

DÚN LAOGHAIRE INSTITUTE OF ART, DESIGN AND TECHNOLOGY

Annual Governance Statement 2016/2017

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 on 6th April 2009 and the amended Code on 14th 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:

Code of Governance (Section 2.11.4(i))

The Governing Body has **not** adopted a revised Code of Practice for the Governance of Institutes of Technology that is fully compliant with the Code of Practice for State Bodies as applicable for years ending after 1st September 2016. The Governing Body is engaged with a process with the HEA and THEA to develop a Code of Governance for Institutes of Technology that will be compliant with the 2016 State Code. It is expected that this Code will be adopted by the Governing Body in 2018.

The Governing Body adopted the Code of Governance of Irish Institutes of Technology on 6th April 2009 and the amended Code on 14th June 2012.

The Governing Body is satisfied that, despite not having approved a revised Code of Practice for the Governance of Institutes of Technology in compliance with the Code of Practice for the Governance of State Bodies 2016, IADT is generally compliant with the provisions of the 2016 State Code as outlined within this Comprehensive Report unless otherwise stated.

1. Code of Conduct for Members (Section 2.11.4(i) IoTC¹)

The Governing Body adopted the Code of Business Conduct for Governing Body Members on 1st September 2010 and reaffirmed the Code on 7th 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.

¹ Code of Practice for the Governance of Institutes of Technology Code of Practice 2018

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

The Governing Body adopted the Code of Business Conduct for Employees on 5th 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.

The Institute has met its requirements for operating within a balanced budget at the end of December 2016 and has achieved a balanced Financial Statements for the year ended 31st August 2016. The Financial Statements have been audited by the Comptroller and Auditor General (C&AG) and have been 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 2016/2017:

Name of firm/consultant	Nature of work	Duration	Final cost	Procurement method e.g. tender, existing framework
Deloitte	Unit Costing	Annual	€28,314.60	Sourced through IoTI/HEA as a follow on from the initial contract
PwC Ireland	Internal Audit	3 years	€20,664.00	Public Procurement Process (IoTI/OGP)
Gannon Kirwan Somerville Ltd	Financial Consultancy	5 years	€17,712.00	Public Procurement Process (IADT/e-Tenders)
CrowleysDFK	Financial Consultancy	5 years	€11,685.00	Public Procurement Process (IADT/e-Tenders)
Dorgan Associates	Cost Benefit Analysis	1 month	€5,166.00	Quotation Process IADT Procurement Policy
EML Architects Ltd	Architect (Backlot Project)	1 year	€602.70	Public Procurement Processes (IADT/e-Tenders)
H J Lyons (architects) Ltd.	Campus Development Plan	2 months	€35,239.50	Emergency Procurement

There was nil expenditure on Legal Consultants during the period.

- (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.

- (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 in accordance with Statutory Redundancy provisions. As this payment was less than €10,000 and was in accordance with the legal provisions there was no requirement to seek prior consent from 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)²

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 Committee. An annually agreed plan has been agreed between the Audit and Risk Committee and the Internal Auditor.

² Business and Financial Reporting Requirements

9. Procurement (Section 2.11.4(iv) and (ix) IoTC & Section 8.20 & 8.16 SC)³

(i) Procurement Procedures

IADT has a Procurement Policy which complies with the national guidelines on public procurement and the requirements of the OGP. 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 2017 and this is published on the Institute website 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.

³ Code of Governance for State Bodies 2016

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 17th 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 6th Governing Body met on 9 occasions during the period 1st September 2016 to 31st August 2017. The Term of Office of the 6th Governing Body commenced on 1st April 2016.

Meeting Date	Attendance Level
7 th September 2016	72%
5 th October 2016	78%
2 nd November 2016	63%
14 th December 2016	68%
11 th January 2017	74%
1 st March 2017	68%
5 th April 2017	63%
3 rd May 2017	89%
14 th June 2017	47%

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	% attendance	Governing Body Members Fees	Governing Body Members Expenses	Governing Body Interview Fees	Governing Body Interview Expenses
David Holohan	Chairperson	6 ⁴	86%	None	Nil	Nil	Nil
Dr Annie Doona	President	8	89%	None	Nil	Nil	Nil
Dr Fionnuala Anderson	DDLETB	5	56%	None	Nil	Nil	Nil
Cllr Sorchá Nic Cormaic	DDLETB	5	56%	None	Nil	Nil	Nil
Cllr Barry Saul	DDLETB	2	22%	None	Nil	Nil	Nil
Tom Taylor	DDLETB	7	78%	None	Nil	Nil	Nil
Cllr Barry Ward	DDLETB	3	33%	None	Nil	Nil	Nil
Áine O'Sullivan	KWETB	4	44%	None	Nil	Nil	Nil
Fiona Mc Loughlin	Academic Staff	7	78%	None	Nil	Nil	Nil
Joachim Pietsch	Academic Staff	9	100%	None	Nil	Nil	Nil
Celine Blacow	Staff	8	89%	None	Nil	Nil	Nil
Alice Hartigan	Student	6	67%	None	Nil	Nil	Nil
Niall Kavanagh	Student	6	67%	None	Nil	Nil	Nil
Kieron Connolly	ICTU	6	67%	None	Nil	Nil	Nil
Aoife Ruane	The Arts Council	6	67%	None	Nil	Nil	Nil
Helen Cullinane	Houghton Mifflin Harcourt	5	56%	None	Nil	Nil	Nil
Maeve McConnon	IDA Ireland	8	89%	None	Nil	Nil	Nil
John McDonnell	Irish Film Board	8	89%	None	Nil	€570.00	€33.00
Marie Carroll	Southside Partnership	8	89%	None	Nil	Nil	Nil

⁴ David Holohan was appointed on 6th October 2016 and was therefore only eligible to attend 7 meetings.

18. Audit and Risk Committee (Section 4.9 SC & Section 1.13 ARCG)⁵

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 15th June 2016 and a further two members (Marie Carroll and Maeve McConnon) at its meeting on 1st March 2017.

The Audit and Risk Committee met on 4 occasions during the period 1st September 2016 to 31st August 2017.

Meeting Date	Attendance Level
5 th October 2016	100%
14 th December 2016	100%
14 th February 2017	100%
24 th May 2017	100%

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

Audit Committee Member	Number of meetings attended	% attendance
Dr Fionnuala Anderson	4	100%
Marie Carroll ⁶	1	100%
Kieron Connolly	4	100%
Maeve McConnon ⁷	1	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 10th February 2016. The next external review will be carried out in Quarter 3 2018.

⁵ Audit and Risk Committee Guidance

⁶ Marie Carroll was appointed to the Audit and Risk Committee on 1st March 2017 and was therefore only eligible to attend 1 meeting.

⁷ Maeve McConnon was appointed to the Audit and Risk Committee on 1st March 2017 and was therefore only eligible to attend 1 meeting.

The Governing Body conducted an annual internal review of its effectiveness at its meeting on 6th September 2017. The next annual internal review is scheduled to be carried out at the June 2018 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: €145,025 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 staff 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 6th February 2013 and amended on 9th 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

A potential weakness in relation to the use of a credit card has been identified during 2017. An initial investigation into this potential weakness is currently being undertaken.

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 3rd October 2017 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 13th September 2017.

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 Comptroller and Auditor General, 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 organisation
- 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 August 2016 to the Governing Body on 5th October 2017. We confirm that the Governing Body conducted a review of the effectiveness of the system of internal control for the year ended 31 August 2016 on 5th October 2017.

32. Weaknesses in Internal Controls (Section 3.4.5 IoTC)

A potential weakness in relation to the use of a credit card has been identified during 2017. An initial investigation into this potential weakness is currently being undertaken.

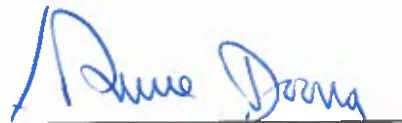
33. Description of the action taken to correct weaknesses (Section 3.4.6 IoTC)

Area of Non-compliance or weaknesses in Internal Control	Actions to be taken to attain compliance or correct weakness	Due Date
The Governing Body has identified that it is not compliant with the Code of Governance for State Bodies 2016 in so far as it has not adopted a Code of Governance that is compliant with the State Code. In all other respects as identified above, it is in Compliance with the requirements of the State Code.	The Institute in conjunction with all Institutes of technology and Members of the Technological Higher Education Association is working with the Higher Education Authority to develop a Code of Governance for Institutes of Technology that is fully compliant with the State Code. Once this has been developed, it will be proposed to the Governing Body of IADT for approval.	Quarter 1 2018
A potential weakness in relation to the use of a credit card has been identified during 2017. An initial investigation into this potential weakness is currently being undertaken.	An initial investigation into this potential weakness is currently being undertaken. The HEA and the C&AG have been notified of this. Where appropriate further actions under the Institute's Policies may be undertaken.	End December 2017

Signed on behalf of the Governing Body:



David Holohan
Chairperson



Dr Annie Doona
President

Dated: 01/11/17