

BOO – Airgeadas agus Pearsanra Riaracháin  
An Roinn Oideachais & Scileanna  
Cor na Madadh  
Baile Átha Luain  
Co. na hIarmhí



ETB Financial & Administrative Personnel  
Department of Education & Skills  
Cornamaddy  
Athlone  
Co. Westmeath

**Circular Letter No 0018/2015**

**To the Chief Executive/Chairperson  
of each Education and Training Board**

**CODE OF PRACTICE FOR THE GOVERNANCE OF EDUCATION AND TRAINING  
BOARDS**

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Dear Chief Executive/Chairperson,

I am directed by the Minister for Education and Skills to refer to the Code of Practice for the Governance of Education and Training Boards (ETBs), a copy of which is enclosed, The Code sets out principles of corporate governance and should be adopted by your ETB at the earliest opportunity.

This circular replaces Circular F11/05 - Code of Practice for the Governance of Vocational Education Committees and can be accessed at [www.education.ie](http://www.education.ie).

All enquiries regarding the implementation of this Circular Letter should be addressed to Schools Division – ETB Financial & Administrative Personnel Section in Athlone (Tel: 090-6484232).

Matthew Ryan  
Principal Officer  
16<sup>th</sup> March 2015

**CODE OF PRACTICE FOR  
THE GOVERNANCE OF EDUCATION AND TRAINING BOARDS**

**16<sup>th</sup> March 2015**

Replaces previous version dated 3<sup>rd</sup> March 2015

**Preface**

The primary legislation governing education and training boards is the Education and Training Boards Act 2013, which must be observed at all times. This Code of Practice, whilst it sets out guidelines in certain situations, should be primarily considered as a set of standards for members and staff of the Board. Members and staff are expected to ensure that their activities in relation to the ETB are governed at all times by these standards, in letter and in spirit. Where a Board chooses not to comply with a provision of the code then a full explanation for this course of action should be provided.

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## 1. Introduction

***High standards of corporate governance in all State Agencies, whether in the commercial or non-commercial sphere, are critical to ensuring a positive contribution to the State's overall economic efficiency and competitiveness<sup>1</sup>.***

1.1 Corporate governance comprises the systems and procedures by which entities are directed and controlled. State bodies, including Education and Training Boards (ETBs), must serve the interests of the taxpayer, pursue value for money in their endeavours (including managing risk appropriately), and act transparently as public entities.

1.2 The Board<sup>2</sup> (i.e. the entity comprising elected and appointed members of the ETB) is responsible and accountable for the proper direction and control of the ETB.

In order to deliver good governance in the ETB, the Board must act in the interest of the ETB at all times, consistent with the requirements of legislation and government policies, avoiding self-interest and the interests of third parties, including bodies which have elected or nominated them.

1.3 This code has been devised from the Department of Finance code of Practice for the Governance of State Bodies.

## 2. Code of Practice

2.1 The Code of Practice provides a framework for the application of best practice in corporate governance in education and training boards. Boards are required to confirm to the Minister for Education and Skills that they comply with the up-to-date requirements of the Code in their governance practices and procedures.

2.2 Board members and staff of ETBs should be guided by the principles set out hereunder in meeting their responsibility to ensure that all of their activities, whether covered specifically or otherwise in this document, meet the highest standards of corporate governance.

2.3 The Code concerns both the internal practices of ETBs and their external relations with the Government, the Minister for Education and Skills, the Minister for Finance, the Minister for Public Expenditure and Reform and their respective Departments. The Code also makes reference to the ethical and standards in public office obligations that apply to all designated Directors and designated office holders (See Appendix II).

2.4 The provisions of the Code do not override existing statutory requirements and other obligations imposed by the Companies Acts, ethics legislation, standards in public office legislation, the specific statutory provisions relating to ETBs and any other relevant legislation (e.g. equality legislation, employment legislation). Accordingly, a Board must follow the statutory provisions as set out in the Education and Training Boards Act 2013 and other relevant legislation, whether these are identified in the code or otherwise.

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<sup>1</sup> An adaptation from the OECD Guidelines on Corporate Governance of State-Owned Enterprises.

<sup>2</sup> The term "Board" as used throughout this document refers to the *entity* comprising the elected and appointed members of the ETB.

## A. THE BOARD AND MEMBERS

### 3. The Board

***The Board is collectively responsible for promoting the success of the ETB by directing and controlling the ETB's activities.***

***Board members should act on a fully informed basis, in good faith, with due diligence and care, and always in the best interest of the ETB, subject to the objectives set by Government.***

#### Matters for the Board

3.1 The Board should have a formal schedule of matters specifically reserved to it for decision and approval to ensure that it undertakes its role effectively. This schedule should refer to the reserved functions as set out in Section 12 of the Education and Training Boards Act 2013, and include:

##### *Decision functions*

- A request for a change of name of an ETB;
- The appointment of a Chief Executive;
- The suspension of a Chief Executive;
- A decision to authorise the attendance by a member at a conference, seminar, meeting or event;
- Matters concerning committees set up by the Board;
- The keeping of accounts;
- The establishment and operation of a Finance Committee;
- The establishment and operation of an Audit Committee.

##### *Approval functions*

- The establishment of a scholarship;
- The adoption of a statement of strategy;
- The adoption of the annual report;
- The acceptance of gifts or being constituted as trustees;
- The adoption of the annual service plan;
- The power to borrow money;
- The acquisition, development and disposal of land, including buildings, or any interest in land, including buildings;
- The adoption of a Code of Conduct;
- The approval of a risk management framework, reviewing risk management and the monitoring its effectiveness;
- The approval of confidential procedures for the reporting of irregularities;
- The approval of a Charter for Internal Audit.

3.2 The Board's functions are restricted to those specified in the Education and Training Boards Act 2013. Accordingly, the members of the Board must never become involved in the executive functions of the ETB. Executive functions are carried out by the Chief Executive.

#### 3.3 Accountability of the Chief Executive to the Board

The Chief Executive is accountable to the Board for the due performance of his or her functions in the management of the ETB, in accordance with the legislation, Department guidelines and the Service Plan.

#### Meetings

3.4 The Board should meet in accordance with the provisions of the Education and Training Boards Act 2013. The collective responsibility and authority of the Board should be safeguarded by the members.

All Board members must be treated equally and must be afforded the opportunity to fully contribute to Board deliberations. The Board should guard against excessive influence on decision-making by one or more individual members.

Education and Training Boards, as public bodies, have a duty to operate in an open and transparent manner. Accordingly Board meetings shall not be held “in-camera”. However, in exceptional circumstances, such as Section 29 appeals, there may be certain items that a Board feels it is obliged to consider “in-camera”. In such cases the minutes should record the nature of the item being discussed, the reason why the Board considered that the matter had to be discussed “in-camera” and the decision taken. A supplementary minute book should be maintained for such items.

The record of attendance of each Board Member at Board meetings should be reported in the Annual Report.

#### Statutory obligations

3.5 The Board is responsible for compliance with all statutory obligations applicable to the ETB that are set out in the Education and Training Boards Act or in other relevant legislation. The Board should satisfy itself that all such obligations are identified and made known to it.

#### Reports to the Minister

3.6 The Board is required to confirm annually to the Minister for Education and Skills that the ETB has an adequate system of internal control in place.

3.7 The Board is required to submit annually a comprehensive report to the Minister for Education and Skills on the ETB’s activities in accordance with Section 15 below.

3.8 It is the responsibility of the Chief Executive to keep the Minister for Education and Skills advised of matters arising in respect of the ETB. However, if he/ she fails to do so, the Board should ensure that this is done.

#### Management of conflicts of interest

3.9 The Board should have procedures to identify, monitor and manage actual and perceived conflicts of interest of Board members and Executive Management.

#### Service Plan

3.10 The expenditure in the Service Plan cannot exceed the limits set by (a) the Minister (b) SOLAS (c) other funders on a programme, by programme basis

The Service Plan should be in a format determined by the Department and to a standard that will allow the activities of the ETB for the period in question to be clearly identified and costed, so as to allow comparison with the actual performance of the ETB at the end of that period.

The Board should approve the Service Plan annually and formally consider an evaluation of performance by reference to that Service Plan on an annual basis and reflect this appropriately in the annual report.

#### Major items of expenditure

3.11 Before approving major items of expenditure, the Board should be satisfied that the expenditure proposals are aligned with the ETB’s medium to long-term strategies and with

Government policy, and that such expenditure is focused on clearly defined objectives and outcomes. A performance measurement system should be put in place by executive management to assess the effectiveness/outcome of such expenditure and this should be sought from management by the Board.

### Accounts

3.12 The Board must ensure that the Annual Accounts give a true and fair view of the ETB's income and expenditure for a period and of the financial position at the end of that period, and that they comply with legislation and any relevant Department guidelines.

### Annual Report

3.13 The Board has a duty to ensure that the Annual Report is a balanced, true and fair assessment of the ETB's activities and results for that period in comparison with the Service Plan, in accordance with legislation and any relevant guidelines of the Department. The Board should state in the annual report that it is responsible for the keeping of accounts.

### Terms of reference of Audit Committees and other committees

3.14 The Audit Committee and other committees of the Board should have written terms of reference and the Board should agree the intervals within which these terms of reference should be reviewed by the Board and updated as appropriate.

### Strategy

3.15 ETBs must comply with the statutory requirements as set out in the governing legislation in relation to the preparation of Strategy Statements.

### Composition of the Board

3.16 The composition of the Board must be in accordance with the governing legislation.

3.17 The selection of the Chairperson is a matter for the Board, in accordance with the governing legislation. However, it is considered best practice that to maintain a clear division of responsibility between the running of the Board and the day to day management and operation of the ETB, the Chairperson should not be a member of staff of the ETB and/or a person connected to a member of staff of the ETB.

### Donations to third parties

3.18 The Board is not empowered to make donations to third parties.

## **4. Board Members**

4.1 Board members should use their skills and expertise for the benefit of the ETB

4.2 Board members must act in the interest of the ETB in all their undertakings concerning the ETB, consistent with the principle set out in Section 1.2 above. A member who knowingly breaches this principle should be excluded by the Chairperson from the Board, following a resolution of the Board, until the matter is resolved. A member who inadvertently breaches this principle should be so informed by the Chairperson

4.3 Sections 7, 8 and 9 set out the approach to dealing with any business or other interests of a member that could affect the member's independence.

## **Support to Members**



*Best practice in corporate governance requires that the Board be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. All members should receive a formal induction on joining the Board and should regularly update and refresh their skills and knowledge.*

4.4 The Board should be supplied with information which is of a suitable quality to enable its members to satisfactorily discharge their duties.

#### Access to Professional Advice

4.5 The Board, by resolution, or an individual Board member, may in exceptional circumstances, take independent professional advice in the furtherance of their duties and responsibilities as Board members. It must be clearly demonstrated that such a step is essential to enable the Board perform its duties and the Board should, in a Board resolution, lay down formal procedures to determine whether professional advice is essential. Such procedures should include steps to evaluate the benefit to the ETB of obtaining the advice. The evaluation must take account of the value for money obligations of the Board to the taxpayer and costs must always be reasonable and kept to the minimum possible.

#### Legal actions on behalf of a member

4.6 Public funding should not be used to instigate a legal action on behalf of an individual who is a member of an ETB.

#### Evidence of non-compliance

4.7 If a member has evidence which, in his or her opinion, suggests non-compliance with any obligations that apply to the ETB, he/she should immediately bring this to the attention of the Chairperson and the Chief Executive and, with agreement of the Chairperson, to the attention of the Board. If so warranted, the Chief Executive should have the matter rectified. If the matter is not rectified to the satisfaction of the Chairperson, he/ she should bring it to the attention of the Minister for Education and Skills on behalf of the Board.

A complete record of such matters should be maintained securely by the Chairperson, to include confirmation that the matter was rectified to his/ her satisfaction or brought to the attention of the Minister, as the case may be.

#### Review of Performance

4.8 The Board should keep under review its own performance and that of its committees and individual members.

### **5. Briefing for new Board Members**

5.1 New board members should be provided by the Chief Executive with the following information:

- A statement that the Board (i.e. the elected and appointed members of the ETB) is responsible for the proper direction and control of the organisation and in that regard holds the Chief Executive accountable for the performance of his or her functions ;
- a formal schedule of matters reserved to the Board for decision or approval;
- procedures to be followed when, exceptionally, decisions are required between Board meetings;
- a statement explaining the Board Members' responsibilities in relation to the keeping of the accounts, the ETB's system of internal control and audit with supporting assumptions or qualifications as necessary;

- a statement setting out the role and responsibilities of the internal audit unit and its reporting arrangements;
- a copy of the Charter for Internal Audit, including the terms of reference of the internal audit unit;
- a statement setting out the role of the external auditor (the Comptroller and Auditor General) and the relevant reporting arrangements;
- details of the composition, role, responsibilities and reporting arrangements of the Audit Committee;
- details of the composition, role, responsibilities and reporting arrangements of the Finance Committee;
- a schedule detailing the composition of all other ETB committees and their terms of reference;
- a copy of the Code of Conduct for Board Members, including requirements for disclosure of members' interests and procedures for dealing with conflict of interest situations;
- a listing of the statutory requirements relating to the ETB;
- a copy of the Education and Training Boards Act 2013 and any other relevant legislation (or excerpts thereof) that the ETB deems appropriate;
- procedures for obtaining information on relevant new laws and regulations;
- procedures for a member to access professional advice in the furtherance of their duties as members of the Board and in the context of their responsibilities to the Board;
- a copy of the Code of Practice for the Governance of ETBs and any relevant circulars and/or guidance notes;
- Other relevant information specific to the ETB.

## **Codes of Conduct, Disclosure, Ethics in Public Office**

***Individual behaviour is a major factor in the effectiveness of the ETB, and also has an influence on the reputation of the ETB, the confidence and trust that members of the public have in it and the working relationships and morale within it. Conflicts, real or perceived, can arise between the ETB's interests and those of individual members. Public trust can be damaged unless the Board implements clear procedures to deal with these conflicts.<sup>3</sup>***

### **6. Codes of Conduct for Board Members and all Staff**

6.1 All ETBs should have separate written codes of conduct for members and staff. The Codes should be prepared via a participative approach, and should be approved by the Board.

The Codes of Conduct for Board Members and members of staff should be made available on the ETB's website and all members made aware of its importance and availability.

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<sup>3</sup> Adapted from the UK Independent Commission on Good Governance in Public Service's "Good Governance Standard for Public Services", Chapter 3.2

The Code of Conduct for ETB Staff should be made available on the ETB's website and all staff members must be made aware of its importance and availability.

6.2 Codes of Conduct should contain a description of the nature, intent and scope of their application and a statement of the guiding principles and obligations.

6.3 Codes of Conduct should refer to the need for members and staff to comply with any relevant legislative and regulatory requirements.

6.4 Codes of Conduct should set out procedures for addressing conflicts of interest and potential conflicts of interest.

6.5 The Code should make clear that certain ethical obligations to the ETB regarding, in particular, the non-disclosure of privileged or confidential information do not cease when Board membership or employment in the ETB has ended. In particular the Code should recommend that the acceptance of further employment where the potential for conflict of interest arises should be avoided during a reasonable period of time after the exercise of a function in the ETB has ceased.

6.6 The Board should regularly review the operation of the Code of Conduct for the Board Members and Staff

Framework Codes of Conduct are provided in Appendices III and IV.

## **7. Ethics in Public Office Act and the Standards in Public Office Act**

7.1 Each member of the Board of an ETB and each person holding a designated position of employment with an ETB must comply with the relevant provisions of the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001. Appendix II contains an outline of the obligations under the above Acts.

## **8. ETB Act 2013: Matter in which a Member has an Interest**

8.1 The provisions of paragraph 10 of Schedule 3 of the Education and Training Boards Act 2013 apply where a member has an interest in any of the following matters arising at a board meeting:

- (a) an arrangement to which the board is a party,
- (b) an arrangement to which the board proposes to become a party,
- (c) a contract or other agreement with the board, or
- (d) a proposed contract or other agreement with the board.

Paragraph 10 of Schedule 3 of the Act is set out in Appendix V.

## **9. Disclosure of Interests by ETB Members: Additional Requirements**

In addition to the requirements under the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001, the following procedures should be observed:

9.1 On appointment, each member should furnish to the Chairperson details relating to his/her employment and all other business or professional interests including shareholdings, directorships, professional relationships etc., that could involve a conflict of interest or could materially influence the member in relation to the performance of his/her functions as a member of the Board.

9.2 Any interests of a family relation of a member of which he/she could be expected to be reasonably aware, or a person or body connected with the member which could involve a conflict of interest or could materially influence the member in the performance of his/her

functions, should also be disclosed. For this purpose, persons and bodies connected with a member should include:

- (a) a spouse, parent, brother, sister, child or step-child;
- (b) a body corporate with which the member is associated;
- (c) a person acting as the trustee of any trust, the beneficiaries of which include the member or the persons at (a) above or the body corporate at (b) above; and
- (d) a person acting as a partner of the member or of any person or body who, by virtue of (a) - (c) above, is connected with the member.

Each member who becomes aware, in the course of his/her membership of the Board, of business interests as set out above, should furnish to the Chairperson details of such business interests.

9.3 Where it is relevant to any matter which arises for the ETB, the member is required to indicate to the Chairperson the employment and any other business interests of all persons connected with him/her, as defined at 9.2.

9.4 Boards may exercise discretion regarding the disclosure by members of minor shareholdings. As a general guideline, shareholdings valued at more than €15,000 or of more than 5 per cent of the issued capital of a company should be disclosed.

9.5 If a member has doubt as to whether this Code requires the disclosure of an interest of his/her own or of a connected person, that member should consult the Chairperson.

9.6 Details of interests disclosed should be kept securely by the Chairperson in a special confidential register in the ETB's administrative offices and should be updated on an annual basis. Changes in the interim should be notified to the Chairperson as soon as possible by members. Only the Chairperson should have access to the register.

9.7 Where a matter relating to an item in which the Chairperson has an interest arises, he/she should depute the Deputy Chairperson or another Board member to chair the Board meeting and should absent himself/herself when the Board is deliberating or deciding on a matter in which the Chairperson or a person or body connected with the Chairperson has an interest. He/ she should not take any part in any deliberation of the Board relating to the matter, should not influence, or seek to influence, a decision to be made in relation to the matter and should not vote on a decision relating to the matter.

9.8 A member should absent himself/herself when the Board is deliberating or deciding on matters in which that member (other than in his/her capacity as a member/holder of a designated post of the Board) or a person or body connected with the member has an interest. He/ she should not take any part in any deliberation of the Board relating to the matter, should not influence, or seek to influence, a decision to be made in relation to the matter and should not vote on a decision relating to the matter. A record of abstention should be maintained by the ETB.

9.9 The interests of a member or of a person connected with him/her may change during the course of the member's term of office. Where such a change leads to a conflict of interest or may materially influence the member in relation to the performance of his/ her duties as a member of the Board, the member should furnish to the Chairperson revised details of his/her employment and business or professional interests or revised details of interests of the person/body connected to the member, as appropriate.

9.10 Board documents on any deliberations regarding a matter in which a member has an interest should not be made available to the member. Such documents should be taken to include those relating to cases involving persons/ bodies connected to or in competition with this member relating to the above interests. Decisions once taken should be notified to the member.

9.11 Where it is not clear, it is the responsibility of the Chairperson to determine whether a matter relates to the interests of a member or a person or body connected with that member.

9.12 Members and former members should treat with confidentiality all information received while acting in their capacity as members of the Board.

9.13 Members should not retain documentation obtained during their terms as members and should return such documentation to the Chairperson or otherwise indicate to the Chairperson that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former members require access to Board papers from the time of their term on the Board, this can be facilitated by the Chairperson.

9.14 The Chief Executive will assist the chairperson to allow him/her to undertake his/her duties

#### **10. ETB Act 2013: Interests of Members of Staff in Certain Matters**

10.1 Paragraph 12 of Schedule 3 of the Education and Training boards Act 2013 applies where a member of staff has a pecuniary or other beneficial interest in, or material to, a contract, agreement or arrangement, or proposed contract, agreement or arrangement, to which the board is a party

Paragraph 12 of Schedule 3 is set out at Appendix VI.

#### **11. Disclosure of Interests by ETB members of staff: Additional Requirements**

11.1 In addition to the requirements under the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001, where a member of staff of an ETB has a pecuniary interest or other beneficial interest in any contract, agreement or arrangement, or proposed contract, agreement or arrangement, to which the board is a party, that person shall:

- (a) disclose to the Chief Executive concerned his or her interest and the nature thereof;
- (b) take no part in the negotiation of the contract, agreement or arrangement or in any deliberation by members of staff of the board, as the case may be, in relation to it, or
- (c) not influence, or seek to influence, a decision to be made in the matter or make any recommendation in relation to the contract, agreement or arrangement.

## **B. REMUNERATION**

### **12. Remuneration**

12.1 ETBs are reminded that Government pay policy (including procedures and systems in relation to travel and subsistence) must be implemented, as expressed from time to time, in relation to Board members and staff and that the arrangements authorised from time to time cover total remuneration.

12.2 The Department of Education and Skills should be consulted in good time on any matters which could have significant implications for general Government pay policy.

12.3 Compliance with Government pay policy or with any particular Government decision should not be effected in ways which cut across public service standards, integrity or conduct, or involve unacceptable practices which result in a loss of tax revenue to the Exchequer.

12.4 The Board is not empowered in any circumstances to award additional payments (e.g. "top-up" payments, honoraria) to any member of staff of an ETB or to any member of an ETB.

#### **Expenses to Board Members**

12.5 As part of the Chairperson's annual report to the Minister, the Chairperson should affirm that the guidelines are being complied with in respect of members of the Board.

## **C. RISK MANAGEMENT, ACCOUNTABILITY, INTERNAL CONTROL AND INTERNAL AUDIT**

In undertaking their public service role, ETBs face a wide range of strategic, operational and financial risks, from both internal and external factors, which may prevent them from achieving their objectives. Risk management is a planned and systematic approach to identifying, evaluating and responding to these risks and providing assurances that responses are effective.

### **13. Risk Management**

*An effective risk management system identifies and assesses risk in the context of the operation of an ETB, identifies appropriate responses and then provides assurance that the chosen responses are effective.<sup>4</sup>*

13.1 The Chief Executive should appoint a member of staff with overall responsibility for risk management.

13.2 Each ETB should develop a Risk Management Policy and the Board should approve that policy, the related framework and monitor their effectiveness. The Risk Management Policy should take account of the risks to the ETB that would significantly obstruct or undermine the achievement of its objectives as set out in the strategy statement.

13.3 Key elements of the Board's oversight of risk management would include:

- making the management of high level risk a standing meeting agenda item;
- providing for the overview of risk in the terms of reference of the audit committee or a separate committee;
- seeking expert advice externally, if risk management experience/ expertise is not in the competencies of at least one member;
- approving the Chief Executive's Risk Management Policy and approve the risk management business plan and risk register at least annually;
- requiring external review of effectiveness of the risk management framework on a periodic basis;
- ensuring that the CE has appointed a member of staff with overall responsibility for risk management;
- reviewing material risk incidents and noting or approving management's actions, as appropriate.

### **14. Internal Audit Function**

14.1 Internal audit evaluates the integrity of all financial and operational performance indicators, including regulatory compliance, and gives an independent opinion to the Audit Committee, on the adequacy and effectiveness of the whole system of internal controls and assurance within the organisation, and the extent to which the Audit Committee, and subsequently the Board, may rely on these.

In this context, internal control comprises not only internal check and internal audit, but the entire system of controls, financial and otherwise, including risk management and corporate governance, which have been established by management to:

- safeguard the assets;

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<sup>4</sup> Taken from the UK Independent Commission on Good Governance in Public Services "Good Governance Standard for Public Services".

- secure the integrity of transactions;
- secure as far as possible the accuracy and reliability of the records.

Internal audit also provides an ancillary consulting activity which adds value and improves the organisation's operation. The consulting activity consists of the communication to executive management by the internal auditor of the weaknesses of the existing systems, potential outcomes and recommended improvements.

Internal audit is not an extension of, or substitute for, executive management, who remain fully responsible for having appropriate and adequate internal controls.

14.2 The primary purpose of internal audit in the ETB sector is to provide assurance to the Audit Committee and the Board that the system of internal control as implemented by executive management adequate and operating effectively.

14.3 The responsibility for the prevention and detection of fraud or error rests with both those charged with governance of the ETB and ETB executive management; this responsibility does not lie with the Internal Audit Unit- Education and Training Boards (IAU-ETB).

However, in recording, evaluating and testing the systems the internal auditor will consider the possibility of fraud or error occurring. Where an internal auditor uncovers actual or suspected fraud or error he/she should probe this to the fullest extent.

14.4 The Internal Audit function should have a formal charter, including Terms of Reference, which have been approved by the Board. The reporting structures for internal audit should be clear and formally documented. (An outline charter is included in appendix VII)

14.5 The Internal Audit Unit- Education and Training Boards (IAU-ETB) is the internal audit unit for the ETBs.

#### 14.6 Internal Audit Reports

In accordance with the reporting procedures set out in the ETBIAU terms of reference, the ETBIAU Opinion Report and the Findings and Recommendations Report will be provided directly to the Audit Committee, through the Chairperson of the Audit Committee, and the Chief Executive. Otherwise, Internal Audit Unit- Education and Training Boards (IAU-ETB) Findings and Recommendations reports will not in normal circumstances be made available to members of the Board who are not members of the Audit Committee.

However, should a member of the Board who is not a member of the audit committee consider that there are exceptional circumstances such that he/ she requires access to a Findings and Recommendations internal report (e.g. where he/ she believes that the Board is being misled), they may do so, subject to the following procedures:

- Discuss the issue of concern with the Audit Committee to see if the matter can be addressed to the satisfaction of the member;
- If necessary, the member should make a request in writing to the Audit Committee for access to a Findings and Recommendations Report setting out clearly his/ her concerns;
- Following access to the Findings and Recommendations Report, any issue that may remain for the member should be raised in the first instance with the Director of internal audit for a full explanation;
- Subsequently, the member may raise the issue with the Board. However, in such a case comment should be restricted to the recording and reporting procedures and relevant internal controls used by the ETB. If necessary, the Board may raise the matter with the Chief Executive.



14.7 The Chairperson and the Chief Executive should ensure that internal audit has appropriate standing within the organisation.

## **15. Audit Committee**

*The ETB should have formal and transparent arrangements for both internal and external audit and for maintaining an appropriate relationship with the ETB's auditors.*

15.1 The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties. Terms of Reference for an ETB Audit Committee are set out in Appendix VIII.

15.2 The Board is ultimately responsible for ensuring that the Chief Executive has instituted an adequate and appropriate system of internal control, including risk management and corporate governance, in the ETB. The work of the Audit Committee will assist the Board in this function by carrying out the procedures outlined in Appendix VIII.

15.3 A number of the functions usually carried out by audit committees are, in the ETB Sector, carried out by the Finance Committee.

### Annual review of internal controls carried out for presentation to the Board

15.4 As early as possible in each year, and before the Finance Committee considers the annual accounts, the Audit Committee will carry out a review of internal controls for the previous year by undertaking the work outlined in Appendix VIII, and by reviewing the minute books of the Board, the Audit Committee and the Finance Committee and other relevant factors, to ensure there are no inconsistencies in these with the assessment of internal control provided to the audit committee by the internal audit unit or management representations received

## **16. Finance Committee**

16.1 The Board should establish a Finance Committee with written terms of reference which clearly set out its authority and duties. Terms of Reference for a Finance Committee are set out in Appendix IX.

16.2 Where the internal auditor has stated that, in his/ her opinion, management is operating an adequate system of internal control, the Board and the Finance Committee can have confidence that all information provided by executive management is reliable, provided the control systems continue to operate and are not overridden.

## **D. RELATIONS WITH THE OIREACHTAS AND THE MINISTER**

### **17. Departmental Oversight**

17.1 The annual letter of determination will set out the expenditure limits under programme headings for those programmes directly funded by the Department of Education and Skills.

The annual memorandum of funding will set out the expenditure limits of the adult and further education programmes funded by SOLAS.

17.2 The annual Service Plan, in accordance with Section 47 of the Education and Training Boards Act, will act as the performance frameworks for an ETB.

17.3 Annual Output Statements should be produced by ETBs in line with the performance framework. These should be included by each ETB in its annual report.

17.4 The Chief Executive will provide the Department with a copy of the internal auditor's Opinion Report.

17.5 Where in the Opinion Report the internal auditor expresses an opinion that internal controls are either inadequate or not operating or both, the Department will be provided by the Chief Executive with full details of the item or items giving rise to this opinion.

17.6 In the event that losses have occurred, all such losses will be communicated to the Department by the Chief Executive in accordance with Circular 39/2011 together with a full explanation and confirmation that internal control issues identified have or will be addressed from a stated date.

### **18. Reports and Accounts of ETBs**

*The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the ETB, including the financial situation, performance and governance of the ETB<sup>5</sup>.*

18.1 The Board is ultimately responsible for the keeping of accounts of the ETB and the preparation of the monthly and annual accounts.

18.2 The Chairperson's statement in the report to the Minister for Education and Skills regarding the system of internal control (section 19.1(iii)) should be included in the unaudited annual accounts of the ETB. This statement should be reviewed by the Comptroller & Auditor General (C&AG) to confirm that it reflects the audited ETB's compliance with the requirements of section 16.3 and the C&AG should consider if the statement is consistent with the information of which the C & AG's office is aware from its audit work on the financial statements. The C&AG should report findings accordingly.

18.3 In the interests of transparency and good governance, ETBs should publish in their annual report and accounts, details of the aggregate expenses and remuneration if any, paid to each of the members under the following headings:

- statutory meetings;
- interview boards;
- attendance at conferences/ seminars;
- other items.

ETBs should publish in their annual report and accounts, details of the salary of the Chief Executive.

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<sup>5</sup> Adapted from the OECD Principles of Corporate Governance, 2004.

18.4 Annual reports and audited accounts should be published on the ETB's web-site<sup>6</sup>.

## **19. Additional Reporting Requirements**

19.1 A comprehensive report, signed by the Chairperson, covering the entire entity must be furnished to the Minister, with the unaudited accounts and annual report of the ETB:

- (i) Outlining all financially significant developments affecting the ETB in the preceding year, including the establishment of any bodies under its aegis, the purchase and sale of land and/or buildings and major issues likely to arise in the short to medium term;
- (ii) Affirming that all appropriate procedures for financial reporting, internal audit, travel, procurement and asset disposals are being carried out;
- (iii) Including a statement on the system of internal control in the format set out in Appendix XI, adjusted where necessary;
- (iv) Affirming that Codes of Ethics for Staff and Members of the Board have been put in place and adhered to;
- (v) Affirming that Government policy on pay is being complied with;
- (vi) Outlining significant post balance sheet events;
- (vii) Confirming that written approval was received before capital expenditure was incurred;
- (viii) Confirming that the Guidelines for the Appraisal and Management of Capital Expenditure Proposals and the Capital Works Management Framework are being adhered to, where appropriate;
- (ix) Confirming that written approval was received before any disposal of land / property took place and that, in such cases the correct disposal procedures were complied with;
- (x) Identifying and explaining any disposals of an asset or grant of access to property or infrastructure for commercial arrangements with third parties which have not been subject to auction or competitive tendering process;
- (xi) Confirming that written approval was received before any leases were entered into;
- (xii) Confirming that the ETB has complied with its obligations under tax law;
- (xiii) Confirming that a Corporate Procurement Plan has been developed and is being implemented;
- (xiv) Certifying that Government travel policy requirements are being complied with in all respects and that the ETB travel policy is being implemented in full;
- (xv) Confirming that this Code of Practice has been adopted, the extent which it is being complied with and, where is not being complied with, furnishing an explanation;
- (xvi) Setting out any other material matters which, in the opinion of the Chairperson, warrant the attention of the Minister.

### Statement of Internal Control

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<sup>6</sup> In general, ETBs should consider online publication when this can reduce costs.

19.2 The following circumstances, where they occur, should be considered when drafting the Statement of Internal Control and included in the Statement if warranted:

- (a) Where the internal auditor reports an inadequate system of internal control in an area of activity of the ETB;
- (b) Where a problem with internal control becomes otherwise apparent to the Board;
- (c) Where the Board has substantiated grounds to question the reliability of the information relating to internal control provided to it by executive management.

## **E. OTHER MATTERS**

### **20. Confidential Disclosures**

20.1 The Chief Executive should draw up procedures, meeting the requirements of the Protected Disclosures Act 2014 and good corporate governance, whereby staff of the ETB may, in confidence, raise concerns about possible irregularities and for ensuring meaningful follow-up of matters raised in this way. Such procedures should be approved by the Board and implemented by the Chief Executive.

### **21. Diversification**

21.1 An ETB should obtain the approval of the Minister for Education and Skills for any intended action which represents a departure from the approved Service Plan of the ETB.

21.2 In accordance with Circular 10/2013, an ETB is required to obtain, in advance, the written approval of the Department before providing a new programme or activity:

- (a) Which is not one of its core services (i.e. the provision of primary, post-primary, PLC, and further education and training), or
- (b) Which it considers to be within its core services, or associated core services, but which is not already established and funded by the Department.

### **22. Procedures for Procurement**

*As the ultimate owners of, and investors, in State Bodies (including ETBs), citizens and taxpayers have an important and legitimate interest in the achievement of value for money in the State sector. Whether commissioning public services or providing them directly, ETBs have a duty to strive for economy, efficiency, transparency and effectiveness in their expenditure<sup>7</sup>.*

22.1 It is Government policy that public bodies, where possible, should make use of central procurement frameworks and contracts that are put in place by the Office of Government Procurement (OGP). These central procurement frameworks and contracts are designed to optimise benefits to the public service through the strategic aggregation of its buying power.

22.2 Where public bodies do not utilise central procurement frameworks they should be in a position to provide a value for money justification. Value for money justifications should take into account the full costs of running a public procurement competition. Public bodies must comply with their obligations under EU directives, national law and guidelines.

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<sup>7</sup> Adaptation of a principle set out in the UK Independent Commission on Good Governance in Public Service's "Good Governance Standard for Public Services"

22.3 It is the responsibility of the Board to satisfy itself that executive management is fully conversant with the current value thresholds for the application of EU and national procurement rules and that the requirements for public procurement are adhered to.

22.4 Where local procurement is necessary, competitive tendering should be standard procedure in the procurement process of ETBs. ETB management, and ultimately the Board, should ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with procurement policy and guidelines.

### **23. Capital Investment Appraisal**

23.1 ETBs must implement best practice in the management of significant capital expenditure proposals. In particular they must have regard to the Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector and the Capital Works Management Framework in the planning, appraisal and management of significant expenditure projects. The Chairperson of the ETB, following a formal resolution of the Board, should confirm in his/her annual report to the Minister for Education and Skills that the Guidelines and Framework are being complied with.

23.2 Non-financial criteria are critical in capital investment appraisal and should be carefully assessed. These include the viability of a company to remain operating and the quality of its work.

23.3 In addition, ETBs should have regard to appropriate models for investment appraisal in their sectors and seek to apply best practice in the appraisal and management of all investment proposals. Value for Money Frameworks should be adhered to in all cases.

### **24. Travel**

24.1 ETBs should adopt and comply in all respects with circulars/ instructions issued from time to time by the Department of Finance, Department of Public Expenditure and Reform or the Department of Education and Skills regarding travel and subsistence, including foreign travel.

24.2 ETBs should develop and implement a travel policy. A travel policy template is provided in Appendix XII.

### **25. Disposal of State Assets and Access to Assets by Third Parties**

25.1 An ETB must seek the approval of the Minister for Education and Skills before disposing of land.

25.2 Each ETB is required to comply with the statutory provisions and procedures, as set out in relevant Department Circulars, concerning the disposal of assets or the granting of access to property or infrastructure for commercial arrangements. The disposal of assets, where such assets are surplus to general educational requirements, should be by auction or competitive tendering process, other than in exceptional circumstances (such as a sale to a charitable body). The method used should be both transparent and likely to achieve a fair market-related price. The reserve value of the asset being disposed of should be determined on foot of a professional valuation, normally by the Valuation Office, and recorded in advance in the ETB's records.

#### Compliance with use of Auction or Tendering Requirements

25.3 If an auction or competitive tendering process takes place and the highest bid is not the bid accepted, it is essential that specific Board approval is given before the disposal of the asset or granting of access to property or infrastructure for commercial arrangements with third parties can be completed. For reasons of transparency, such approval together with the reason why a lower bid was permitted to be accepted should be noted in the minutes of the ETB.

25.4 Where in the exceptional circumstances that an auction or competitive tendering process is not used, specific Board approval is required before negotiations start and also before the disposal of the asset or granting of access to property or infrastructure for commercial joint-venture arrangements with third parties can be completed.

25.5 No disposal of an asset or grant of access to property or infrastructure for commercial arrangements with third parties should be completed until the officer authorising the disposal or grant of access has certified formally that specific Board approval, where necessary, has been obtained.

### Members and their Families

25.6 In accordance with best practice, disposal of assets to members of ETBs, staff or their families or connected persons (see section 9.2) should, as with all disposals, be by a transparent method and at a fair market-related price. The value of the asset being disposed of should be determined on foot of a professional valuation, normally by the Valuation Office, and recorded in advance in the ETB's records. Where the Board is considering a proposal for any such disposal, the ETB member connected to the potential purchase should absent him or herself from the Board deliberations on the issue. A record of all such disposals to such persons (to include details of the asset disposed of, price paid and name of the buyer) should be noted in a register kept for this purpose. This register should be available for inspection, if requested, by the Board or by any member. The Board may specify that any disposal above an approved threshold should be formally endorsed by the Board, which may impose specific restrictions with regard to any such disposal.

25.7 The Chairperson, in the annual report to the Minister for Education and Skills (see section 19.1) should affirm that disposal procedures, as outlined above, have been complied with.

## **26. Service Level Agreements**

26.1 The development and widespread use of Service Level Agreements should form part of the wider performance management framework.

However, ETBs must be aware that if an issue regarding public funding arises in the third party, then the accountability lies with the ETB. Accordingly, before a service level agreement is entered into, an ETB must be satisfied as to the integrity of internal control and corporate governance in the third party organisation.

## **27. Tax Compliance**

27.1 State bodies, including ETBs, while availing of all legitimate taxation arrangements, should not engage in clearly unacceptable tax avoidance transactions. In broad terms, tax avoidance is offensive if it involves the use of the tax code for a purpose other than that intended by the Oireachtas (including an unintended use of a tax incentive) with a view to reducing the amount of tax to be paid by the State body or some other party to a transaction in which the State body participates.

27.2 ETBs must always be exemplary in their compliance with taxation laws and should ensure that all tax liabilities are paid on or before the relevant due dates.

27.3 The Chairperson, in the annual report to the Minister, should confirm that the ETB has complied with its obligations under tax law.

## **28. Legal Disputes Involving Other State Bodies**

28.1 Where a legal dispute involves another State body, every effort should be made to mediate, arbitrate or otherwise before legal costs are incurred.

28.2 ETBs should inform the Department of Education and Skills of any such legal issues as soon as they arise together with an estimate of the legal costs incurred or likely to be incurred.

## **29. Confidentiality**

29.1 The provisions of paragraph 13 of Schedule 3 of the Education and Training Boards Act 2013 apply to Board members and members of staff of an ETB. A person who discloses confidential information in contravention of subparagraph (1) of paragraph 13 is guilty of an offence.

Paragraph 13 of Schedule 3 of the Act is set out at Appendix XIII

## **30. Comply or explain**

30.1 The Code is primarily a best practice standard of governance for the quality of an ETB's direction and control and an alternative to following a provision of the code may be justified in exceptional circumstances. Should a board resolve not to follow a provision of the Code, this decision and a detailed explanation must be:

- (a) included in the minutes of the relevant Board meeting;
- (b) promptly provided to the Chief Executive;
- (c) promptly provided to the Minister for Education and Skills;
- (d) included in the Chairperson's report (see section 19).

## Online Resources

Department of Education and Skills	<a href="http://www.education.ie">http://www.education.ie</a>
Department of Enterprise, Trade and Employment	<a href="http://www.entemp.ie">http://www.entemp.ie</a>
Department of Finance	<a href="http://www.finance.gov.ie">http://www.finance.gov.ie</a>
Department of Public Expenditure and Reform	<a href="http://www.per.gov.ie">http://www.per.gov.ie</a>
Department of An Taoiseach	<a href="http://www.taoiseach.gov.ie">http://www.taoiseach.gov.ie</a>
ETBI	<a href="http://www.etbi.ie">http://www.etbi.ie</a>
Institute of Public Administration Governance Forum	<a href="http://www.governance.ie">http://www.governance.ie</a>
Institute of Directors in Ireland	<a href="http://www.iodireland.ie">http://www.iodireland.ie</a>
National Public Procurement Website	<a href="http://www.etenders.gov.ie">http://www.etenders.gov.ie</a>
Office of Government Procurement	<a href="http://www.procurement.ie/">http://www.procurement.ie/</a>
Oireachtas website (access to the websites of relevant Boards, including the PAC)	<a href="http://www.oireachtas.ie">http://www.oireachtas.ie</a>
Office of the Director of Corporate Enforcement	<a href="http://www/odce.ie">http://www/odce.ie</a>
UCD Centre for Corporate Governance	<a href="http://www.corporategovernance.ie">http://www.corporategovernance.ie</a>



## Appendix I: The legislative framework

### The Principal Act

1. Education and Training Boards operate in accordance with the Education and Training Boards Act 2013 (the Act).
2. The functions of the board are either executive or reserved. Executive functions are carried out by the Chief Executive and reserved functions are carried out by the Board. All functions which are not reserved are considered to be executive (Section 13 of the Act).
4. In accordance with Section 15(4) of the Act, a chief executive is accountable to the board for the due performance of his or her functions.
5. Reserved functions are set out in Section (2) 12 of the Act and are summarised as follows:

	<b>Function</b>	<b>Section of the Act</b>	<b>Ministerial consent required</b>
1	A request to the Minister for a name by which the board may describe itself for operational purposes	9 (3)	Yes
2	The appointment of a chief executive	14	Yes
3	The suspension of a chief executive	17	Yes
4	The establishment of a scholarship	24	Yes
5	The giving of an opinion as to persons with whom the Chief Executive must consult in the preparation of a strategy statement.	27(4)(h)	No
6	The adoption of a strategy statement	27(6)	No
7	The adoption of an annual report	28	No
8	The acceptance of gifts or being constituted as a trustee	29	Yes
9	A decision to authorise the attendance by a member at a conference, seminar, meeting or event	38	No, but subject to regulations made by the Minister
10	In relation to an ETB committees (i) the establishment or dissolution of the committee  (ii) the determination of the terms of reference and the regulation of the procedures of the committee	44	No, but may be subject to Ministerial direction.

	(iii) the appointment or removal from office of a member (including the chairperson) of the committee, and  (iv) the confirmation of an act of the committee		
11	In relation to a finance committee and an audit committee:  (i) the establishment of those committees  (ii) the appointment and removal of a member (including the chairperson) of those committees, and  (iii) the receipt of a report prepared by each of those committees and the determination of what action (if any) should be taken as a result of the findings of any such report;	45	No, but may be subject to Ministerial direction.
12	The adoption of an annual service plan	47	No
13	The power to borrow money	49	Yes
14	The keeping of accounts	51	No
15	The acquisition, holding and disposal of land, or any interest in land	53	Subject to regulations made by the Minister

## 2. Other legislation relevant to Education and Training Boards

Legislation, other than the principal act, which directly or indirectly impacts on the work of the ETB is listed below. This listing does not purport to be comprehensive.

A wide range of legislative provision in the areas of public administration, contract law, employment law and other areas apply to the activities of education and training boards. The legislation listed below contains those legislative provisions of most significance and does not purport to be comprehensive.

The text of these acts, and others, are available at <http://www.irishstatutebook.ie>.

### Related education acts:

Education Act, 1998  
Education (Welfare) Act, 2000  
Education for Persons with Special Educational Needs Acts 2004  
The Qualifications (Education and Training) Act, 1999  
Youth Work Act, 2001

The Teaching Council Act, 2001  
Further Education and Training Act 2013

**Acts with direct implications for Education and Training Boards:**

Comptroller and Auditor General (Amendment) Act, 1993  
Ethics in Public Office Act, 1995  
Standards in Public Office Act, 2001  
The Official Languages Act, 2003  
The Children Act, 2001  
The Ombudsman for Children Act, 2002  
Data Protection Acts, 1988 to 2003  
Freedom of Information Acts, 1997-2014  
Public Service Management (Recruitment and Appointments) Acts, 2004  
Financial Emergency Measures in the Public Interest Acts, 2009-2013  
Protected Disclosures Act, 2014  
Ombudsman Acts 1980-2012

**Employment legislation – a selection:**

The Organisation of Working Time Act, 1997  
The Employment Equality Act, 1998 (& Bill, 2004)  
The Equal Status Act, 2000  
The Protection of Employees (Part-time Work) Act, 2001  
The Protection of Employees (Fixed Term Work) Act, 2003  
Maternity Protection (Amendment) Act, 2004  
Safety, Health and Welfare at Work Bill, 2004

**Other legislation with application to Education and Training Boards:**

Redundancy Payment Act, 1967-1991  
Minimum Notice and Terms of Employment Act, 1973-2001  
Safety, Health & Welfare at Work Act, 1989 & related Regulations  
Industrial Relations Act, 1990  
Payment of Wages Act, 1991  
Maternity Protection Act, 1994  
Terms of Employment (Information) Act, 1994  
Adoptive Leave Act, 1995  
Protection of Young Persons (Employment) Act, 1996  
Prompt Payment of Accounts Act, 1996  
The Unfair Dismissals Acts, 1997-1993  
Parental Leave Act, 1998  
Carers' Leave Act, 2001  
The Finance Acts, various years  
Charities Act 2001

## **Appendix II: Ethics and Standards in Public Office**

### **Obligations under the Ethics legislation**

All those who hold designated directorships<sup>8</sup> or who occupy designated positions of employment<sup>9</sup> in public bodies prescribed by regulation for the purposes of the ethics legislation (i.e. the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001) must comply with the relevant provisions of the legislation. Compliance with the Ethics Acts is deemed to be a condition of appointment or employment.

### **Disclosure of Registrable Interests**

The Ethics in Public Office Act 1995 provides for the disclosure of registrable interests by holders of designated directorships and occupiers of designated positions of employment in public bodies prescribed for the purposes of the Ethics legislation.

Briefly, the requirements are:

#### **Designated Directors**

In each year, during any part of which they hold or held a designated directorship of a public body, prescribed by regulations made by the Minister for Finance, designated directors are required to prepare and furnish, in a form determined by the Minister for Finance, a statement in writing of their registrable interests, and the interests, of which a person has actual knowledge, of his or her spouse or a child of the person or of his or her spouse, which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the person, or the spouse or child, a substantial benefit. The statement must be furnished to the Standards in Public Office Commission (the Standards Commission) and to such an officer of the body as determined by the Minister for Finance. Where no registrable interest or interests exist, a 'nil' statement should be made.

#### **Designated Positions of Employment**

In each year, during any part of which they occupy or occupied a designated position of employment in a public body, prescribed by regulations made by the Minister for Finance, persons in designated positions of employment are required to prepare and furnish, in a form determined by the Minister for Finance, a statement in writing of their registrable interests, and the interests, of which a person has actual knowledge, of his or her spouse or a child of the person or of his or her spouse, which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the person, or the spouse or

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<sup>8</sup> Designated directors in ETBs are the ETB members.

<sup>9</sup> Designated positions of employment in ETBs (November 2013):

- Chief Executive;
- Adult Education Officer;
- Personnel Officer;
- Buildings Officer;
- School Principal;
- Education & Training Centre Manager;
- All posts the maximum salary of which is not less than the maximum salary of a Grade VII officer involved in procurement, grants and scholarships (including teaching posts);
- All other positions in respect of which the maximum salary is not less than the maximum salary of a principal (general service grade Class B PRSI) in the Civil Service.

It is a matter for each ETB to keep informed of the most up-to-date designated positions of employment.

child, a substantial benefit. The statement must be furnished to the relevant authority for the position as determined by the Minister for Finance. Where no registrable interest or interests exist, a 'nil' statement should be made.

### **Material Interests**

The holder of a designated directorship or the occupier of a designated position of employment is required to furnish a statement of a material interest where a function falls to be performed, and where the director or the member of staff or a "connected person" (e.g. a relative or a business associate of the director or member of staff) has a material interest in a matter to which the function relates. Such a statement must be furnished to the other directors of the ETB by a designated director or to the relevant authority by the occupier of a designated position of employment.

### **Tax Clearance obligations of appointees to "senior office"**

The tax clearance provisions of the Standards in Public Office Act 2001 apply to persons appointed to "senior office", i.e. to a designated position of employment or to designated directorship in a public body under the 1995 Ethics Act, in relation to which the remuneration is not less than the lowest remuneration of a Deputy Secretary General in the civil service.

A person appointed to "senior office" must provide to the Standards in Public Office Commission, not more than nine months after the date on which he or she is appointed:

- a tax clearance certificate that is in force and that was issued to the person not more than nine months before, and not more than nine months after, the appointment date; or
- an application statement that was issued to the person and was made not more than nine months before, and not more than nine months after, the appointment date; and
- a statutory declaration, made by the person not more than one month before, and not more than one month after, the date of appointment, that he or she, to the best of his or her knowledge and belief, is in compliance with the obligations imposed on him or her by the Tax Acts and is not aware of any impediment to the issue of a Tax Clearance Certificate.

### **Investigations**

Directors and members of staff in public bodies can be subject to an investigation by the Standards Commission, either where it considers it appropriate to do so, or following a complaint, or where there is contravention of the tax clearance requirements, and there is nothing that precludes the Standards Commission from taking into account this Code of Practice in such an investigation.

### **Additional information and advice**

This appendix is provided for information purposes only and does not constitute a legal interpretation of the Ethics Acts. Requests for advice on compliance should be referred to the Standards in Public Office Commission. The Standards Commission publishes the "Guidelines on Compliance with the Provisions of the Ethics in Public Office Acts 1995 and 2001 - Public Servants" that provides information on the steps that public servants who are covered by the Ethics legislation need take in order to comply with the requirements of the legislation.

The designated directorships and designated positions of employment in public bodies, as prescribed for the purposes of the Ethics legislation, the forms for preparing statements of registrable interests and 'nil' statements, and details of the officers of the body and the relevant authorities to whom such statements should be furnished are also provided in the Standards Commission's "Guidelines", available on its website: <http://www.sipo.gov.ie>.

## **Appendix III: Framework for a Code of Conduct for Members of an ETB**

This is a suggested framework for a Code of Conduct for members of the ETB. The Code should be prepared via a participative approach and should be approved by the Board, taking into account the implications of the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

### **1. Introduction**

(Name of ETB) has developed this Code of Conduct for Members of the Board. The Code takes account of the implications of the Ethics of Public Office Act, 1995 and the Standards in Public Office Act 2001

### **2. Intent**

The purpose of the Code is to provide guidance to the Chairperson and members of (Name of ETB) in performing their duties.

### **3. Objectives**

The objectives of the Code are:

- To set out an agreed set of ethical principles;
- To promote the development and acceptance of ethical practices;
- To promote the highest legal, management and ethical standards in all the activities of (Name of ETB);
- To promote compliance with best current management practice in all the activities of (Name of ETB).

### **4. General Principles**

***It is the policy of (Name of ETB) to maintain a high reputation for ethical behaviour and fair dealing in the conduct of its business.***

It is not possible to provide for every situation in the Code of Conduct. If there is doubt about the probity of any particular situation, a member must consult the Chairperson of the Board.

### **5. Availability of the Code**

(Name of ETB) will:

- make available this Code of Conduct, and a policy document on disclosure of interests, to all members of the Board and will make all members aware of its importance and availability.
- ensure that all members of the Board acknowledge receipt and understanding its contents;
- provide practical guidance and direction as required on such areas as gifts and entertainment and on other ethical considerations, which arise routinely.

### **6. Review**

(Name of ETB) will review this Code of Conduct as appropriate. Any proposed revisions to this Code must be considered and approved at a meeting of the Board.

## 7. Breaches of the Code

Breaches of the Code of Conduct will be notified to the Chairperson and to the Comptroller and Auditor General, and may be notified to the Minister for Education and Skills with the annual accounts and report.

### 8. Fundamental Principles

**The members of the Board are required to observe the following fundamental principles, as set out under the following headings:**

- (a) Integrity;
- (b) Information;
- (c) Obligations;
- (d) Loyalty;
- (e) Fairness;
- (f) Consideration for Work/External Environment.

#### **(a) Integrity**

Members of the Board will:

- disclose outside employment/business or other interests which objectively would be considered to be in conflict or in potential conflict with the business of the ETB;
- avoid the acceptance of further employment where the potential for conflict of interest arises during a reasonable period of time after a person has ceased to be member of the Board;
- refrain from giving or receiving corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions;
- collaborate vigorously, energetically, ethically and honestly with other educational institutions, commercial and other providers of research and advisory services;
- ensure that the ETB conducts its purchasing activities of goods/services in accordance with public policy and best business practice and its purchasing regulations reflect this;
- claim expenses only as appropriate to business needs and in accordance with good practice in the public sector generally;
- ensure that expenses are claimed only as appropriate to business needs and in accordance with the public sector generally;
- ensure that the ETB engages consultancy and other services in accordance with public policy guidelines;
- satisfy themselves that the accounts/reports accurately reflect the Board's performance and are not misleading or designed to be misleading;
- avoid the use of the ETB's resources or time for personal gain, for the benefit of persons/organisations unconnected with the ETB or its activities;
- ensure that the ETB is committed to acquiring information or business secrets by proper means only.

#### **(b) Information**

Members of the Board will:

- ensure that the Board is committed to providing access to general information relating to its activities in a way that is open and enhances its accountability to the general public;
- respect the confidentiality of sensitive information held by (Name of ETB), having regard to paragraph 13 of Schedule 3 of the Education and Training Boards Act 2013. Sensitive information would constitute material such as:
  - ▶ Personal information;
  - ▶ Information received in confidence by (Name of ETB);
  - ▶ Any commercially sensitive information or other information sensitive to the reputation of (Name of ETB);
  - ▶ Any other material, release of which might constitute an unlawful or unethical act.
- ensure that the ETB observes appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest;
- ensure that the ETB complies with all relevant statutory provisions (e.g. Data Protection Acts, 1998 and 2003, and the Freedom of Information Acts, 1997 to 2013 ;
- observe the strictest confidentiality in relation to all discussions and decisions taken at in-camera meetings of the Board and in the ETB;
- continue to observe the strictest confidentiality with regard to sensitive information and to discussions and decisions taken at meetings of the Board and in the ETB when Board membership has ended.

### **(c) Obligations**

Members of the Board will:

- fulfil all regulatory and statutory obligations imposed on the ETB by the Education and Training Boards Act 2013 and other relevant legislation;
- ensure that the ETB complies with detailed tendering and purchasing procedures, as well as complying with prescribed levels of authority for sanctioning any relevant expenditure;
- ensure that controls are in place to prevent fraud and to ensure compliance with prescribed procedures in relation to levels of authority for sanctioning any relevant expenditure including expenses for business travel; make every reasonable effort to attend all Board meetings;
- will ensure conformity with procedures laid down by the Board in relation to conflict of interest situations. This includes acceptance of positions and/or engagement by a State body that may give rise to the potential for conflicts of interest and to confidentiality concerns. The Board will also ensure that any procedures that it may put in place in this regard are monitored and enforced;
- acknowledge the duty to conform to highest standards of ethics.

### **(d) Loyalty**

Members of the Board will acknowledge the responsibility to be loyal to the ETB and to be fully committed to all its activities while mindful that the ETB itself must at all times take into account the interests of its students and funders, including tax payers.

### **(e) Fairness**

Members of the Board will:



- ensure that the ETB is committed to complying with employment equality and equal status legislation;
- ensure that the ETB is committed to fairness in all business dealings;
- ensure that the ETB values its students, staff, suppliers and customers, and treats all its students, staff, suppliers and customers equally.

**(f) Work/External Environment**

Members of the Board will:

- place the highest priority on promoting and preserving the health and safety of its staff and students;
- ensure that community concerns are fully considered in its activities and operations;
- minimise any detrimental impact of the ETB's operations on the environment.

## **Appendix IV: Framework for a Code of Conduct for Staff Members of an ETB**

This is a suggested framework for a Code of Conduct for staff members of the ETB. The Code should be prepared via a participative approach and should be approved by the Board, taking into account the implications of the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001. The fundamental principles should apply to all categories of staff in an ETB. However, certain of the specific provisions of the framework may not be apply to all categories of staff in an ETB. This should be taken into consideration before the Code is approved by the Board.

### **1. Introduction**

(Name of ETB) has developed this Code of Conduct for ETB Staff. This Code of Conduct takes account of the implications of the Ethics of Public Office Act, 1995 and the Standards in Public Office Act 2001.

### **2. Intent**

The purpose of the Code is to provide guidance to the staff of the (Name of ETB) in performing their duties.

### **3. Objectives**

The objectives of the Code are:

- To set out an agreed set of ethical principles;
- To promote and maintain confidence and trust in the staff of (Name of ETB);
- To promote the development and acceptance of ethical practices;
- To promote the highest legal, management and ethical standards in all the activities of (Name of ETB);
- To promote compliance with best current management practice in all the activities of (Name of ETB).

### **4. General Principles**

***It is the policy of (Name of ETB) to maintain a high reputation for ethical behaviour and fair dealing in the conduct of its business.***

It is not possible to provide for every situation in the Code of Ethics. If the Chief Executive is concerned about the probity of any particular situation, he/ she must consult the Chairperson of the Board. A member of staff, other than the Chief Executive, who is concerned about the probity of any particular situation must consult the Chief Executive or Chief HR Officer.

### **5. Availability of the Code**

(Name of ETB) will:

- make available this Code of Conduct, and a policy document on disclosure of interests, to all members of staff of the ETB and will make all members of staff aware of its importance and availability;
- provide practical guidance and direction as required on such areas as gifts and entertainment and on other ethical considerations, which arise routinely.

### **6. Review**

(Name of ETB) will review this Code of Conduct as appropriate. Any proposed revisions to this Code must be considered and approved at a meeting of the Board.

## **7. Breaches of the Code**

Breaches of the Code of Conduct will be dealt with by the Chief Executive or by a delegated officer as appropriate. A breach of the code by the Chief Executive will be dealt with by the Chairperson of the Board. Breaches of the Code of Conduct will also be notified to the Chairperson and to the Comptroller and Auditor General, and may be notified to the Minister for Education and Skills with the annual accounts and report. The ETB's disciplinary procedures may be invoked, if appropriate.

## **8 Fundamental Principles**

**Members of staff and of the ETB are required to observe the following fundamental principles, as set out under the following headings:**

- (a) Integrity;
- (b) Information;
- (c) Obligations;
- (d) Loyalty;
- (e) Fairness;
- (f) Consideration for Work/External Environment.

### **(a) Integrity**

Members of staff of the ETB will:

- disclose outside employment/business or other interests which objectively would be considered to be in conflict or in potential conflict with the business of the ETB;
- not be involved in outside employment/business or other interests in conflict or in potential conflict with the business of the ETB;
- avoid the acceptance of further employment where the potential for conflict of interest arises during a reasonable period of time after a person has ceased to be a member of staff of the Board;
- will refrain from giving or receiving corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions;
- collaborate vigorously, energetically, ethically and honestly with other educational institutions, commercial and other providers of research and advisory services;
- conduct purchasing activities of goods/services in accordance with public policy, best business practice, and the ETB's purchasing regulations ;
- will claim expenses only as appropriate to business needs and in accordance with good practice in the public sector generally;
- engage consultancy and other services in accordance with public policy guidelines;
- ensure that the ETB's accounts/reports accurately reflect its performance and are not misleading or designed to be misleading;
- avoid the use of the ETB's resources or time for personal gain, for the benefit of persons/organisations unconnected with the institutions or its activities;
- acquire information or business secrets by proper means only.

### **(b) Information**

Members of staff of the board will:

- provide access to general information relating to its activities in a way that is open and enhances its accountability to the general public;
- respect the confidentiality of sensitive information held by the ETB), having regard to paragraph 13 of Schedule 3 of the Education and Training Boards Act 2013. Sensitive information would constitute material such as:
  - ▶ Personal information;
  - ▶ Information received in confidence by (Name of ETB);
  - ▶ Any commercially sensitive information or other information sensitive to the reputation of (Name of ETB);
  - ▶ Any other material, release of which might constitute an unlawful or unethical act.
- observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest;
- comply with all relevant statutory provisions (e.g. Data Protection Acts, 1998 and 2003, and the Freedom of Information Acts, 1997 to 2013 ;
- observe the strictest confidentiality in relation to all discussions and decisions taken at meetings of the Board and in the ETB.
- continue to observe the strictest confidentiality with regard to sensitive information and to discussions and decisions taken at meetings of the Board and in the ETB when employment in the ETB has ended.

### **(c) Obligations**

Members of staff of the ETB will:

- fulfil all regulatory and statutory obligations imposed on (Name of ETB) by the Education and Training Boards Act 2013 and other relevant legislation;
- comply with detailed tendering and purchasing procedures, as well as complying with prescribed levels of authority for sanctioning any relevant expenditure;
- ensure controls are in place to prevent fraud and to ensure compliance with prescribed procedures in relation to levels of authority for sanctioning any relevant expenditure including expenses for business travel;
- conform with procedures laid down by the Board in relation to conflict of interest situations;
- acknowledge the duty to conform to highest standards of ethics.

### **(d) Loyalty**

- Members of staff of the ETB will acknowledge the responsibility to be loyal to the ETB and to be fully committed to all its activities while mindful that the ETB they must at all times take into account the interests of its students and funders, including tax payers.

### **(e) Fairness**

Members of staff of the ETB will:

- comply with employment equality and equal status legislation;
- commit to fairness in all business dealings;
- Value the ETB's students, staff, suppliers and customers, and treat all its students, staff, suppliers and customers equally.

### **(f) Work/External Environment**

Members of staff of the **ETB** will:

- place the highest priority on promoting and preserving the health and safety of its staff and students;
- ensure that community concerns are fully considered in the ETB's activities and operations;
- minimise any detrimental impact of the ETB's operations on the environment.

## Appendix V: ETB Act 2013 (Schedule 3 paragraph 10)

10. (1) *Subparagraph (2)* applies where at a meeting of an education and training board any of the following matters arise namely:

- (a) an arrangement to which the board is a party,
- (b) an arrangement to which the board proposes to become a party,
- (c) a contract or other agreement with the board, or
- (d) a proposed contract or other agreement with the board.

(2) Any member of the board present at the meeting referred to in *subparagraph (1)* who has a pecuniary interest or other beneficial interest in, or material to, the matter concerned shall—

- (a) disclose to the board at the meeting the fact of that interest and its nature,
- (b) not influence (or seek to influence) a decision to be made in relation to the matter,
- (c) absent himself or herself from the meeting or that part of the meeting during which the matter is being discussed,
- (d) take no part in any deliberation of the board relating to the matter, and
- (e) not vote on a decision relating to the matter.

(3) Where an interest is disclosed pursuant to this paragraph, the disclosure shall be recorded in the minutes of the meeting concerned and, for so long as the matter to which the disclosure relates is being dealt with by the meeting, the member of the board by whom the disclosure is made shall not be counted in the quorum for the meeting.

(4) Where at a meeting of the board a question arises as to whether or not a course of conduct, if pursued by a member of the board, would constitute a failure by him or her to comply with the requirements of *subparagraph (2)*, the question may, subject to *subparagraph (5)*, be determined by the chairperson of the meeting, whose decision shall be final, and where the question is so determined, particulars of the determination shall be recorded in the minutes of the meeting.

(5) Where, at a meeting of the board, the chairperson of the meeting is the member in respect of whom a question to which *subparagraph (4)* applies falls to be determined, then—

- (a) the deputy chairperson (if any) of the board, or
- (b) if there is no deputy chairperson of the board or the deputy chairperson is not present, such other member of the board as the other members of the board attending the meeting shall choose, shall be chairperson of the meeting for the purpose of determining the question concerned.

**Appendix VI: ETB Act 2013 (Schedule 3, paragraph 12)**

12. (1) Where a member of staff of an education and training board, otherwise than in his or her capacity as such member, has a pecuniary interest or other beneficial interest in, or material to, any contract, agreement or arrangement, or proposed contract, agreement or arrangement, to which the board is a party, that person shall—

- (a) disclose to the board concerned his or her interest and the nature thereof,
- (b) take no part in the negotiation of the contract, agreement or arrangement or in any deliberation by the board or members of staff of the board or committee, as the case may be, in relation to it, or
- (c) not influence, or seek to influence, a decision to be made in the matter or make any recommendation in relation to the contract, agreement or arrangement.

(2) A reference in *subparagraph (1)* to a contract does not include a contract or proposed contract of employment of a member of staff of the education and training board.

## **Appendix VII: Charter for Internal Audit**

### **Internal Audit**

#### **Charter for Internal Audit**

A charter for the internal audit which has been approved by the Board should include the following:

(a) **Board policy statement**

This should state that the Board's policy authorises and supports the internal audit unit, which is the Internal Audit Unit- Education and Training Boards (IAU-ETB).

(b) **A mission statement**

The primary purpose of internal audit in the ETB sector is to provide assurance to the Board that the system of internal control as implemented by executive management is adequate and operating effectively.

(c) **Terms of Reference**

The terms of reference of the internal audit should include:

(i) **Scope and authority**

There should be no operational areas or levels within the organisation, regardless of how these are funded or regulated, precluded from internal audit review. The internal audit unit should have access to such records, assets and personnel as are necessary for the proper fulfilment of its responsibilities.

(ii) **Independence, role and responsibilities**

The internal audit function should serve the best interests of the Board and carry out its work in a manner that is consistent with the highest standards of professional practice. Accordingly, audit files must include comprehensive records of activity showing that the work has been performed in accordance with these standards.

In order to ensure objectivity and independence, internal audit unit staff should be free from all operational responsibility.

#### **Template for Charter for Internal Audit**

##### **Policy**

(Name of ETB) undertakes to establish, maintain and develop an internal audit service and an Audit Committee.

##### **Internal Audit**

Internal audit evaluates the integrity of all financial and operational performance indicators, including regulatory compliance, and gives an independent opinion to the Audit Committee, on the adequacy and effectiveness of the whole system of internal controls and assurance within the organisation, and the extent to which the Audit Committee, and subsequently the Board, may rely on these.

In this context, internal control comprises not only internal check and internal audit, but the entire system of controls, financial and otherwise, including risk management and corporate governance, which have been established by management to:



- safeguard the assets;
- secure the integrity of transactions;
- secure as far as possible the accuracy and reliability of the records.

Internal audit also provides an ancillary consulting activity which adds value and improves the organisation's operation. The consulting activity consists of the communication to executive management by the internal auditor of the weaknesses of the existing systems, potential outcomes and recommended improvements.

Internal audit is not an extension of, or substitute for, executive management, who remain fully responsible for having appropriate and adequate internal controls.

The responsibility for the prevention and detection of fraud or error rests with both those charged with governance of the ETB and ETB executive management; this responsibility does not lie with the internal audit unit.

However, in recording, evaluating and testing the systems the internal auditor will consider the possibility of fraud or error occurring. Where an internal auditor uncovers actual or suspected fraud or error he/she should probe this to the fullest extent.

### **Purpose of Internal Audit**

The primary purpose of internal audit in the ETB sector is to provide assurance to the Audit Committee and the Board that the system of internal control as implemented by executive management is adequate and operating effectively.

### **Responsibilities of the internal audit function**

The internal auditor should carry out such work as he/she considers necessary to enable him/her to report to the Audit Committee that in his/her opinion the ETB's system of internal control, in the area tested, operates effectively

The work necessary to discharge this responsibility will involve:

- Detailing an ETB's purposes, activities and facilities;
- Recording and assessing an ETB's operating procedures and recording methods;
- Recording and evaluating the internal controls, including risk management and corporate governance procedures;
- Drawing conclusions from and extrapolating the results of tests of controls and substantive procedures within the audited area;
- Reporting to the Audit Committee, outlining the result of the audit conducted, detailing recommendations made and management replies to same;
- Providing to the Audit Committee, and subsequently the Board, an overall conclusion on the adequacy of an ETB's control systems in the audited area;
- Following up the implementation by management of agreed recommendations, on a timely basis.

Internal audit is not an extension of, or substitute for, executive management, who remain fully responsible for operating appropriate and adequate internal controls.

Accordingly, executive management are solely responsible for:

- Developing or implementing control systems in an ETB;
- Rectifying any weaknesses identified in its audits.

### **Terms of Reference**

The Terms of Reference for the Internal Audit Unit- Education and Training Boards (IAU-ETB) are the terms of reference of the internal audit unit of the ETB.

### **Scope and independence of the internal audit function**

- (a) The internal audit unit will carry out its duties in an independent and objective manner and will have procedures in place to demonstrate same.
- (b) The scope of internal audit extends to all activities carried on by the ETB regardless of how these are funded or regulated. The internal auditor must have full access to all the records, property and personnel of the ETB in all locations and must have direct access to the Audit Committee.
- (c) The internal audit unit will only carry out the assurance work programme as set out and approved in the Audit Plan.
- (d) In undertaking its function, the internal audit unit will remain independent of the ETB, the Chief Executive, the Department of Education and Skills and the Internal Audit Unit- Education and Training Boards (IAU-ETB) Steering Committee.
- (e) The internal audit unit does not have any role in the executive management of an ETB nor is it a substitute for management. It is free from any operational duties in an ETB.

## **Appendix VIII: The Audit Committee – Terms of Reference**

### **Mission and Role**

The Board will establish and maintain an Audit Committee in accordance with the provisions of Section 45 of the Education and Training Boards Act 2013.

A number of the functions usually carried out by audit committees are, in the ETB Sector, carried out by the Finance Committee.

The Board is ultimately responsible for ensuring that the Chief Executive has instituted an adequate and appropriate system of internal control, including risk management and corporate governance, in the ETB.

In the performance of its role, the Audit Committee shall have the assistance of executive management, internal audit and external audit (C&AG).

### **Function**

The Audit Committee will, by examining and considering internal audit reports, statutory audit reports and the confirmations of the Chief Executive, report to the Board in accordance with the audit committee procedures.

### **Audit Committee Procedures**

The areas of activity to be considered by the Audit Committee can be subdivided into three categories:

- (a) Areas of activity audited by the internal auditor in the current year;
- (b) Areas of activity not audited by the internal auditor in the current year but audited in the previous 5 years;
- (c) Areas of activity not audited by the internal auditor in the previous 5 years.

The steps to be taken by the Audit Committee in relation to each of these categories include, but are not limited to, the following:

#### *(a) Areas of activity audited by the internal auditor in the current year*

The Audit Committee will examine and consider internal audit reports and report to the board whether the Chief Executive is, in the internal auditor's opinion, operating adequate and appropriate systems of internal control in the areas audited.

Where the internal auditor states that in his/her opinion there is inadequate internal control in the area audited, the Audit Committee should thoroughly understand the possible risks, for presentation to the main Board. This may necessitate meeting the internal auditor.

The Audit Committee may liaise with internal audit on any matter relating to areas audited previously by internal audit. It should do so where, from subsequent events/ disclosures, it appears to the Audit Committee that adequate and appropriate systems of internal control are not operating, so that it has a clear understanding of the situation.

#### *(b) Areas of activity not audited by the internal auditor in the current year but audited in the previous 5 years*

The Audit Committee will consider internal and external audit reports and obtain confirmation from the Chief Executive that the system of internal control that operated in previous years has operated in the current year, as amended by internal auditor recommendations.

The Audit Committee will form an opinion as to the validity of this assurance in the light of all relevant factors, including that the operation of these internal controls has not been confirmed by internal audit.

*(c) Areas not audited by the internal auditor in the previous 5 years*

The Audit Committee will obtain confirmation from the Chief Executive that the system of internal control is adequate and appropriate.

The Audit Committee will form an opinion as to the validity of this assurance in the light of all relevant factors, including that the operation of these internal controls has not been confirmed by internal audit.

*Relevant Concerns*

When undertaking its work, the Audit Committee should consider all relevant concerns, which could include:

- The outcome of an investigation of a specific item;
- The outcome of a Revenue audit;
- The outcome of a legal action against the ETB;
- Incidents of fraud;
- Whether the accounts in the previous 5 years had to be resigned.

*Annual review of internal controls carried out for presentation to the Board*

As early as possible in each year, and before the Finance Committee considers the annual accounts, the Audit Committee will carry out a review of internal controls for the previous year by undertaking the work outlined at (a), (b) and (c) above, and by reviewing the minute books of the Board, the Audit Committee and the Finance Committee and other relevant factors, to ensure there are no inconsistencies in these with the assessment of internal control provided to the audit committee by the internal audit unit..

*Overview of risk management*

The Board may determine that the overview of risk management is a function of the Audit Committee.

*Membership*

- The Board will appoint the Audit Committee members and nominate the Chairperson.
- The Audit Committee will consist of six members, not more than three of whom are members of the Board.
- The Board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience, preferably in a public service organisation.
- The Chairperson of the Audit Committee will not be a member of the Board.
- A person with an executive function<sup>10</sup> in an ETB, including the Chief Executive, may not be a member of the Audit Committee.
- The Chairperson of the ETB may not be a member of the Audit Committee.
- A member of the Finance Committee may be a member of the Audit Committee.

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<sup>10</sup> A person with an executive function has a contract of employment or service with the ETB.

- All members of the Audit Committee must have a thorough understanding of corporate governance and the role of the Audit Committee. In this regard, the Audit Committee Chairperson and members will be provided with initial induction and continuing training in such matters as corporate governance and the role of internal and external audit.

#### Authority

- **The Audit Committee is entitled to view all relevant reports prepared for or by the internal audit unit.**
- It may retain professional advice or assistance in the performance of its functions, when approved by the Department of Education and Skills.
- It may invite persons with relevant expertise who are not Members of the Board to attend Audit Committee meetings.
- It may engage with the internal auditor and the C & AG.
- It may engage with executive management, on a non-routine basis, following a request from the audit committee to executive management.

#### Meetings

- The Audit Committee shall meet at least four times a year. It is a matter for the Audit Committee to decide if additional meetings are warranted.
- The agenda for an audit committee meeting shall be set by the chairperson of the audit committee.
- All Audit Committee members are expected to attend each meeting.
- A quorum will consist of three members of the Audit Committee.
- Members of the audit committee who are not members of the Board must not be in the minority at Audit Committee meetings.
- Only Audit Committee members are entitled to be present at a meeting of the Audit Committee.
- A Chief Executive or a member of staff of an education and training board shall, when requested to do so by the Audit Committee, attend a meeting of the Audit Committee. In this regard the Chief Executive or a member of staff should not routinely attend Audit Committee meetings. It is considered best practice that the Audit Committee considers internal or external audit reports in their absence.
- Executive representations in respect of internal controls, signed by the Chief Executive, should be provided in writing to the Audit Committee prior to the Audit Committee meeting.
- The Audit Committee should request the internal auditors or external auditors (C&AG) to attend as necessary.

- Where the Audit Committee members do not have sufficient knowledge or experience in a particular area, the Audit Committee may invite persons, other than the Chief Executive or another person with an executive function, with relevant expertise to attend meetings.
- The Chief Executive or the Chairperson of the Board may ask the Audit Committee to convene additional meetings to consider particular issues.

### **Minutes**

- Minutes shall be taken and prepared by a member of the Committee.
- Minutes should include:
  - (a) Details of the procedures followed by the Committee in performing its duties;
  - (b) The outcome of the Committee's work;
  - (c) The Committee's assessment of the integrity of executive management's representations;
  - (d) The Committee's recommendation, if any, to the Board.
- Minutes of meetings will be prepared and issued in a timely manner to Audit Committee members.
- Copies of the minutes should be kept securely in the ETB's administrative offices and be accessible only to members of the Audit Committee.

### *Board Members access to Audit Committee minutes*

In normal circumstances, the minutes of Audit Committee meetings will not be furnished to Board members or to members of the ETB's executive.

However, if a member of the Board who is not a member of the Audit Committee has good reason to believe that a matter has been misrepresented, he/she may discuss the matter with Chairperson of the Audit Committee to see if it can be addressed to his/ her satisfaction. Subsequently, the member may proceed to seek access to minutes as follows:

- The member should be granted access to the minutes on the premises of the ETB. In these circumstances, the member may not remove the minutes or a copy of the minutes from the premises of the ETB;
- Following access to the minutes, any issue that may remain for the member should be raised in the first instance with the Audit Committee for a full explanation and resolution;
- The member may then raise the matter with the internal auditor if required;
- Subsequently, the member may raise issue with the Board. However, in such a case comment should be restricted to the general policy/ procedures that apply in regard to the particular matter;
- The member should not communicate the content of the minutes to any party outside the Board.

### **Administrative Support**

- The Chief Executive will make the necessary arrangements for the administrative requirements of the Audit Committee, including the issue of meeting agendas, briefing documents etc. in advance and in a timely manner to Audit Committee members.

## **Appendix IX: Finance Committee**

An ETB is required to establish a Finance Committee, in accordance with Section 45 of the Education and Training Boards Act 2013.

### **Functions**

To report to the Board, not less than four times in each year, whether the Chief Executive is implementing the Service Plan, as adopted by the Board, and within the expenditure limits set by the Minister. This is done by considering the monthly accounts and ad hoc reports provided to the Board by the Chief Executive

- To advise the main committee whether to accept the accounts as presented by the Chief Executive and to recommend whether they should be signed by the Chairperson.
- To review and report to the Board on the draft Service Plan;
- The Finance Committee shall make arrangements for the preparation of reports to the Board.
- The Chairperson of the Finance Committee shall report to the Board at least four times in each year.

### **Membership**

- The Finance Committee shall consist of at least three and not more than five members;
- The Chief Executive or another person with an executive function shall not be a member of a Finance Committee;
- The Finance Committee should include at least one member from outside the ETB who has relevant finance experience;
- The Chairperson of the Finance Committee will be appointed by the Board.

### **Authority**

- The Finance Committee may take independent professional advice where it considers this is necessary. In such cases the Chairperson of the Committee should request approval from the Department;
- Where the Finance Committee members do not have sufficient knowledge or experience in a particular matter the Finance Committee may invite persons, other than the Chief Executive or another person with an executive function, with relevant experience to attend meetings.

### **Meetings**

- The Finance Committee shall make arrangements for the convening of meetings;
- The Finance Committee shall meet at least four times in each financial year;
- The Finance Committee may hold additional meetings at the request of the Board or, in very exceptional circumstances, at the request of the Chief Executive;



- A quorum will consist of three members of the Finance Committee;
- The Chief Executive or members of staff, should not routinely attend Finance Committee meetings.
- Executive representations in respect of matters relevant to the Finance Committee, signed by the Chief Executive, should be provided in writing in advance to the Finance Committee. However, where necessary, the Chief Executive or another person with an executive function, may be requested to attend by the Finance Committee to provide information or to clarify a particular matter.
- Meeting agendas will be set by the Chairperson of the Finance Committee and provided in advance to members;
- Finance Committee members should be granted access to the monthly accounts and other ad hoc reports at least 10 working days in advance of the Finance Committee meeting. Members must always be aware of the requirement of the Code of Conduct that they should treat with discretion all information received while acting in their capacity as members of the Board.

### **Minutes**

- Minutes of meetings will be taken and prepared by a member of the Committee;
- Minutes of meetings will be prepared and issued in a timely manner to Finance Committee members;
- Copies of the minutes should be kept securely and be accessible only to members of the Finance Committee.

### **Administrative Support**

- The Chief Executive will make the necessary arrangements for the administrative requirements of the Finance Committee.

## **Appendix X: Principles of Quality Customer Service for Customers and Clients of ETBs**

In their dealings with the public, ETBs as Public Service organisations will:

### **Quality Service Standards**

- Publish a statement that outlines the nature and quality of service which learners/customers can expect and display it prominently at the point of service delivery.

### **Equality/Diversity**

- Ensure the rights to equal treatment, established by equality legislation, and accommodate diversity, so as to contribute to equality for the groups covered by the equality legislation (under the grounds of gender, marital status, family status, sexual orientation, religious belief, age, disability, race and membership of the Traveller Community).
- Identify and work to eliminate barriers to access to services for people experiencing poverty and social exclusion, and for those facing geographic barriers to services.

### **Physical Access**

- Provide clean, accessible public offices that ensure privacy, comply with occupational and safety standards and, as part of this, facilitate access for people with disabilities and others with specific needs.

### **Information**

- Take a proactive approach in providing information that is clear, timely and accurate, is available at all points of contact and meets the requirements of people with specific needs.
- Ensure that the potential offered by information technology is fully availed of and that the information available on Public Service web sites follows the guidelines on web publication.
- Continue the drive for simplification of rules, regulations, forms, information leaflets and procedures.

### **Timeliness and Courtesy**

- Deliver quality services with courtesy, sensitivity and the minimum delay, fostering a climate of mutual respect between provider and customer.
- Give contact names in all communications to ensure ease of ongoing transactions.

### **Complaints**

- Maintain a well-publicised, accessible, transparent and simple-to-use system of dealing with complaints about the quality of service provided.

### **Appeals**

- Similarly, maintain a formalised, well-publicised, accessible, transparent and simple-to-use system of appeal/review for learners/customers who are dissatisfied with decisions in relation to services.

### **Consultation and Evaluation**

- Provide a structured approach to meaningful consultation with, and participation by, the learner/customer in relation to the development, delivery and review of services.
- Ensure meaningful evaluation of service delivery.

### **Choice**

- Provide choice, where feasible, in service delivery including payment methods, location of contact points, opening hours and delivery times.

- Use available and emerging technologies to ensure maximum access and choice and quality of delivery.

**Official Languages Equality**

- Provide quality services through Irish and/or bilingually and inform learners/customers of their right to choose to be dealt with through one or other of the official languages.

**Better Co-ordination**

- Foster a more co-ordinated and integrated approach to delivery of public services.

**Internal Customer**

- Ensure that staff members are recognised as internal customers and that they are properly supported and consulted with regard to service delivery issues.

## **Appendix XI: Statement of System of Internal Control**

### **Responsibility for the System of Internal Control**

As Chairperson of (Name of ETB), I acknowledge the responsibility of the Board for ensuring that an efficient, effective and economic system of internal control is maintained and operated. The purpose of such a system is to ensure 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 period.

### **Key Control Procedures**

The Board has taken steps to ensure an appropriate control environment by:

- Clearly defining management and staff responsibilities;
- Establishing procedures for reporting significant control failures and ensuring appropriate corrective action;
- Establishing procedures for identifying and evaluating all risks which could prevent the ETB from achieving its objectives.

The system of internal control operated in (Name of ETB) is based on:

- Detailed administrative procedures;
- Segregation of duties;
- Specific authorisations;
- Internal check;
- Monthly management review of reports outlining the actual and budgeted results of programmes operated by the ETB.

The Board's monitoring and review of the effectiveness of the system of internal control is informed by the:

- Work of the Audit Committee, which considers internal audit reports and reports of the C & AG and reports to the board whether the Chief Executive is, in the internal auditor's opinion, operating adequate and appropriate systems of internal control;
- Chief Executive who has responsibility for the financial control framework;
- Recommendations made by the Comptroller and Auditor General in management letters or other reports.

An Internal Audit is provided by the Internal Audit Unit- Education and Training Boards (IAU-ETB). The most recent Internal Audit was conducted in [year] and covered the following (include areas audited):

### **Annual Review of Controls**

(Name of ETB) is committed to operating an efficient, effective and economic internal control system. I confirm that in the year ended 31 December 20\_\_ the ETB conducted a review of the effectiveness of the system of internal control and found them to be satisfactory.

Signed \_\_\_\_\_ Date: \_\_\_\_\_

## **Appendix XII: Framework for a Travel Policy for ETBs**

### **Introduction**

In matters of official travel and subsistence, ETBs should adhere to public service procedures as set out from time to time in guidance issued by the Department of Finance, either communicated directly or via the Department of Education and Skills, as appropriate.

The Board should satisfy itself that the principles of its travel policy are adhered to and that the internal audit process is effective in ensuring that the ETB is fully complying with the policy.

Board members should be advised of the details of the policy applying.

### **Intent and Scope**

The purpose of the Travel Policy should be to ensure that the best value for money is obtained in respect of each official trip undertaken, consistent with the requirements of official business. Alternatives to frequent travel, such as installation of video conferencing facilities, should also be benchmarked.

### **Travel Policy Template**

(Name of ETB) will adhere to public service procedures as set out from time to time in guidance issued by the Department of Finance, either communicated directly or via the Department of Education and Skills, as appropriate.

### **Purpose**

(Name of ETB) will only pay travel and subsistence costs in relation to activities/ events etc which have a clear educational content and are of benefit to the ETB. Priority will be given to the payment of expenses associated with statutory meetings, the essential travel of teachers in connection with delivery of courses and the delivery of adult education services.

### **Expenses to members**

Expenses will be made to members of the Board in accordance with the provisions of the Education and Training Boards Act 2013, any other relevant legislation and the any directions of the Minister for Education and Skills, the Minister for Finance or the Minister for Public Expenditure and Reform.

### **Funding Allocation**

Expenditure on travel and subsistence in excess of the funding allocation, as set out in the appendix to the annual letter of determination to the ETB, will not be incurred without the prior approval of the Department of Education and Skills.

(Name of ETB) will put appropriate procedures in place to monitor, report and enforce the relevant rules and requirements.

### **Domestic Travel**

- Maximum use to be made of public transportation options for official travel; the use of taxi services should be rationalised as much as possible

### **Air Travel**

- A statement of the practice to be followed e.g. the criteria to be applied in choosing either restricted internet fares or fully flexible economy class fares, where this approach is cost-effective, overall;

- Outline of the exceptional circumstances in which more expensive Business Class options may be considered (the use of premium rates can rarely be justified);
- Frequent flyer points should be not allowed to influence decisions taken in relation to the carriers used for official business.

### **Accommodation**

- A statement to the effect that if a member of staff is not required to stay in a particular hotel for business reasons, the standard of hotel used should not be extravagant e.g. that three or four star hotels should be used.

**Appendix XIII: ETB Act 2013 (Schedule 3, paragraph 13)**

13. (1) A person shall not disclose confidential information obtained by him or her while performing functions as—
- (a) a member, or member of the staff of, or an adviser or consultant to, an education and training board, or a member of staff of such an adviser or consultant, or
  - (b) a member of a committee established under *section 44* or *45*, unless he or she is authorised to do so by the board.
- (2) A person who contravenes *subparagraph (1)* shall be guilty of an offence.
- (3) Nothing in this paragraph shall prevent the disclosure of information—
- (a) in a report made to an education and training board,
  - (b) by or on behalf of the board to the Minister,
  - (c) by a member of an education and training board to the Minister, or
  - (d) by a person in the circumstances referred to in *section 35(2)* of the Ethics in Public Office Act 1995.
- (4) In this paragraph “confidential information” includes—
- (a) information that is expressed by the education and training board to be confidential either as regards particular information or as regards information of a particular class or description, and
  - (b) proposals of a commercial nature or tenders submitted to an education and training board by contractors, consultants or any other person.