

DÚN LAOGHAIRE INSTITUTE OF ART, DESIGN AND TECHNOLOGY

Annual Governance Statement 2019/2020

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 (the Code) on 10th January 2018.

(A) Statement of Governance

As Chairperson and President, we make the following statements on behalf of IADT in accordance with the provisions of Section 6.10 of the Business and Financial Reporting Requirements of the Code.

The Governing Body is satisfied that IADT is wholly compliant with the provisions of the Code of Governance of Irish Institutes of Technology 2018 as outlined within this Report, with the exception of Item 24 Disability Act 2005, where the Institute is partially compliant.

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.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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

- (i) IADT has complied with the statutory provisions of the RTC Acts 1992-1999 as amended, the Institutes of Technology Act, 2006 as amended and the Technological Universities Act 2018 as amended and as is applicable to IADT.

¹ 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 2019, but has reported a deficit in its Financial Statements for the year ended 31st August 2019. This is due to expenditure necessary for essential and emergency health and safety upgrades to buildings not funded through the Devolved Grant. The Financial Statements for the year ended 31st August 2019 have been audited by the Comptroller and Auditor General (C&AG) and submitted to the Department of Education and Skills (DoES) for laying before the Houses of the Oireachtas. The Institute has notified the HEA of a projected over expenditure, prior to the impact of Covid-19 exceptional costs and/or income deficits, of €200k or 1% of its budget for 2020.

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.

The President of the Institute, Dr Annie Doona, notified the Governing Body in April 2019 of her intention to resign her position with effect from 31st March 2020. The Governing Body, in accordance with the requirements, received permission from the Minister for Education and Skills and the HEA for a recruitment process to identify and appoint a new President. Mr David Smith was appointed at the Governing Body on 11th December 2019 to take up the position on 1st April 2020.

In January 2020, IADT became aware of the spreading pandemic, Covid-19. IADT implemented its Critical Incident Protocol and established an advisory group under that Protocol. On 12th March, by order of the Government, IADT closed its campus and moved all of its teaching, assessment and operational processes on-line and all staff commenced working remotely from campus. IADT commenced the return to campus with effect from 20th May, but does not plan to have students on campus until late September. Where possible IADT staff members will continue to carry out their responsibilities remotely for all of the time or, where this is not possible, work will be carried out on campus under strict conditions. IADT has incurred significant costs in re-configuring the campus to meet the requirements for hygiene and social distancing as required by the Government. IADT has and continues to notify the HEA regarding these exceptional costs, both directly and through THEA.

The following issues are also likely to arise in both the short and medium terms that will have a negative impact on the financial position of the Institute.

IADT has previously notified the HEA regarding the significant building compliance deficits of the Quadrangle Building on Campus. This building does not comply with the Building Regulations and the Institute has notified both the Department of Education and the HEA with regard to this in many submissions since 2003. This building will require significant additional funding on an emergency basis over a number of years to ensure compliance and a safe learning and working environment for staff and students.

While the Governing Body is aware of the plans to provide a single new building through the PPP Process, IADT now understands that this building will not be available to the Institute until September 2023 at the earliest. This building, along with other buildings, was planned to be delivered on Campus in 2012 and this delay of 12 years is having a number of significant impacts on the Institute. The absence of these buildings is inhibiting the growth

projections of the Institute, which are essential to meet the growing needs of students in the Institute's catchment area. This potential growth in student numbers would assist the Institute in stabilising its financial position and would reduce the continually growing excess of expenditure over income. The risk to the Institute, its staff and students arising from the continuing requirement to operate, work and study in deficient buildings is significant with regards to the Institute's capacity and legal requirement to provide places to work and study that meet the basic requirements of the legislation. This building deficit requires the Institute to invest significant sums from the recurrent grant budget towards repairs, which should be funded through the devolved grant which is insufficient to meet the essential needs of the Institute. This requirement for the Institute to invest funds intended for the education of students towards the upkeep of State capital assets has resulted in deficits being reported in the Financial Statements.

The absence of clarity on the future funding of higher education generally and thus, the Institute specifically, is impacting on the financial position of the Institute, in addition to the uncertainties arising from Covid-19. The current average unit cost for a student in IADT is approximately €9,000 per annum against a total contribution received per student from all sources of approximately €7,500 per annum. IADT does not have the financial capacity to continue to absorb this loss of €1,500 per student per annum.

(ii) IADT confirms that internal investigations have been initiated and/or continued that required the use of external investigators during the period and these are outlined in the Appendix to this Statement.

(iii) IADT engaged the following consultants during the period 2019/2020:

Name of firm/ consultant	Nature of work	Duration	Final cost	Procurement method e.g. tender, existing framework
Arthur Cox	Legal Services	1 year	€9,079.97	OGP Framework (Direct Drawdown)
Beauchamps Solicitors	Legal Services	By Project	€857.92	Public Procurement Process (IoTI/OGP)
CrowleysDFK	Financial Consultancy	5 years	€12,533.70	Public Procurement Process (IADT/ eTenders) & THEA
Limelight Communications	PR Consultancy	1 year	€1,045.50	IADT Procurement Process
Mazars	Strategy Development	3 months	€23,636.87	IADT Procurement Process [OGP Framework (SRFT)]
Mairead McKenna	HR Investigation	3 months	€37,453.50	IADT Procurement Process
Michael Punch & Partners Ltd	Engineering Consultancy and Advice	3 months	€1,013.21	IADT Procurement Process

Public Authority Pension Services Ltd	Pensions Advice	1 year	€3,487.05	IADT Procurement Process
PwC Ireland	Internal Audit	3 years	€18,942.00	Public Procurement Process (IADT/ eTenders)
Scollard Doyle	Quantity Surveying Consultancy and Advice	3 months	€1,014.75	IADT Procurement Process
Thinkhouse Ltd	PR and Marketing Consultancy	2 year	€22,178.19	IADT Procurement Process

- (iv) There were no significant commercially sensitive developments in the past financial year in respect of IADT.
- (v) IADT does not have any joint venture arrangements and therefore does not have any financing arrangements or loans to report.
- (vi) From the above there is no cost to the Exchequer in this regard.
- (vii) As indicated above IADT remained compliant with the requirements to operate within budget and the Employment Control Framework as at 31st December 2019. IADT has notified the HEA, as at 31st March 2020, of a projected budget deficit of €201,000 or 1% for the year ended 31st December 2020. It should be noted that this projected budget deficit does not include any additional costs or impacts arising from the COVID-19 pandemic crisis. 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, these impacts are in addition to the impacts relating to Covid-19 identified above.

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 pensions, in particular in relation to the pay of the President of the Institute.
- (ii) IADT is/has implemented the recommendations from the Rolling Review on Pay and Pensions (HEA, 2019) as applicable to IADT.
- (iii) IADT can confirm that no severance payments were made during the period.
- (iv) IADT has general procedures in place where employees request the permission of the President to engage in external work activities. This requirement is contained within all contracts of employment and is notified periodically to all staff members.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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

- (i) The Institute affirms that all appropriate procedures for financial reporting are being carried out.
- (ii) The Institute confirms that the specific disclosures required by the Code of Practice for the Governance of State Bodies as amended by the Code of Governance for Institutes of Technology are included in the annual financial statements.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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

- (i) IADT has outsourced its Internal Audit function through a procurement process operated by the Technological Higher Education Association on behalf of all Institutes of Technology in accordance with the Office of Government Procurement (OGP) requirements. During the year, and following a procurement process operated under the aegis of THEA, the contract for the internal audit service was awarded to a new firm of auditors. 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 approved Audit Plan was agreed between the Audit and Risk Committee and the Internal Auditor for the period 2019/2020, and will be agreed with the internal auditor for the period 2020/2021.

IADT confirmation: Fully Compliant Partially compliant Not compliant

- (ii) During the period 2019/2020, the internal auditors, PwC, carried out two internal audit reviews.
- (iii) The internal audit review reports were as follows:
 - a) Review of Internal Controls with respect to Student Records System (November 2019)
 - b) Review of Risk Management Framework (March 2020)

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. Following the review of both internal and external audits by the Audit and Risk Committee on behalf of the Governing Body, 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 and 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. Following reports from the Committee, the Governing Body is satisfied that the public procurement guidelines have been complied with.

(iii) Corporate Procurement Plan

The Governing Body has approved an Institute Procurement Plan for 2019 and this is published on the Institute website www.iadt.ie.

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) Office of Governance Procurement (OGP)

IADT confirms that the Institute is using the services and frameworks of the OGP, and of the Education Procurement Service (EPS), where applicable.

IADT confirmation: Fully Compliant Partially compliant Not compliant

(v) Details of Non-Competitive Procurement

The Institute has not engaged in any non-competitive procurement during this period.

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.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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

The Institute confirms that IADT's practices in the management of capital projects are compliant with the relevant principles, requirements and guidelines of the Public Spending Code and the Capital Works Management Framework, where appropriate.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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

IADT complies with the Government Travel Policy requirements.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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, as set out in the Department of Public Expenditure and Reform Public Spending Code, are being followed.

IADT confirmation: Fully Compliant Partially compliant Not compliant

14. 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.

IADT confirmation: Fully Compliant Partially compliant Not compliant

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, and a revised Policy was approved by the Governing Body on 17th June 2020.
- (ii) IADT has published an Annual Report as required under Section 22(1) of the Act which is available at: [Protected Disclosures Annual Report to 30/06/20](#)

IADT confirmation: Fully Compliant Partially compliant Not compliant

- (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 10 occasions during the period 1st September 2019 to 31st August 2020. The Term of Office of the 6th Governing Body commenced on 1st April 2016.

Meeting Date	Attendance Level
4 th September 2019	63%
2 nd October 2019	58%

28 th November 2019 ²	65%
11 th December 2019	74%
8 th January 2020	68%
5 th February 2020	63%
4 th March 2020	79%
1 st April 2020	74%
6 th May 2020	67%
17 th June 2020	72%

The Governing Body met on 2nd October 2019 and 17th June 2020 without the Executive members being present to discuss any relevant items, these are recorded in the Minutes of the meetings and published at www.iadt.ie.

The Governing Body Meetings held between 12th March and 31st September 2020 inclusive have been held as fully incorporeal meetings due to the Government requirements for responding to Covid-19. It is noted that the Standing Orders for the Governing Body provide for incorporeal attendance by members at meetings but not for fully incorporeal meetings. The Governing Body suspended this aspect of its Standing Orders at each meeting for this purpose.

² The Governing Body meeting of 28th November was held as a short notice incorporeal meeting for the purpose of ratifying a recommendation from the Recruitment Committee for the appointment of a President.

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 ³	Governing Body Members Expenses	Governing Body Interview Fees ⁴	Governing Body Interview Expenses
David Holohan	Chairperson	10	100%	None	€551.00	Nil	Nil
Dr Annie Doona ⁵	President	7	100%	None	Nil	Nil	Nil
David Smith ⁶	President	4	100%	None	Nil	Nil	Nil
Dr Fionnuala Anderson	DDLETB	9	90%	None	Nil	€285.00	Nil
Sorcha Nic Cormaic	DDLETB	2	20%	None	Nil	Nil	Nil
Cllr Barry Saul	DDLETB	3	30%	None	Nil	Nil	Nil
Tom Taylor	DDLETB	4	40%	None	Nil	Nil	Nil
Cllr Barry Ward ⁷	DDLETB	3	38%	None	Nil	Nil	Nil
Aine O'Sullivan	KWETB	7	70%	None	Nil	Nil	Nil
Celine Blacow	Staff	6	60%	None	Nil	Nil	Nil
Fiona Mc Loughlin	Academic Staff	8	80%	None	Nil	Nil	Nil
Joachim Pietsch	Academic Staff	9	90%	None	Nil	Nil	Nil
Eimear Boyd	Student	7	70%	None	Nil	Nil	Nil
Anthony Dunne	Student	9	90%	None	Nil	Nil	Nil
Marie Carroll	Southside Partnership	9	90%	None	Nil	Nil	Nil
Kieron Connolly	ICTU	6	60%	None	Nil	Nil	Nil
Maeve McConnon	IDA Ireland	7	70%	None	Nil	Nil	Nil
John McDonnell	Irish Film Board	10	100%	None	Nil	€1,140.00	€49.00
Jim Pipe	Houghton Miffin Harcourt	5	50%	None	Nil	Nil	Nil
Aoife Ruane	The Arts Council	4	40%	None	Nil	Nil	Nil

³ There is no provision for IADT Governing Body Members to receive fees for their membership of the Governing Body

⁴ Under the Department of Public Expenditure and Reform One Person One Salary provisions, employees of public sector organisations are precluded from receiving payments other than their salary and thus no fees would be payable in respect of interview board attendances.

⁵ Dr Annie Doona terminated her term of office on 31st March 2020.

⁶ Mr David Smith took up his appointment as President on 1st April 2020.

⁷ Cllr Barry Ward became ineligible to remain as a Governing Body Member on 2nd April 2020 following his election to Seanad Eireann.

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.

In accordance with the Terms of Reference for the Audit and Risk Committee, Governing Body Members are appointed to the Audit and Risk Committee until the completion of their term of office as Governing Body Members. 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 Governing Body appointed an independent external member (Sam Dunwoody) at its meeting on 12th June 2019 for a period of four years until 31st May 2023.

The Audit and Risk Committee met on 4 occasions during the period 1st September 2019 to 31st August 2020.

Meeting Date	Attendance Level
4 th September 2019	100%
11 th December 2019	100%
26 th March 2020	75%
21 st May 2020	100%

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	4	100%
Sam Dunwoody	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 2018. The Board met the evaluators on 3rd October 2018 and 6th February 2019, and approved the report on the 6th March 2019. This review was conducted by the Institute's Internal Auditors, PricewaterhouseCoopers, using a template developed for the IoT Sector.

The Governing Body conducted an annual internal review of its effectiveness at its meeting of 17th June 2020. As the Governing Body will complete its term of office on 31st March 2021, no further effectiveness reviews are planned.

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 €157,561 annualised.

Dr Annie Doona was paid at this salary rate for the term of her office since 1st September 2019 until the termination of her employment on 23rd April 2020. The total salary paid to Dr Annie Doona during this period was €102,212.60.

Mr David Smith has been paid at the President's Salary rate since taking up his position on 1st April 2020. The total salary paid to David Smith during this period was €65,650.40.

21. Data provided to the HEA

- (i) IADT can confirm that the Institute has satisfied itself as to the integrity and robustness of any data on student numbers and courses provided to the HEA for the purposes of calculating and allocating the core grant and other funding allocations.
- (ii) IADT can confirm that the Institute has satisfied itself as to the integrity and robustness of any data on staff numbers provided to the HEA under the Employment Control Framework.

IADT confirmation: Fully Compliant Partially compliant Not compliant

22. The Framework for Promoting Consent in Higher Education

IADT confirms that the Institute has applied the institutional processes, which will support achievement of the objectives of the Framework for Promoting Consent and Preventing Sexual Violence in Higher Education.

IADT confirmation: Fully Compliant Partially compliant Not compliant

23. 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 and 11th December 2019. The Governing Body is satisfied that the Policy is compliant with the legislative requirements as at the date of approval of the revised Policy.

IADT confirmation: Fully Compliant Partially compliant Not compliant

24. Disability Act 2005

IADT confirms that the Institute is fully meeting its obligations under the Disability Act 2005, in respect of its services and buildings, apart from the Quadrangle Building which is not compliant with Part M of the Building Regulations 1991 as amended. The Institute confirms that it has regularly and consistently notified both the HEA and the Department of Education and Skills of this deficiency since 2003.

IADT confirmation: Fully Compliant Partially compliant Not compliant

25. 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 out in Section 17 above.

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

IADT confirmation: Fully Compliant Partially compliant Not compliant

26. 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.

IADT confirmation: Fully Compliant Partially compliant Not compliant

27. Intellectual Property (IP) and Conflict of Interest

(i) IADT confirms that the Institute has in place a single IP policy which is published on its website, which:

- Reflects the requirements of the national IP Protocol
- Clearly sets out all IADT IP processes and researcher obligations
- Includes a clear description of IP commercialisation decision-making processes
- Includes a clear dispute resolution process
- Describes revenue share mechanisms
- Describes potential for conflicts of interest and directs researchers to the relevant sections of the HEI's Conflict of Interest Policy.

(ii) IADT confirms that the Institute has in place a single Conflict of Interest Policy contained within the Code of Conduct for Employees, published on its website.

- (iii) IADT confirms that the Governing Body reviews all IP commercialisation and conflicts of interest as they arise and on an annual basis. It should be noted that no instances required Governing Body review during the period.

IADT confirmation: Fully Compliant Partially compliant Not compliant

- (iv) The Institute confirms that it has not received revenue from any spin-out companies during the financial year from (i) equity sale, (ii) dividends, (iii) any milestone related (or similar) event not covered in (i) or (ii).

28. HEA Principles of Good Practice in Research in Irish Higher Education Institutions

IADT affirms that the Institute commits to the key characteristics of good research practice as set out in the HEA Framework.

IADT confirmation: Fully Compliant Partially compliant Not compliant

29. General Governance and Accountability Issues

Based on the above declarations, the Governing Body is satisfied that there are no Governance and Accountability issues to be reported for 2019/2020.

Statement of Internal Control

30. Governing Body 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 2019 on 8th January 2020 and revisions to the Statement on 6th May 2020 for the period, subject to audit by the C&AG.

31. 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.

32. 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 for the period to 31st August 2019 at its meetings of 4th September 2019 and again at its meeting of 26th March 2020.

The Audit and Risk Committee formally reviewed the draft Statement of Internal Control for the period to 31st August 2020 at its meeting of 29th September 2020.

33. 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.

34. 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.
- Approving and implementing a wide range of financial and governance policies including a Prevention and Detection of Fraud Policy.

(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;
- Approving and implementing a wide range of financial and governance policies including a Procurement Policy and a Prevention and Detection of Fraud Policy.
- Clearly defined capital investment control guidelines;

- Formal project management disciplines.
- A Critical Incident Protocol and additional processes and structures to deal with the Covid-19 Pandemic.

(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) Financial Implications of 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.
- A Critical Incident Protocol and additional processes and structures to deal with the Covid-19 Pandemic.

(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 Team, 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. Through the auspices of THEA, a procurement process was undertaken in conjunction with the OGP and a

new firm of internal auditors was appointed with effect from 1st January 2020. 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.

35. 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 31st August 2020 to the Governing Body on 7th October 2020.
- The Governing Body conducted a review of the effectiveness of the system of internal control for the year ended 31 August 2020 on 7th October 2020.

36. 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.

37. 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



David Smith
President

Dated: 8th October 2020

Appendix

IADT Internal Investigation Cases 2019/2020

IADT has in place Institute Grievance, Disciplinary and Mutual Respect Policies. These have all been approved following consultations, either sectorally or locally, with all of the trade unions. In accordance with these policies, IADT endeavours to resolve issues through informal processes outlined within these policies. In the small number of cases where such endeavours are not successful, IADT generally uses internal management resources and other internal resources for the purposes of investigations. A range of management team members and other supervisory staff have been trained to carry out such investigations. Where the use of internal resources is either not possible or is inappropriate, IADT engages professionally qualified external investigators for the purposes of investigations. A small number of these cases commenced prior to the period comprehended by this Statement and the details of these are outlined below. No new cases requiring the use of external investigators commenced within the period.

As part of our procedures, IADT retains the details of a number of professionals in this area together with their daily rate, professional qualifications and specific areas of expertise. In accordance with IADT's Procedures, IADT selects a number of these professionals as a panel for each case and these are proposed to all of the parties in the case and following agreement with the parties appoints from within that panel for the particular case. Some of the criteria used for selecting the panel are: area of expertise; potential conflicts or prior history and availability.

All Terms of Reference are agreed between the parties to any dispute and these are reviewed by the HR Manager and the President of the Institute. The President approves the commencement of all external investigations. Where it is considered appropriate, Terms of Reference may be referred for legal advice.

All cases are managed by the HR Manager in conjunction with the relevant line manager where appropriate. The costs and timelines associated with each case are managed and reviewed by the HR Manager with regular progress communications from the external investigator taking into account the confidential nature of the specific case. Regular updates and progress reports of each case are given to the President by the HR Manager.

Case 1

Interpersonal Relations/Grievance Case

Terms of Reference: Investigate mutual respect & grievance complaint between staff members and make findings and recommendations

Investigation commenced October 2019 and concluded in March 2020.

Mairéad McKenna – Barrister of Law

Total Costs to date: €30,081.30 plus 23% VAT

Case 2

Mutual Respect Complaint/Interpersonal Relations

Terms of Reference: Investigate mutual respect complaint and make findings and recommendations

Investigation commenced July 2020 and is ongoing

Jim Dolan – Workplace Relations Commission

Total Costs to date: none to date

Please note that all costs for all Investigations with the exception of meeting rooms are incurred by the investigator and recharged to the Institute.