

Reporting Template for the Annual Governance Statement from Universities to the HEA

This document sets out a reporting template for the annual governance statement for universities. It reflects those items to be reported in a university's annual Statement of Governance and Internal Control as set out in the Code of Governance for Irish Universities¹. The Statement of Governance and Internal Control forms part of the annual financial statements and is subject to audit as part of that process. It also reflects requirements in the Code of Practice for the Governance of State Bodies and other items that form part of the HEA's expectations on best practice and governance in the higher education sector. The nature of these requirements may be characterised as follows:

- A requirement for a simple statement of compliance. No further detail is required with such statements unless a non-compliance needs to be explained.
- A requirement for confirmation of compliance, with an associated requirement for specific information
- A requirement for a response comprising a significant level of detail.

In the event that the University fails to comply with any of the requirements set out, it must provide a full explanation for such non-compliance, state the actions that have been agreed by the Governing Authority to achieve compliance, and the timeframes within which this will be done.

The completed template must be signed by the Chair of the Governing Authority and the President/Provost of the University.

1. Code of Conduct for Members

The University confirms that a Code of Conduct for Members has been put in place and implemented and includes clear conflict of interest and ethics in public office policies.

2. Code of Conduct for Employees

The University confirms that a Code of Conduct for Employees has been put in place and implemented and includes clear conflict of interest and ethics in public office policies.

3. Financially Significant Developments

- (i) Financially significant developments affecting the University in the past financial year including the establishment of subsidiaries or joint ventures and acquisitions and major issues likely to arise in the short to medium term.
- (ii) Details of the engagement and associated costs of external consultancy firms and investigators contracted to carry out investigations and enquiries on internal matters.
- (iii) Details of expenditure on external consultancy/adviser fees paid to external parties providing advisory services of any nature (including legal, tax and financial advisory, PR/Marketing, pensions, HR and any other advisory/consultancy services).
- (iv) Details of significant commercially sensitive developments in the past financial year.

¹ <https://www.iaa.ie/ourwork/autonomy-governance/>

- (v) Details on financing arrangements attaching to any joint venture including details of loans, dividends or other forms of funding at the point of establishment and on an ongoing basis.
- (vi) The aggregate cost to the Exchequer of the arrangements outlined in section (v).
- (vii) Confirmation of financial position of the University.

4. Pay & Pensions

- (i) The University affirms that Government policy on pay and pensions is being complied with.
- (ii) The University confirms that no severance payments have been made without the consent of the Department of Education and Skills.
- (iii) The University confirms that it has in place arrangements for ensuring that external work undertaken by employees does not impact upon the performance of core contracted duties.

5. Financial Reporting

- (i) The University affirms that all appropriate procedures for financial reporting are being carried out.
- (ii) The University confirms that the Institution is reporting, through the medium of the annual financial statements, the specific disclosures required by the Code of Governance for Irish Universities with reference to the State Code².

6. Off Balance Sheet Transactions

Summary details of all off-balance sheet financial transactions of the institution that are not disclosed in the annual report and financial statements, including information on the nature, purpose and financial impact of the off-balance sheet financial transactions.³

7. Trusts and Foundations

The University confirms that foundations and trusts have been or will be incorporated into the financial statements of the institution or included in an extended accounting policy note summarising the transactions between the university and the foundation and trust or included as an appendix to the financial statements.

8. Internal Audit

- (i) The University affirms that all appropriate procedures for internal audit are being carried out and a comprehensive internal audit plan is in place.
- (ii) Total number of internal audit reviews undertaken in the period
- (iii) Report titles of completed reviews

9. Procurement

- (i) **Procurement Procedures:** The University confirms that it is in compliance with current procurement legislation and rules and all appropriate procedures for procurement have

² <https://govacc.per.gov.ie/wp-content/uploads/Business-and-Financial-Reporting-Requirements.pdf>

³ Off-balance sheet transactions are arrangements that give rise, or may give rise, to an asset or liability in excess of €10m, or 2% of the total assets of the University, whichever is the smaller that is not recognised on the University's own balance sheet (or the University's consolidated group balance sheet), including, for example, leases, letters of credit, guarantees, derivatives, sale of receivables, debt or debt-like instruments of non-consolidated equity interests or joint ventures.

been developed, published to all relevant staff and are being carried out including confirmation that the University is using the services and frameworks of the OGP, and of the EPS, whenever applicable.

- (ii) **Procurement Non-Compliance:** The University confirms that procedures are in place to detect non-compliance with procurement procedures and confirms that a contracts database/listing for all contracts/payments in excess of €25,000 with monitoring systems is in place to flag non-compliant procurement.
- (iii) **Corporate Procurement Plan:** The University confirms that the relevant procurement policy and procedures and the development and implementation of the Corporate Procurement Plan are being adhered to where appropriate.
- (iv) **Details of Non-Compliant Procurement:** Details of non-compliant procurement (aggregate total).

10. Asset Disposals

The University affirms that all appropriate procedures for asset disposals are being carried out and details of and explanations for the disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which have not been subject to auction or competitive tendering process.

11. Management of Capital Projects

The University affirms that its policies and procedures 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.

12. Travel Policy

Certification that Government travel policy requirements are being implemented in all respects.

13. Guidelines on Achieving Value for Money in Public Expenditure

The University 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.

14. Tax Laws

The University affirms the university's compliance with tax laws.

15. Legal Disputes

Details of all legal disputes involving other State bodies.

Please note, details of legal disputes involving other State bodies incurring expenditure of €25,000 or over must be provided to the HEA, once a year by the 30th of June of each year including an estimate of the legal costs incurred up to the date of such information.

16. Confidential Disclosure Reporting – Protected Disclosures Act 2014

In line with legislation, the Governing Authority should put in place procedures for Confidential Disclosure Reporting whereby employees may, in confidence, raise concern about possible

irregularities in financial reporting or other matters and for ensuring meaningful follow-up of matters raised in this way.

- (i) The University confirms that a Protected Disclosures policy in line with the Protected Disclosures Act 2014 is in place.
- (ii) The University confirms that the annual report required under section 22(1) of the Act has been published.
- (iii) Confirmation of the number of protected disclosures received during the year and the broad nature of these disclosures.

17. Governing Authority meetings

Confirmation of the number of Governing Authority meetings held during the financial year in question and attendance record of members. Confirmation if the Governing Authority conducted private sessions without the executive members or management present, during the financial year in question to discuss any agenda items deemed relevant. Cognisant of the legislation in this regard, the HEA would encourage that Governing Bodies consider this.

18. Audit and/or Risk Management Committee meetings

- (i) Confirmation of the number of Audit and/or Risk Management Committee meetings held during the financial year in question and attendance record of members.
- (ii) The Audit and/or Risk Management Committee should meet at least four times a year. In the event that four meetings are not considered necessary, please confirm that the Chairperson of the Governing Authority is satisfied that the Audit and/or Risk Management Committee discharged its role with fewer than four meetings in a year.

19. Review of Governing Authority performance

- (i) Confirmation that the Governing Authority reviews its own performance and that it commissions an external review at least once during the Governing Authority's term of office.
- (ii) Confirmation should also be provided on when both internal and external reviews were last carried out and when both will be carried out again.

20. Salary of President/Provost

Confirmation of salary paid to President/Provost for financial year in question.

21. Data provided to HEA

- (i) The University confirms that it has satisfied itself as to the integrity and robustness of any data on student numbers and courses provided to the HEA for the purpose of calculating and allocating the core grant and other funding allocations.
- (ii) The University confirms that it has satisfied itself as to the integrity and robustness of staff numbers provided to the HEA as required.

22. The Framework for Promoting Consent in Higher Education

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

23. Child Protection Policy

The University confirms that an appropriate child protection policy is in place in compliance with the requirements of the Children First legislation and rules.

24. Disability Act 2005

The University confirms that the Institution is meeting its obligations under the Disability Act 2005

25. Fees and Expenses

The University confirms that fees and/or expenses paid to members of Governing Authority are in accordance with the guidelines from the Department of Finance and are presented in the University's Annual Report. A note on the schedule of fees and aggregate expenses payable to external Governing Authority members should be included.

26. Subsidiaries and interests in external companies

- (i) **Compliance with terms and conditions of consent of establishment:** The University confirms that any subsidiary of the University (or subsidiary thereof) continues to operate solely for the purpose as approved by the Governing Authority, remains and continues to remain in full compliance with the terms and conditions of the consent under which it was approved.
- (ii) **Code of governance for trading subsidiaries:** The University confirms that an appropriate code of governance is in place in respect of trading subsidiaries (i.e. subsidiaries with annual turnover and employees), with annual statements provided to the Governing Authority and the Governing Authority has received a formal report of compliance from the Chairperson of the Board of each subsidiary.
- (iii) **Details of any shareholdings and interests** held by the University in external companies.

27. Intellectual Property (IP) and Conflict of Interest

- (i) The University confirms that it has in place a single IP policy, published on its website, which includes all of these elements:
 - Reflects the National IP Management requirements of the national IP Protocol
 - Clearly sets out all 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
 - The policy is published on its external website
- (ii) The University confirms that it has in place a single Conflict of Interest Policy, and that this is published on its website.
- (iii) The University confirms that the Governing Authority is made aware of all IP commercialisation and IP conflicts of interest on an annual basis.
- (iv) Provide the names of any spin-out companies from which the University has received revenue in the relevant 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**
The University affirms that the Institution commits to the key characteristics of good research practice as set out in the HEA Framework.
- 29. General governance and accountability Issues**
Description of other governance and accountability issues that the university may wish to bring to the attention of the HEA.

Statement of Internal Control

- 30. Governing Authority responsibility for System of Internal Control**
Acknowledgment by Chief Officer that the Governing Authority is responsible for the body's system of internal control, which statement requires the formal approval of the Governing Authority.
- 31. Reasonable assurance against material error**
An explanation that such a system can provide only reasonable and not absolute assurance against material error.
- 32. Review of the Statement of Internal Control (Governing Authority and Audit and/or Risk Management Committee)**
Confirmation that the statement on the System of Internal Controls will be reviewed by the Audit and/or Risk Management Committee and the Governing Authority to ensure it accurately reflects the control system in operation during the reporting period.
- 33. Review of the Statement of Internal Control (External Auditors)**
Confirmation that the statement on the System of Internal Controls will be reviewed by the external auditors to confirm that it is consistent with the information of which they are aware from their audit work on the financial statements and where this is not the case, the external auditor should report on this in the audit report on the relevant financial statement.
- 34. Key procedures put in place designed to provide effective internal control**
- (i) **Appropriate Control Environment:** The steps taken to ensure an appropriate control environment (such as clearly defined management responsibilities and evidence of reaction to control failures).
 - (ii) **Business Risks:** Processes used to identify business risks, evaluate their implications and manage them within the University's risk management framework.
 - (iii) **Information Systems:** Details of the major information systems in place such as budgets and means of comparing actual results with budgets during the financial year.
 - (iv) **Financial Implications of Major Business Risks:** The procedures for addressing the financial implications of major business risks (such as financial instructions and notes of procedures, delegation practices such as authorisation limits, segregation of duties and methods of preventing and detecting fraud).
 - (v) **Monitoring the Effectiveness of the Internal Control System:** The procedures for monitoring the effectiveness of the internal control system which may include: audit

committees, management reviews, consultancy, inspection and review studies, the work of internal audit, quality audit reviews and statements from the heads of internal audit.

35. Review of the Effectiveness of the System of Internal Control

Confirmation that there has been a review of the effectiveness of the system of internal control and when this was carried out or where such a review was not conducted, a statement that it was not conducted.

36. Weaknesses in Internal Control. Disclosure of details regarding instances where breaches in control occurred:

Details of any material breaches in internal control (e.g. non-compliance with procurement rules, instances where elements of the control system were not operational, information of weaknesses that have resulted in material losses or fraud, contingencies or uncertainties which require disclosure in the financial statements or the auditor’s report on the financial statements etc.)

37. Description of the action taken to correct weaknesses

A description of the action taken, or intended to be taken, to correct any non-compliance or weaknesses in internal control identified in sections 1-36 above together with the timeframes within which this will be done, or an explanation of why no action is considered necessary should be reported in the template below to be signed by the Chief Officer and Chairperson.

Area of non-compliance or weaknesses in internal control	Actions to be taken to attain compliance or correct weaknesses	Due date

Chairperson:	
President/Provost:	
Name of University:	
Date:	