2018 for the period, subject to audit by the C&AG.

**27. Reasonable assurance against material error (Section 3.4.2 IoTC)**

The system can 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 would be detected in a timely manner.

**28. Review of the Statement of Internal Control (Governing Body and Audit and Risk Committee) (Section 3 (iv) Appendix D BFRR)**

As part of the Institute's Governance Processes, the Statement of Internal Control is reviewed by the Audit and Risk Committee for approval by the Governing Body.

The Audit and Risk Committee formally reviewed the Statement of Internal Control at its meeting on 27<sup>th</sup> September 2018.

**29. Review of the Statement of Internal Control (External Auditors) (Section 2.7 SC)**

As part of the external audit conducted by and/or on behalf of the C&AG, the Statement of Internal Control is reviewed by the Institute's External Auditors.

**30. Key Procedures put in place designed to provide effective internal control**

**(i) Appropriate Control Environment (Section 3.4.3 (i) IoTC)**

The Governing Body has taken steps to ensure an appropriate control environment by:

- Clearly defining and documenting management responsibilities and powers;
- Establishing processes for identifying risks and evaluating their financial implications;
- Establishing an Audit and Risk Committee with clear terms of reference;

- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organization;
- Developing a strong culture of accountability across all levels of the organisation.

#### **(ii) Business Risks (Section 3.4.3 (ii) IoTC)**

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular, it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body with authority delegated where appropriate, for managing and controlling the Annual Allocation as granted by the Higher Education Authority and other income and expenditure;
- Management Information Systems in respect of Financial Management, HR Records and Management, Library Information Systems, Student Records and Academic Administration and Timetabling Information;
- A Resource Allocation System;
- A Risk Management System with regular reporting and reviews;
- Regular reviews by the Governing Body of periodic and annual financial reports, which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- An Academic Council which reports to the Governing Body;
- An Academic Quality Framework with clearly defined academic and quality processes and control guidelines;
- Clearly defined capital investment control guidelines;
- Formal project management disciplines.

#### **(iii) Information Systems (Section 3.4.3 (ii) IoTC)**

In addition to the above measures, the Institute has implemented a range of Management Information Systems in respect of Financial Management, HR Records and Management, Library Information Systems, Student Records and Academic Administration and Timetabling Information. These systems provide information enabling comparisons of actual results against budgeted forecasts.

#### **(iv) Major Business Risks (Section 3.4.3 (iv) IoTC)**

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular, it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body with authority delegated where appropriate, for managing and controlling the Annual Allocation as granted by the Higher Education Authority and other income and expenditure;
- Management Information Systems in respect of Financial Management, HR Records and Management, Library Information Systems, Student Records and Academic Administration and Timetabling Information;
- A Resource Allocation System;
- A Risk Management System with regular reporting and reviews;

- Regular reviews by the Governing Body of periodic and annual financial reports, which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- An Academic Council which reports to the Governing Body;
- An Academic Quality Framework with clearly defined academic and quality processes and control guidelines;
- Clearly defined capital investment control guidelines;
- Formal project management disciplines.

**(v) Monitoring the Effectiveness of the Internal Control System  
(Section 3.4.3 (v) IoTC)**

The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, the Governing Body Audit and Risk Committee which oversees the work of the Internal Auditors, the

Executive Board who have responsibility for the development and maintenance of the financial control framework and comments made by the Comptroller and Auditor General in his management letters and other reports.

The Institute has an outsourced internal audit function which operates in accordance with the Code of Governance of Irish Institutes of Technology. The work of internal audit is informed by analysis of the risk to which the Body is exposed and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed and approved by the Governing Body Audit and Risk Committee. At least once annually the Internal Auditors provide the Governing Body Audit and Risk Committee with a report of internal audit activity. These reports highlight any deficiencies or weaknesses in the system of internal control and the recommended corrective measures to be taken where necessary. The Audit and Risk Committee receives regular reports on the status of issues raised.

**31. Review of the Effectiveness of the System of Internal Control (Section 3.4.4 IoTC)**

Through the Internal Audit structure and reporting, the Audit and Risk Committee has conducted a review of the internal controls operating in the Institute and has reported on these with a confirmation that an appropriate control environment exists within the Institute. This confirmation is set out below:

- The Audit and Risk Committee reported on its activities for the year ended 31<sup>st</sup> August 2018 to the Governing Body on 7<sup>th</sup> November 2018.
- The Governing Body conducted a review of the effectiveness of the system of internal control for the year ended 31 August 2018 on 7<sup>th</sup> November 2018.

**32. Weaknesses in Internal Controls (Section 3.4.5 IoTC)**

There were no weaknesses in Internal Controls identified during the period that are required to be reported.

**33. Description of the action taken to correct weaknesses (Section 3.4.6 IoTC)**

Area of Non-compliance or weaknesses in Internal Control	Actions to be taken to attain compliance or correct weakness	Due Date

Signed on behalf of the Governing Body:



David Holohan  
Chairperson



Dr Annie Doona  
President

Dated: 7<sup>th</sup> November, 2018