
STATEMENT OF GOVERNANCE AND INTERNAL CONTROL – year ending 30 September 2014

The University adopted in 2012 the revised “HEA/IUA Code of Governance of Irish Universities (2012)”, which reflects the provisions of the Department of Finance issued 2009 Code of Practice for the Governance of State Bodies and updates the requirements, responsibilities and accountabilities of the 2007 document. The reporting requirements have been submitted on an annual basis to the HEA, as required by the Code.

The University is recognised as an independent legal entity under the Universities Act 1997. In accordance with Section 15 of the 1997 Act the University is required to have a Governing Authority established. The operation of the Governing Authority is governed by the Third Schedule of the Act.

In relation to the Code of Governance, the Governing Authority is primarily responsible for ensuring that its activities are governed by the ethical and other considerations enshrined in the code. This responsibility extends to good and proper management of the University, and to ensuring that appropriate procedures and controls are implemented.

The Governing Authority acknowledges that it has overall responsibility for the University’s system of internal control and formally approves this Statement of Governance and Internal control.

The University’s system of internal control covers all material controls including financial, operational and compliance controls and risk management systems, which support the achievement of the University’s policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives or to conduct affairs in an orderly and legitimate manner. To that extent the system therefore provides reasonable rather than absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

The following should be noted in relation to key University procedures, designed to ensure an appropriate control environment:

- The Governing Authority is the main governance and decision making entity within the University, as prescribed by the Universities Act 1997. Under Section 34 of the Universities Act 1997 the Governing Authority approves the strategic plan.
- In practice the Governing Authority delegates many of its functions to the President and other staff. The President is appointed by the Governing Authority to oversee the management of the University.
- The principal academic and administrative officer of the University is the President, who also carries the title, Chief Officer.
- The President is supported by a Senior Management Group which comprises the senior officers of the University who advise on the coordination of University activities and strategic planning.
- The Executive Committee, which is chaired by the President, is the executive decision making group in the University and includes the Senior Management Group, two elected staff

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members and the President of the Students Union. This group is charged with the task of advising the President and deciding on policy and strategy of the University.

- The Executive Committee has a number of sub-committees which assist the Executive Committee in the execution of its functions.
- The Budget Committee recommends to the Executive Committee the details of the University's budget and its distribution, and other resourcing or budgeting issues as appropriate.
- The Budgetary Control system ensures that funds are allocated strategically and transparently. Spending against these allocations is monitored regularly and where necessary corrective action taken.
- Budgets are delegated to Faculty Deans, Heads of School, and Heads of Support Units, all of whom must deliver a balanced outcome against budget each year. This is monitored via monthly financial reports.
- Academic Council, subject to the financial constraints determined by Governing Authority, controls the academic affairs of the University, including the curriculum of, and instruction and education provided by, the University.
- The Quality Promotion Unit promotes and facilitates continuous quality improvement activities across academic and administrative units throughout the University. This is undertaken principally through the management of the University's Quality Review process for Schools, Faculties and Units.
- Published policies and procedures are in place in the University in support of the control environment including financial controls, delegation and segregation of duties. These provide reasonable but not absolute assurance for the prevention and detection of fraud.
- Internal control procedures are in place in order to safeguard all assets, protect and safeguard the interests of all relevant parties and ensure the production and integrity of the annual financial statements.
- A Risk Committee operates as a sub-committee of the Governing Authority and reports to it on its work and the status of the University's risk management processes. The chair of the Risk Committee is also a member of the University Audit Committee. The risk management process is under the control of the University's Risk and Compliance Officer. This process of risk management includes evaluation of the financial implications of business risks, as appropriate.
- The Strategic Finance Advisory Committee held its inaugural meeting in March 2014. The overall objective of the Committee is to assist and advise management in putting in place optimal funding structures to provide the financial resources necessary to support the achievement of the University's Strategic Plan. The Committee, with written terms of reference, operates as a sub-committee of the Governing Authority and reports to it on the work undertaken by the Committee.
- An Audit Committee, with written terms of reference, operates as a sub-committee of the Governing Authority and reports to it on the work undertaken by the Committee.
- The procedures for monitoring the effectiveness of the internal control systems include: audit committee, management reviews, consultancy, inspection and review studies, internal audit, risk management and quality reviews.

The review of the effectiveness of the system of internal control is informed by the University's Internal Audit Function, which reports to the Audit Committee. The internal auditor submits reports

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which include an independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

The review of the effectiveness of the system of internal control is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of internal control frameworks, and by recommendations made by the external auditors in their management letter.

The Governing Authority is responsible for and is satisfied that to its knowledge the University is in compliance with all statutory obligations applicable to the University that may be set out in legislation governing the establishment of the University or in other relevant legislation.

A Code of Conduct for members of Governing Authority and a Code of Conduct for staff has been put in place and implemented.

Other than as disclosed in the annual financial statements, no financially significant developments took place in the financial year to 30 September 2014. No new subsidiary companies were formed during the financial year. In the short to medium term, the establishment of other subsidiaries or joint ventures or acquisitions may arise from initiatives arising from the University's strategic plan.

In September 2012, the University announced that it had entered into a process with St Patrick's College, Drumcondra, Mater Dei Institute of Education and the Church of Ireland College of Education which, while respecting the identity of the individual institutions, will lead to the creation of a single university entity. On March 25th 2014, an Incorporation Board was formally established comprising the heads of the four incorporating institutions plus the Incorporation Workstream leaders. The Board meets on a fortnightly basis and is tasked with the execution of the Incorporation Programme by October 1st 2016. The Incorporation Programme is listed on the University 2014 Institutional Risk Register and fortnightly updates on the risk status of the key objectives under each Workstream are provided to the Incorporation Board.

DCU is preparing plans for the construction of two new floors (ca 4,000m²) on the F-Block building on the St. Patrick's College Drumcondra campus to provide additional lecturing and office space for the Incorporation Programme at an estimated cost of €15.4m.

DCU has initiated discussions with the European Investment Bank with a view to applying for a loan facility to fund the University's Capital Development Plan. It is envisaged that this process will be brought to a conclusion in the near future.

In September 2014, All Hallows College issued a call for Expressions of Interest from parties who may have an interest in partnering with the college and/or acquiring the All Hallows Campus. DCU submitted a proposal and signed a contract for the purchase of the 16 acre All Hallows Campus on 17th June 2015.

The University to its knowledge complies with Government policy on pay and all appropriate procedures for financial reporting, internal audit, procurement and asset disposals are being carried out.

The University has procedures in place for the development, review and approval of capital projects. The University to its knowledge has been compliant with the Guidelines for the Appraisal and Management of Capital Proposals issued by the Department of Finance and has followed the

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Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance of 20 October 2005 and communicated to the universities.

The University has adopted travel and subsistence policies which are consistent with Department of Finance guidelines.

The University seeks at all times to be compliant with all tax laws. The University is committed to ensuring that all known tax liabilities are paid in full at the relevant due date. The University has to its knowledge been compliant with tax laws.

The University adopted the Child Protection Framework in 2008 and to its knowledge is fully compliant.

On September 14th 2014, the Governing Authority approved new University Anti-Fraud and Protected Disclosures policies.


The University confirms that fees and/or expenses paid to members of governing authority are in accordance with the guidelines from the Department of Public Expenditure and Reform and are presented in the University's Annual Report. The University Chancellor, Dr. Martin McAleese, received a stipend of €17,630 and no other fees or expenses were paid to external Governing Authority members in the year ending 30 September 2014.

The University maintains a Register of Interests of members of Governing Authority and staff in accordance with its legal obligations under the Ethics in Public Office Acts 1995 and 2001.

The University has in place procedures and controls regarding the establishment of subsidiaries all of which require the approval of the Governing Authority. The subsidiary companies comply with the University's Code of Governance as appropriate. Each company has a Board of Directors drawn from Senior Officers of the University and external members where appropriate. Each subsidiary prepares its own financial statements which are independently audited. All subsidiaries are included in the Consolidated Financial Statements of the Holding Company (DCU Commercial Ltd) and in the Consolidated Financial Statements of the University.

Signed:


President / Chief Officer


Chancellor

Governing Authority approved the Statement of Governance and Internal Control on June 18th 2015.

**Addendum to 2013/2014 Dublin City University
Statement of Governance and Internal Control**

Governing Authority Meetings 2013/2014

The DCU Governing Authority met on six occasions in 2013/2014 on the following dates:

- 17th October 2013
- 13th December 2013
- 13th February 2014
- 17th April 2014
- 12th June 2014
- 18th September 2014

The attendance record for each member of the Authority was as follows:

Authority Member		Attendance Record
1.	Dr. Martin MacAleese (Chancellor)	6/6
2.	Prof. Brian MacCraith (President)	6/6
3.	Prof. Sean Farren	6/6
4.	Dr. Declan Raftery	6/6
5.	Ms Margaret Sweeney (Chair Audit Committee)	6/6
6.	Prof. Eithne Guilfoyle	5/6
7.	Dr. Andrew McGrady	5/6
8.	Dr. Noel Murphy	6/6
9.	Prof. Gary Murphy	6/6
10.	Ms. Gary Joyce	2/2 (resigned after meeting of 13th December 2013)
11.	Mr. James Corcoran	4/6
12.	Mr. Aaron Clogher	5/5 (resigned at 12 th June 2014 meeting)
13.	Mr. Kenneth Brown	1/1 (18 th September 2104 first meeting)
14.	Ms. Regina Moran	2/6
15.	Ms. Mairead Dunne	2/6
16.	Dr. Dermot Egan	3/3 (resigned after 13 th February 2014 meeting)
17.	Dr. Patrick McDevitt	2/6
18.	Prof. Daire Keogh	5/5
19.	Mr. Paul Smith	5/6
20.	Mr. Pdraig McKeon	3/3 (resigned 6 th March 2014)
21.	Ms. Orlaith McBride	1/6
22.	Dr. Shirley Coyle	1/6 (approved absence for 5 meetings – maternity leave)
23.	Prof. Fiona Regan	4/6
24.	Ms. Phylomema McMorrow	6/6
25.	Dr. Caroline McMullan	4/6
26.	Dr. Ciaran MacMurchaid	1/1 (resigned after 17 th October 2013 meeting)
27.	Mr. Ciaran O'Connor	5/5 resigned at 12 th June 2014 meeting
28.	Cllr. Ciaran Byrne	2/5 (resigned at 12 th June 2014 meeting)
29.	Mr. Tom McCarthy (Chair Risk Committee)	5/5 (joined 13 th December 2013)
30.	Mr. Terence O'Rourke (Chair Strategic Finance Advisory Committee)	5/5 (joined 13 th December 2013)

31.	Mr. Owen Keegan	1/2 (joined Authority 18 th September 2014)
32.	Ms. Eve Kerton	1/1 (18 th Sept 2104 first meeting)
33.	Mr. Paul Hyland	3/5 resigned at 12 th June 2014 meeting

Audit Committee Meetings 2013/2014

The Audit Committee met on the following dates in 2013/2014:

- 4th December 2013
- 26th March 2014
- 26th May 2014
- 10th September 2014

Audit Committee Member		Attendance Record
1.	Ms Margaret Sweeney (Chair)	4/4
2.	Ms. Marion O'Brien	4/4
3.	Ms. Regina Moran	3/4
4.	Mr. Tom McCarthy	3/3 (Joined 26 th March 2014)

Review of Governing Authority Performance

A Review of the Effectiveness of the DCU Governing Authority was carried out in 2013 with a special Governing Authority Workshop held on June 20th 2013. The review was led by the Chancellor Dr. Martin McAleese.

A number of recommendations resulted from that review which have now been implemented and these included:

1. The establishment of a Governing Authority Risk Committee
2. The establishment of a Governing Authority Strategic Finance Advisory Committee
3. The appointment of a member of Governing Authority as Chair of DCU Commercial Ltd.
4. A enhanced Governance and Nominations Committee.
5. A number of new procedures were adopted to streamline the effectiveness of Authority meetings and enhance the provision of information on the University, in particular, to external members of the University.

Salary of the President

The Salary of the President in the 2013/2014 financial year was €179,808.