Code of Governance

for Subsidiary Companies of Irish Universities

2021

BOARD EXCELLENCE
Supporting boards excel in effectiveness, governance and performance

iua IRISH UNIVERSITIES ASSOCIATION

HEA HIGHER EDUCATION AUTHORITY
AN tÚDARÁS um ARD-OIDEACHAS

Contents

Preface

Good governance arrangements are essential for organisations large and small and whether operating in the public or private sector. Governance comprises the systems and procedures under which organisations are directed and controlled. A robust system of governance is vital in order to enable organisations to operate effectively and to discharge their responsibilities as regards transparency and accountability to those they serve.

Given their pivotal role in society and in national economic and social development, together with their reliance on public as well as private funding, good governance is particularly important in the case of universities.

In 2017, the IUA commenced the revision of the Code for the Governance of Irish Universities 2012, bringing it in line with the revised 2016 Code of Practice for the Governance of State Bodies. The revised IUA Code of Governance for Irish Universities is effective from January 2019 and provides a framework for the application of best practice in corporate governance by Universities. The Annex to the 2016 Code of Practice for the Governance of State Bodies on Gender Balance, Diversity and Inclusion was published in September 2020.

Universities and their subsidiaries are required to confirm to the Minister for Further and Higher Education, Research, Innovation and Science and the HEA, as appropriate, that they comply with the Code of Governance for Irish Universities, which takes account of the Code of Practice for the Governance of State Bodies, in their governance practices and procedures.

Both of these Codes are living documents that will evolve in line with best practice. The most recent version of the Code of Practice for the Governance of State Bodies is available on the Department of Public Expenditure and Reform Government Accounting website (govacc.per.gov.ie/governance-of-state-bodies). The most recent version of Code of Governance for Irish Universities is available on the IUA website.

Introduction

The IUA Code of Governance for Irish Universities 2019 states that:

> "Good governance should be seen as an aid to performance and effectiveness. It is not there to inhibit enterprise or innovation. Good governance arrangements necessarily involve having appropriate checks and balances in relation to decision-making in the institutions, so as to safeguard the collective responsibility of the Governing Authority."[1]

The collective responsibility of the Governing Authority of a parent university extends to oversight of and reporting on the governance of its subsidiaries.

This Code of Governance for Subsidiary Companies of Irish Universities is hereafter referred to as "the Code". It is intended that this document will also be a living document and evolve over time in line with both best practice and legislative changes. The most recent version of this Code is available on the IUA website [here].

About this Code

Subsidiary companies of Irish Universities are established for many purposes and vary in size and complexity. This Code has been developed under the IUA/Board Excellence Governance Support Programme funded by the HEA and provides a framework for the application of best practice in corporate governance by subsidiary companies of Irish Universities.

The Code comprises of:

- Guiding principles of governance, which apply to all subsidiary companies;
- Core Provisions that all subsidiaries are expected to meet when implementing the principles – See Tier 1 companies below; and
- Additional Provisions that reflect best practice for subsidiaries that do not come within the Companies Act 2014 definition of a Small Company - See Tier 2 companies below.

[1] *Code of Governance for Irish Universities, page 5*

The Additional Provisions apply to larger sized subsidiaries and reflect best practice for companies with significant levels of income and/or significant numbers of employees and/or complex organisational and funding structures.

The boards of subsidiary companies should demonstrate their commitment to achieving the highest possible standards of corporate governance and adapt the provisions of the Code to their specific circumstances. Consideration should also be given by Tier 1 companies to adopting some of the Additional Provisions depending on the level of activities in the Company e.g. Additional Provision 11.6 where the number of employees exceeds 50.

Tier 1 subsidiary	**Tier 2 subsidiary**
Limited scope of activities to meet its purpose	Broad scope of activities – provides a number of different services/types of goods
Not exceeding two of three criteria for current and preceding year as defined for a Small Company, Companies Act 2014 as amended. The current criteria are: • Turnover < €12m • Balance Sheet total (fixed and current assets) <€6m • Average Employee numbers <50	Exceeding two of three criteria for current and preceding year as defined for a Small Company, Companies Act 2014 as amended. The current criteria are: • Turnover < €12m • Balance Sheet total (fixed and current assets) <€6m • Average Employee numbers <50

The Code sets out the requirements for subsidiaries under the Code for Governance for Irish Universities in addition to the duties and obligations under the Companies Act 2014 and the Charities Act 2009 as appropriate. The provisions of this Code do not override existing statutory requirements and other obligations imposed by the Companies Act 2014, Ethics in Public Office legislation, and any other relevant legislation (e.g. equality legislation, employment legislation, etc.). Subsidiaries incorporated outside Ireland will be subject to applicable local legal and regulatory requirements.

The Code contains Sample Documents that should be replaced by localised documents taking into account the requirements of the parent university and the subsidiary.

Oversight Agreements and Compliance Requirements

Clear accountability underpins effective relations between the universities and their subsidiaries. Effective accountability depends upon respective roles and responsibilities being clearly defined and understood by both sides.

A formal Service Level Agreement ("SLA") should be put in place that, together with the Constitution of the subsidiary company, clearly defines the roles and responsibilities of each side. The Constitution is a formal document and represents a binding agreement between the company and its shareholders and officers. It sets out:

- the rules governing the subsidiary company;
- the rules and regulations of how the subsidiary company is to be internally governed including the appointment of directors;
- how it will conduct its business activities; and
- defines the relationship between the company, shareholders, director and other officers of the company.

The SLA sets out the:

- basis of appointment of the subsidiary company for the provision of goods and/or services;
- the environment in which the subsidiary company operates (e.g. commercial, non-commercial, regulatory);
- the purpose and responsibilities of the subsidiary company;
- the subsidiary company's required level of compliance with this Code as a Tier 1 or Tier 2 company with details of any derogations;
- details of the obligations of the subsidiary company and the parent university (e.g. outputs to be delivered, supports to be provided);
- details of the Dispute Resolution Mechanism for dealing with disputes with the parent university; and

- arrangements for oversight, monitoring and reporting on conformity with Government policy, including those actions and areas of expenditure where prior sanction from the parent university or relevant Government Department is required.

See *Appendix A* for Sample contents of Service Level Agreement.

Comply or Explain

Exemptions from specific provisions in this Code may be justified in certain situations provided the objectives of those provisions can be achieved by other governance measures. The Board of the subsidiary company should provide an Annual Governance Statement (as detailed in Appendix B) to be discussed and agreed with the parent university. In the event of non-compliance by the subsidiary company with any provision of this Code the parent university may accept such non-compliance as permanent derogations or the timeline for full compliance indicated.

1.

Role of the Board

Guiding Principles

Each subsidiary company ("Company") that is set up by a parent university under the Companies Act 2014 should have a clear purpose and must confirm annually to the parent university that

> "...it continues to operate solely for the purpose as approved…, remains and continues to remain in full compliance with the terms and conditions of the consent under which it was approved."[2]

The Companies Act 2014 sets out the roles and responsibilities of the shareholders, directors and other officers of the company and these are contained in the Constitution of the Company which may be amended to disapply or vary certain default provisions as required by the parent university.

The Board should act collectively on a fully informed and ethical basis, in good faith, with due diligence and care, and in the best interest of the Company having due regard to its legal responsibilities under the Companies Act 2014 and the objectives set by its parent university.

A separate SLA should be put in place to set out the formal relationship between the parent university and the Company.

The Board should fulfilll key functions within its remit, including: reviewing and guiding strategic direction and major plans of action; identifying opportunities to create and preserve value; risk management policies and procedures; external audit planning and implementation; annual budgets and business plans; setting performance objectives; monitoring implementation and performance; and overseeing major capital expenditure and investment decisions.

The Board, with the approval of the parent university, should, if appropriate, appoint a Chief Executive Officer ("CEO") to manage and direct the activities of the company. The role and responsibilities of the CEO are set out in Section 5.

The Board should work to build a strong, trusting relationship with the CEO and executive team and promote the development of the capacity of the subsidiary company including the capability of its leadership and staff.

[2] *Code of Governance for Irish Universities 2019, page 132*

Core Provisions

1.1 Leadership: The Board's role is to provide leadership and direction to the company and foster effective stakeholder relationships aligned to the purpose for which the subsidiary was established, within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board should support the CEO and executive team to develop a strategic plan and, once approved, should monitor its implementation with appropriate Key Performance Indicators.

1.2 Ethical Standards: The Board has a key role in setting the ethical tone of the company, not only by its own actions but also in setting an example for senior executives and staff. High ethical standards are in the long-term interests of the company and its parent university and a key means to help maintain a high level of credibility and trustworthiness. The Board should lead by example and ensure that good standards of governance and ethical behaviours permeate all levels of the company.

1.3 Compliance: The Board should review the controls and procedures adopted by the Company to provide itself with reasonable assurance that such controls and procedures are adequate to secure compliance by the company with the Companies Act 2014, this Code, other relevant legislation, codes and guidelines.

1.4 Collective Responsibility: The collective responsibility and authority of the Board should be safeguarded. In order to fulfil its collective role and responsibilities a strong board is one where challenge, support, diversity of thought and teamwork are essential features. Excessive influence on Board decision-making by individual members should be avoided, while allowing Board members the opportunity to fully contribute to Board deliberations.

1.5 Board Oversight Role: The Board should be supplied, in a timely fashion, with information which is of a suitable quality to enable Board members to discharge their duties satisfactorily. The CEO and executive team have a duty to provide the Board with all necessary information to enable the Board (and its Committees, if any) in the performance of their governance role to a high standard. The Board should take all necessary steps to make themselves aware of any relevant information and request access to all information as necessary.

1.6 Reporting to parent university: The Board should ensure that the parent university is kept advised of matters arising in respect of the company that may be relevant for the parent university and its obligations to the HEA.

Additional Provisions applicable to Tier 2 Subsidiaries

1.7 Collective Responsibility: An open, trusting relationship should be developed with constructive challenge and debate on significant matters to avoid the risk of 'group-think' and allow for well-reasoned decisions to be reached in a transparent manner.

Core Provisions

Matters for Decision of the Board of Directors

1.8 Matters for Decision of the Board of Directors: An effective Board should manage the conflict between short-term interests and the long-term impacts of its decisions and it should assess shareholder and stakeholder interests from the perspective of the long-term sustainable success of the company.[3]

Regular Board meetings are essential for the Board to discharge its duties effectively and to allow adequate time for consideration of all the issues falling within its remit. A formal schedule of matters reserved for its decision will assist the Board's planning and provide clarity to all over where responsibility for decision-making lies.[4] These matters should be included in the Constitution of the company or the SLA and fall under the following main headings:

1. Strategy and management
2. Financial reporting and controls
3. Governance and risk management
4. Transactions e.g. capital projects
5. Communication
6. Board membership and other appointments
7. Delegation of authority

See detailed list in contained in Appendix C.

[3] *FRC, Guidance on Board Effectiveness 2018. Page 3*
[4] *Adapted from the FRC, Guidance on Board Effectiveness 2018. Page*

Matters for Decision of the Parent University

1.9 Matters for Decision of the Parent University: These matters should be included in the Constitution of the company or the SLA:

1. Changes to the structure, size and composition of the Board.

2. Changes to the Constitution.

3. Approval from the parent university for all borrowings, including company overdraft facilities.

4. Entering into a joint venture or setting up a subsidiary company.

5. The nomination or direction for removal of Directors of the company.

6. The nomination or direction for the removal of the Company Secretary.

7. Appointment, reappointment or removal of the external auditor, and setting of the auditor's remuneration.

8. Appointment, reappointment or removal of the company's external legal advisor, if any.

9. Approval of capital projects, including the acquisition or disposal of assets and long-term lease commitments as appropriate.

10. Significant extension of the company's activities into new areas.

11. Any decision to cease to operate all or any material part of the company's business.

1.10 Statement on Internal Control: The Board has responsibility for ensuring that there is a sound system of internal management and control in place, including:

- managerial control systems, which may include defining policies, setting objectives and plans, setting Key Performance Indicators, and monitoring financial and other performance;

- financial and operational control systems and procedures which may include the physical safeguards of assets, segregation of duties, authority and approval procedures, and information systems.

The Statement on Internal Control should be prepared by the CEO, approved by the Board and reviewed by the external auditors engaged by the Board who should consider if the statement is consistent with the information of which they are aware from their audit work. The external auditors should report their findings accordingly in the annual financial statements.

1.11 Post Resignation/Retirement: The obligations of Board members regarding the non-disclosure of private and confidential information do not cease when membership of the Board ends. Such obligations could include the return of papers at the end of a Board member's term. This should be brought to the attention of Board members on their appointment to the Board.

1.12 Conflict of Interest: The Board should have procedures in place to monitor and manage potential conflicts of interest of Board members and management.

1.13 External Auditors: The Board has a responsibility to formally appoint and remove external auditors and set the auditors remuneration following the direction of the parent university. The Board should establish procedures for maintaining an appropriate relationship with the external auditors and be mindful of the requirements of the Comptroller and Auditor General, the external auditor of the parent university.

1.14 Protected Disclosures: The Board should be mindful that the parent university is required under Section 21 of the Protected Disclosures Act 2014 to establish and maintain procedures for the making of protected disclosures by its workers and for dealing with such disclosures.

Additional Provisions applicable to Tier 2 Subsidiaries

1.15 Expenditure and Performance: Decisions on major items of expenditure should be aligned with medium to long-term strategies. A performance measurement system should be put in place to assess the effectiveness/ outcome of such expenditure and this should be reported to the Board.

1.16 Terms of Reference: Board Committees, if any, should have written terms of reference which are reviewed regularly by the Board and updated as appropriate.

Statement of Strategy

Core Provisions

1.17 Strategic Plan: The Board is responsible for the approval of the company's strategic plan which should be for a period of three to five years, based on the company's purpose/ objects clause in the Constitution, its mission, vision and values statements. The Board should work with the CEO and the executive, on the development of the company's strategic plan and ensure that it is aligned with the strategy of the parent university and updated in line with its planning cycle.

1.18 Strategy Statement: Once approved by the board, the CEO and executive are responsible for implementing the strategic plan and reporting on progress as part of the CEO's regular reporting to the Board. The strategy statement should refer to the specific aims and targets included in the strategic plan, the expected outputs and outcomes, and the key performance indicators by which the achievement of the aims and targets is assessed.

1.19 Implementation: Implementation of the strategy by the CEO and executive of the company should be supported through an annual planning and budgeting cycle. The Board should approve annual programmes and budgets and should formally undertake an evaluation of actual performance by reference to the programme and/or budget on an annual basis.

Additional Provision applicable to Tier 2 Subsidiaries

1.20 Strategic Plan: The company's strategic plan, should set appropriate objectives, goals, and relevant indicators and targets against which performance can be clearly measured. The plan should provide for a mid-term review to ensure that it remains fit for purpose and that the key performance indicators continue to be meaningful for measuring the progress of the company's activities.

Division of Responsibilities

Guiding Principles

There should be a clear division of responsibilities between leading and managing the Board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision.[5]

[5] *Adapted from the FRC's UK Corporate Governance Code 2018, page 8*

Core Provision

1.21 Separation of Roles: The Chairperson plays a key role in leading and managing the Board but is not to be drawn into day-to-day executive management. For the Board to be effective, there must be a constructive and challenging working relationship between the Chairperson and the CEO. This relationship is central to the long-term successful operation of the company and is a key influence on Board effectiveness. The relationship should be mutually supportive, but must also incorporate the checks and balances imposed by the different roles each has within the company's constitution and SLA with the parent university. A formal document should be created, setting out the division of responsibilities to include a formal Signing Authority policy that clearly indicates the approval and signing authority position on the Board or within the company that has the authority to approve a proposal to commit or bind the company to a course of action or contract.

See Appendix C for Matters for Decision of the Board of Directors and Appendix D for sample Board Standing Orders.

2.

Role of the Chairperson

Guiding Principles

The Chairperson is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role.[6]

The Chairperson should display high standards of integrity and probity and set expectations regarding culture, values and behaviours for the company. The Chairperson is pivotal in creating the conditions for overall Board and individual director effectiveness, setting clear expectations concerning the style and tone of board discussions, ensuring the Board has effective decision-making processes and applies sufficient challenge to major proposals. It is up to the Chair to make certain that all directors are aware of their responsibilities and to hold meetings with the non-executive directors without the executives present at least twice per annum.

The Constitution may provide that the Chairperson has a casting vote when there is an equality of votes at a meeting.

The Chairperson should develop a productive working relationship with the CEO, providing support and advice, while respecting executive responsibility. [7]

Core provisions

2.1 Board's Agenda: The Chairperson and the Company Secretary are responsible for the effective management of the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairperson and the CEO should meet in advance of the Board meeting to agree the agenda that should be primarily focused on strategy and matters reserved for Board decision with appropriate time devoted to oversight and operational matters.

2.2 Openness and Debate: Essential to the effective functioning of the Board is dialogue which is both constructive and challenging. The Chairperson should promote a culture of openness and debate by facilitating the effective contribution of key senior executives and all Board members.

2.3 Timely Information: The Chairperson is responsible for ensuring that the Board receives accurate, timely and clear information. The Chairperson, should ensure effective communication with all relevant stakeholders.[8]

[6] *Taken from the FRC's UK Corporate Governance Code 2018, page 5*
[7] *Taken from the FRC's UK Corporate Governance Code 2018, page 18*
[8] *Adapted from the FRC's UK Corporate Governance Code 2018, page 8*

2.4 Board Skills: Where a Chairperson is of the view that specific skills are required on the Board, the parent university should be advised of this view for consideration sufficiently in advance of a time when vacancies are due to arise.

2.5 Information Flows: Under the direction of the Chairperson, the responsibilities of the Secretary of the Board include ensuring appropriate information flows within the Board and its committees, if any, and between the executive and Board members, as well as facilitating induction, mentoring and assisting with ongoing professional development as required.[9]

2.6 Annual Reporting Requirements: The Chairperson is responsible for ensuring that the Board meets its Annual Reporting Requirements, as further identified in this Code and as follows:

- Statutory Financial Statements: In accordance with Section 324 of the Companies Act 2014, the statutory financial statements should be approved by the Board, signed on its behalf by two directors, and be submitted to the Companies Registration Office and the parent university. The Board should be mindful of the obligations and deadlines for the submission of financial statements of the parent university to the Comptroller and Auditor General, the HEA and to the Minister.

  » Annual Governance Statement: The Chairperson should submit an annual formal Board approved and signed statement to the parent university that the:[10]

  » company continues to operate solely for the purpose as approved by the parent university, remains and continues to remain in full compliance with the terms and conditions of the consent under which it was approved; and

  » company is in compliance with this Code, with full explanations for any derogations clearly explained and identified as permanent derogations or the timeline for full compliance indicated.

  » Statement on Internal Control: The Board is required to confirm annually to the parent university, that the company has an appropriate system of internal and financial control in place as detailed in paragraph 1.11.

- Internal Reporting to the GA and other Parent University Committees

In line with best practice it is important that the GA has a deep understanding of the activities of its subsidiary companies. The Chair and the CEO of the company should provide formal reports to include:

[9] Adapted from the FRC's UK Corporate Governance Code 2018, page 13
[10] Code of Governance for Irish Universities 2019, page 132

- Regular reporting to the parent university management team in the format of a structured executive summary report covering:
- Financial – up to date financials with comparison against target and revised forecast to year end if required;
- Strategic – summary of the overall execution of the key pillars of the subsidiary strategic plan and work-plan to date;
- summary of significant challenges and new opportunities for the company;
- risk – High level summary of the risk register report (traffic light format); and
- summary of the report and response to any Internal and/or External Audit carried out during the previous 6 months if relevant.
- Annual direct reporting to the GA in the format of a structured executive summary report covering:
- brief overview of the company, its purpose and how it contributes to the parent university achieving its objectives under the Strategic Plan;
- review of the past year against targets – financial, risk etc;
- high level plans and objectives for the coming year with links to the parent university's strategic plan objectives;
- significant challenges and opportunities for the company; and
- provide an Annual Assurance Statement from the Board Chair of the company of compliance with this Code on a comply or explain basis.

3.

Role and responsibilities of the Company Secretary

Guiding Principles

The role of the Company Secretary should be seen as a support to the Board and is central to the smooth and efficient operation of the Board and its committees, if any.

The scale and scope of the role will depend on the size, nature and responsibilities of the company.

Core provisions

3.1 Company Secretary: The Board, in appointing a Company Secretary, has a duty to ensure that the person appointed has the skills necessary to discharge their statutory and legal duties, and such other duties as may be delegated by the Board. The SLA with the parent university should include any relevant details of the relationship with the Secretary of the Governing Authority.

3.2 Role of Company Secretary: The Company Secretary is responsible for ensuring that Board procedures are complied with, supporting the Chairperson in ensuring relevant information is made available to the Board and its committees, if any, and assisting the Board to function efficiently.

The Company Secretary may be assigned such functions and duties as may be delegated by the Board. The duties can be classified as follows:

- statutory duties;
- duty of disclosure;
- duty to exercise due care, skill and diligence; and
- administrative duties.

3.3 Governance: The Company Secretary is responsible for advising the Board through the Chairperson on all governance matters, including statutory obligations and regulations as appropriate.

3.4 Dispute resolution: The Board may provide for the role of the Company Secretary to include involvement in the company's dispute resolution process and details of the scale and scope of the role should be contained in the SLA with the parent university.

4.

Role of a Director of the Board

Guiding Principles

The Company should be headed by an effective Board which is collectively responsible for the long-term sustainability of the Company.

All Directors should bring an independent judgement to bear on issues such as strategy, performance, resources, key appointments, and standards of conduct.

Each Director should have sufficient time available to adequately prepare for each Board meeting, to discharge their responsibilities effectively and to fully engage in the induction programme provided to them.

Core provisions

4.1 Fiduciary Duty: All Directors have a fiduciary duty to the Company in the first instance (i.e. the duty to act in good faith and in the best interests of the Company).

The principle fiduciary duties include:

- to act in good faith in what the Director considers to be the interest of the Company;
- to act honestly and responsibly in relation to the conduct of the affairs of the Company;
- to act in accordance with the company's Constitution and exercise their powers only for the purposes allowed by law;
- not to benefit from or use the Company's property, information or opportunities for their own or anyone else's benefit, unless the Company's Constitution permits it, or a resolution is passed in a general meeting;
- not to agree to restrict the Director's power to exercise an independent judgement unless the Company's Constitution permits it, or a resolution is passed in a general meeting;
- to avoid any conflict between the Director's duties to the Company and the Director's other interests unless the Director is released from their duty to the Company in relation to the matter concerned by the Company's Constitution, or a resolution is passed in a general meeting;

- to exercise the care, skill and diligence which would be reasonably expected of a person in the same position with similar knowledge and experience as a Director. A Director may be held liable for any loss resulting from their negligent behaviour; and

- to have regard to interests of the Company's parent university shareholder.

The powers of governance and management of a Company are delegated to the Board by the parent university shareholder, and the Directors owe their duties, first and foremost, to the Company.

4.2 Subsidiary Boards and the Companies Act 2014: While the parent university of the Company is not incorporated under the Companies Act 2014, Boards of subsidiaries formed under the Companies' Acts must adhere with the specific duties and obligations they have under the Companies Act 2014. It is the responsibility of each Director to act in conformity with applicable provisions.

A Board member of a subsidiary company, as a company director, shall comply with the notification requirement to the Registrar of Companies upon becoming a Board member with a signed statement in the following terms:

> "I acknowledge that, as a director, I have legal duties and obligations imposed by the Companies Act, other statutes and common law".

Part 5 of the Companies Act 2014 consolidates the duties and responsibilities of directors in one unified code for clarity and transparency. The Companies Act, 2014 applies to all company directors, incorporated under the provisions of the Companies Act, 2014 or under any former company law enactment including those directors that have been formally appointed and to de facto directors. The Companies Act, 2014 applies the same legal responsibilities to every person who is appointed to the position of director and treats executive directors and non-executive directors in the same way.

The Companies Act 2014 also includes a number of general duties for Directors:

- Directors must ensure compliance with the Companies Act and the various tax acts.

- Directors must ensure that the Company Secretary is suitably qualified.

- Directors must acknowledge the existence of their duties by signing a declaration to that effect.

- Directors must take into account the interests of the members of the company and have regard to the interests of the employees.

- Restrictions on loans, quasi loans, credit transactions and certain guarantees and security exist for directors, but will be subject to the new summary approval procedure.

- Directors must disclose any interests in contracts made by the company.

- Directors must notify the company of any interests in shares in the company, its parent or subsidiary, but no obligation arises if the shares held represent less than 1% of the share capital of the company, or the shares do not have voting rights.

Directors who are found to be in breach of their duties will be liable to account for any gains accrued and must indemnify companies for losses resulting from any breaches of duties. A court may grant relief from liability where it is satisfied that a director acted honestly and reasonably at all times.

4.3 Non-compliance: The Board is responsible for ensuring compliance with all statutory obligations applicable to the company. Where individual Directors become aware of non-compliance with any such obligation, they should immediately bring this to the attention of the Chairperson and their fellow directors with a view to having the matter rectified.

The Chairperson should advise the parent university of the:

1. full details of the non-compliance;

2. the consequences of such non-compliance; and

3. the steps that have been or will be taken to rectify the position.

It is the responsibility of the Governing Authority of the parent university to decide if the matter should be brought to the attention of the HEA and the Minister.

The Board should be mindful that the parent university must notify the HEA without delay where:

1. there are serious weakness in controls that have not been addressed despite having been drawn to the attention of the Board or the Chairperson;

2. there is a significant strategic or reputational risk to the parent university that is not being addressed despite having been drawn to the attention of the Board or the Chairperson; and/or

3. there are serious concerns about possible illegality or fraud occurring in the Company that have not been addressed despite having been drawn to the attention of the Board or the Chairperson.

4.4 Professional Advice: The Board should lay down formal procedures whereby an individual Director or group of Directors, in the furtherance of their duties, may seek, in exceptional circumstances, independent legal or other professional advice at the reasonable expense of the company. The Company Secretary should deal with the matter in accordance with procedures to be laid down by the Board. The Board should have in place a procedure for recording the concerns of members that cannot be resolved.

4.5 Liability and protection from legal claims or proceedings: The Board should ensure that the Company /the parent university has a Directors and Officers liability insurance policy in place that covers the Directors for actual or alleged wrongful acts in managing the company and a copy of the annual statement should be provided on request.

4.6 Letter of Appointment: A formal standard letter of appointment should be issued to new Directors. The letter of appointment should include the following:

- role of the Board and that of a Director;
- the Board's terms of reference;
- duration of appointment and renewal provisions;
- the time commitment involved;
- conflict of interest rules, restrictions and confidentiality;
- level of remuneration, fees and expenses as applicable;
- process for seeking independent professional advice;
- Directors and Officers insurance;
- support and training to be provided;
- data protection requirements; and

- termination arrangements

The letter should be signed and returned to the Company Secretary for record. See Appendix E for sample letter.

4.7 Briefing for New Directors: On the appointment of new Directors, the Company Secretary should provide them with the following information in a suitable format of a member's handbook or guide:

- a formal schedule of matters reserved to the Board for decision;
- a copy of the SLA with the parent university;
- procedures for obtaining information on relevant new laws and regulations;
- procedures to be followed when, exceptionally, decisions are required between Board meetings;
- a schedule detailing the composition of any Board committees and their terms of reference;
- a statement explaining the Director's responsibilities in relation to the preparation and approval of the financial statements, and the Company's system of internal control and audit;
- a statement informing the Directors they have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed, and the applicable rules and regulations are complied with;
- code of ethics/conduct for the Board, including disclosure of Directors' interests and procedures for dealing with conflicts of interest;
- specific Company and parent university information;
- statutory reporting requirements;
- a copy of the most up-to-date version of this Code, together with any relevant legislation, circulars and/or guidance notes;
- a copy of the Directors and Officers Insurance policy;
- details of the procedures for payment of remuneration, fees and expenses if relevant; and

- any arrangements laid down by the Board for seeking independent professional advice.

4.8 Independent judgement: All Directors should bring an independent judgement to bear on issues such as strategy, performance, resources, key appointments, and standards of conduct. Section 7 of this Code sets out the approach to dealing with any business or other interests of a Director that could affect their independence.

4.9 Attendance Requirement: Directors appointed to the Board bring specific knowledge, skills, experiences and expertise to the deliberations of the Board (and its committees, if any) and this is only possible if members attend all Board meetings and contribute as appropriate. The Board should clarify an expectation of 100% attendance at all Board meetings and as part of the assignment of a new Director, evaluate attendance when the Director is due to be re-appointed. The Constitution should provide that where a Director is absent from Board meetings for six successive months without leave, that their office be vacated, as appropriate.

4.10 Access to the Company Secretary: All Directors should have independent access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are complied with. The Company Secretary is also responsible for the formal induction of new Board members and for organising mentoring and ongoing training for Board members where required. The Company Secretary must ensure that the Directors are fully aware of the appropriate rules, regulations and procedures of the Company and the parent university where relevant.

5.

Role of the Chief Executive Officer

Guiding Principles

The CEO reports directly to, and is accountable to, the Board for the performance of the Company.

The CEO with the senior executives is responsible for proposing the Company's strategy, for delivering the strategy as approved by the Board and for reporting on progress as part of the CEO's regular reporting to the Board.

The CEO has primary responsibility for setting an example to the Company's executives and staff, for communicating to them the expectations in respect of the company's culture, and for ensuring that operational policies and practices drive appropriate behaviour. They are responsible for supporting the Chair to make certain that appropriate standards of governance permeate through all parts of the organisation.

It is the responsibility of the CEO to ensure the Board knows the views of the senior executives on business issues in order to improve the standard of discussion in the boardroom and, prior to a final decision on an issue, explain in a balanced way any divergence of view.

The CEO should lead the senior executives in welcoming constructive challenge from non-executive Directors as an essential aspect of good governance, to test proposals in the light of their wider experience outside the Company.[11]

The CEO should support the Chairperson in fostering relationships based on trust, mutual respect and open communication between the senior executives and the non-executive directors.

Core provisions

5.1 Appointment, review and removal of the CEO: The CEO is appointed by the Board, subject to the consent of the President of the parent university and the terms of their employment contract with the Company. The removal of the CEO will be subject to the terms of their employment contract at the discretion of the board and subject to the consent of the President of the parent university.

In line with best practice, the Chairperson should carry out an annual formal appraisal of the CEO's performance and agree a development plan as required.

[11] *Adapted from the FRC's UK Guidance on Board Effectiveness 2018, page 21*

5.2 Responsibilities: The CEO is responsible for:

- maintaining strong, positive relationships with the Board, senior executives, staff and external stakeholders including the parent university;
- setting an example of Company's culture to the senior executives and staff of the Company and for ensuring that operational policies and practices drive appropriate behaviour;
- supporting the Chairperson to ensure that the Company's standards of governance are reflected by the senior executives and staff;
- the annual briefing to the Chairperson of the overall performance of the Company and its key senior executives; and
- supporting the Company Secretary in the induction of new Directors with structured briefings with the CEO and appropriate senior executives on the Company's business activities.[12]

The CEO is also responsible for ensuring that senior executives provide the Board with:

- accurate, timely and clear information that will enable the Directors to discharge their duties;
- the necessary resources for developing and updating their knowledge and capabilities; and
- appropriate knowledge of the Company, including access to Company operations and staff members as appropriate.[13]

[12] *Adapted from the FRC's UK Guidance on Board Effectiveness 2018, page 21*
[13] *Adapted from the FRC's UK Guidance on Board Effectiveness 2018, page 21*

6.

Board Effectiveness

Guiding Principles

The Board of the Company is responsible for the setting the strategic leadership and culture for the Company and oversight of its financial performance, risks and standards. The board must act in the best interests of the Company with due regard to the stakeholder interests including its staff and parent university.

The Board and its committees should have the appropriate balance of skills and knowledge to enable them to discharge their respective roles and responsibilities effectively.[14]

Directors should receive formal induction on joining the Board and should regularly update and refresh their skills and knowledge.[15]

The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.[16]

Directors need to be able to allocate sufficient time to discharge their responsibilities effectively.[17]

The Board should monitor the effective corporate governance performance of the Board and its committees.

Core provisions

6.1 Board Appointments: A company formed under the Companies Act 2014 must, generally, have a Board of at least two directors and a secretary. Control of Board appointments is included in the Matters for Decision of the Parent University at 1.10 above.

In line with best practice, the Board should consist of not less than five and not more than eight directors with the Chairperson and the majority of directors being external to the parent university, as appropriate. The size of the Board of a Tier 2 company, where a broad range of skills is required to meet the needs of the Company, may be increased by up to four additional directors to a maximum of twelve Directors, The Constitution of the company should contain the rules for the nomination, appointment, term of office, reappointment and disqualification of directors and alternate directors. The nomination process should provide that all directors be nominated by the President of the parent university and that at least fifty one percent of those nominated be external to the parent university, as appropriate.

[14] *Taken from the Financial Reporting Council's "UK Corporate Governance Code" 2016, page 10*
[15] *Taken from the Financial Reporting Council's "UK Corporate Governance Code" 2016, page 13*
[16] *Taken from the Financial Reporting Council's "UK Corporate Governance Code" 2016, page 13*
[17] *Taken from the Financial Reporting Council's "UK Corporate Governance Code" 2016, page 12*

6.2 Skills and Knowledge: Board members should have the appropriate skills and knowledge, updated as required, appropriate to the activities of the Company, to enable them to discharge their respective duties and responsibilities effectively. Appointments to the Board should be made using a skills-based competency framework to take into account the required mix of skills and experience to deliver on the activities and strategic plan of the company. This should include the identification by the Board of any gaps in competencies that should be notified to the Subsidiary Boards' Nominations Committee of the parent university so that any gaps could be addressed through future appointments. See Appendix F for more details.

6.3 Diversity: The parent university controls the nomination of Directors to the Board of the Company but should be mindful of the gender balance, diversity and inclusion provisions of the Annex to the Code of Practice for the Governance of State Bodies (2020) and apply its provisions as far as is practicable.

6.4 Terms of Appointment: Each Director, other than ex-officio Directors, should hold office for a period of four years. At the end of the four-year period, a Director's term may be extended by the President for a further four year period. The Constitution should provide for Directors to retire by rotation to promote regular refreshing of the Board's membership while protecting against loss of corporate knowledge with the re-appointment of Directors for a second term.

6.5 Performance Review: Monitoring of effective corporate governance by the Board includes continuous review of the internal structure of the Company to ensure that there are clear lines of accountability for management throughout the Company. The Board should undertake an annual self-assessment evaluation of its own performance and that of its committees. Evaluation of the Board should consider the balance of skills, experience, independence and knowledge of the parent university on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.[18] See Sample Self-Assessment Evaluation Questionnaire at Appendix G.

The Chairperson should act on the results of the performance evaluation by addressing any weaknesses identified through the Board annual self-assessment evaluation.

6.6 Appointment of Chairperson: The Chairperson should be nominated by the President of the parent university and appointed by the Board for a term of four years and may be re-appointed for a maximum of one further term, subject to a maximum service of eight years including time served as a director.

[18] *Adapted from the Financial Reporting Council's "UK Corporate Governance Code" 2016, page 14*

6.7 Frequency of Board Meetings: The Board should meet as often as is necessary to adequately carry out its statutory, fiduciary and governance duties. The frequency of meetings of the Board and its committees and the attendance of each Board member at Board meetings should be reported in the Annual Governance Statement. The Board should meet at least once annually without the Executive present to discuss any relevant matters.

Additional Provision applicable to Tier 2 Subsidiaries

6.8 Performance Review: An independent external evaluation proportionate to the size and requirements of the Company / Group Holding Company should be carried out at least once every four years.

7.

Codes of Conduct, Ethics in Public Office and Additional Disclosure of Interests by Board Directors

Guiding Principles

To ensure continued integrity and transparency, and to avoid public concern or loss of confidence, the Board should ensure that appropriate policies are in place so that Directors and staff take decisions objectively and steps are taken to avoid or deal with any potential conflicts of interest, whether actual or perceived.[19]

These policies should ensure that any potential or actual conflicts of interest arising in the case of decision-making by Directors and the Company's employees are addressed.

The Ethics in Public Office Acts 1995 and 2001 set out statutory obligations which apply to Public Bodies. While compliance with these Acts is not mandatory for subsidiary companies the parent university may wish to apply certain of these provisions to fulfill its own reporting requirements.

Core provisions

7.1 Codes of Conduct: It is strongly recommended that the Company has a written code of conduct for Directors and employees. The code should be brought to the attention of each director and employee, be available on its website and be reviewed regularly.

7.2 Scope of Application: The Code of Conduct should contain a description of nature, intent and scope of application of the Code and a statement of the guiding principles and obligations. Suggested guidelines for such a code are contained in Appendix H,

7.3 Compliance Requirements: The Code should refer to the need for Directors and employees to comply with any relevant legislative and regulatory requirements.

7.4 Ethics and the Board: The Board and its Directors must comply with the requirements of the Companies Act 2014 as outlined in Section 1 above.

In addition, the parent university may apply certain provisions of the Ethics in Public Office Acts, 1995 and 2001 and Appendix I includes an outline of the obligations under the Acts.

7.5 Conflicts of Interest: The Code of Conduct should set out the procedures for the disclosure of all relevant interests by Directors, which pose a real or potential risk for conflict of interest or could materially influence the member in the performance of their functions as a Director of the Company.

[19] *Adapted from "International Framework: Good Governance in the Public Sector" (IFAC/CIPFA, July 2014) pages 13-14*

The code should be brought to the attention of Directors on their appointment and as part of their induction training.

7.6 Non-disclosure of Information: The Code of Conduct should make clear that certain obligations to the Company, regarding in particular the non-disclosure of privileged or confidential information, do not cease when the Directors term of office expires.

7.7 Document Retention: Former Directors of the Company should not retain documentation obtained during their terms of office as Directors and should return such documentation to the Company Secretary or otherwise indicate to the Secretary that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former Directors require access to papers from the time of their term on the Board, this can be facilitated by the Company Secretary.

7.8 Disclosure of Interests by Directors: The Company Secretary should maintain a confidential register of any disclosures that its Directors have made of interests that any of them may have in the contracts and proposed contracts of the company, if that interest may reasonably be regarded as likely to give rise to a conflict of interest. Access to the register should be limited to the Chairperson and Company Secretary and to other Board members on a strictly need to know basis.

If a Director has a doubt as to whether an interest should be disclosed, they should consult with the Chairperson and/or Company Secretary as appropriate.

A Director should not attend the meeting when the Board is deliberating or deciding on matters in which that Director has declared a material interest and should not take part in any deliberation or decision of the Board in relation to those matters. In such cases consideration should be given as to whether a separate record (to which the Director would not have access) should be maintained.

8.

Business and Financial Reporting

Guiding Principles

Taking account of public accountability and the special considerations which attach to subsidiaries of Universities in relation to their management and operation, the annual report, in the form of the financial statements, taken as a whole, should be fair, balanced and understandable and provide the information necessary for an assessment of the Company's financial performance, financial position, business model and strategy.[20]

A fundamental duty of the Board is to ensure that a balanced, true and fair view of the Company's financial performance and financial position is made when preparing the financial statements of the Company.

The Board should ensure that timely and accurate disclosure is made to the Governing Authority of the parent university on all material matters regarding the Company, including the business context, financial performance and position, and governance of the Company.[21]

Core provisions

8.1 Financial Statements: The Board of the Company is required to arrange for the preparation of the financial statements, that include a Director's Report, in respect of each financial year. The annual financial statements are prepared from the information contained in the Company's accounting records and other relevant information and in accordance with the accounting standards applicable to the Company. They are a formal record of the financial performance and financial position of the Company.

The Board should be mindful that the financial statements of the parent university, of which the Company's results form part, are audited by the Comptroller and Auditor General.

8.2 "True and Fair View": The Board must present the Company's financial statements that give a true and fair view of the income, expenditure (financial performance), assets, liabilities and capital (financial position) of the Company as at the financial year end.

Reference to financial statements giving a "true and fair view" means that the financial statements present fairly the income and expenses (financial performance), assets, liabilities and capital (financial position), and cash flows of the Company.

[20] *Adapted from the Financial Reporting Council's "UK Corporate Governance Code" (2016) page 16*
[21] *Adapted from "G20/OECD Principles of Corporate Governance" (OECD, September 2015) page 41*

In order for a set of financial statements to give a true and fair view they should: [22]

- comply with the accounting standards applicable to the Company;
- incorporate judgement as to valuation, disclosure, and materiality that aim to give a true and fair view;
- be prudent in the consideration of matters of judgement in the financial statements, especially where there is uncertainty; and
- ensure that the financial statements reflect the commercial substance of transactions, and not just their legal form.

8.3 Audit Requirements: The Company may be required to appoint an external, independent auditor, subject to the provisions of the SLA as directed by the parent university. See Matters for Decision of the Parent University at 1.9 above.

8.5 Audited Financial Statements: All subsidiary companies are required to prepare audited financial statements, in accordance with the Companies Act 2014 unless the parent university and its subsidiary companies qualify as a small group.[23] Having conducted an examination of the financial statements, the external auditor is required to report to the Board of the Company. In that report, the auditor is required to form an opinion on a number of matters including, for example, whether the financial statements give a true and fair view and whether the financial statements are in agreement with the underlying accounting records.

8.6 Additional Disclosures in the Financial Statements: The external auditor will advise on to disclosure requirements in the Company's audited financial statements under governing legislation, applicable accounting standards and other regulations applying to the Company. It is likely that the subsidiary will be able to avail of the reduced disclosure requirements provided for in FRS 102.

8.7 Approval and Signature of Financial Statements: Where the Directors of the Company are satisfied that the financial statements of the Company give a true and fair view and otherwise comply with the Companies Act 2014 and relevant accounting standards and regulations, those statements should be approved by the board of directors and signed on their behalf by two directors.

8.8 Annual General Meeting ("AGM"): A company must hold an AGM every calendar year and the length of time between one AGM and the next cannot be more than fifteen months.

[22] *Adapted from the "The Principal Duties and Powers of Company Directors under the Companies Act" (ODCE, 2015)*
[23] *Companies Act S.358-360.*

The main business conducted at AGMs is:

- reviewing the company's financial statements and Director's Report;
- filling vacancies on the Board;
- appointing auditors and approving remuneration; and
- declaring a dividend to shareholders if relevant.

8.9 Deadlines: The Board should ensure that the audited financial statements are presented to the parent university on a timely basis in advance of the Governing Authority's reporting deadline. Where the audit has been unavoidably delayed the Company must consult with the parent university so that relevant deadline can be extended. The Board should be mindful of the parent university's obligations to the C&AG and avoid if possible any delay in completing the audit.

9.

Risk Management, Internal Control, Internal Audit and Audit and/or Risk Management Committees

Guiding Principles

The Board should have formal and transparent arrangements for governance, risk management and internal control and for maintaining an appropriate relationship with the external auditors.

Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving the Company's outcomes.[24]

Advising on key risk is a matter for the Board and the role of the Board includes oversight of the management of risk by the CEO and management team. It is expected that the majority of subsidiary companies of Irish universities will not be obliged to meet the requirements of S 167, Companies Act 2014 which requires the company to establish an audit committee if the balance sheet total exceeds €25m and the turnover of the company exceeds €50m. The Board is responsible for ensuring that a robust system of risk management and internal control is in place and should seek support from the Audit and Risk Committee of the parent university as required. Where the Company does not have an in-house Audit and Risk Committee, oversight responsibility remains with the Board of the Company.

Core provisions

9.1 Risk Management Policy: Each Company should develop a Risk Management Policy, taking into account the size and complexity of the Company's activities, and the Board should approve the risk management framework and monitor its effectiveness.

9.2 Risk Management: It is the responsibility of the Board to ensure that a robust system of risk management is in place in the Company commensurate to the size and complexity of the Company's activities.

9.3 Internal Control: The Board is responsible for ensuring that effective systems of internal control are implemented in the Company including financial, operational and compliance controls and risk management.

Additional Provisions applicable to Tier 2 Subsidiaries

9.4 Risk Management Policy: The Board should review material risk incidents and note or approve management's actions, as appropriate.

[24] *"International Framework: Good Governance in the Public Sector" (IFAC/CIPFA, July 2014) page 27*

9.5 Risk Management: A robust system of risk management for a Tier 2 company would include:

- advising the parent university of the need to include risk management experience/expertise in the competencies of at least one Board member. Where composition of the Board does not allow for this, expert advice should be sought from the parent university;
- the identification of risks that threaten the achievement of the Company's objectives;
- the evaluation of the likelihood of occurrence and potential impact of the risks identified;
- the segregation of risks according to their gravity;
- an appraisal of the techniques employed to manage the major risks and to identify any further steps that should be taken;
- an appraisal of the levels of residual risk - after the application of mitigation techniques - and whether the residual risk is acceptable;
- continuous monitoring of the effectiveness of controls and management techniques; and
- decision-making informed by the risk management process.
- The Board should make a provision for:
- approving the risk management policy, setting the Company's risk appetite and monitoring its effectiveness, and approving the risk management plan and risk register at least annually;
- reviewing material risk incidents and noting actions taken to deal with them;
- making risk management a standing item on the Board meeting agenda ;
- taking into account the size and complexity of the Company's activities, if required arranging an external review of the effectiveness of the risk management framework on a periodic basis; and
- confirming in the Annual Governance Statement that the Board has carried out an assessment of the Company's principal risks, including a description of these risks, and associated mitigation measures or strategies.

9.6 Internal Control: The Board is responsible for ensuring that effective systems of internal control are implemented in the Company including financial, operational and compliance controls and risk management commensurate to the size and complexity of the Company's activities. The following are the key internal control procedures designed to provide effective internal control:

- the steps taken to ensure an appropriate control environment (such as clearly defined management responsibilities and evidence of reaction to control failures);
- processes used to identify business risks and to evaluate their financial implications;
- details of the major information systems in place such as budgets, and means of comparing actual results with budgets during the year;
- the procedures for addressing the financial implications of major business risks (such as financial instructions and notes of procedures, delegation practices such as authorisation limits, segregation of duties and methods of preventing and detecting fraud); and
- the procedures for monitoring the effectiveness of the internal control system which may include: the parent university's Audit and Risk Management Committee, management reviews, consultancy, inspection and review studies.

9.7 Annual Review of Effectiveness of Internal Control: The Board should review on an annual periodic basis the effectiveness of the Company's system of internal controls, including financial, operational and compliance controls and risk management.

The annual review of effectiveness should consider the following:[25]

- changes since the last review in the nature and extent of significant risks and the ability of the Company to respond effectively to changes in its business and external environment;
- the scope and quality of management's ongoing monitoring of risks and the system of internal control and, where applicable, the work of its Internal Audit Function and other providers of assurance;
- the extent and frequency of the communication of the results of the monitoring to the Board, or Board committees, which enables it to build up a cumulative assessment of the state of control in the Company and the effectiveness with which risk is being managed;

[25] *Adapted from "Internal Control: Revised Guidance for Directors on the Combined Code" (FRC, October 2005) paragraph 29*

- the incidence of significant control failings or weaknesses that have been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition; and

- the effectiveness of the Company's reporting process.

The annual review of effectiveness should conclude on the extent to which controls are adequate, and were operating, and should outline actions required to address any deficiencies arising. The Board should confirm in the Annual Governance Statement that there has been a review of the effectiveness of the system of internal control.

9.8 Timely Completion of Review: Timely completion of the annual review is critical if it is to fulfilll its objectives of providing assurance in relation to the operation of controls in the reporting period. The annual review should be conducted close to the end of the period under review or as soon as possible after the end of the financial period under review and assist the Board in meeting its reporting requirements to the parent university on a timely basis.

10.

Relations with the Parent University, Minister/ Department and HEA

Guiding Principles

Section 8 of the Code of Governance for Irish Universities contains the Guiding Principles and Code Provisions for the establishment of subsidiaries. All parent universities are expected to follow these provisions when establishing subsidiaries.

Good governance in the public sector is to ensure that entities achieve their intended outcomes, as defined in their governing legislation and Statements of Strategy, while acting in the public interest. This requires effective arrangements for defining outcomes in terms of sustainable economic, social, and environmental benefits which should be included in the University's oversight agreement with the Minister/Department of Further and Higher Education, Research, Innovation and Science /HEA.

Good governance requires effective procedures for the definition of responsibility and accountability, allocation of budgets, defining expected outputs and outcomes and clear procedures for monitoring performance. The Constitution and SLA of the Company provide the rules and procedures for good governance.

The Constitution of the Company is a formal document and represents a binding agreement between the company and its shareholders and officers. It sets out the:

- rules governing the Company;
- the rules and regulations of how the Company is to be internally governed including the appointment of directors;
- how it will conduct its business activities; and
- defines the relationship between the Company, shareholders, director and other officers of the company.

The SLA sets out the:

- basis of appointment of the Company for the provision of goods and/or services;
- the environment in which the Company operates (e.g. commercial, non-commercial, regulatory);
- the purpose and responsibilities of the Company;
- the Company's level of compliance with this Code with details of any derogations;

- details of the obligations of the Company and the parent university (e.g. outputs to be delivered, supports to be provided);

- and arrangements for oversight, monitoring and reporting on conformity with Government policy, including those actions and areas of expenditure where prior sanction from the parent university or relevant Government Department is required.

It is the responsibility of the Board and management to ensure that the design and implementation of appropriate systems and procedures is in accordance with best practice for a company of its size and range of activities.

The extent to which the Company can acquire or dispose of assets should be included in the SLA. All acquisitions, disposals or proposals to share property should be conducted in accordance with best practice.

Core provisions

10.1 Comply or Explain: The Board of the subsidiary company should provide an Annual Governance Statement (as detailed in Appendix B) to be discussed and agreed with the parent university. In the event of non-compliance by the subsidiary company with any provision of this Code the parent university may accept such non-compliance as permanent derogations or the timeline for full compliance indicated.

10.2 Parent University Obligations: The Board has a duty to be mindful at all times of the parent university's obligations for reporting to the Minister/Department of Further and Higher Education, Research, Innovation and Science/HEA. The Board must ensure that it meets its reporting requirements (as outlined in this Code) on a timely basis.

10.3 Procurement Procedures: Competitive tendering should be the standard procedure in the procurement process of the Company. The Board should satisfy itself that procurement policies and procedures in line with best practice have been developed by management and approved by the Board. The Company should have a contracts database/listing for all contracts/payments in excess of €25,000, with monitoring systems in place to flag non-compliant procurement. Procurement not in line with best practice should be reported to the parent university as part of the Company's Annual Governance Statement.

10.4 Disposal of Assets to Board Members, Employees or their Families: Disposal of assets, above a value of €5,000, to Board members, employees or their families or connected persons should, be at a fair market-related price. Where the Board is considering a proposal for any such disposal, the Board member connected to the potential purchase should absent themselves from the Board deliberations on the issue. A record of all such disposals to such persons (to include details of the asset disposed of, price paid and name of the buyer) should be noted in a register kept for this purpose (minor disposals below €5,000, may be omitted from the register). This register should be available for inspection, if requested, by any Director. The Board may specify that any disposal above an approved threshold should be formally endorsed by the Board, who may impose specific restrictions with regard to any such disposal.

10.5 Reporting Disposals to the Board: Details of all disposals of assets, above the threshold value of €5,000 should be formally reported to the Board, including the paid price and the name of the buyer, on an annual basis.

10.5 Disposal of Assets Compliance: The Chairperson should affirm in the Annual Governance Statement to the parent university that the disposal procedures, as outlined, have been complied with.

10.6 Tax Clearance: It is the responsibility of the Board to satisfy itself that any Tax Clearance requirements regarding payments are fully adhered to. The Company must have a valid tax clearance certificate and should maintain a valid tax clearance certificate or, where it is engaged in a "relevant contract"[26], demonstrate satisfactory subcontractor tax compliance at the time of each payment.

10.7 Taxation: The Company should be exemplary in their compliance with taxation laws and should ensure that all tax liabilities are paid on or before the relevant due dates. The Board must take cognisance of any proposed corporate restructuring plans submitted for their approval and should ensure that they are being undertaken for bona fide commercial reasons and not as part of any tax avoidance scheme.

10.8 Report to Parent University: A report confirming the Company's compliance with tax laws should be provided through the Annual Governance Statement to the parent university.

Additional Provisions applicable to Tier 2 Subsidiaries

10.9 Procedures for the Acquisition and Disposal of Land, Buildings and Other Assets: The SLA should contain the procedures to be followed for all transactions related to the acquisition and disposal of material assets. The Board should engage at an early stage with the parent university:

- for formal approval of the proposed acquisition or disposal and

[26] A relevant contract is a contract to carry out, or supply labour for the performance of relevant operations in the construction, forestry or meat processing industry. Source: https://www.revenue.ie/en/self-assessment-and-self-employment/rct/index.aspx

- to ensure that it meets the various requirements current at the time of the transaction, prior to entering into any agreement for the purchase or disposal of assets in excess of €[150,000].

10.10 Tax Avoidance: The Company, while availing of all legitimate taxation arrangements, should not engage in unacceptable tax avoidance transactions. In broad terms, tax avoidance is offensive if it involves the use of the tax code for a purpose other than that intended by the Oireachtas (including an unintended use of a tax incentive) with a view to reducing the amount of tax to be paid by the Company or some other party to a transaction in which the Company participates. Where a doubt arises in a particular instance, the Company should consult the Revenue Commissioners.

10.11 Legal Disputes: Where a legal dispute involves a State body, unless otherwise required by statute, every effort should be made to mediate, arbitrate or otherwise resolve before expensive legal costs are incurred. The Company should pursue the most cost-effective course of action in relation to legal disputes.

The Company is required to provide details of such legal disputes involving expenditure of €25,000 or over to the parent university. These details should include an estimate of the legal costs incurred up to the date of such information.

11.

Remuneration, Travel and Entertainment

This section addresses the following areas:

- Fees to Board Members
- Remuneration of CEO and other staff
- Travel and Official Entertainment

Guiding Principles

The Directors of the Company play a number of critical roles in setting the strategic direction and overseeing the performance of the Company in discharging key responsibilities laid down in relevant legislation and this Code.

Director's fees, where payable, and the remuneration packages of the CEO and other staff of the Company, should be based on market rates and subject to the provisions of the SLA between the Company and the parent university.

The Board should also be cognisant of the need to achieve economy and efficiency in all expenditure on official travel and entertainment.

Core provisions

11.1 Directors: The payment of Director's fees is at the discretion of the parent university and should be included in the SLA after taking into consideration relevant Government policy (e.g. the One Person One Salary rules).

11.2 CEO and other Staff: The Board should review the Company's pay policy to include the total remuneration package (including basic salary, allowances, and all other benefits in cash or in kind), and make provision for pension and termination benefits with the support of the parent university as required and subject to the provisions of the SLA between the Company and the parent university.

Where the Company does not have a pension scheme in place or employees need to wait longer than six months from the date of commencing employment to be admitted as members of the scheme, the Pensions Acts, 1990 places an obligation[27] on employers to make Personal Retirement Savings Account (PRSAs) available to certain employees.

[27] *Pensions Acts 1990, S121 and 123*

11.3 Travel: The SLA between the Company and the parent university should provide for the reimbursement or payment of reasonable and proper out-of-pocket expenses incurred by any Director in connection with their attendance to any matter affecting the Company. A Director may choose not to claim expenses.

The Board should develop and approve a Travel and Expenses policy in accordance with the SLA, and in line with Revenue guidelines. Expenses should only be reimbursed/paid once a vouched claim has been submitted, processed and approved as provided for in the policy.

Routine expenses for travel and attendance at Board and committee meetings should be approved by the CEO of the company. Prior approval of the Chairperson should be required for reimbursement or payment of non-routine expenses in advance of the expenditure.

11.4 Entertainment: The SLA between the Company and the parent university should provide the circumstances in which official entertainment is required as part of the Company's activities. The Board should develop and approve a policy to for the reimbursement or payment of such expenses in line with Revenue guidelines.

11.5 Reporting: Disclosure of Directors' Remuneration: The notes to the financial statements of the Company must provide the information required by Section 305 of the Companies Act 2014 which provides that:

".. the notes to the statutory financial statements of a company shall disclose both for the current and the preceding financial year the following amounts in relation to directors of the company (and that expression includes the one or more persons who, at any time during the financial year concerned, were directors of it):

- **(a)** the aggregate amount of emoluments paid to or receivable by directors in respect of qualifying services,
- **(b)** the aggregate amount of the gains by the directors on the exercise of share options during the financial year,
- **(c)** the aggregate amount of the money or value of other assets, including shares but excluding share options, paid to or receivable by the directors under long term incentive schemes in respect of qualifying services,
- **(d)** the aggregate amount of any contributions paid, treated as paid, or payable during the financial year to a retirement benefit scheme in respect of qualifying services of directors, identifying separately the amounts relating to—

(i) defined contribution schemes, and

(ii) defined benefit schemes,

and in each case showing the number of directors, if any, to whom retirement benefits are accruing under such schemes in respect of qualifying services,

(e) the aggregate amount of any compensation paid or payable to directors in respect of loss of office or other termination payments in the financial year."

Other items that require disclosure include:[28]

- Director loans, quasi loans and credit transactions; and other arrangements and transactions with directors in which they have a material interest.

Additional Provision applicable to Tier 2 Subsidiaries

11.6 CEO and other Staff: The Board should consider setting up a Remuneration or People Committee comprising of the Chairperson, one other independent person and a nominee of the parent university. The role of the Committee would include the:

- design, implementation and review the Company's pay policy to include the total remuneration package (including basic salary, allowances, and all other benefits in cash or in kind), and

- making provision for pension and termination benefits of the CEO and other staff of the Company, subject to the provisions of the SLA between the Company and the parent university.

[28] *CA 2014, S.305 to S.312*

12.

Quality Service Charter

Guiding Principle

The Company should publish a quality service charter which outlines the nature and quality of service which customers and stakeholders can expect.

Core provisions

12.1 Quality Charter: The Company should have a quality charter setting out the quality and the level of service the customers and other stakeholders can expect.

12.2 Charter Cycle: The 4-step cycle of the quality service charter involves:

- Consultation with customers and stakeholders;
- Commitment to quality-of-service standards;
- Evaluation of performance; and
- Reporting on results

12.3 Display and Content: Quality charters should be displayed prominently (on websites and at the points of service). The charter should state the Company's commitment to providing services in accordance with the SLA with the parent university. In addition, with regard to service provision, the charter should take account of the twelve Principles of Quality Customer Service for Customers and Clients of the Public Service (see Appendix J). The charter should define service standards in clear terms and simple language and should inform customers and other stakeholders of contact and feedback mechanisms.

12.4 Action Plan: The charter should be supported by an action plan, which describes in detail how the commitments and standards set out in the charter, and other enhancements, will be delivered and evaluated by the Company.

12.5 Charters and Action Plans: Charters and action plans should be produced as part of the same process and have separate but complementary roles. While the charter is a short, easy to read, accessible document which acts as a public commitment to customers and others on what they can expect to receive when dealing with the Company, the action plan is a more detailed document which describes how the charter commitments will be delivered and evaluated by the Company. Both documents should share the same time-frame (ideally 3 years).

12.6 Complaints Procedures: Each Company should have published procedures for the management of complaints both in respect of customers and of other stakeholders. Such processes should, where relevant, make reference to the role of Ombudsman and the Ombudsman for Children.

13.

Subsidiaries with Charitable Status

Guiding Principles

Subsidiary companies that have charitable status under the Charities Act 2009 must comply with the Charities Governance Code. The code is made up of:

- six principles of governance, which all charities should apply,
- core standards that all charities should meet when putting the principles into action, and
- additional standards that reflect best practice for charities with high levels of income and/or complex organisational and funding structures and/or a significant number of employees/volunteers.

Core provisions

13.1 Compliance: The Company must comply with the provisions of the Charities Act 2009.

13.2 Reporting: Under the Charities Governance Code all registered charities are required to submit an Annual Report to the Charities Regulator no later than ten months after the charity's financial year end date.

The Company when filing its Annual Report in 2021, will be required to declare if, at the date of filing of the Annual Report, the charity:

- is fully compliant with the Charities Governance Code (Declaration A), or
- is partially compliant with the Charities Governance Code, with details to explain what standards it is not in compliance with and why (Declaration B), or
- has not started implementing the Charities Governance Code, with details to explain why it is not in compliance with the Code (Declaration C).

To support the Charities Governance Code Declaration, the Company must complete a standard Charities Governance Code Compliance Record Form every year. The form records

- the actions that the charity takes to meet each standard of the Charities Governance Code; and
- the evidence that backs this up.

The Company Secretary should ensure that the Compliance Record Form is completed on a 'comply or explain' basis and that the Board of the Company approves the Compliance Record Form at a board meeting before reporting on compliance to the Charities Regulator. The Company may publicise its compliance with the code on their website or other social media platforms.

The completed Compliance Record Form does not need to be submitted to the Charities Regulator, but must retained as part of the Company's records as the Charities Regulator could request sight of it at any time.

Note

The Charities Regulator provides an editable Word document template and general guidance on its website here https://www.charitiesregulator.ie/en/information-for-charities/charities-governance-code

14.

Glossary

Parent University	This term refers to the university holding the shares in the subsidiary company.
Chief Executive Officer (CEO)	The most senior executive in the subsidiary company, may also be referred to as the Managing Director or General Manager.
Subsidiary	A subsidiary is a company that is controlled by the parent university - often indicated by holdings of more than 50% of the voting share capital of the company. A wholly owned subsidiary is 100% owned by a parent university.
The Minister	Minister for Further and Higher Education, Research, Innovation and Science.

15.

Appendix A

Sample contents of Service Level Agreement

Sample contents of Service Level Agreement ("SLA") between parent university and Subsidiary Company. parent university should ensure that the contents are appropriate to the activities of the subsidiary company and be drawn up by an in-house or external legal advisor.

Background

Setting out the purpose of the subsidiary company and agreement to provide services.

General Obligations Of The Subsidiary Company

To include details of the services to be provided – full details may be set out in a separate appendix.

- strategic plan linked to that of the parent university to ensure consistency of objectives.
- activities in keeping with its purpose and ethos of the parent university.
- details of policies as may be required by legislation or national guidelines or as may be recommended by parent university. Obligation on Board to have appropriate policies in place and approved by the Board.
- requirement to exercise budgetary and financial control in accordance with best practice including practices for ensuring best value for money.
- relationship with any other subsidiary company of the parent university.

General Obligations Of Parent University

Minimum agreed level of support to be provided by parent university to subsidiary company including:

- funding support;
- clear requirements of parent university to meet its compliance obligations to the HEA, comptroller & Auditor General and Department of Finance;
- provision of secretariat of the Board;

- provision of premises with details of terms, including e.g., security, maintenance, signage, waste management, CCTV etc.; and
- provision of IT and other related supports such as email and general administration.

Obligation of parent university to provide a briefing to subsidiary company on any policies adopted by the Governing Body which impact on the operations of the Subsidiary Company.

Reporting

Full details of subsidiary company reporting requirements (as relevant depending on its activities) to the:

- Finance Committee/Audit and Risk Committee of the parent university;
- Governing Body; and
- the Management Team.

Reports should be on such matters and at such frequency as may be requested by each of the above and agreed with the parent university. Format of the reporting e.g., by way of report, regular presentation or by invitation should be specified for each of the above.

Board Of Directors

The Board of Directors must operate in accordance with the Subsidiary Company's Constitution that will contain details of the duties, appointment, removal and retirement of Directors.

Matters to be included in the SLA may include:

- remuneration (if any);
- payment of expenses to include rates, approval and payment processes;
- provision of Directors and Officers insurance; and
- induction and training of Directors.

Taxation

Requirement for the subsidiary company to:

- provide an annual Tax Clearance Certificate annually to the parent university by such date as may be agreed;
- make all returns and payment for VAT, PAYE/PRSI, Corporation Tax and any other tax in a prompt timely and proper fashion; and
- use reasonable endeavours to ensure the maintenance of charitable tax status for the Subsidiary Company, if relevant.

Financial Performance

The SLA should specify basis on which the subsidiary company is to operate e.g., break-even, profit generating, fully funded etc.

Other matters may include:

- details of how surplus profits may be utilised;
- annual budget preparation and approval;
- requirement to act at all times in accordance with Revenue Commissioners practice and to avoid any material act or omission which would give rise to adverse finding or comment by the Revenue Commissioners on a Revenue Audit or otherwise; and
- compliance with the terms of the Prompt Payment Act and the relevant guidelines from the Comptroller & Auditor General,

Accounts

Requirement for the subsidiary company to:

- observe and apply the appropriate provisions of the Companies Act 2014 in the keeping of its accounts and ensure compliance with all appropriate statements of standard accounting practice;
- operate proper financial control, cash control and accountability;

- retention of all primary records of all financial, credit or accountancy transactions for a period of 6 years, or such additional period as may be required by the parent university, and to provide same to the parent university on request;
- establish and operate all working bank accounts with such Bank as shall be agreed in writing, in advance, with the Bursar of the parent university; and
- comply fully with the terms of any exclusivity agreement, whether banking or otherwise entered into by the parent university and notified to the Subsidiary Company;

Insurance

The Board of the subsidiary company should agree with the parent university the level of insurances required to perform the services of the Company with such insurance policy to be put in place by either the parent university or the Company as agreed.

Enhancement And Capital Projects

Where relevant to the activities of the Subsidiary Company, the SLA should provide procedures for seeking approval from the Finance (or other) Committee for all enhancement and capital projects involving expenditure in excess of an agreed amount.

Personnel And Labour Policy

The SLA should provide that the subsidiary company is responsible for all aspects of the management of the subsidiary company personnel, including but not limited to the sourcing, recruitment, pay, grievance procedures, pension, leave and their performance management.

Such personnel to be at all times and remain the employees of the subsidiary company and not of the parent university.

The Board should ensure that appropriate policies and procedures are in place relevant to the activities of the Company and that compliance with all applicable laws and labour standards is monitored.

Health & Safety

Requirement for the subsidiary company to:

- prepare and implement a proper and effective safety statement and an effective risk management programme to minimise and where possible eliminate, incidents of accident, injury or illness to staff, to members of the public and to other persons;
- provide and maintain a safe, healthy working environment and facility for public use;
- provide training and instruction where necessary; and
- make available all necessary safety devices and protective equipment and supervise their use; and
- where any activity of the subsidiary company requires access to any parent university property or services, it will comply with the policies and any operating procedures of the parent university in place from time to time in relation to such activity.

Confidentiality And Use Of Parent University Trademark

The subsidiary company should ensure that its Directors and personnel observe strict confidentiality concerning information which is identified as confidential in respect of the business, marketing, management and financial affairs of the parent university and the services provided by the subsidiary company during and after the period of their employment or appointment.

The SLA should set out the purpose and terms on which the subsidiary company may be licensed to use the logos of the parent university.

Term And Termination

Details of the Effective Date and Term with details of any extensions, together with the right of the parent university to terminate the agreement in specific circumstances.

Dispute Resolution

Full details of the dispute resolution procedure should be set out including:

- particulars and supporting documents to be included in the written notice of the dispute;
- person(s) to be served with the notice;
- role of the Company Secretary;
- timelines for service and response;
- if mediation is required; and
- resolution by Courts of Ireland.

Performance Review Meetings And Termination

Formal review meetings should be scheduled at least annually to review the performance of the Subsidiary Company, to provide a procedure for resolving any issues that the parent university may have with the performance of the subsidiary company and termination of the agreement if the issues are not resolved.

Other Clauses

The legal advisors will include other clauses as are relevant to the activities of the subsidiary company and are required to meet legal drafting standards.

16.

Appendix B

Template Annual Governance Statement

The Annual Governance Statement should contain the following, be approved by the Board and signed by the Chairperson:

Paragraph	Requirement	
1.6	Details of matters arising in respect of the company that may be relevant for the parent university and its obligations to the HEA.	
2.6	Confirmation that: • The Company continues to operate solely for the purpose as approved by the parent university, remains and continues to remain in full compliance with the terms and conditions of the consent under which it was approved; and • The Company is in compliance with this Code, with full explanations for any derogations clearly explained and identified as permanent derogations or the timeline for full compliance indicated.	
1.11 and 2.6	Confirmation that the company has an appropriate system of internal and financial control in place as detailed in paragraph 1.11	
6.7	Details of the number of meetings of the Board (and its committees) and the attendance of each Board and committee member.	
9.3	Confirmation that there has been a review of the effectiveness of the internal control system.	
9.5	Confirmation that the Board has carried out an assessment of the Company's principal risks, including a description of these risks, and associated mitigation measures or strategies.	
10.5	Confirmation that disposal procedures have been complied with.	
10.7	Confirmation of the Company's compliance with tax laws.	

The above provisions are contained in the Core Provisions of this Code. Where Additional Provisions apply to the Subsidiary Company, the Statement should be amended to include any relevant confirmation/information.

17.

Appendix C

Matters for Decision of the Board of Directors

Strategy and Management

1. Approving the company's business strategy, ensuring alignment with the parent university's strategy.

2. Approval of the annual business plan for the company.

3. Effective, prudent and ethical oversight of the company including:

   » the overall corporate governance arrangements and the effectiveness of board meetings and management information;

   » appointment of a CEO and senior executives with appropriate integrity and adequate knowledge, experience, skill and competence for their roles;

   » a robust and transparent organisational structure with effective communication and reporting channels;

   » an adequate and effective internal control framework, that includes well-functioning risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework;

   » ensuring a remuneration framework that is in line with the company's risk strategies; and

   » an appropriate strategy for the on-going management of material risks.

4. Review of performance in the light of the company's strategic objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

5. Extension of the company's activities into new areas.

6. Any decision to cease to operate all or any material part of the company's business.

Financial reporting and controls

7. Approval of bank mandate and signatories.

8. Approval of the Annual Report and Accounts, including the Directors' Report and supporting statements.

9. Approval of any significant changes in accounting policies and practices and the assumptions underpinning the statutory reserves and other capital assessments

10. Approval of annual expense budget, profit and capital forecasts.

11. Approval of annual regulatory returns to the CRO.

12. Approval and signature of the Annual Governance Statement to the parent university.

Governance and Risk Management

The board is responsible for ensuring that the company has in place a sound system of internal management and control, including relevant policies and procedures that are aligned with the vision, mission and values of the company and the parent university.

13. Approval of key operating and compliance policies

14. Approval of Risk Appetite, Risk Management Framework and Risk policies.

15. Transactions

16. Approval, as appropriate, of Capital Projects, subject to the prior consent of the parent university

17. Approval, as appropriate, of any substantial transactions in excess of [€150,000], subject to the prior consent of the parent university.

18. Contracts of the company not in the ordinary course of business of any size.

19. The acquisition or disposal of any asset in excess of [€150,000] subject, as appropriate, to the prior consent of the parent university.

Communication

20. Approval of material press releases and announcements concerning matters decided by the Board or relating to the parent university.

Board membership and other appointments

21. Appointment and removal of Directors of the Company following the direction of the President or the Governing Authority of the parent university.

22. Appointment or removal of the Company Secretary, following the direction of the President or the Governing Authority of the parent university.

23. Appointment, reappointment or removal of the external auditor, and setting of auditors remuneration, following the direction of the parent university's Audit Committee.

24. Appointment, reappointment or removal of the company's external legal advisor, if any, following the direction of the parent university.

Delegation of Authority

25. Approval of terms of reference of any Board committees.

26. Approval of decisions to delegate authority to any other parent university company or third-party service provider.

18.

Appendix D

Sample Board Standing Orders

Note:
This is an illustrative example of a sample Board standing orders setting out what should typically be included. The requirements included below are not exhaustive. The Board standing orders should be tailored in accordance with the particular circumstances of the Company with regards to its obligations under the Companies Act 2014 and the SLA with the parent university.

Board Standing Orders

[Company] was established under the Companies Act 20XX with effect from 1st January 20xx and has adopted a corporate governance regime in accordance with best practice.

The purpose of this document is to set out the standing orders of the Board of [Company]. These standing orders approved by the Board on [day month year] are effective from [day month year].

1. Membership

- Board members are nominated by the President of the parent university and appointed in accordance with the Constitution of the Company.
- Appointments to the Board shall be for a period of up to 4 years and may be extended for one additional term.
- The Chairperson of the Board is also nominated by the President of the parent university and appointed in accordance with the Constitution of the Company. If at any meeting the Chairperson is not present, the deputy-Chairperson if present shall be Chairperson of the meeting. Where the position of deputy-Chairperson is vacant, the Board members present at the meeting shall choose a member to chair the meeting.
- Only Directors of the Board have the right to attend Board meetings. The CEO and other officers of the Company who are Directors of the Company shall attend Board meetings. Where they are not Directors, they should attend for all or part of any Board meeting when requested by the Chairperson. Other individuals from the Company and external advisers, may be invited to attend for all or part of any meeting, as and when appropriate as necessary.

2. Company Secretary

- The Company Secretary will ensure that the Board receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

- The Company Secretary is also responsible for the formal induction of new members of the Board and organising mentoring for members where required.

3. Quorum

- The quorum necessary for the transaction of business will be in accordance with the Constitution of the Company. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.

4. Voting

- In general, every question at a meeting of a Board shall be determined by consensus, but where in the opinion of the Chairperson, or other person presiding, consensus is not possible, the question shall be decided in accordance with the Constitution of the Company

5. Frequency of Meetings

- The frequency of Board meetings should be sufficient to enable the Company to carry out its objectives effectively and may be included in the SLA with the parent university.

6. Notice of Meetings

- Meetings of the Board shall be summoned by the Company Secretary at the request of the Chairperson of the Board.

- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda shall be forwarded to each member of the Board and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Board members and to other attendees as appropriate, or be made available electronically, at the same time.

7. Minutes of Meetings

- The Company Secretary shall minute the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance.
- Minutes of Board meetings shall be circulated to all members of the Board other than where specific exclusions apply e.g. Conflict of Interest items.

8. Duties

The duties of the Board are set out in the Matters for Decision of the Board of Directors (see Appendix C) and the Board must operate in accordance with the Companies Act 2014.

In addition to the duties set out in legislation, the following duties apply to the Board:

- monitoring of performance – the Board shall receive regular reports from the Company and Board sub-committees, as appropriate.
- the Board shall advise and support the Chairperson, and CEO.
- the Board shall satisfy themselves that financial controls and systems of risk management are robust and defensible.
- the Board shall keep itself up to date and fully informed about strategic issues and changes affecting the Company, the parent university and the environment in which they operate.
- the Board shall ensure that on appointment to the Board, non-executive Board members receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service, if any and involvement outside Board meetings.
- the Board may, from time to time, establish such committees of the Board as are necessary to assist it in the performance of its duties in line with the requirements of the SLA with the parent university. Such committees may include members who are not members of the Board if specialist skills are required. Where a committee is put in place:
    - » the terms of reference shall be specified in writing and approved by the Board and reviewed as appropriate;

    - the Board, on the nomination of the President, shall appoint its members;
    - the Board shall receive regular reports from the committee;
    - all protocols concerning the operation of the Board shall be applied to a committee;
    - reports of committee meetings shall be circulated to all Board members.
- the Board shall review the results of the Board performance evaluation process and corporate governance generally.
- the Board shall keep under review corporate governance developments (including ethics-related matters) that might affect the Company, with the aim of ensuring that the Company's corporate governance policies and practices continue to be in line with best practice.
- the Board shall ensure that the principles and provisions set out in the Code of Governance for Subsidiaries Companies of Irish Universities are adhered to.
- the Board shall also ensure that the principles and provisions set out in any other Code of Governance applicable to the Company (e.g. Charities Governance Code) are adhered to.

9. Reporting Responsibilities

The Chairperson shall keep the parent university informed of matters arising within the Company in accordance with the reporting arrangements set out in the SLA with the parent university.

The Board shall review its own performance and commission an external review at least once during the Board's term of office.

10. Authority

The Board is authorised to seek the information it requires from the Company in order to perform its duties.

The Board is authorised to obtain, at the Company's reasonable expense, outside legal or other professional advice where it judges it necessary to discharge its responsibilities as a Board.

19.

Appendix E

Sample Letter of Appointment as Director

[COMPANY HEADED NOTEPAPTER]

[DATE]

[NAME]

[ADDRESS]

Letter of Appointment as Director

Dear [NAME],

This Letter of Appointment confirms the terms of your appointment to the Board of Directors ("the Board") of [COMPANY NAME] ("the Company") as a voluntary, non-executive Director (hereinafter referred to as "Director").

The Company is a company Limited by Guarantee and is a wholly owned subsidiary of [UNIVERSITY NAME] ("XXX").

1. General Terms

1.1. You will devote such time, attention and skill as may be reasonably required to deal with the business of the Board having regard to the voluntary nature of your appointment.

In addition to the meetings below, preparatory reading will be required.

- At least [XX] scheduled Board meetings per annum
- Membership of other Board Committee(s) as required (approximately [XX} meetings per annum per Committee)
- Attendance at the Annual General Meeting (1 meeting)
- Attendance at an annual Strategy meeting (1 meeting)
- In addition, and where possible, you are encouraged to participate in:

» [XX] site visits

» Attendance at occasional events, training and seminars.

1.2. The Board, as a whole, is collectively and legally responsible for the success of the Company

1.3. All Directors must take decisions objectively in the interests of the Company.

2. Duration

2.1. Your directorship is effective from [DATE] and unless your appointment is revoked as provided for in the Constitution, your appointment, will be for an initial term of [XX]) years.

2.2. You will be required to give [XX] months' notice in writing to the Chairperson if you wish to retire from the Board.

3. Conflict of Interest, Restrictions and Confidentiality

3.1. All Directors must take decisions objectively in the interests of the Company. It is accepted and acknowledged that you have business interests in addition to your role as a Director of the Company. Disclosure of interests is a continuing obligation of all Directors. Directors will not participate in discussions of the Board where a reasonably perceived conflict of interest exists.

3.2. You confirm that you are not subject to any restrictions that prevent you from holding office as a Director, and, in applicable circumstances, consent to advising the Board of any possible restrictions before they may arise.

3.3. Save as may be required by law, and in the proper performance of your duties as a Director, you may not during or after your appointment with the Company without the prior written consent of the Board:

3.3.1. Disclose, or cause to be disclosed, to any person or organisation, any information acquired by you in the course of your appointment. This shall include Company and client owned information;

3.3.2. Disclose any information that the Company treats as confidential the disclosure of which might reasonably be expected to damage the interests of the Company. It excludes information that is, or subsequently becomes, public knowledge.

(Confidential information is defined as all information in whatever form including, without limitation, in written, oral, visual, or electronic form, or on tape or disk, relating to the Company, to include its members, directors and staff, that is directly or indirectly disclosed, whether before or after the date of this letter.)

3.3.3. Unless previously agreed with the Chairperson of the Board, publish any materials, or give media interviews in relation to the activities of the Company and/or the Board.

3.4. Upon ceasing to be a Director, return (or permanently erase in the case of electronic materials) all records, papers, documents and any other materials provided to you in conjunction with your membership of the Board that remain, the property of the Company.

4. Remuneration, Fees and Expenses

4.1. No director of the company will receive any remuneration or other benefit in money or money's worth from the company

4.2. Reasonable expenses (out of pocket vouched travel expenses connected with attendance at meetings or to any matter affecting the Company) may be claimed in accordance with the Company's Travel Policy.

5. Independent Professional Advice

Occasions may arise in which you consider that you need independent professional advice in the discharge of your duties as a Director. With prior written approval from the Chairperson, you may seek independent professional advice at the expense of the Company on any matter connected with the discharge of your responsibilities in accordance with the Board's policy.

6. Directors' and Officers' Liability Insurance

The Company, through XXX, has Directors' and Officers' Liability Insurance in place. It is intended to maintain cover for directors and retired directors for their lifetime. This letter confirms that you are covered under the terms of the policy and a copy will be provided to you upon request.

7. Induction and Training

The Company will arrange for an induction for Board members so that they may familiarise themselves with the operations of the Company. The Board should arrange ongoing training for board members as required from time to time.

8. Review Process

The performance of individual directors, the Board, and its committees (if any) is evaluated annually. Details will be provided as part of the induction process.

9. Data Protection

By signing this letter, you consent to the Company holding and processing information about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data.

10. Termination of your appointment

Your appointment to the Board may be revoked in accordance with the Constitution of the Company.

Two copies of this letter are enclosed. Kindly sign and return one copy of this letter to me for filing with our records.

Yours sincerely

____

Chairperson
[COMPANY]

____

[NAME]
Director

Attached:

1. Constitution of [COMPANY NAME]

20.

Appendix F

Subsidiary Boards' Nominations Committee

Objective

The objective is that a parent university has the power to control the appointment of Directors to the Boards of subsidiary companies.

A Subsidiary Board Nominations Committee (“Committee”) should be set up within the parent university for this purpose. The Committee would advertise the vacant Director positions internally and externally, receive nominations, consider and interview suitable candidates, as appropriate, and recommend candidates to the President who nominates the directors of the subsidiary company for appointment by the Board of the subsidiary company.

Members

The Committee should consist of at least three members with a mix of internal and external members, for example the Bursar and Corporate Secretary of the parent university, and one or more external Governing Authority members.

Target composition of Subsidiary Board

The composition of the Board should result in the majority of the Directors being external to the parent university with the position of Chairperson held by an external director.

The Committee should be mindful of the Annex on Gender Balance, Diversity and Inclusion to the Code of Practice for the Governance of State Bodies when nominating candidates for appointment to the President.

Nominations for potential candidates

- Governing Authority members
- Parent university management team
- Subsidiary Board members
- Alumni

Process

- A skills and experience map based on current and future requirements aligned with the Strategic Plan for the subsidiary is prepared.
- Expression of interest process, to include open advertising.
- Committee consideration working closely with the subsidiary company chairperson to identify a short list of candidates for interview, as appropriate.
- Recommendations to the President.
- Nomination of director and Chairperson by President in accordance with the Constitution of the subsidiary.

21.

Appendix G

Board Self-Assessment Evaluation Questionnaire

To be completed by the Chairperson and each Director of the Company

Instructions for Completion:

The intention is that each Director will complete this self-assessment questionnaire independently. The Chairperson of the Company, (with the support of the Company Secretary, if required, to collate the responses and prepare a summary report) after reviewing the responses, should lead a discussion on the key issues arising from the questionnaire. The focus of the discussion should be on areas where improvement is required or where there is a wider variation in responses to the issues raised in the questionnaire.

The results of the discussion on the self-assessment questionnaire should be compiled into a series of actions to be implemented by the Board over the following year. Any relevant matters should be communicated to the parent university by the Chairperson.

The self-assessment questionnaire may be tailored to the particular circumstances of the Company giving more weight to certain aspects of the questionnaire depending on the nature, scale and responsibilities of the Company and its obligations to the parent university.

Scoring is as follows:

1 = Strongly disagree

2 = Disagree

3 = Neutral/Unsure

4 = Agree

5 = Strongly agree

Board Self-Assessment Evaluation Questionnaire								
Creating an effective Board		**Score**					**Comments/ How could this be improved?**
		Disagree			**Agree**		
1	The Board has clearly documented its role and responsibilities, including the delineation of the Board Chair's and CEO's respective roles?	1	2	3	4	5	
2	Directors, individually and collectively, understand their roles and what is expected of them in terms of compliance with company law, corporate governance and the highest standards of ethics and behaviours?	1	2	3	4	5	
3	Directors have a strong understanding of each of the following:						
	The Company's Mission, Vision and Values	1	2	3	4	5	
	Its operating environment	1	2	3	4	5	
	Key disruptive trends in the marketplace	1	2	3	4	5	
	The overall competitive landscape that the company operates in	1	2	3	4	5	
	Key regulatory trends	1	2	3	4	5	
	Macro/micro economic and geo-political disruption such as Covid-19 and Brexit	1	2	3	4	5	
4	All Directors demonstrate the highest levels of integrity, ethics, values and behaviours including confidentiality and identifying, disclosing and managing conflicts of interest, whether potential or actual?	1	2	3	4	5	
Maintaining an effective Board		**Score**					**Comments/ How could this be improved?**
		Disagree			**Agree**		
5	The Board has a strong understanding of how value is created in the company, both directly (e.g. P&L and Balance Sheet) and in-directly (e.g. intellectual property in terms of product design, highly-trained workforce, brand recognition and customer profile) and how the chosen company strategy and business model are aligned to deliver long-term success for the shareholders and stakeholders of the company?	1	2	3	4	5	

6	The Chair manages the Board meetings in a manner which encourages open discussion, healthy debate and allows each Director to clearly add value to discussions and decisions?	1	2	3	4	5	
7	The relationship between the Board and executive directors / members of senior management strikes the appropriate balance between challenge and support?	1	2	3	4	5	
8	The CEO and executive team consistently demonstrate a strong openness and support of the key oversight role of the non-executive directors and a constructive approach to responding to robust challenge and debate?	1	2	3	4	5	
9	The frequency and duration of Board meetings are adequate to enable the Board to discharge its duties effectively?	1	2	3	4	5	
10	The Board receives balanced and informative reports/ papers, circulated on a timely basis, that are not overly lengthy and clearly explain the key issues and priorities?	1	2	3	4	5	
11	Board meeting minutes are clear, accurate, complete and circulated within a timely manner after the meeting?	1	2	3	4	5	
Board supervision and decision making		**Score**					**Comments/ How could this be improved?**
		Disagree			**Agree**		
12	The Board has defined effective financial and non-financial KPIs for the Company and monitors management performance against these KPIs?	1	2	3	4	5	
13	The Board's approach to handling significant under-performance in key business areas is effective and acknowledged by management?	1	2	3	4	5	
14	In the case of major proposals by the CEO and management team, the CEO and management team provide the Board with the process used to arrive at the proposal and the various alternative scenarios that were explored in arriving at the selected recommended proposal to bring to the Board?	1	2	3	4	5	

15	There is an appropriate balance between time spent on performance, strategic, and operational issues?	1	2	3	4	5	
Strategy		**Score**					**Comments/ How could this be improved?**
		Disagree			**Agree**		
16	The Board and individual Directors understand that they are responsible for ensuring that the Company has an effective strategy within the overall market context and competitive landscape around which the strategy has been developed?	1	2	3	4	5	
17	The Board effectively monitors the overall execution of the Company's strategy?	1	2	3	4	5	
18	The Board has an active and effective approach to understanding significant external events/factors (market, competitive, regulatory etc.) and their associated impact on Company strategy?	1	2	3	4	5	
19	The Company's purpose and vision have been defined and clearly communicated throughout the Company?	1	2	3	4	5	
20	There is a strong focus on the overall skills and talent development across the Company as a key enabler for outstanding corporate performance?	1	2	3	4	5	
Relationship with senior management		**Score**					**Comments/ How could this be improved?**
		Disagree			**Agree**		
21	There is an effective, strong and trusting relationship with an appropriate balance of challenge, oversight and support between each of the following groups:						
	• Board Chair and the CEO?	1	2	3	4	5	
	• Chair/non-executive Directors and the CEO/ executive team?	1	2	3	4	5	
22	The Board has an effective approach to handling conflict/contentious issues between the non-executive Directors and the CEO/executive team?	1	2	3	4	5	

Performance of individual Directors		Score					Comments/ How could this be improved?
		Disagree		Agree			
23	Individual Directors strongly contribute to the Board's effectiveness and performance?	1	2	3	4	5	
24	The standard of review of Board materials and preparation for Board meetings by individual Directors is high?	1	2	3	4	5	
25	The level and quality of engagement and constructive challenge by individual Directors of the CEO/executive team and other Directors is high and is complimented by a strong commitment of the non-executive directors to provide support to the CEO and executive team?	1	2	3	4	5	
Stewardship, internal controls, risk and remuneration		**Score**					**Comments/ How could this be improved?**
		Disagree		**Agree**			
26	The Board understands and fulfillls its legal and fiduciary stewardship roles?	1	2	3	4	5	
27	The Board, led by the Chair, places a key emphasis on dialogue with shareholders, the workforce and other key stakeholders ensuring that their feedback is fed back to the whole Board and considered in the Board's decision-making?	1	2	3	4	5	
28	The company's risk management framework, policies and procedures provide the Board with a thorough understanding of the substantive and potential high-risk issues that could impact the Company?	1	2	3	4	5	
29	The Board regularly reviews the Company's principal business risks from a strategic, operational, financial and regulatory perspective?	1	2	3	4	5	
30	The Board has a regular focus on understanding the overall structures and emergency plans that are in place to protect the company, its customers and its stakeholders from cyber-security threats that could impact on the company's ability to function, and compromise sensitive customer and company data?	1	2	3	4	5	

31	There is an adequate policy and approach in place for managing potential and actual conflicts of interest?	1	2	3	4	5	
32	The Board is satisfied that the company remuneration policies and practices are clearly linked to the successful delivery of the company long-term strategy?	1	2	3	4	5	
	Performance evaluation	**Score**					**Comments/ How could this be improved?**
		Disagree			**Agree**		
33	The Board has a rigorous process to evaluate the performance of the CEO, with input from all non-executive Directors?	1	2	3	4	5	
34	Management's remuneration is appropriately linked to the Company's performance?	1	2	3	4	5	
35	The Board is satisfied that they are getting the right quantity and quality of information in a timely regular manner that is needed for their oversight purposes under each of the following headings:						
35	• Financial information	1	2	3	4	5	
	• Quality issues and customer complaints	1	2	3	4	5	
	• GDPR compliance	1	2	3	4	5	
	• Actual/threatened litigation	1	2	3	4	5	
	• Staff related issues such as turnover and absenteeism rates, recruitment, reward and promotion decisions, use of non-disclosure agreements	1	2	3	4	5	
	• Whistleblowing, grievance and "speak-up" data	1	2	3	4	5	
	• Employee surveys	1	2	3	4	5	
	• Health and safety data	1	2	3	4	5	
36	The Board understands the overall Company culture, behaviours and values and how these are embraced across the Company?	1	2	3	4	5	
37	The Board and senior management team set the appropriate "tone at the top" which helps shape the Company's culture through their words, actions, and behaviours?	1	2	3	4	5	

38	The Board has a clear understanding of what information the Company discloses about its culture and values, both internally to employees and externally to outside stakeholders through its website, social media or other media?	1	2	3	4	5	
39	The board has a key focus on ensuring Environment, Social and Governance (ESG) issues are integrated into the overall organisation's activities, reporting and strategy?	1	2	3	4	5	
40	As a Director, you have received appropriate induction and ongoing professional training and development related to your role as a director?	1	2	3	4	5	
General							
41	What do you see as the key strengths of the Board, starting with the greatest strength?						
42	What do you see as the key weaknesses of the Board, starting with the most serious weakness?						
43	Do you believe that you are empowered and enabled to make a strong contribution to the Board?						
44	If you could change one thing about this Board, what would it be?						
Thank You							

22.

Appendix H

Framework for a Code of Conduct for the Board and Employees

The Code of Governance for Irish Universities contains suggested guidelines for a Code of Conduct for all members of the Governing Authority and employees. The parent university should have adapted these guidelines for its Governing Authority and employees. The suggested guidelines are included here for reference and should be mapped to the parent university's Code of Conduct to ensure consistency across the parent university and its subsidiary companies.

1. Introduction

1.1. [Name of Company] has developed this Code of Conduct for members of the Board and employees. A copy of the Code will be circulated to all members and employees and it will also be available upon request through the Company's website.

2. Intent and scope

The purpose of the Code is to provide guidance to the Chairperson and members of the Board and employees of [name of Company] in performing their duties as members of the Board and employees.

3. Objectives

3.1. The objectives of the Code are

- To set out an agreed set of ethical principles;
- To promote and maintain confidence and trust in the Board of the Company;
- To prevent the development or acceptance of unethical practices;
- To promote the highest legal, management and ethical standards in all the activities of the Company;
- To promote compliance with best current governance and management practices in all the activities of the Company.

4. General Principles

All Board members and employees are required to observe the following fundamental principles as set out in the guidelines for the Code of Conduct.

4.1. Integrity:

- Members of the Board and employees are required to disclose outside employment/ business interests which they consider may be in conflict or in potential conflict with the business of [name of Company], or may be perceived as such;

- The Board should not allow management or employees to be involved in outside employment/business interests in conflict or in potential conflict with the business of [name of Company]. It will put in place appropriate arrangements to give effect to this;

- Members of the Board and employees will avoid giving or receiving gifts, corporate hospitality, preferential treatment or benefits which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions;

- Members of the Board and employees must be committed to having [name of Company] compete vigorously and energetically but also ethically and honestly with other educational institutions, commercial and other providers of research and advisory services;

- [Name of Company] is committed to conducting its purchasing activities of goods/ services in accordance with public policy and best business practice and its purchasing regulations reflect this;

- [Name of Company] is also committed to ensuring that its engagement of consultancy and other services is in compliance with public policy guidelines;

- [Name of Company] is also committed to ensuring a culture of claiming expenses only as appropriate to official needs and in accordance with good practice in the public sector;

- [Name of Company] is committed to ensuring that the accounts/reports accurately reflect the operating performance of the Company and are not misleading or designed to be misleading;

- Members of the Board and employees are required to avoid the use of [name of Company] resources or time for personal gain, for the benefit of persons/ organisations unconnected with the institutions or its activities or for the benefit of competitors; and

- [Name of Company] is committed not to acquire information or business secrets by improper means.

4.2. Information:

Name of Company] is committed to providing access to general information relating to its activities in a way that is open and enhances its accountability to the general public;

Members of the Board and employees are required to respect the confidentiality of sensitive information held by [name of Company] this would constitute material such as:

- personal information;

- information received in confidence by [name of Company]; and

- any commercially sensitive information or other information sensitive to the reputation of [name of Company] including future plans or details of major organisational or structural changes. These obligations do not cease when membership of the Board or employment in the Company has ended.

[Name of Company] will observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest;

[Name of Company] will comply with all relevant statutory provisions (e.g. data protection legislation, the Freedom of Information Act, 1997); and

Members of the Board and staff will observe due confidentiality in relation to all discussions and decisions taken at meetings of the Board.

4.3. Obligations:

- [Name of Company] will fulfilll all regulatory and statutory obligations imposed on the [Company] by the Companies Act 2014;

- [Name of Company] will comply with detailed tendering and purchasing procedures, as well as complying with prescribed levels of authority for sanctioning any relevant expenditure;

- [Name of Company] has introduced measures to prevent fraud and to ensure compliance with the prescribed levels of authority for sanctioning any relevant expenditure;

- Directors are required to use their reasonable endeavours to attend all Board meetings;

- It is acknowledged that the acceptance of positions following directorship of and/or employment by [Name of Company] can give rise to the potential for conflicts of interest and to confidentiality concerns. The Board of [name of Company] will consider any cases in which such conflicts of interest or confidentiality concerns may arise and will take appropriate steps to deal with such matters in an effective manner during a reasonable period following cessation of the directorship or employment. The Board will also ensure that any procedures that it may put in place in this regard are monitored and enforced; and

- The Board of [name of Company] acknowledge the duty of all to conform to the highest standards of business ethics.

4.4. Loyalty:

- The Board and employees of [name of Company] acknowledge the responsibility to be loyal to [name of Company] and to be fully committed to all its activities, with due respect to the tenets of academic freedom, while mindful that [name of Company] itself must at all times take into account the interests of its students and providers of funds including taxpayers.

4.5. Fairness:

- [Name of Company] is committed to complying with employment equality and equal status legislation;

- [Name of Company] is committed to fairness in all business dealings; and

- [Name of Company] values its suppliers, employees and customers and treats all its suppliers, employees and customers equally.

4.6. Work/External Environment:

- The Board of [name of Company] place the highest priority on promoting and preserving the health and safety of its employees and customers;

- [Name of Company] will ensure that community concerns are fully considered in its activities and operations; and

- [Name of Company] will minimise any detrimental impact of its operations on the environment.

4.7. Responsibility

- [Name of Company] will circulate this Code of Conduct (and a policy document on disclosure of interests) to all members of the Board and employees for their retention;

- [Name of Company] will ensure that all members of the Board and employees receive a copy of the Code and understand its contents; and

- [Name of Company] will provide practical guidance and direction as required on such areas as gifts and entertainment and on other ethical considerations which arise routinely.

4.8. Review

- [Name of Company] will review this Code of Conduct as appropriate.

23.

Appendix I

Ethics in Public Office

The following contains details of the requirements in relation to Ethics in Public Office and is included for information purposes only.

Obligations under the Ethics Legislation

All those who hold designated directorships (Board memberships) or occupy designated positions of employment in public bodies, prescribed by regulation for the purposes of the Ethics legislation (i.e. the Ethics in Public Office Acts 1995 and 2001), must comply with the relevant provisions of the legislation. Compliance with the Ethics Acts is deemed to be a condition of appointment or employment. While the summary below is provided for information, detailed guidelines on compliance with the Ethics Acts has been published by the Standards in Public Office Commission (the Standards Commission) on their website.

All persons who have obligations under the Acts are obliged to act in accordance with the guidelines and any advice given by the Standards Commission, unless by so doing they would be contravening another provision of the legislation.

Individuals who occupy designated positions to make an Annual Return including a nil return where applicable.

Disclosure of Registrable Interests

The Ethics in Public Office Act 1995 provides for the disclosure of registrable interests by holders of designated Board memberships and occupiers of designated positions of employment in public bodies prescribed for the purposes of the Ethics legislation. Briefly, the requirements are:

Designated Board Members: Are required in each year, during any part of which they hold or held a designated Board membership of a public body prescribed by regulations made by the Minister for Public Expenditure and Reform, to prepare and furnish, in a form determined by that Minister, a statement in writing of their registrable interests, and the interests, of which a person has actual knowledge, of his or her spouse or civil partner, a child of the person or a child of the person's spouse or civil partner, which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the person, his or her spouse or civil partner, a child of the person or a child of the person's spouse or civil partner, a substantial benefit. The statement must be furnished to the Standards Commission and to such an officer of the body as determined by the Minister for Public Expenditure and Reform.

Designated Positions of Employment: Are required in each year, during any part of which they occupy or occupied a designated position of employment in a public body, prescribed by regulations made by the Minister for Public Expenditure and Reform, to prepare and furnish, in a form determined by that Minister, a statement in writing of their registrable interests, and the interests, of which a person has actual knowledge, of his or her spouse or civil partner, a child of the person or a child of the person's spouse or civil partner, which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the person, his or her spouse or civil partner, a child of the person or a child of the person's spouse or civil partner, a substantial benefit. The statement must be furnished to the relevant authority for the position as determined by the Minister for Public Expenditure and Reform.

Material Interests: The holder of a designated Board membership or the occupier of a designated position of employment is required to furnish a statement of a material interest where a function falls to be performed, and where the Board member or the employee or a "connected person" (e.g. a relative or a business associate of the Board member or employee) has a material interest in a matter to which the function relates. Such a statement must be furnished to the other Board members of the public body by a designated Board member or to the relevant authority by the occupier of a designated position of employment. The function must not be performed unless there are compelling reasons to do so. If a designated Board member or the occupier of a designated position of employment intends to perform the function, he or she must, either before doing so, or if that is not reasonably practical, as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the other Board members and to the Standards in Public Office Commission if a designated Board member, or to the relevant authority if an employee. This obligation applies whether or not the interest has already been disclosed in a statement of registrable interests.

Tax Clearance Obligations of Appointees to "Senior Office"

The tax clearance provisions of the Standards in Public Office Act 2001 apply to persons appointed to "senior office", i.e. to a designated position of employment or to a designated Board membership in a public body under the 1995 Ethics Act, in relation to which the remuneration is not less than the lowest remuneration of a Deputy Secretary General in the civil service. All persons appointed to a designated Board membership "senior office" must provide to the Standards in Public Office Commission not more than nine months after the date on which he or she is appointed:

- a tax clearance certificate that is in force and was issued to the person not more than nine months before, and not more than nine months after, the appointment date; or

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

Investigations

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

Additional Information and Advice

This appendix is provided for information purposes only and does not constitute a legal interpretation of the Ethics Acts. Regard should be had in the first instance to the Standards Commission's guidelines. Requests for advice on compliance with the legislation should be referred to the Standards Commission.

24.

Appendix J

Principles of Quality Service for Customers and Other Stakeholders of the Company

In their dealings with the public, the Company will:

Quality Service Standards

Publish a statement setting out the quality and level of service customers, the general public and other stakeholders can expect of the organisation.

Equality/Diversity

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

Physical Access

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

Information

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

Timeliness and Courtesy

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

Complaints

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

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Board Excellence Ireland,
Cork,
T23 X310,
Ireland
boardexcellence.ie

IRISH UNIVERSITIES ASSOCIATION

Irish Universities Association,
48 Merrion Square,
Dublin,
Ireland
www.iua.ie