

Financial Accountability Framework

Department of Education and Skills and the Higher Education Authority

Note: This framework works in conjunction with the Service Level Agreement agreed between both parties

Key Accountability Objective and Responsibilities:

Service Commitments:

- ❖ Proper and effective use of public funding
- ❖ Effective control, audit and accountability measures
- ❖ Cost effective and efficient delivery of services

Responsibility	Commitment	Key Performance Indicators
Governance Assurance and Accountability Structures	<p>The HEA to ensure that its own governance and assurance mechanisms and structures are effective and adequate</p> <p>The HEA shall require confirmation from the higher education institutions under its designation, that governance and assurance mechanisms and structures in place are effective and adequate</p> <p>That a system of early warning reporting is in place for any potential problems to be highlighted and addressed. HEA will report to DES on a quarterly basis (or immediately in the case of extreme case) of any non-compliance issues/financial irregularities/accountability issues identified by HEA, arising from C&AG liaison or otherwise, in the previous quarter</p>	<ul style="list-style-type: none"> • No. of non-compliance issues as highlighted by the C&AG and/or rolling reviews of corporate governance carried out by HEA • No. of issues where early warning identified

	<p>Governance and assurance mechanisms for the HEA to be reviewed on an ongoing basis</p> <p>Governance and assurance mechanisms for HEI's under its designation to be reviewed on an ongoing basis</p>	<ul style="list-style-type: none"> • Up to date Code of Practice and verification/assurance reporting in place by Dept for HEA • Verification of up to date Codes of Governance in place in each HEI • Annual system of reporting by HEIs to HEA to confirm compliance with key elements of the code • System of rolling reviews to provide further assurances of HEI compliance
<p>Financial Control and Reporting</p>	<p>HEA to account for funding provided for HEIs. Overview of budget meetings to be supplied to the Department. Details of financial position of each HEI to be supplied to the Department following budget meetings each year</p> <p>Written financial procedures to be in place in the HEA and updated as required. These procedures to include clearly defined roles and responsibilities with segregation of duties as appropriate for all financial transactions and reporting</p> <p>Financial system must have adequate audit trail to ensure full history of each transaction can be accessed and accounted for</p>	<ul style="list-style-type: none"> • Timely, accurate and sufficiently detailed reporting and information supplied so that Department is aware of financial position of HEIs • Procedures in place and up to date • Audit trail available for inspection

	<p>HEA to supply required bank account and cashflow details as required under the grant allocation letters terms and conditions issued by the Department each year</p> <p>HEA to be in compliance with public financial procedures and with other relevant circulars</p> <p>The HEA shall require assurance from the higher education institutions under its designation regarding compliance with public financial procedures and Government circulars by HEI's</p> <p>HEA to be in compliance with financial requirements under the Code of Practice for the Governance of State Bodies</p> <p>The HEA shall require assurance from the higher education institutions under its designation that the HEI's are in compliance with financial requirement of the Codes of Governance for the sectors</p>	<ul style="list-style-type: none"> • Payments processed upon receipt of information • Full compliance by HEA and assurances from HEIs under monitoring & review procedures outlined above • Checks of compliance prove same are in place
<p>Audit arrangements</p>	<p>An audit committee should be in place and a properly constituted internal audit function with a formal charter as required under the Code of Practice</p> <p>The HEA shall require assurance from the higher education institutions under its designation that audit committees are in place</p> <p>Audit Committee should meet at least four times per year</p> <p>The HEA shall require assurance from the higher education institutions under its designation that the Audit Committee meets four times per year</p> <p>The Board is responsible for the body's system of financial control and should review annually the effectiveness of same. A Report regarding same must form part of the annual accounts</p>	<ul style="list-style-type: none"> • Confirmation of committee in place by HEA to DES • Confirmation of committee in place by HEI's to HEA • Confirmation to DES by HEA • Confirmation to HEA by HEI's

	<p>Draft unaudited annual accounts to be submitted to the Department not later than three months after the end of the financial year.</p> <p>Annual Accounts of the HEA, signed off on by the C&AG, to be submitted to the Department within one month of the audit certificate on the accounts being issued by the C&AG</p> <p>Annual Accounts of the HEIs, signed off on by the C&AG, to be submitted to the Department by the HEIs within one month of the audit certificate on the accounts being issued by the C&AG</p>	<ul style="list-style-type: none"> • Confirmation in Chairpersons report and A/Cs of HEA to be submitted to DES • Confirmation in annual governance statements and A/Cs of HEIs to be submitted to HEA • HEA draft accounts submitted to DES by 31st March • A/Cs of HEA received and laid before Oireachtas in a timely manner • A/Cs of HEIs received and laid before Oireachtas in a timely manner
<p>Risk Management</p>	<p>As required under the Code of Practice, the HEA should have a Risk Management Policy and the Board should approve the risk management framework and monitor its effectiveness. The board should review material risk incidents and note or approve management's actions</p> <p>The HEA shall require assurance from the higher education institutions under its designation that each HEI has a similar arrangement in place</p>	<ul style="list-style-type: none"> • Risk Management Policy in Place in HEA • Confirmation that Risk Management Policy in place in HEIs
<p>Procurement</p>	<p>The HEA must ensure that public procurement policy is adhered to and that when commissioning public services that economy, efficiency, transparency and effectiveness is achieved. There should be a Procurement Plan in place</p>	<ul style="list-style-type: none"> • Public Procurement Policy in place in HEA

	<p>The HEA shall require assurance from the higher education institutions under its designation that each HEI confirms compliance with public procurement policy</p>	<ul style="list-style-type: none"> • Confirmation of compliance with Public Procurement Policy from HEIs
Travel and Subsistence	<p>The HEA should adopt and comply in all respects with the circulars issued from time to time regarding travel and subsistence. If significant annual expenditure on foreign travel by members of the staff or the Board occurs, appropriate procedures should be in place to monitor, report, and enforce the relevant rules and requirements</p> <p>A Travel Framework should be in place</p> <p>The HEA shall require assurance from the higher education institutions under its designation that each comply with public sector guidelines on travel and subsistence</p>	<ul style="list-style-type: none"> • Travel Framework in place in HEA • Confirmation of compliance with public sector travel policy from HEIs
Tax	<p>The HEA must ensure full compliance with taxation laws and ensure that all tax liabilities are paid on or before due dates. Tax clearance requirements must be adhered to with regards the payment of grants, subsidies and any other similar type payments</p> <p>A copy of the Tax Clearance Certificate must be made available to the Department so as to ensure payment of Exchequer funding can be made.</p> <p>The HEA shall require assurance from the higher education institutions under its designation that each HEI confirms compliance with Taxation laws</p>	<ul style="list-style-type: none"> • Current Tax Clearance certificate submitted to DES by HEA • Confirmation of compliance with taxation laws from HEIs to HEA