



**Comptroller and Auditor General  
Special Report**

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## **Financial governance and reporting in education and training boards**



# Report of the Comptroller and Auditor General

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## Financial governance and reporting in education and training boards

I have, in accordance with the provisions of Section 9 of the Comptroller and Auditor General (Amendment) Act 1993, carried out an examination of financial governance and reporting in education and training boards.

This report was prepared on the basis of information, documentation and explanations obtained from the bodies and persons referred to in the report. The draft report was sent to the Department of Education and relevant education and training boards. Where appropriate, responses were incorporated in the final version of the report.

The purpose of this report is to examine financial governance and reporting in education and training boards. For the avoidance of doubt, this report does not make any criticism or comment or present any view, whether express or implied, with respect to staff members of public bodies or third parties, and should not be understood as doing so.

I hereby submit my report for presentation to Dáil Éireann in accordance with Section 11 of the Act.



**Seamus McCarthy**  
**Comptroller and Auditor General**

24 December 2020

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## Summary

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## Summary

Education and training boards (ETBs) manage and operate second-level schools, further education colleges, community national schools and a range of adult and further education centres delivering education and training programmes.

Under provisions of the Education and Training Boards Act 2013, 16 ETBs were established on 1 July 2013 when the 33 predecessor vocational education committees (VECs) were dissolved. Three ETBs directly replaced three VECs. Most ETBs took over the services previously provided by two, or in some cases three VECs. In addition, responsibility for further education and training for the purposes of employment transferred to the ETBs from SOLAS, together with a national network of 16 training centres.

The objective of the rationalisation process was to coordinate first and second level education with further education and training programmes and to position the sector for future development.

In 2018, aggregate expenditure incurred by ETBs was €2,095 million, over half of which related to remuneration of circa 32,000 staff. ETBs receive the majority of their funding from the Department of Education (the Department) and SOLAS.

The typical structure of an ETB includes the board and an executive team. The board is responsible to the Minister for the operation and proper functioning of the ETB. The executive team typically consists of a chief executive, a director of schools, a director of organisational support and development and a director of further education and training.

Given the scale of operations of the ETB sector, and the very significant changes in their structure and responsibilities, a review of financial management by ETBs was considered timely.

The examination drew on a framework developed for the assessment by public sector bodies of their financial management systems, referred to as the financial management maturity model (the model) which is built around five key themes.<sup>1</sup> The model identifies five levels of maturity. (The characteristics of each maturity level are set out in paragraph 1.7.)

Financial management maturity level				
Inadequate	Basic	Adequate	Professional	Leading edge
1	2	3	4	5

1 The key themes identified in the model are

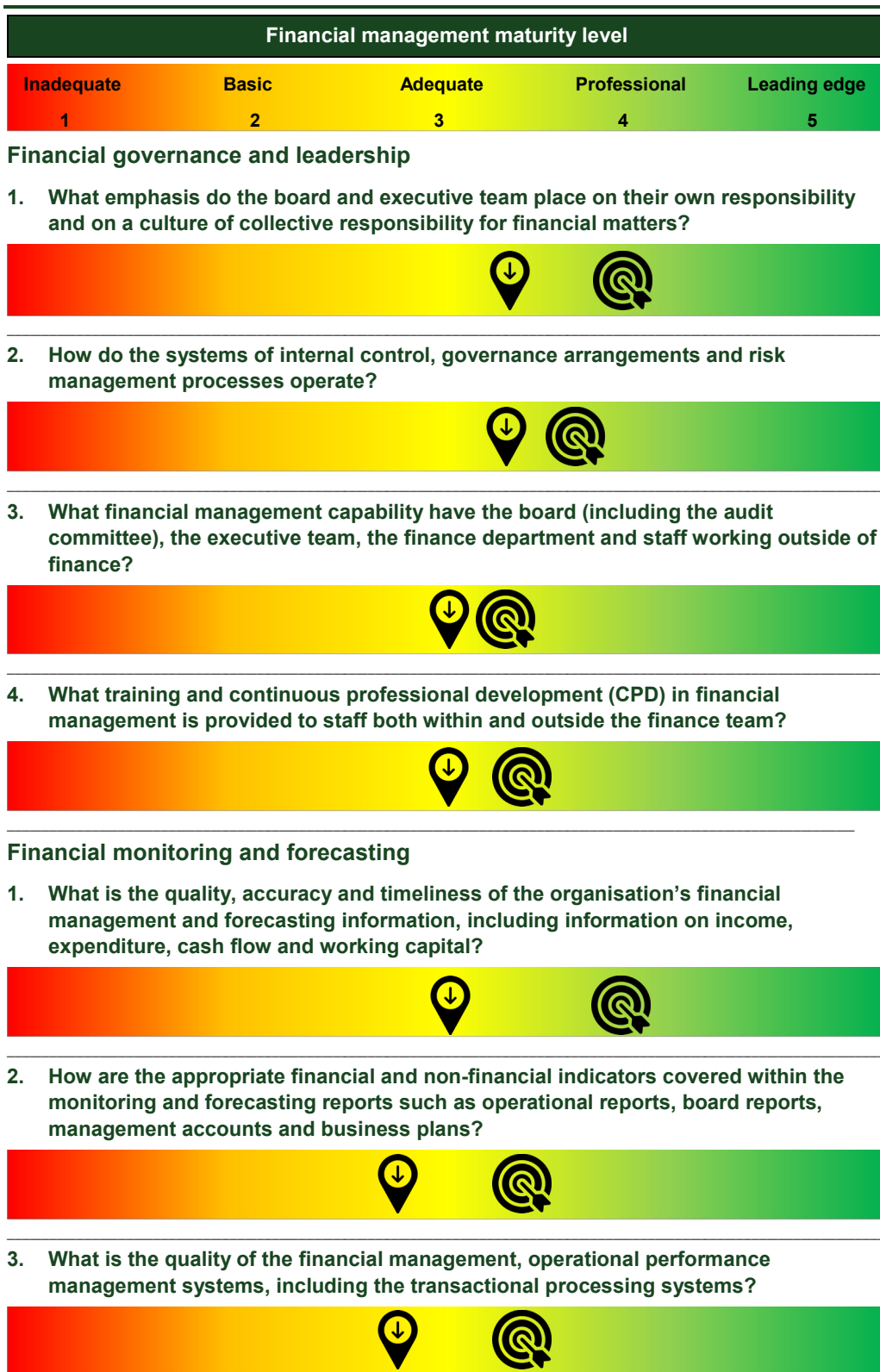
- financial governance and leadership
- financial planning
- financial information for decision-making
- financial monitoring and forecasting and
- financial and performance reporting.

Special report 101 *Financial Management Maturity Model: A Good Practice Guide* was published by the Comptroller and Auditor General in July 2018.

This report presents the findings of an examination carried out in a sample of five ETBs involving the application of two themes from the model, namely: financial governance and leadership; and financial monitoring and forecasting. Boards were asked in respect of each theme at what level they believed their ETB should be operating. Senior managers were also asked for their assessment of the level they were achieving. The result was that senior managers assess that, in general, they are underachieving somewhat relative to the level to which boards aspire.

Figure 1 provides a summary of the results following application of the model to the selected ETBs.

**Figure 1 Financial maturity of selected ETBs — what boards aspire to, and what is achieved**



Source: Office of the Comptroller and Auditor General

Key: Current level of financial management maturity (average level across five ETBs)  
 Target level of financial management maturity (average level across four boards)

### The examination found

- There was inconsistency between the boards examined in relation to the most appropriate level of financial maturity, as varying levels of maturity were considered appropriate.
- The format of the financial statements for the ETB sector does not comply with generally accepted accounting practice. The accounts are largely cash based, and important information — for example, the value of assets owned — is not included. The format of accounts is determined by the Department and is structured to reflect the current funding and system arrangements in ETBs. The Department intends that the move to financial management shared services will support better financial reporting arrangements for ETBs. In the interim, some improvements in the disclosure of properties used have been made in the templates for ETB financial statements.
- Currently, ETBs operate largely on legacy financial systems which are inadequate for organisations of their size and complexity. Little progress has been made on developing appropriate financial systems including the development of ICT systems for ETBs on a 'shared services' basis.
- Suitable performance indicators are a critical element in the assessment of the extent to which an organisation is achieving its key business objectives. SOLAS provides funding to ETBs under a performance delivery agreement which specifies funding and the associated performance indicators for further education and training programmes. By the end of June 2020, the Department had put in place performance delivery agreements with each ETB. Performance delivery agreements set out the key principles to be adhered to in relation to financial management/governance and corporate governance and accountability between the Department and an ETB. These agreements note that an ETB's service plan sets out the core activities and services to be delivered by the ETB in the year.
- The level of internal audit resources available to ETBs is limited. A number of boards concluded that the resources available were not adequate for organisations of their size and complexity. The insufficient staffing complement was compounded by the inability of the ETBs' internal audit unit to recruit and retain staff. While the number of staff in the unit has increased from four at the end of 2018 to nine in 2020, the City of Dublin ETB is also now within its remit having previously had its own audit arrangements.
- A number of issues in relation to how ETB boards operate need to be addressed by the Department. Attendance at board meetings could be improved. There are 21 members on each ETB board and even though meetings are held consistently with a quorum (i.e. 12 or more members), full attendance is not happening. In some instances, non-attendance at meetings over a consecutive period of six months has triggered automatic resignation.
- The Education and Training Board Act 2013 sets out how boards of ETBs are to be composed, including member representatives of local authorities, staff, parents and bodies nominated by the Minister. The review found that the level of financial management skills and experience at board level was variable and that although training was provided to board members in 2017, financial management was not a significant part of the training provided.
- Board members often receive a large volume of information which is difficult to navigate. The financial information included in board papers is typically a one-page document which does not include any narrative information to explain the figures therein.

The examination identified instances of good practice in a number of areas in the financial governance and reporting systems in place in the sampled ETBs. These examples of good practice when applied across the sector would generally improve the financial governance and reporting practices of ETBs.

The rationalisation and reform programme of the ETB sector has been on-going for over six years. The reform programme included projects associated with enhancing financial management and ICT systems in the sector given the deficiencies in the financial information and IT systems inherited from VECs. However, progress has been slow in the development of ICT systems on a 'shared services' basis, and in streamlining reporting arrangements to facilitate enhanced oversight by the Department. Also, no significant changes have been made in the format of the financial statements of ETBs, which in its current format is cumbersome, difficult to follow and does not comply with up-to-date accounting practice.

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## **Financial governance and reporting in education and training boards**

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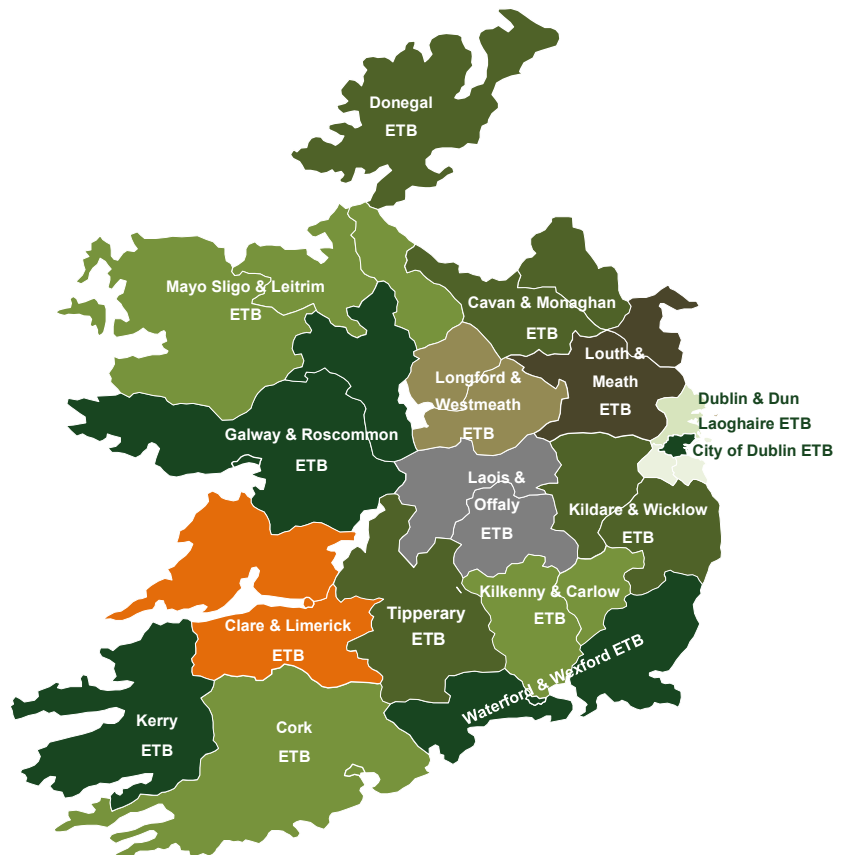
# 1 Introduction

- 1.1 Education and training boards (ETBs) manage and operate second-level schools, further education colleges, community national schools and a range of adult and further education centres delivering education and training programmes.
- 1.2 The 16 ETBs (see Figure 1.1) were established on 1 July 2013 under the Education and Training Boards Act 2013 when the 33 vocational education committees (VECs) were dissolved. Three ETBs directly replaced three VECs. Most ETBs took over the services previously provided by two, or in some cases three VECs. In addition, responsibility for further education and training for the purposes of employment transferred to ETBs from SOLAS, together with a national network of 16 training centres.
- 1.3 Aggregate expenditure by ETBs in 2018 was €2.095 billion. Funding to ETBs in 2018 totalled €2.114 billion. This was mainly provided by the Department of Education (the Department) and SOLAS. The Further Education and Training Act 2013 provided for the dissolution of FÁS, the national training service, and the transfer of its functions to SOLAS. SOLAS is responsible for the integration, co-ordination and funding of a wide range of training and further education programmes around Ireland.

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**Figure 1.1 Education and training boards**

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Source: Office of the Comptroller and Auditor General

## Assessing financial management

- 1.4** Given the scale of operations of the ETB sector, and the very significant changes in their structure and responsibilities, a review of financial management by ETBs was considered timely.
- 1.5** Financial management is the system by which the resources of an organisation are planned, directed, monitored and controlled to enable its business goals to be achieved. Effective financial management is important for all State bodies to achieve value for money, to support sound decision making, to facilitate accountability, to improve planning, to manage risks, and to devise and achieve strategies. Organisations should routinely review their financial management practices.
- 1.6** A framework to enable a review of financial management systems — referred to as the financial management maturity model — was set out in a previous special report.<sup>1</sup> The model is built around five key themes; financial governance and leadership; financial planning; financial monitoring and forecasting; financial information for decision-making; and financial and performance reporting.
- 1.7** Application of the full model involves an assessment in respect of each of the themes of the adequacy of existing systems and practices, which determines the level of maturity (see Appendix A). These levels may be summarised as
- **Level 1: Inadequate** — this level is considered inadequate for all organisations. Some financial management practices are in place but they are inadequate and there are many gaps which affect the day-to-day running of the organisation.
  - **Level 2: Basic** — this level is considered inadequate for almost all organisations. Financial management practices in place are basic and allow the organisation to function on a day-to-day basis but do not support it to develop.
  - **Level 3: Adequate** — this level may be adequate for some organisations. Financial management practices in place are adequate in supporting the business under stable circumstances and enable it to develop but are not sufficient in challenging times.
  - **Level 4: Professional** — this level is considered appropriate for many organisations. Professional financial management practices are in place which enable an organisation to cope effectively in challenging times and will identify some opportunities to improve its performance.
  - **Level 5: Leading edge** — few organisations need to operate at this highly sophisticated level. Financial management practices in place are leading edge and allow an organisation to anticipate both challenges and key opportunities, in order to optimise its performance.
- 1.8** Neither Level 1 nor Level 2 is appropriate for public sector organisations. Of the other levels, the specific circumstances of an organisation dictates which level is appropriate.
- 1.9** This report focuses on the findings of an examination involving the application of two of the themes from the model to a sample of five ETBs.

<sup>1</sup> Special report 101 *Financial Management Maturity Model: A Good Practice Guide* was published by the Comptroller and Auditor General in July 2018.



**1.10** The selected themes were

- financial governance and leadership, which was selected as it is at the heart of good financial management in all organisations
- financial monitoring and forecasting, which was selected because of the particular importance of the quality, accuracy and timeliness of financial information and systems during a period of significant operational change.

**Methodology**

**1.11** The selection of a sample of five ETBs was designed to achieve a cross section in terms of size, location and the degree of operational change experienced in recent years. The aim of the examination was to identify common challenges and examples of good practice that could be applied across the sector. Accordingly, the individual ETBs reviewed as part of the examination are not identified in this report.

**1.12** The examination included the following elements.

- Senior management in each ETB conducted a self-assessment of current financial management practices based on the financial management maturity model and submitted the completed assessment in October 2018.<sup>1</sup>
- The Board in each ETB conducted an assessment of the desired level of financial management maturity in October 2018.<sup>2</sup>
- Following these self-assessments, documentation, including board papers and minutes, departmental reports, guidance and reviews by external bodies and recent financial audits of the ETB were reviewed by the Office of the Comptroller and Auditor General. The review also included analysis of data, including ETB financial statements, information on programmes etc. and interviews with officials of the ETBs, including senior managers with specific financial roles, members of boards and audit committees, representatives of finance teams and budget managers.
- In April 2019, a statement of facts was sent to each ETB setting out the findings based on the self-assessments and the subsequent review.
- The report went through a three stage clearance process with the Department. The first draft of the report was sent to the Department in December 2019 and responses were received to the final draft of the report in September 2020.

<sup>1</sup> In a small number of cases, senior management's assessment was between maturity levels on the basis that the ETB had all the characteristics of a particular maturity level and some of the characteristics of the higher maturity level. For the purpose of this examination, the maturity level has been presented as the level where all the characteristics of that maturity level were met.

<sup>2</sup> The board of one ETB determined that the target level of financial maturity was between maturity levels. In this instance the target level has been presented at the higher maturity level.

<sup>3</sup> Such findings have been communicated to the individual ETB concerned, for consideration and/or action, as appropriate.

**Report structure**

**1.13** Chapter 2 provides an overview of the 2013 reform programme for the sector, and the key events surrounding the establishment of ETBs including funding and governance arrangements. This chapter also outlines the financial systems, the format of the financial statements, information and communication technology and internal audit within the sector. It also includes details of more recent initiatives to enhance governance and accountability across the sector.

**1.14** Chapters 3 and 4 present the results of the application of the financial governance and leadership theme and the financial monitoring and forecasting theme respectively, to the five selected ETBs.

**1.15** Opportunities for improvement identified in two or more ETBs have been included in this report. Opportunities for improvement identified in only one ETB have not been included as these were considered not to be representative of the ETB sector.<sup>3</sup>

**1.16** Chapter 5 sets out overall conclusions and recommendations.



## 2 Funding and governance

2.1 The timeline in Figure 2.1 outlines the key events which have occurred since the Education and Training Boards Act was passed in May 2013.

Figure 2.1 Establishment of education and training boards



Source: Office of the Comptroller and Auditor General

## The Reform Programme

**2.2** In 2013, it was recognised that the rationalisation and reform programme for the education and training sector would present significant challenges. In May 2013, the Department established a project management office and a programme board to ensure effective management of the reform process.

- ETB/SOLAS project management office — The project management office is located in the Department. It supports operational matters as well as the long-term strategic objectives of the change agenda. The project management office identified five strategic priorities for the sector which form part of this change management project: ETB/SOLAS governance, human resources/industrial relations/people, projects, communications and operations. The work undertaken by the project management office is now managed through Education Shared Business Services (ESBS)<sup>1</sup> with the exception of a number of tasks<sup>2</sup> which are managed by the Department's ETB Financial, Administrative and Personnel Unit.
- ETB/SOLAS programme board — The programme board is chaired by the Secretary General of the Department and includes members from the Department's senior management team, the General Secretary of ETBI, the Chief Executive of SOLAS and the chief executives of two ETBs. The programme board sets the strategic direction for the ETB/SOLAS reform programme, including shared services and external service delivery and is tasked with ensuring that projects associated with the reform programme are progressed.

### *Shared services and information and communication technology*

**2.3** The statements on internal control for a number of ETBs draw attention to weaknesses in ICT infrastructure which present significant operational challenges. Progress in the development of shared services has been slow. Advancements have been made in implementing payroll and travel and subsistence expenses shared services, with five out of 16 ETBs migrating to the new payroll shared services and three ETBs migrating to the new expenses shared services over the period June 2019 to June 2020. However, there have been significant delays in developing financial management shared services. Also, notwithstanding the establishment of a group to review ICT shared services requirements in mid-2019 and a new payroll system for apprentices which went live in March 2020, little progress has been made in implementing enhanced ICT systems including the development of ICT shared services.

### *Financial management systems*

**2.4** ETBs operate largely on legacy financial systems and it is generally accepted that these systems are inadequate for organisations of their size and complexity. The common system weaknesses include

- poor report generation functionality
- two different accounting bases (i.e. an accruals system inherited from the former FÁS and a cash-based system inherited from the former VECs) — this means that significant manual intervention is required to produce even basic financial management information
- interfaces are poor and third party software is needed to produce many of the required reports, with much financial information (including the annual financial statements) being maintained on spreadsheets

<sup>1</sup> Education Shared Business Services is a stand-alone section that comes under the remit of the Department and was set up to host some of the Shared Service operations to be provided directly by the Department under its *Education and Training Sector Shared Services Plan for 2017 - 2020*.

<sup>2</sup> The tasks include supporting the ETB legal services strategy, revising the *Code of Practice for the Governance of Education and Training Boards* and engaging with ETBs, Education and Training Boards Ireland (ETBI) and the Property Registration Authority.

- the production of forecasts is not facilitated and is only achieved through manual input and spreadsheets.

### ***Format of financial statements***

- 2.5** The current format of ETB financial statements does not comply with generally accepted accounting practice. The accounts are largely cash based with some accruals information.
- 2.6** The financial statements do not include a statement of financial position, which would normally disclose the value of fixed assets, including property, and plant and equipment. The financial statements also do not disclose provisions where ETBs have a liability due to past actions nor a standard note showing future commitment to lease payments. (ETBs have a significant number of leased buildings.)
- 2.7** The current format of the financial statements of ETBs is cumbersome and is difficult to follow and to understand. The initial financial statements covering the period 1 July 2013 to 31 December 2014 were not presented in a timely manner due to delays in agreeing the format of the accounts, and difficulties in combining results from the different legacy systems. More recently, improvements in the timeliness of reporting have been made across the sector.

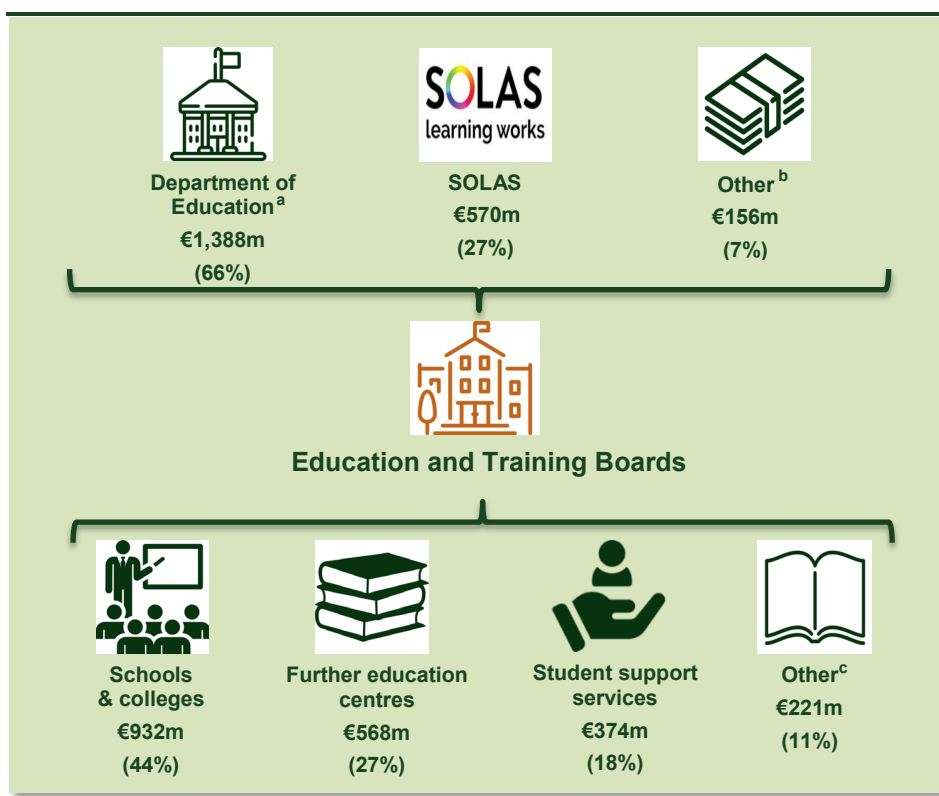
### ***Governance and accountability***

- 2.8** The assessments related to this examination were completed and validated at the end of 2018 and early 2019. During 2019 and 2020, the Department has taken a number of steps to enhance governance and accountability across the sector.
- 2.9** In January 2019, the Department published a revised *Code of Practice for the Governance of Education and Training Boards*. The revised code was based on the 2016 *Code of Practice for the Governance of State Bodies* published by the Department of Public Expenditure and Reform in September 2016. An external training provider was contracted to provide tailored training to deal with specific governance issues. In late 2019 and early 2020, training was delivered to some ETB chairs, chief executives and directors (62 participants in total). The planned training for others in 2020 was delayed due to the impact of COVID-19 restrictions.
- 2.10** By the end of June 2020, the Department agreed and signed off on oversight agreements and performance delivery agreements with each of the ETBs.
- The oversight agreements set out the respective responsibilities of the Department and the ETB and are in place until December 2022.
  - Performance delivery agreements set out the key principles to be adhered to in relation to financial management/governance and corporate governance and accountability between the Department and an ETB. These agreements note that an ETB's service plan sets out the core activities and services to be delivered by the ETB in the year. The agreements provide for review at the end of 2020.

## Funding and expenditure

2.11 In 2018, aggregate expenditure by ETBs was €2,095 million. This includes €374 million related to the payment of support grants for third level students. Student Universal Support Ireland (SUSI) operates as a business unit of City of Dublin Education and Training Board. Figure 2.2 summarises the main sources of funding and the categories of expenditure. €1,077 million relates to the remuneration of the 32,000 staff employed by ETBs. Capital expenditure amounted to €78 million in 2018, and relates to new schools, extensions, furniture and equipment, ICT and refurbishments.

Figure 2.2 ETBs 2018 — funding sources and expenditure



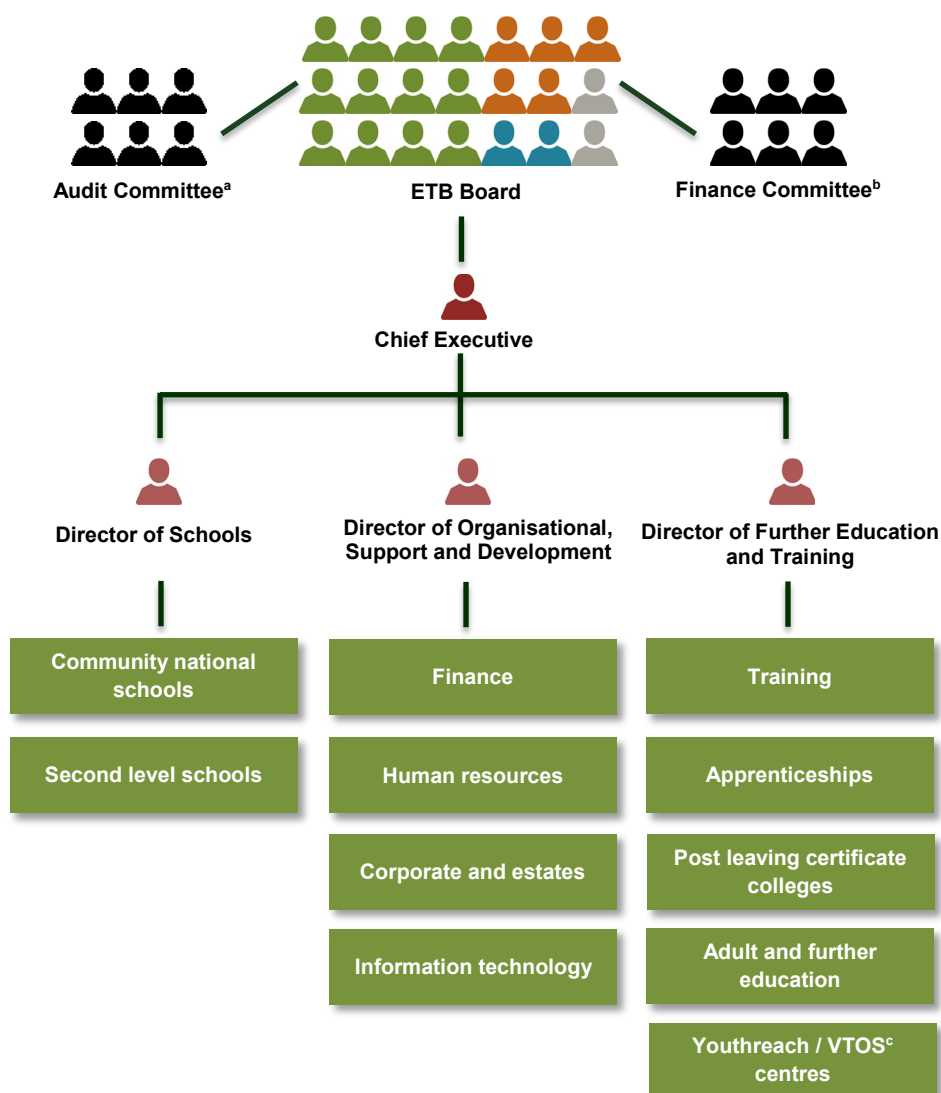
Source: Office of the Comptroller and Auditor General

- Notes:
- a Department of Education funding of €1,388 million includes retained superannuation contributions which ETBs account for as part of the Department's grant funding and funding for student support services.
  - b Other funding sources include Department of Children and Youth Affairs, self-financing projects, fees from evening courses, classes etc.
  - c Examples of other areas where funding is allocated are youth services, capital projects, community national schools etc.

## Organisational structure and governance

2.12 The typical organisational structure of an ETB is set out in Figure 2.3. The board and management team are accountable for the proper management of the organisation. Like most State bodies, the board is responsible to the Minister for the operation and proper functioning of the ETB.

**Figure 2.3 Typical organisational structure of an ETB**



Source: Office of the Comptroller and Auditor General

- Key:
- Local authority representatives (at least 40% required to be female and at least 40% required to be male)
  - Members from bodies with a special interest or knowledge of ETBs
  - Staff representatives
  - Parent representatives

- Notes:
- a Six to eight members, including a maximum of three board members. Chair should be an external member (i.e. not a member of the board).
  - b Three to seven members of which one should be an external member with relevant financial experience.
  - c The Vocational Training Opportunities Scheme (VTOS) provides courses of up to two years' duration for unemployed people.

## Education and Training Boards Act 2013

- 2.13** The Act divides the specific areas of responsibility between the board (reserved functions) and the chief executive officer (executive functions).

### *The board*

- 2.14** The 2013 Act provides for the composition of the board of each ETB to be as follows
- twelve members elected by the relevant local authority(ies) following local authority elections
  - two members who are members of staff of the education and training board
  - two members appointed by the ETB from nominees of the National Parents' Council(s)
  - five members appointed by the ETB from bodies specified by the Minister which have a special interest in, or knowledge of, education.<sup>1</sup>
- 2.15** A new ETB board is established following the local elections every five years. New boards were established following the local elections in May 2019.
- 2.16** The board is responsible and accountable for the proper direction and control of the ETB. The Act specifies a range of functions as 'reserved functions' which must be performed by resolution of the board (see Figure 2.4). The Act also specifies other functions to be performed by the board including holding the chief executive to account for the effective performance of his or her functions in the management of the ETB. The board members must not become involved in the executive functions of the ETB. The complete list of reserved functions is included in Appendix B.

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**Figure 2.4 Key reserved functions of ETB board**

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Appointment and suspension of chief executive

Adoption of a strategy statement, annual service plan and annual report

Keeping of accounts

Power to borrow money

Acquisition, holding and disposal of land

Committees

- establishment/dissolution
  - determination of terms of reference
  - appointment/removal from office of a member of committee
  - confirmation of an act of the committee, receipt of reports from finance and audit committees and determination of action
- 

<sup>1</sup> The pool of bodies eligible to make nominations for appointments to ETBs was broadened in 2019.



### ***The chief executive***

- 2.17** The 2013 Act also provides that executive functions (i.e. functions other than reserved functions) are required to be performed by the chief executive of the ETB. The chief executive is accountable to the board for the performance of those functions.
- 2.18** The chief executive is also directly accountable to the Public Accounts Committee and to other Oireachtas committees, when called upon to appear.

### ***Governance code***

- 2.19** The Department issued a corporate governance code for ETBs (the code) in March 2015.<sup>1</sup> A revised code — the *Code of Practice for the Governance of Education and Training Boards* — was published in January 2019. The revised code was based on an updated *Code of Practice for the Governance of State Bodies* published by the Department of Public Expenditure and Reform in September 2016. The revised ETB code is effective for 2019 financial statements but ETBs were encouraged to adopt it in so far as possible, for 2018 financial statements.
- 2.20** Boards are required to confirm in their annual reports (which are published) and in the annual chairperson's statement (which is not published) to the Minister for Education that they comply with the up-to-date requirements of the code in their governance practices and procedures. The annual report is required to be submitted to the Department not later than one month following completion of the audit of the financial statements and six months from the end of the ETB's financial year (whichever is earlier).

### ***Education and Training Boards Ireland***

- 2.21** Education and Training Boards Ireland (ETBI) is an association established to collectively represent education and training boards and promote their interests and is recognised by the Minister for Education for this purpose under the ETB Act 2013. It also provides some centralised services for ETBs including supports in the area of procurement, legal services and ICT. ETBI is governed by a constitution and has a 16-member Board comprising eight ETB chief executives and eight reserve members. The annual financial statements of ETBI are audited by an externally procured firm of auditors and are not required to be published but are provided to the Department as part of the oversight arrangements in place between the Department and ETBI.
- 2.22** ETBI receives funding from ETBs, the Department and SOLAS. ETBI also receive funding indirectly, where a member of staff of an ETB is seconded to ETBI and the Department incorporate the amount paid to the staff member in the grant payment to the ETB. Each ETB pays a flat rate amount of €42,700 per annum to ETBI, but in some cases the amount paid is more if an ETB has specific work carried out by ETBI. In 2018, ETBI incurred total expenditure of €2.5 million (based on latest financial information available at October 2020).

<sup>1</sup> *Code of Practice for the Governance of Education and Training Boards.*

## Internal audit

- 2.23** All ETBs avail of a centralised internal audit service provided by the Internal Audit Unit for ETBs (IAU) as set out in the Code.<sup>1</sup>
- 2.24** The primary purpose of IAU-ETB is to provide assurances to the audit committee that the system of internal control as implemented by the executive management is adequate and operates effectively. The IAU-ETB achieves this by performing an independent appraisal of each ETB and then reporting to the relevant audit committee.
- 2.25** The IAU-ETB is responsible for the effective review of both internal control and risk management. The IAU-ETB noted that its audit programme seeks, within available resources, to incorporate both sectoral and individual risks. Audits are carried out in line with a program identified nationally for the sector. Due to difficulties involved in recruiting and retaining staff within the IAU-ETB, the number of internal audit reports carried out has been relatively low — between one and three per ETB annually.
- 2.26** The number of staff in the unit has increased from four at the end of 2018 to nine in 2020. However, City of Dublin ETB is also now within its remit, having previously had its own audit arrangements.

<sup>1</sup> City of Dublin ETB had in place its own internal auditor until this person retired in December 2016. Following this, its internal audit function was transferred to IAU-ETB. In April 2019, IAU-ETB appointed a Deputy Director who allocates approximately 80% of their time to City of Dublin ETB and 20% to wider IAU-ETB services.

## 3 Financial governance and leadership

**3.1** The financial governance and leadership theme of the model is concerned with the emphasis placed on financial management at board and senior executive level, the operation of internal controls, governance arrangements and risk management, and the financial management capabilities and relevant training provided in the organisation.

**3.2** For each of the four key questions relating to this theme

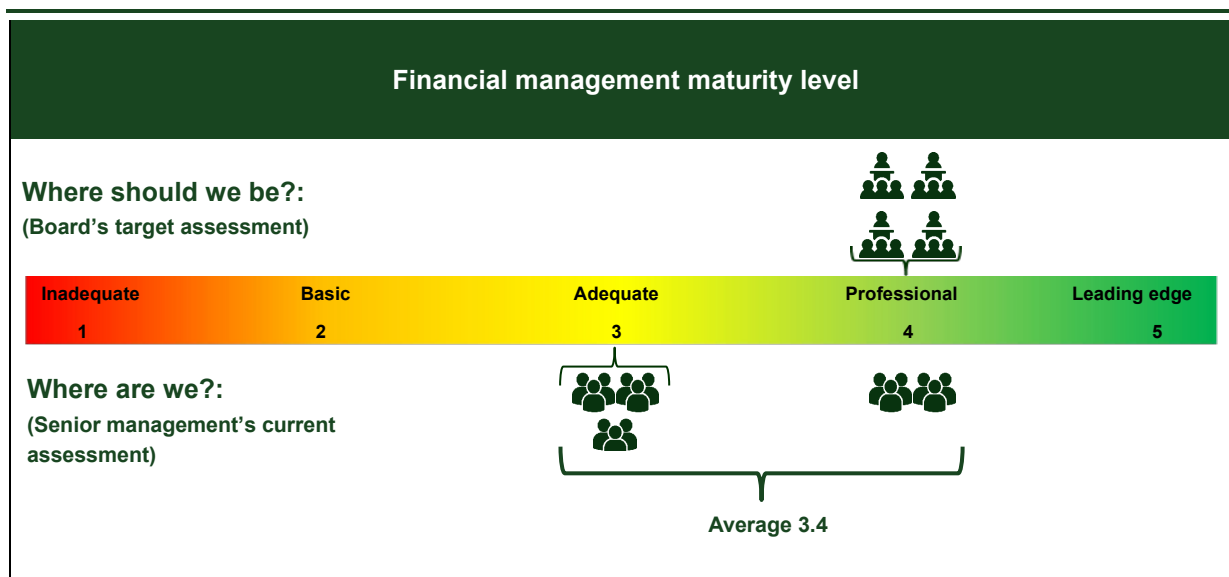
- the senior management of each of the five ETBs carried out a self-assessment of their organisation's current financial management practices, and
- the boards of four ETBs carried out an assessment of what they considered to be the most appropriate level of financial management maturity for their organisation.<sup>1</sup>

In each case, they were required to assign a score of between 1 and 5 for each question. The practices associated with each level of maturity (as outlined in the financial management maturity model) provided guidance to senior management and the boards in determining the actual and most appropriate levels of maturity.

**3.3** This chapter sets out for each question the rationale for the self-assessed level as well as instances of good practice and opportunities for improvement identified during the examination.

<sup>1</sup> The Board of one ETB carried out an assessment of the organisation's current financial management practices (i.e. replicating the assessment by senior management) rather than an assessment of the most appropriate level of financial management maturity for the ETB. Therefore, this Board's assessment has been excluded from the results presented in Figures 3.1 to 3.4.

**Figure 3.1 Question 1: What emphasis do the board and executive team place on their own responsibility and on a culture of collective responsibility for financial matters?**



#### Standard financial management practices

##### Level 4 professional

- The board and executive team demonstrably act collectively by making strategic decisions as a team about the direction of the organisation and its activities. Non-executive members frequently challenge the board and executive team as a whole.
- The board and executive team members receive financial information frequently.
- They can use the integrated financial and performance information received to fully understand the position of the organisation and to collectively challenge senior staff when required.
- They take action promptly, when required, and make strategic decisions about whether or not to engage in areas of activity.
- Key financial information is regularly communicated to staff and its relevance is clear.

## Assessment of current financial management practices

### Senior management self-assessment

- Finance is a standing item at all board meetings with an update on receipts and payments being provided by the finance manager.
- Regular financial reporting and a high degree of discussion in relation to financial matters.
- Matters raised during the Comptroller and Auditor General audits are brought to the board meetings and discussed in detail.
- Financial updates are provided at school board of management meetings. It is the responsibility of members of school boards of management to ensure that financial reports are distributed and explained and that best practice is adhered to.
- A finance committee (which is a sub-committee of the board) is in place with a terms of reference as set out in the *Code of Practice for the Governance of Education and Training Boards*.
- An audit committee (sub-committee of the board) is in place with a terms of reference as set out in the *Code of Practice for the Governance of Education and Training Boards*.
- Finance manager visits schools to assist in strengthening the financial controls and ensure adherence to best practice is in place. This also provides an opportunity for management within the school to discuss matters specific to their school.
- Certain functions of a financial nature are 'reserved' functions of the board e.g. adoption of annual report and service plan, keeping of accounts — financial statements are approved by the board.

### Board views on current financial management practices

- ETB is a relatively new organisation with the functions of the board being relatively narrow as laid out in ETB Act 2013 as reserved functions. Also, the composition of the board is laid out in legislation.
- The board and executive are very conscious of their responsibilities and a culture of collective responsibility for financial matters currently exists.
- There are sub-committees of the board in place to monitor and provide financial governance and leadership.

## Instances of good practice identified

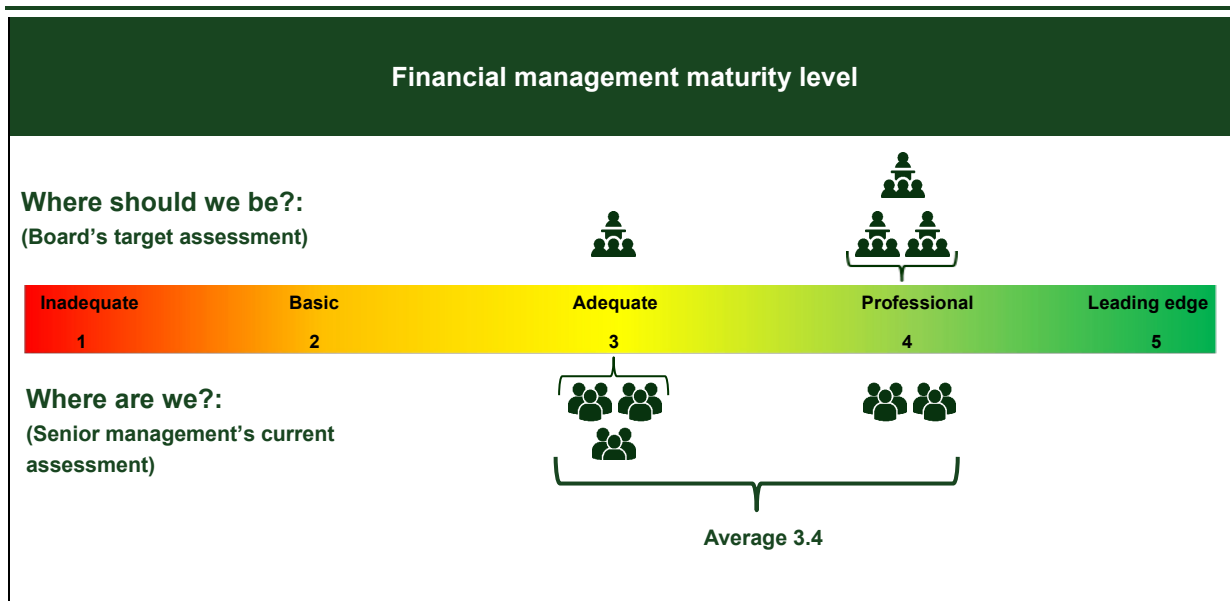
Area	Detail
<b>Corporate governance calendar</b>	<ul style="list-style-type: none"> <li>A shared drive is in place where board members can remotely access all information in advance of board meetings.</li> </ul>
<b>Board information</b>	<ul style="list-style-type: none"> <li>A calendar which sets out the key milestones and deadlines for board meetings, the annual report, disclosures of interests, further education and training reports to SOLAS, the service plan, the statement of internal control, the report of the chairperson, the financial statements, the strategy statement and the risk register.</li> </ul>
<b>Board effectiveness</b>	<ul style="list-style-type: none"> <li>Boards of three ETBs had conducted formal self-assessments and weaknesses identified had been addressed.</li> </ul>

## Opportunities for improvement

Area	Detail
<b>Board information</b>	<ul style="list-style-type: none"> <li>Board members are presented with large amounts of information in advance of board meetings without summary documents.</li> </ul>
<b>Finance committee</b>	<ul style="list-style-type: none"> <li>Reports are not prepared following meetings of the committee and hence are not submitted to the full board for discussion.</li> </ul>

Source: Office of the Comptroller and Auditor General

**Figure 3.2 Question 2: How do the systems of internal control, governance arrangements and risk management processes operate?**



Standard financial management practices	
Level 3 adequate	Level 4 professional
<ul style="list-style-type: none"> <li>A fit for purpose system of internal control is in place supported by governance arrangements which ensure that controls are implemented and exposure to risk is minimised.</li> </ul>	<ul style="list-style-type: none"> <li>A robust system of internal control is in place.</li> </ul>
<ul style="list-style-type: none"> <li>The importance of these controls is communicated to staff, who in the main comply with the processes and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Internal control and governance processes are clearly set out and their importance is emphasised to all staff.</li> </ul>
<ul style="list-style-type: none"> <li>Adherence to the controls is monitored and non-compliance is acted upon and redressed.</li> </ul>	<ul style="list-style-type: none"> <li>Noncompliance with policies and procedures is rare.</li> <li>Lessons learnt from non-compliance are used to drive changes and improvements in the processes.</li> </ul>
<ul style="list-style-type: none"> <li>The systems are reviewed and updated on a planned cycle (e.g. three or four years) or more frequently if prompted by significant events.</li> </ul>	<ul style="list-style-type: none"> <li>The policies and procedures are regularly reviewed and updates made as necessary to ensure that they reflect the workings of the business of the organisation and minimise exposure to risk.</li> </ul>
<ul style="list-style-type: none"> <li>The risk register considers a wide range of internal and external risks to which the organisation is exposed and risk is considered as a standing agenda item at board and management meetings.</li> </ul>	<ul style="list-style-type: none"> <li>The overall risk register for the organisation is aligned to the risk registers for individual departments and risk management is integrated with other business processes.</li> </ul>
<ul style="list-style-type: none"> <li>The register is reviewed periodically by the board and executive team with consideration of actions required to enhance the management of priority risks.</li> </ul>	<ul style="list-style-type: none"> <li>The risk register considers and measures the adequacy of controls in place and defines specific actions to enhance the management of priority risks.</li> </ul>

- Early warning indicators have been identified and decisions are made with cognisance of risk appetite.

## Assessment of current financial management practices

### Senior management self-assessment

- The system of internal financial control is based on the following detailed administrative procedures: segregation of duties, appropriate authority levels for approvals, communication and monitoring of compliance with controls.
- Annual review of internal controls conducted with all schools/centres/locations and head office departments and presented to audit committee as basis for statement on internal control. Spot checks conducted by finance staff.
- Audit committee makes a recommendation to the board for the purposes of its approval of the annual statement on internal control.
- The board's monitoring and review of the effectiveness of the system of internal control is informed by the work of the audit committee, the IAU-ETB, recommendations made by the Comptroller and Auditor General in management letters or reports, as reviewed by the audit committee.
- Risk registers in place, reviewed periodically and presented to the audit committee for review.

### Board views on current financial management practices

- Aspiring to Level 5 would be very onerous on the organisation and not cost effective. Audit committee's view is that Level 4 is an appropriate level to aspire to.
- Recent amalgamation and weaknesses identified in the organisations ICT infrastructure, and related IT systems and IT control environment have influenced the rationale for the rating allocated.
- The annual statement on internal control and related questionnaire is examined by the audit committee and reported to the board for its consideration.
- The Comptroller and Auditor General management letters, including the management responses, are reviewed by the audit committee.
- Risk register in place which has been reviewed and approved by the audit committee and presented to the board.



## Instances of good practice

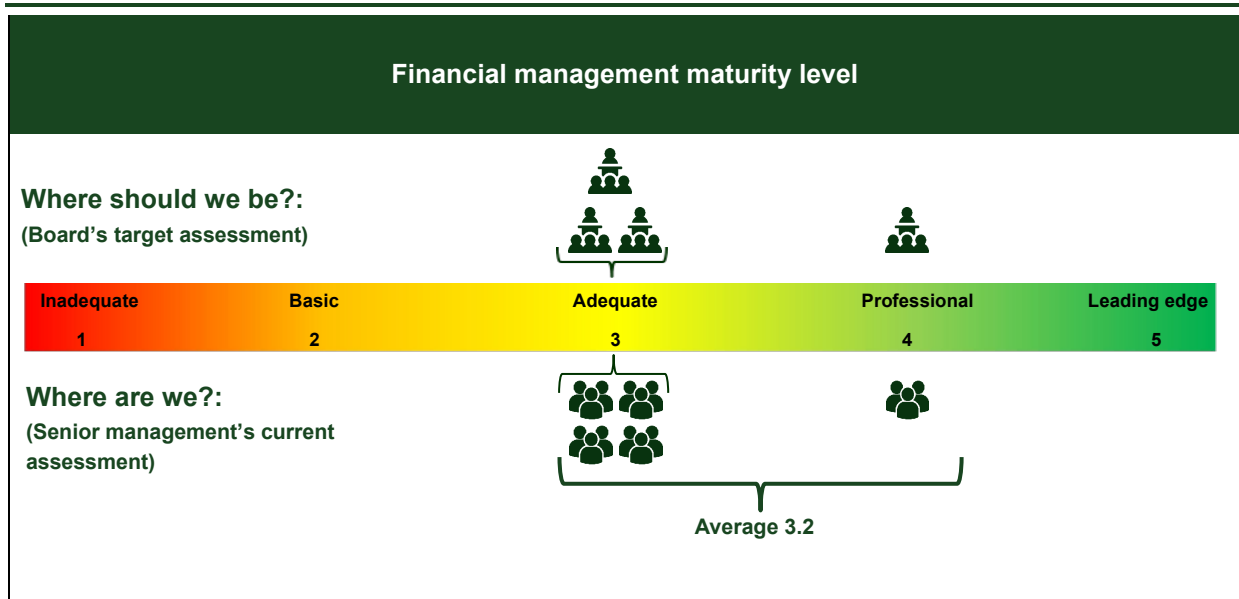
Area	Detail
<b>Financial review process</b>	<ul style="list-style-type: none"> <li>External consultant commissioned to review financial processes and procedures including financial controls. Gaps identified, addressed and training delivered to staff in relation to revised procedures.</li> </ul>
<b>Audit recommendations presentations</b>	<ul style="list-style-type: none"> <li>Presentations to school management and general administration staff outlining audit issues arising and recommendations made by the Office of the Comptroller and Auditor General.</li> </ul>
<b>Financial management guidance manual</b>	<ul style="list-style-type: none"> <li>Guidance manual (covering bank accounts, petty cash, fixed assets, purchasing procedures etc.) developed specifically for schools and training centres.</li> </ul>
<b>Audit recommendation tracker</b>	<ul style="list-style-type: none"> <li>Audit recommendations recorded and tracked for implementation.</li> <li>Reviewed by audit committee at each meeting and executive function queried as regards progress on implementing recommendations.</li> </ul>
<b>Audit committee report</b>	<ul style="list-style-type: none"> <li>Audit committee meet at least four times a year, prepare report and submit to board in advance of meeting.</li> </ul>
<b>Audit committee self-evaluation</b>	<ul style="list-style-type: none"> <li>Audit committee carry out a self-evaluation every year.</li> </ul>
<b>Declaration of interests</b>	<ul style="list-style-type: none"> <li>Declarations of interests provided by board members in writing, (prior to meeting) in relation to any matter on agenda with which they may have an external interest.</li> </ul>

## Opportunities for improvement

Area	Detail
<p style="text-align: center;"><b>Board effectiveness</b></p>	<ul style="list-style-type: none"> <li>▪ Evidence to suggest that full attendance is not occurring at board meetings and in some cases board members have been asked to resign due to low attendance rates.</li> <li>▪ Three of the five boards involved in the examination carried out a self-assessment over the last five years.</li> </ul>
<p style="text-align: center;"><b>Policies and procedures</b></p>	<ul style="list-style-type: none"> <li>▪ Not updated on a planned cycle but rather when and as required.</li> </ul>
<p style="text-align: center;"><b>Risk management</b></p>	<ul style="list-style-type: none"> <li>▪ Risk management is an evolving process within the ETB sector. Training has been provided, but greater emphasis needs to be placed on risk management at all levels.</li> </ul>
<p style="text-align: center;"><b>Internal controls</b></p>	<ul style="list-style-type: none"> <li>▪ More frequent inspections are required to test internal controls.</li> <li>▪ Weaknesses in the areas of procurement, wages, cash, bank and travel and subsistence.</li> <li>▪ Compliance with procurement rules an issue for all of the selected organisations due to multiple locations and delays in establishing centralised framework agreements.</li> </ul>
<p style="text-align: center;"><b>Internal audit</b></p>	<ul style="list-style-type: none"> <li>▪ IAU-ETB is not meeting sector needs to the extent required.</li> <li>▪ Number of reports completed (between one and three per ETB annually) is insufficient.</li> <li>▪ Significant delays in completion of internal audit reports.</li> <li>▪ IAU-ETB selects areas for examination that may not represent the areas of highest risk as assessed by individual ETBs.</li> </ul>
<p style="text-align: center;"><b>Audit committee</b></p>	<ul style="list-style-type: none"> <li>▪ Audit committees are dependent on the information provided by executive due to the lack of an effective internal audit function.</li> </ul>

Source: Office of the Comptroller and Auditor General

**Figure 3.3 Question 3: What financial management capability have the board (including the audit committee) and executive team, the finance department and staff working outside of finance?**



Standard financial management practices	
Level 3 adequate	Level 4 professional
<ul style="list-style-type: none"> <li>Some members of the board and executive team have appropriate training and expertise in financial management.</li> </ul>	<ul style="list-style-type: none"> <li>There is a good representation of finance skills and experience on the board and executive team.</li> </ul>
<ul style="list-style-type: none"> <li>The board and the executive team seek external professional assistance on financial management where necessary to resolve issues that have arisen.</li> </ul>	<ul style="list-style-type: none"> <li>Advice from external professional services practices on the quality and adequacy of the financial management processes within the organisation are sought routinely.</li> </ul>
<ul style="list-style-type: none"> <li>The senior executive responsible for finance is professionally qualified and attends board meetings as required.</li> </ul>	<ul style="list-style-type: none"> <li>The senior executive responsible for finance is professionally qualified, sits on the board, and acts as a champion for financial management.</li> </ul>
<ul style="list-style-type: none"> <li>A non-executive director chairs the audit committee which has sufficiently experienced non-executive directors.</li> </ul>	<ul style="list-style-type: none"> <li>A non-executive director with financial experience chairs the audit committee.</li> </ul>
<ul style="list-style-type: none"> <li>The majority of finance staff are qualified or sufficiently experienced.</li> <li>The finance team is well established and adequately staffed.</li> </ul>	<ul style="list-style-type: none"> <li>Most staff within the finance team have qualifications/experience appropriate to their role and grade, with only a few exceptions.</li> </ul>
<ul style="list-style-type: none"> <li>The majority of operational managers outside of the finance department have a good understanding of the need for financial management, their obligation to deliver financial management under their roles and a basic level of expertise. They are able to review their budgets and identify the reasons for variances.</li> <li>Financial models are used for financial management purposes by staff members. Staff are capable of maintaining and updating the models.</li> </ul>	<ul style="list-style-type: none"> <li>Operational managers have objectives for financial management which form part of their performance appraisals and they have or are provided with the opportunity to acquire the prerequisite skills to deliver on these objectives.</li> </ul>

## Assessment of current financial management practices

### Senior management self-assessment

- The composition of the board is determined by legislation. Financial expertise or experience is not a prerequisite for appointment.
- Some members of audit and finance committees are qualified accountants with many years of experience. Other members have extensive financial management experience.
- Qualified accountant or holder of other financial qualifications in place at director level. Finance manager is a qualified accountant.
- Some staff in the finance department hold accounting technician qualifications, Certified Public Accountant (CPA) or level 8 qualification in finance. The majority of staff in finance function have many years of work experience in the area of finance.
- Financial qualifications or experience is not a requirement for staff working outside of finance.

### Board views on current financial management practices

- Reluctant to aspire to Level 4, due to composition of board as per Act. Recognised that while the current board has members with relevant experience, this could change with a new board.
- The board has proposed that a skills matrix be established to determine the levels of capability of the members.
- The members of the board and audit committee have financial management capability and considerable experience in dealing with financial matters with the head of the audit committee being a professional accountant.
- The financial capability of the executive team is appropriate for the organisation. Key members of the finance team are professionally qualified accountants.

## Instances of good practice

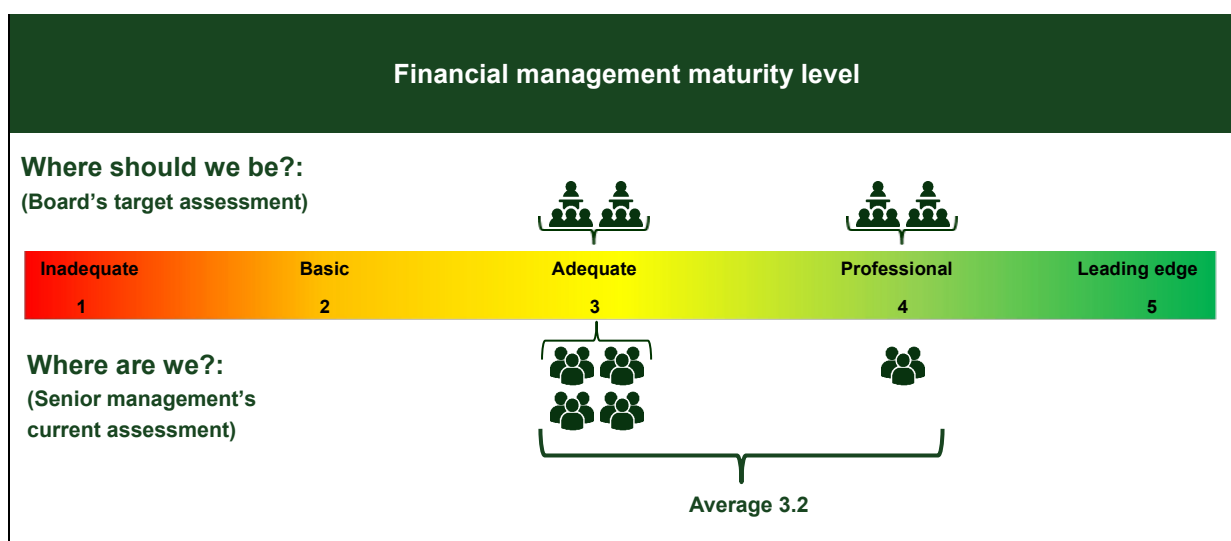
Area	Detail
<b>Financial qualifications</b>	<ul style="list-style-type: none"> <li>Between one and four qualified accountants per ETB at a senior management level.</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>A system of cross training in place within the finance function — where finance staff rotate financial roles.</li> <li>Process of developing multi-skilled employees by providing training in various functions within the finance department.</li> </ul>

## Opportunities for improvement

Area	Detail
<b>Financial management capability of board</b>	<ul style="list-style-type: none"> <li>Scope for increased financial management capability at board level.</li> </ul>
<b>Board composition</b>	<ul style="list-style-type: none"> <li>Skills and experience of board members are not aligned with the needs of the organisation and strategic direction.</li> </ul>
<b>Financial management capability within the organisation</b>	<ul style="list-style-type: none"> <li>When recruiting staff to the finance function there is a need to include a requirement for finance specific skills and qualifications.</li> </ul>

Source: Office of the Comptroller and Auditor General

**Figure 3.4 Question 4: What training and continuous professional development (CPD) in financial management is provided to staff both within and outside the finance team?**



**Standard financial management practices**

Level 3 adequate	Level 4 professional
------------------	----------------------

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▪ There is both a training programme on financial management and a programme of continuous professional development for staff within the finance function.</li> </ul>               | <ul style="list-style-type: none"> <li>▪ Competency frameworks, professional training and continuous professional development are in place.</li> </ul>  |
| <ul style="list-style-type: none"> <li>▪ Support is provided to finance staff who wish to gain further qualifications in finance, if agreed as part of a business case.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ The organisational culture encourages both professional development and recognises the need for investment in people.</li> </ul>   |
| <ul style="list-style-type: none"> <li>▪ There is optional training for managers outside of the finance function in basic financial management and finance skills to facilitate effective financial management.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Expertise in financial management is seen as important for career progression and support is provided for staff to gain further qualifications as appropriate.</li> </ul>    |
| <ul style="list-style-type: none"> <li>▪ The organisation encourages take up of these courses but few managers have done so.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ All operational managers must complete a course in basic finance skills, tailored to their ability to meet the public financial management element of their role.</li> </ul> |
| <ul style="list-style-type: none"> <li>▪ Financial management is fully included in board induction training.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Financial management is considered a core area in board induction training.</li> </ul>   |
| <ul style="list-style-type: none"> <li>▪ Board members can competently critique the financial management undertaken by management staff.</li> </ul>  |   |

## Assessment of current financial management practices

### Senior management self-assessment

- Staff CPD policy in place to provide funding for staff wishing to upskill.
- Staff attend relevant courses as required on tax, pensions and ICT. In addition, members of staff are undertaking procurement courses via ETBI.
- National forums in place across the ETB sector.
- Training programme (mainly focused on corporate governance) provided for board members via ETBI. Induction pack provided to board members, but no specific training in finance.
- Training for members of ETB finance and audit committee members was provided by ETBI in January 2017.
- Capabilities of finance team are regularly reviewed.
- Staff training provided on commencement of employment and on-the-job training is ongoing in the finance department, through the cross training and rotation of staff between posts.
- In-house training and guidance is provided by the finance team to school principals, centre managers and administration staff on financial management and financial procedures.

### Board views on current financial management practices

- Staff outside of finance need to be aware of the implications in areas such as procurement.
- Recruitment policies do not require operational managers, to be financially qualified or undertake financial skills training.
- Senior finance managers are professional accountants who avail of training within their accredited professional bodies.
- It is important that staff receive appropriate training and that the CPD policy provides for this.

## Instances of good practice

Area	Detail
<b>Staff groups</b>	<ul style="list-style-type: none"> <li>A number of finance department staff are involved in staff groups where best practice is shared among ETBs e.g. finance forum through ETBI.</li> </ul>
<b>Sponsorship of relevant courses</b>	<ul style="list-style-type: none"> <li>Staff are encouraged to apply for courses that are appropriate to their roles and where funding is available the ETB will sponsor/part-sponsor the course.</li> </ul>
<b>Procedure manuals</b>	<ul style="list-style-type: none"> <li>Staff involvement in updating procedure manuals for each module/function has proven to be beneficial.</li> </ul>

## Opportunities for improvement

Area	Detail
<b>Training manager</b>	<ul style="list-style-type: none"> <li>Training manager not in place. This should be considered as a function within the HR department.</li> </ul>
<b>Continuous professional development policy</b>	<ul style="list-style-type: none"> <li>Training needs analysis not completed.</li> <li>Formal training programme on financial management not in place.</li> </ul>
<b>Board induction</b>	<ul style="list-style-type: none"> <li>Scope for enhanced financial management training at board level.</li> </ul>
<b>Finance and audit committee</b>	<ul style="list-style-type: none"> <li>Scope for increased training for audit and finance committee members on duties of being members of these committees.</li> </ul>



## 4 Financial monitoring and forecasting

**4.1** The financial monitoring and forecasting theme of the model considers the quality, accuracy and timeliness of financial management and forecasting information, the systems used to produce that information and the use of performance indicators.

**4.2** For each of the three questions relating to this theme

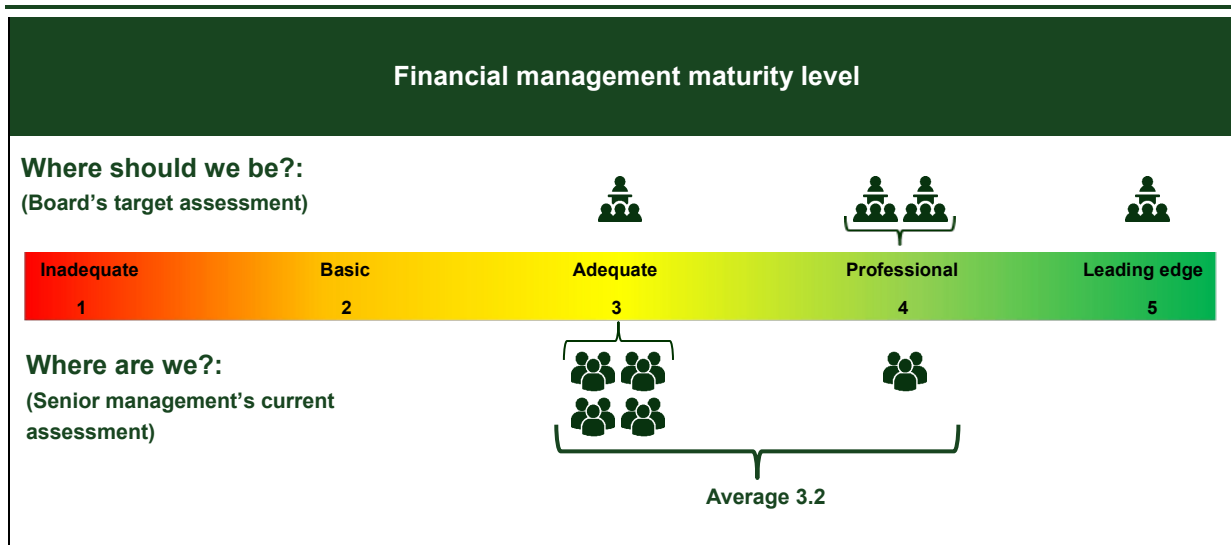
- the senior management of each ETB carried out a self-assessment of their organisation's current financial management practices and
- the boards of four ETBs carried out an assessment of what they considered to be the most appropriate level of financial management maturity for their organisation.<sup>1</sup>

In each case, they were required to assign a score of between 1 and 5 for each question. The practices associated with each level of maturity (as outlined in the financial management maturity model) provided guidance to senior management and the boards in determining the actual and most appropriate levels of maturity.

**4.3** This chapter sets out for each question the rationale for the self-assessed level as well as instances of good practice and opportunities for improvement identified during the examination.

<sup>1</sup> The Board of one ETB carried out an assessment of the organisation's current financial management practices (i.e. replicating the assessment by senior management) rather than an assessment of the most appropriate level of financial management maturity for the ETB. Therefore, this board's assessment has been excluded from the results presented in Figures 4.1, 4.2 and 4.3.

**Figure 4.1 Question 1: What is the quality, accuracy and timeliness of the organisation’s financial management and forecasting information, including information on income, expenditure, cash flow and working capital?**



Standard financial management practices		
Level 3 adequate	Level 4 professional	Level 5 leading edge
<ul style="list-style-type: none"> <li>▪ Budgets are set just before the start of the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Budgets are performance based and agreed at least a month before the start of the financial year and managers are fully aware of the levels of budget to expect.</li> <li>▪ This budget is used as a basis for the rolling forecast for the organisation for the next five years.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Budgets are drafted on a performance basis prior to the estimates process and are approved one to two months before the start of the financial year as soon as the estimates process is finalised.</li> <li>▪ Budgets are updated to reflect any significant events close to year end.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Financial monitoring and forecasting information becomes available to managers two weeks after the period end.</li> <li>▪ It is timely enough to ensure that financial control can be exercised but the identification of key issues could be quicker.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operational managers have accrual based financial and performance information available to them which is very current.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Real time financial and performance information is available to managers via the appropriate financial management systems. The systems are engineered to provide relevant data at a sufficiently accurate level.</li> <li>▪ The organisation ensures that information is appropriately tailored and streamlined to avoid the risk of 'data overload'.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The first monitoring and forecasting return to the board takes place at the end of the first quarter and includes actual vs budget with comparatives along with commentary as regards the variances.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial monitoring and forecasting packs inclusive of integrated Income and Expenditure Statement, Balance Sheet and Cash Flow.</li> <li>▪ These packs are made available to the board and executive team within days after the period end and include accurate accruals based information and a set of financial statements to date.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial monitoring and forecasting packs are made available to the board/executive team four to seven working days after the period end and includes accruals based information, recognition of commitments and a set of financial statements with forecast outturn for the year ahead.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The board take an increasing interest in financial information in the second half of the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The board takes an active interest in the financial forecasts from month 1 onwards and the executive team regularly revise both the budget and projections as a result of activity during a given period.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Board/executive team receive financial monitoring and forecasting packs which include forecast outturn for the year ahead.</li> </ul>

## Assessment of current financial management practices

### Senior management self-assessment

- An overall service plan is prepared on an annual basis for approval by the board.
- The budget process varies by main funder. Monthly reports are submitted to the Department (re. post primary and head office grants) with actuals and forecast to the year end. A bid document is submitted to SOLAS with mid-year and quarter three forecast reviews, including a balancing statement submitted post year end. Agencies and self-financing projects are managed with the relevant funder on a project by project basis.
- Internal reporting consists of financial reports (budget v expenditure) issued to schools, centres and budget holders on a monthly basis. Financial reports on key projects issued on a periodic basis. Financial budget information and reports (i.e. schedule of receipts and payments/budget v expenditure with year-on-year comparisons) are issued to the finance committee and board. Weekly/monthly cash flow statements are prepared for review and action. An annual review of year-end funding requirements is carried out.
- The board receive overall cash flow, and an income and expenditure report at each meeting (normally seven days in advance), as well as reports from the finance and audit committee who both meet at least four times per year. A presentation is made to the board at each meeting by the finance officer.

### Board views on current financial practices

- The overall budget is prepared by the executive and presented to the board for approval prior to submission to the Department for their approval.
- Budget reports are presented in a timely manner to the board and its finance committee for consideration and review.
- Accruals based accounting and multi-annual forecasting are not available to ETBs and cannot be achieved in the short term.
- Budgets are currently not agreed with the Department or SOLAS before the start of the year.

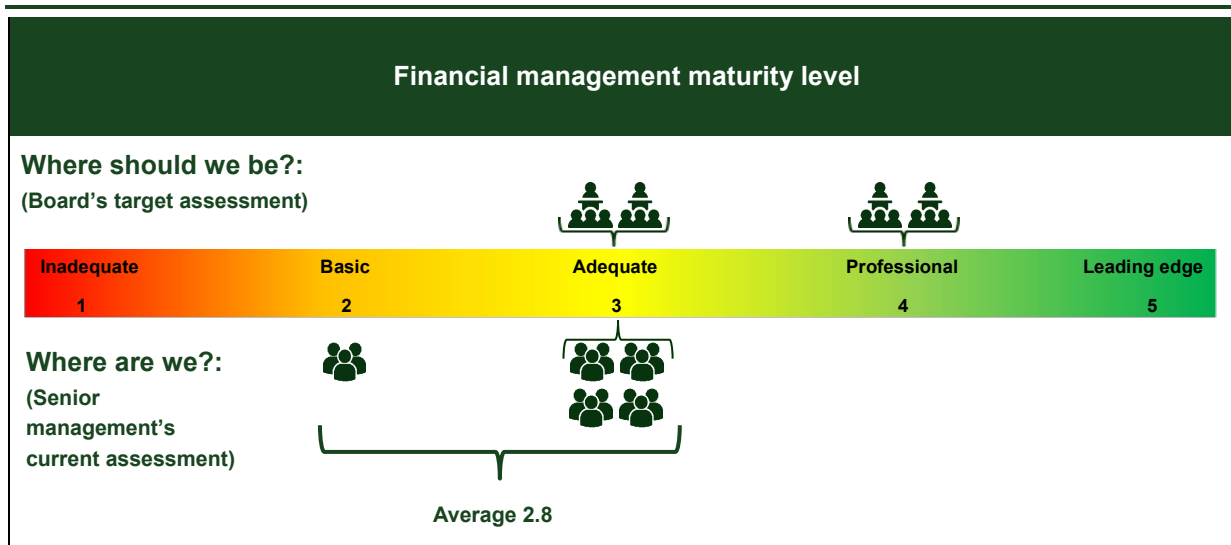
## Instances of good practice

Area	Detail
<b>Financial information</b>	<ul style="list-style-type: none"> <li>Financial information provided to budget holders on a monthly basis which allows them to make cost comparisons with other budget holders within the same organisation e.g. light and heat costs etc. thereby identifying where savings could be made and where there are opportunities for improvement.</li> </ul>
<b>Financial deadlines</b>	<ul style="list-style-type: none"> <li>Maintaining a spreadsheet which is available to all finance department members which includes all relevant deadlines that the finance function must be aware of and must adhere to.</li> </ul>

## Opportunities for improvement

Area	Detail
<b>Current format of financial statements</b>	<ul style="list-style-type: none"> <li>Financial statements considered to be cumbersome and difficult to follow. (See additional comments in chapter 2)</li> </ul>
<b>Monthly financial reports</b>	<ul style="list-style-type: none"> <li>Reports are produced manually using spreadsheets.</li> <li>Reports could be enhanced by including explanatory information.</li> </ul>
<b>Financial information provided to board subcommittees</b>	<ul style="list-style-type: none"> <li>Financial information provided to subcommittees of the board could be enhanced by including commentary drawing attention to key figures and trends to assist members to gain a greater understanding of the financial information provided.</li> </ul>
<b>Failure to adhere to departmental deadlines</b>	<ul style="list-style-type: none"> <li>Reporting deadlines set by the Department are not always adhered to due to the complexities involved in gathering the information requested.</li> </ul>

**Figure 4.2 Question 2: How are the appropriate financial and non-financial indicators covered within the monitoring and forecasting reports such as operational reports, board reports, management accounts and business plans?**



Standard financial management practices	
Level 3 adequate	Level 4 professional
<ul style="list-style-type: none"> <li>▪ Reports to management contain both financial management and operational performance information produced on consistent bases. Both management and the finance team agree this information prior to submission to the senior management team. This enables the senior management team and the board to review the performance of key areas from both a financial and operational performance perspective within the same report.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A set of operational performance metrics for each segment of the organisation's business is aligned to the strategic objectives of the organisation and reported jointly with financial information.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The performance framework is structured around objectives and provides an overview of the whole organisation's performance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The organisation (with input from both management and finance) produces KPIs which contain both financial and operational elements, e.g., cost per unit of performance.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The organisation produces a mixture of financial and operational performance metrics to enable the review of performance.</li> <li>▪ Some of these metrics need to be produced manually.</li> <li>▪ Published financial information and operational performance information is linked to published organisational objectives.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The organisation has developed the performance system to enable the production of key metrics on a regular basis.</li> <li>▪ Key operational performance and financial information is reported consistently in management accounts, external accounts and business plans and used to advise the next estimates and budgeting process.</li> <li>▪ This material is linked to the published objectives.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The performance framework is integrated within the organisation so that business unit, team and individual performance measures are connected to the corporate performance measurement framework.</li> </ul>

## Assessment of current financial management practices

### Senior management self-assessment

- At an organisational level, each ETB has a statement of strategy, an annual service plan, an annual report, and financial statements that include some statistical data e.g. student numbers, employee numbers etc.
- Agreements with funders such as SOLAS are governed by performance agreement that include specific, measurable targets for further education and training.
- Various reports supplied to the Department also include non-financial data such as enrolment returns, teacher allocation and utilisation census, non-teaching staff returns.
- National targets in relation to education e.g. school completion rates in post-primary, literacy and numeracy levels.
- Other reports e.g. quarterly management accounts provided to finance committee — income v expenditure.
- KPIs still being developed for the sector by the Department.

### Board views on current financial practices

- Reports by management to the board contain both financial management and operational data.
- The development of an overall performance framework identifying key deliverables would be of assistance in managing performance.
- Specific key performance indicators (KPI) processes and systems are not currently in operation in the sector and this is an important requirement.
- Regard has been given to the recent amalgamation process within the organisation and the weaknesses which have been identified in the organisations ICT infrastructure, and related IT systems and IT control environment.
- Financial and non-financial information is examined at school board of management level and reported through minutes with main board participants reporting back to main board.
- Difficulties in tracking some of the non-financial data to be addressed.

## Instances of good practice

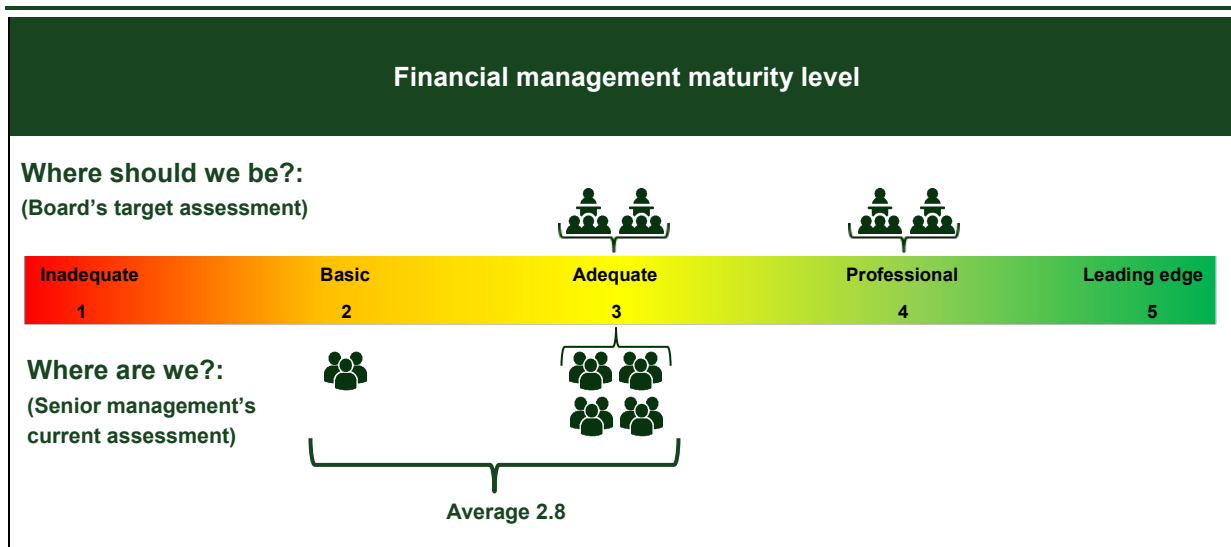
Area	Detail
<b>Key performance indicators</b>	<ul style="list-style-type: none"> <li>▪ SOLAS have agreed financial and operational targets for further education and training services against which each ETB reports.</li> <li>▪ Each ETB based on its capacity, contributes to the overall achievement of SOLAS's national targets.</li> </ul>

## Opportunities for improvement

Area	Detail
<b>Little performance information for schools</b>	<ul style="list-style-type: none"> <li>▪ Need for improvements in the performance reporting capability of schools.</li> </ul>
<b>Statements of strategy</b>	<ul style="list-style-type: none"> <li>▪ No formal written implementation plan in place for the strategic plan.</li> <li>▪ Published financial information is not linked to the strategic plan.</li> </ul>
<b>Key performance indicators</b>	<ul style="list-style-type: none"> <li>▪ Monthly management reports do not include performance information nor any type of key performance indicators. It is difficult for budget holders and senior management to determine how effective the organisation is at achieving key objectives or to evaluate their success at reaching targets.</li> </ul>

Source: Office of the Comptroller and Auditor General

**Figure 4.3 Question 3: What is the quality of the financial management, operational performance management systems, including the transactional processing systems?**



Standard financial management practices	
Level 3 adequate	Level 4 professional
<ul style="list-style-type: none"> <li>Budget holders are able to access monitoring information online and in a format that allows them to forecast information easily.</li> </ul>	<ul style="list-style-type: none"> <li>Budgets holders and operational managers can access the reports and monitoring information easily and in real time.</li> </ul>
<ul style="list-style-type: none"> <li>There is little need for budget managers to manipulate the monitoring information in their own spreadsheets but they do use them routinely for forecasting.</li> </ul>	<ul style="list-style-type: none"> <li>There is a clear and visible trail from the regular management accounts to the end of year financial statements and reconciliations are undertaken frequently.</li> <li>Managers are able to use the financial systems to produce accurate, timely forecasts.</li> </ul>
<ul style="list-style-type: none"> <li>While there are different sources of management information produced by various systems, the year-end statutory accounts and management information can be reconciled and are synchronised during the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>There are reliable IT systems that link across all primary financial statements, and which can be accessed remotely by managers.</li> <li>The systems are integrated to minimise duplication of information and maximise interface possibilities.</li> </ul>
<ul style="list-style-type: none"> <li>Data entered into the systems are regularly validated.</li> </ul>	<ul style="list-style-type: none"> <li>Key data is validated independently on a regular basis.</li> </ul>
<ul style="list-style-type: none"> <li>Financial management systems are a key consideration for senior management.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of the financial management systems is considered crucial to the ongoing success of the organisation.</li> </ul>
<ul style="list-style-type: none"> <li>The IT systems are generally reliable, and are tested regularly for efficiency and accuracy.</li> </ul>	<ul style="list-style-type: none"> <li>Full business continuity arrangements are in place.</li> </ul>



## Assessment of current financial management practices

### Senior management self-assessment

- A multi-system ICT environment is in operation. This provides significant operational challenges and will continue to do so pending the implementation of shared services.
- There are two main financial systems currently in operation, resulting in the maintenance of two separate ledgers: an accruals based system and a cash based system. Most financial reports are generated manually.
- The accruals based system operates in the training centre and is integrated and reconciled on a monthly basis into the primary ledger. Limited access to financial systems (accruals based) is provided to centres for procurement purposes.
- Supplementary reporting software is used as a reporting tool by finance head office. Spreadsheets are used in conjunction for reporting purposes.
- A number of bespoke payment systems for payroll, travel and subsistence, VTOS and Youthreach payments and trainee and apprenticeship payments are in place.

### Board views on current financial practices

- Legacy financial systems are not capable of strong reporting. Current systems do not facilitate real time access.
- Weaknesses have been identified in the organisations ICT infrastructure, and related IT systems and IT control environment.

## Opportunities for improvement

Area	Detail
<p style="text-align: center;"><b>Financial Systems</b></p>	<ul style="list-style-type: none"> <li>▪ Financial systems not considered appropriate for the ETB sector.</li> <li>▪ Two or more financial systems in operation in each ETB resulting in complexities and administrative overheads. Operate largely on legacy based systems for which continued technical support is uncertain. A number of bespoke systems (e.g. for electronic pay claims, for asset management etc.) are in operation which link to the existing financial systems.</li> <li>▪ Accruals and cash based financial systems running parallel. Accruals based financial information is converted to cash based financial information by way of journals.</li> <li>▪ Significant manual transactional work being carried out. A significant amount of manual intervention is required to produce even basic financial information and preparation of financial reports and financial statements is very time consuming.</li> <li>▪ Poor reporting functionality and as a result production of real time financial information is not possible. Interfaces are considered poor with third party software i.e. supplementary reporting software required to produce many of the reports required.</li> </ul>
<p style="text-align: center;"><b>Manual transactional work</b></p>	<ul style="list-style-type: none"> <li>▪ Leases, fixed assets, bank reconciliations etc. maintained on spreadsheets.</li> <li>▪ Absence of appropriate systems in relation to human resources. Current practice of using spreadsheets presents risks in relation to access to and control over this data.</li> </ul>
<p style="text-align: center;"><b>Budget-holders maintaining own records</b></p>	<ul style="list-style-type: none"> <li>▪ Many budget holders in schools and colleges maintain a record of their own income and expenditure on spreadsheets in order to have sight and control over real time financial information. This is then verified back to the monthly financial reports issued by the finance department. This duplication of work is occurring due to the absence of an appropriate financial system.</li> </ul>

Source: Office of the Comptroller and Auditor General

## 5 Conclusions and recommendations

- 5.1** The 16 education and training boards, established in 2013, were formed from the aggregation of Ireland's 33 vocational education committees and the integration of the 16 FÁS training centres.
- 5.2** The rationalisation process offered opportunities for improvements in the development of ICT systems on a 'shared services' basis and in streamlining reporting arrangements to facilitate enhanced oversight by the Department. The reform programme has now been in place for six years and therefore it is opportune to review the financial management capability of the ETBs. The aim of the examination was to identify common challenges and examples of good practice that could be applied across the sector.

### Financial management maturity level

- 5.3** There is inconsistency between boards in relation to what is the most appropriate level of financial management maturity for ETBs. The examination found that boards considered varying levels of maturity as being the desired level.

#### Recommendation 5.1

The Department, in consultation with the ETBs, should set a standard level of financial management maturity for the sector, so that ETB boards and senior management have an appropriate target to work towards.

#### Accounting officer's response

Agreed.

The *Good Practice Guide* developed by the Office of the Comptroller and Auditor General in July 2018 recognises that the appropriate maturity level for an organisation is best determined by those responsible for governance.

While improvements have been made to support financial maturity in ETBs in recent years, the Department acknowledges the need for further progress in areas including financial monitoring and forecasting. The Department and ETBI have established a working group of Department officials and representatives of ETB finance officers, directors of organisational support and development and chief executives to review finance standards and best practice in ETBs and this group will assist in setting a standard of financial maturity for the sector using the framework. Having established the standards, the Department will engage with the sector on the implementation of the guidelines or standards in ETBs.

## Financial information and systems

- 5.4** The format of the financial statements for the ETB sector does not comply with generally accepted accounting practice. The accounts are largely cash based, and important information — for example, the value of assets owned — is not included.
- 5.5** The format of accounts is determined by the Department and is structured to reflect the current funding and system arrangements in ETBs. The Department intends that the move to financial management shared services will support better financial reporting arrangements for ETBs. In the interim, some improvements in the disclosure of properties used have been made in the templates for ETB financial statements.

### Recommendation 5.2

The Department should review the format of financial statements applied to ETBs and, in particular, consider the format that would best assist the users of the financial statements while complying with generally accepted accounting practice.

#### Accounting Officer's response

Agreed.

The Department is working with stakeholders to agree the future format of the financial statements and the changes required to underpin the production of the statements. This will inform the programme of work for financial management shared services for the sector.

- 5.6** Since their establishment in 2013, little progress has been made on developing appropriate financial systems in the ETB sector. ETBs operate largely on legacy financial systems which are inadequate for organisations of their size and complexity.
- 5.7** Pending the move to financial management shared services, a central group was established made up of ETB representatives, ETBI and the Department to improve the systems currently in place.

### Recommendation 5.3

Having developed a roadmap for future financial reporting requirements, the Department should progress the financial management shared services project as a matter of priority. This should include the setting of a realistic timeframe for implementation.

#### Accounting officer's response

Agreed.

The Department is currently reviewing the programme of work to support the implementation of financial management shared services including the timeline. This will be informed by experience on other large scale shared service projects. In the interim the Department is working to progress ETBs onto a single consolidated financial management platform which will support improved financial reporting.

## Key performance indicators

- 5.8** Suitable performance indicators are a critical element in the assessment of the extent to which an organisation is achieving its key business objectives.
- 5.9** SOLAS provides funding to ETBs for further education and training under a performance delivery agreement which specifies funding and the associated performance indicators. Historically, performance indicators had not been developed for other parts of ETB's activities including schools. The Department has stated that the effectiveness of education was measured through the work of the Department's Inspectorate. The Inspectorate monitors the quality of educational provision in schools for both school improvement and accountability purposes.
- 5.10** By the end of June 2020, the Department had put in place performance delivery agreements with each ETB. These agreements note that an ETB's service plan sets out the core activities and services to be delivered by the ETB in the year. The agreements provide for review at the end of 2020.

## Internal audit

- 5.11** The examination noted that the level of internal audit resources available to ETBs is limited. A number of Boards have concluded that the resources available are not adequate for organisations of their size and complexity.
- 5.12** In addition, the ETBs internal audit unit has in recent years experienced difficulty recruiting and retaining staff. However, the Department has stated that the number of staff in the unit had increased from four at the end of 2018 to nine in 2020.

### Recommendation 5.4

The Department should review the level of resources assigned to internal audit having regard to the risk universe including, inter alia, expenditure levels, the complexity of operations and risks arising in the ETB sector.

#### Accounting officer's response

Agreed.

Work in relation to supporting the internal audit function in ETBs has progressed significantly since 2018. The capacity of the internal audit unit has been strengthened and the approved staff complement has increased. City of Dublin ETB is also now within its remit, having previously had its own audit arrangements, which ensures consistency of practices across the sector.

In addition, while the recruitment and training of the internal audit staff occurred in 2018 and 2019, the Department continued to provide additional funding of €521,000 for externally sourced internal audit staff so that the number of internal audits undertaken in those years remained at an effective level.

The Department also supported the internal audit unit to undertake a strategic review of its staffing to ensure that it could operate as a fully functional unit with capacity to provide for the long-term needs of ETBs as they continue to grow. The review was undertaken by the Institute of Public Administration and the findings were shared with the Department in January 2020. The review is being considered by the Steering Committee of the internal audit unit with a focus on phased implementation as the needs of the unit grows. The Department is committed to supporting the unit to deliver on its statutory functions as auditor to the ETB sector.

### Board effectiveness

- 5.13** The review identified a number of issues to be addressed by the Department in relation to how ETB boards operate.
- 5.14** It was noted that improvements in attendance at board meetings is required. There are 21 members on ETB boards and even though meetings are held consistently with a quorum (i.e. at least 12 members), there is evidence to suggest that full attendance is not happening. In some instances, Section 36 (3) of the ETB Act 2013 has been applied. This section provides that with exceptions including illness, ‘a person shall be taken to have resigned as a member of an education and training board where the person is absent from meetings of the board held during any 6 consecutive month period.’
- 5.15** The Education and Training Boards Act 2013 sets out how boards of ETBs are to be established, the composition of those boards to reflect the nature of their work and the focus on having local representatives, staff, parents and bodies nominated by the Minister as members. The examination found that the level of financial management skills and experience at board level was variable and that although training was provided to board members in 2017, financial management had not been a significant element of the training provided.
- 5.16** New boards were established following the local elections in May 2019. The Department had planned to deliver training for board members early in 2020 but this has been delayed due to restrictions imposed by the COVID-19 pandemic.
- 5.17** Board members often receive a large volume of information which is difficult to navigate. In contrast, the financial information included in board papers is typically a one-page document which does not include any narrative information to explain the figures therein.

### Recommendation 5.5

The Department should formulate proposals, which may include proposals to amend legislation, to ensure that there is an increased level of financial management capability at board level.

#### Accounting Officer’s response

Agreed.

The ETB Act 2013 sets out how boards of ETBs are established including the composition of the boards. This report acknowledges the legislative basis for the composition of the boards and also recognises that training to board members was provided in 2017 with a further focus on training in 2020 to reflect the updated *Code of Practice for the Governance of Education and Training Boards*.

The Department is committed to supporting boards of ETBs to have skill set necessary to be effective board members, including in matters of financial management.

In addition, the *Code of Practice for the Governance of Education and Training Boards* deals with the identification of skills gaps by board members and addressing these gaps:

Section 4.2 Skills and knowledge: Board members should be encouraged to develop and update appropriate skills and knowledge regarding the activities of the ETB, to enable them to discharge their respective duties and responsibilities effectively. This should include identification by the Board of any gaps in competencies and ways these gaps could be addressed.

Furthermore, the finance and audit and risk committees, who support the board in their work have specific provisions in the code to encourage them to take in members from outside the board and recommends appointment of additional members where specialist skills are needed. This recommendation is mirrored in the template terms of reference for both committees which forms an appendix to the code.

Gaps in skills sets are best addressed through the provision of additional supports to boards such as training and the Department will support individual ETB boards who, having identified skill gaps, require that support.

#### **Recommendation 5.6**

The Department should set out the key financial management skills required by board members and develop a training programme to foster the skills and competencies identified.

#### **Accounting Officer's response**

Agreed.

The Department has supported the roll out of the *Code of Practice for the Governance of Education and Training Boards* through funding for a training programme run by ETBI tailored to the specific role of board members, audit and risk committee and finance committee members as well as staff in ETBs. The training was due to be delivered early in 2020 but has been delayed due to the impact of COVID-19 restrictions.

The Department recognises that ongoing training and support is required for ETB boards and is committed to supporting this. The Department will supplement existing training with a particular focus on financial management skills utilising the established ETBI Finance forum.

**Recommendation 5.7**

The Department should develop a template 'board pack' setting out the key information that should be presented and the presentational principles that should apply, including the use of executive summaries to draw board members' attention to key issues.

**Accounting Officer's response**

Agreed.

The Department will work with ETBI and the ETB sector to develop a template board pack with the key information required including the need for summaries to assist board members with understanding of key issues. This will be finalised and put in place during 2020.



## Opportunities for improved ETB performance

- 5.18** Based on findings in respect of the selected sample, the review identified opportunities for individual ETBs to improve their financial governance and reporting practices in a number of areas (see Figure 5.1).

**Figure 5.1 Opportunities for improved performance for individual ETBs**

Issue	Opportunity for improvement
<p>Opportunities for improvement in the attendance rates at board meetings.</p>	<p>Individual boards should re-emphasise the requirement for attendance at all board meetings as per the <i>Code of Practice for the Governance of Education and Training Boards</i>.</p>
<p>It was noted that the boards had carried out self-assessments of their performance in three of the five ETBs examined.</p>	<p>All boards should carry out self-assessments, using the questionnaire included in the <i>Code of Practice for the Governance of Education and Training Boards</i>, to identify areas where improvements are required.</p>
<p>The level of financial expertise on audit and finance committees varied across ETBs, with some committees having up to three qualified accountants and one not having any.</p>	<p>Appointments to audit and finance committees should be made by the board in consultation with committee chairs. External members of committees should bring the required audit and financial skills and experience to the role.</p>
<p>In some of the ETBs examined, it was noted that subcommittees delivered verbal briefings at board meetings, rather than submitting written reports, as required under the <i>Code of Practice for the Governance of Education and Training Boards</i>.</p>	<p>The chair of each board should ensure that board members are provided with written reports on the work carried out by finance and audit committees.</p>
<p>The audit committee in just one of the five ETBs examined had carried out a self-assessment of its own effectiveness.</p>	<p>The chairs of both the audit committee and the finance committee should ensure that a self-assessment exercise is completed annually.</p>
<p>Scope to improve financial management capability within the organisation.</p>	<p>When recruiting staff to the finance function there is a need to include a requirement for finance specific skills and expertise.</p>
<p>Reporting deadlines set by the Department are not always adhered to due to the complexities involved in gathering the information requested.</p>	<p>Reporting deadlines set by the Department should be adhered to and the information being sought by the Department should be streamlined to assist in this regard.</p>
<p>The <i>Code of Practice for the Governance of Education and Training Boards</i> states that each ETB should develop a risk management policy and that the board should approve the risk management framework and monitor its effectiveness. During the examination it was noted that risk management processes were in some cases underdeveloped.</p>	<p>The board of each ETB should ensure that there is an ongoing process designed to identify and address significant risks involved in achieving an entity's outcomes. The audit and risk committee should support the board in this role.</p>
<p>Lapses in internal controls were noted in areas such as procurement, payroll and travel and subsistence.</p>	<p>The board of each ETB should ensure that it receives adequate assurance that specified controls are operating as intended.</p>
<p>It was noted that there was no training manager in place, no overall training needs analysis carried out and no formal training programme on financial management in any of the ETBs examined.</p>	<p>The chief executive should ensure that</p> <ul style="list-style-type: none"> <li>• a member of staff is appointed as the training manager</li> <li>• training needs analysis in financial management is carried out on an annual basis</li> <li>• a training programme on financial management is developed and implemented.</li> </ul>

**Recommendation 5.8**

The Department should disseminate opportunities for improved performance to all ETBs and should monitor their implementation.

**Accounting Officer's response**

Agreed.

The Department will circulate the opportunities for improved performances as outlined to the ETBs and will include reporting on them as specific key performance indicators in the performance delivery agreements for ETBs for 2021. These areas for improvement will also be taken into account in the shared services work programme.

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## **Appendices**

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## Appendix A

Figure A.1 Financial management by maturity level

			Level 4: Professional	Level 5: Leading edge
		<b>Level 3: Adequate</b>	<b>Appropriate for many organisations</b>	<b>Highly sophisticated — few organisations need to operate at this level.</b>
		<b>Level 2: Basic</b>	The organisation has in place professional financial management practices which enable it to cope effectively in challenging times and will identify some opportunities to improve its performance.	The organisation has in place financial management practices that are leading edge and allow it to anticipate both challenges and key opportunities, in order to optimise its performance.
<b>Level 1: Inadequate</b>	<b>Inadequate for almost all organisations</b>	<b>May be adequate for some organisations</b>	<b>As a result</b>	<b>As a result</b>
<b>Inadequate for all organisations</b> The organisation has some financial management practices in place but they are inadequate in that there are many gaps which affect the day to day running of the organisation.	The organisation has in place financial management practices that are basic and allow it to function on a day to day basis but do not support the organisation to develop.	The organisation has in place financial management practices that are adequate in supporting the business under stable circumstances, and enable it to develop but will not be sufficient in challenging times.	<ul style="list-style-type: none"> <li>▪ the organisation responds to challenge in good time</li> <li>▪ most programmes are delivered on time and to expected cost and quality levels.</li> </ul>	<ul style="list-style-type: none"> <li>▪ the organisation anticipates and responds to challenges</li> <li>▪ it delivers programmes to time, cost and planned level of quality</li> <li>▪ it seeks efficiencies and improves services while minimising cost increases.</li> </ul>
<b>As a result</b>	<b>As a result</b>	<b>As a result</b>		
<ul style="list-style-type: none"> <li>▪ budgets are overspent</li> <li>▪ projects overrun in cost and time</li> <li>▪ expected benefits are often not delivered.</li> </ul>	<ul style="list-style-type: none"> <li>▪ there is an awareness of issues with current financial management processes</li> <li>▪ project overspend is identified too late to address the underlying causes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ the organisation manages well in a stable environment, but is challenged by change</li> <li>▪ programmes are not always delivered to time, cost and quality targets.</li> </ul>		

Source: Office of the Comptroller and Auditor General

## Appendix B

**Figure B.1 Reserved functions of ETB board**

- (a) A request by an education and training board for a name by which the board may describe itself for operational purposes
- (b) Appointment of a chief executive
- (c) Suspension of a chief executive
- (d) Establishment of a scholarship
- (e) Giving of an opinion in relation to persons affected by the operation of the strategy statement, persons likely to have a significant interest in the implementation of the strategy statement and the adoption (with or without modifications) of a strategy statement
- (f) Adoption of an annual report
- (g) Acceptance of gifts or being constituted as a trustee
- (h) A decision to authorise the attendance by a member at a conference, seminar, meeting or event
- (i) In relation to a committee established
  - (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,
  - (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
- (j) Adoption of an annual service plan
- (k) Power to borrow money
- (l) Keeping of accounts
- (m) 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
- (n) the acquisition, holding and disposal of land, or any interest in land

Source: Section 12 (2), Education and Training Boards Act 2013