Oversight Agreement

Between

The Department of Education and Skills

And the

Higher Education Authority

1. Introduction

This Oversight Agreement is required under the Code of Practice for the Governance of State Bodies which came into effect on the 1st September 2016. 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. This Oversight Agreement is a written statement between the Department of Education and Skills (the Department) and the Higher Education Authority (the HEA) to define the respective roles and responsibilities of the Department and the HEA.

2. Legal Framework

The Department’s mission is:

“to facilitate individuals through learning, to achieve their full potential and contribute to Ireland’s social, cultural and economic development.”

The Department’s key functions in relation to higher education are:

- To support Government in determining national policy across all dimensions of higher education activity including skills, access, research, innovation and internationalisation;
- Development of a new System Performance Framework outlining the national priorities, the key system objectives and the performance indicators against which the performance of the system as a whole will be assessed for the period to 2020;
- To support Government in determining the level of public funding for the sector, and to be accountable to the Oireachtas for its expenditure;
- To allocate funding to the publicly funded and directly funded higher education institutions;
- Ensure the development of robust governance practices in the higher education sector;
- To develop the legislative framework to ensure that national policies relevant to higher education can be implemented;
- Oversight of the HEA in the performance of its functions.

In line with those key functions, the Department provides Exchequer funding to the Higher Education Authority in the form of an annual allocation of funding.
**Higher Education Authority**

The HEA is the statutory funding authority for the universities, institutes of technology and a number of other designated institutions and is an advisory body to the Minister for Education and Skills in relation to the higher education sector. The HEA was established with the enactment of the Higher Education Authority Act 1971. In accordance with the First Schedule to the HEA Act 1971, the HEA Board and its Chair are appointed by the Government on the recommendation of the Minister.

The functions of the HEA as defined in that, and subsequent Acts, include:

- Furthering the development of higher education;
- Assisting in the co-ordination of State investment in higher education and preparing proposals for such investment;
- Promoting an appreciation of the value of higher education and research;
- Promoting the attainment of equality of opportunity in higher education;
- Promoting the democratisation of the structure of higher education;
- Conducting reviews of the strategic plans and equality policies in higher education institutions and to publish reports of such reviews;
- Promoting attainment and maintenance of excellence in learning, teaching and research in higher education;
- Allocating the moneys provided by the Oireachtas to publicly funded institutions;
- Ensuring proper oversight of the governance of the higher education sector;
- Regulatory overview of the higher education system.

The HEA leads the strategic development of the Irish higher education and research system with the objective of creating a coherent system of diverse institutions with distinct missions, which is responsive to the social, cultural and economic development of Ireland and its people and supports the achievement of national objectives.

3. **Mutual Roles**

Under this Agreement, both parties will

(a) Commit to proactive cooperation and timely communication
(b) Provide prompt and timely responses to correspondence, information requests and related matters
(c) Keep each other fully informed and updated on all relevant issues
(d) Ensure open and regular channels of communication are maintained in the form of regular meetings at senior management and operational levels in addition to less formal, ongoing dialogue between parties.

3.1 **Role of the Department**

Under this Agreement, the Department will –

- Provide annual Exchequer funding through the Education Vote to the Higher Education Authority
- Provide timely sanction for expenditure and staffing in line with Public Financial Procedures and HR Policy Guidelines
- Provide information, guidance and updates on general Government policy, Public Financial Procedures, staffing and pay policies, legal matters, shared services models or other matters deemed necessary
- Present the Annual Report and Audited Accounts to Government and lay them before the before the Houses of the Oireachtas.

3.2 Role of the HEA

Under this Agreement, the HEA will:

- Comply with the Code of Practice for the Governance of State Bodies 2016
- Undertake all necessary actions to ensure that the Chairperson of the HEA Board can competently complete an annual comprehensive report to the Minister showing compliance with this Oversight Agreement
- Carry out the core activities and key services as set out in the 2018 Work Plan approved by the HEA Board, ensuring to review progress periodically
- Oversee and facilitate the implementation of the Performance Delivery Agreement
- Provide the Annual Report and Audited Accounts of the HEA to the Department within one month of C&AG sign-off and publish on its website once the Accounts have been laid before the Oireachtas
- Comply with the delegated sanction in respect of staffing by seeking Departmental approval in relation to staffing as necessary
- Comply with Public Financial Procedures in relation to funding allocated to the HEA by the Department, with the Department of Public Expenditure and Reform's Circular 13/2014 and all other relevant financial requirements/procedures/circulars/regulations/legislation as set down from time to time.

4. Code of Practice for the Governance of State Bodies 2016

As outlined in the Code of Practice for the Governance of State Bodies 2016, the Chair of the HEA will furnish a comprehensive report, by way of a confidential letter to the Minister, each year in conjunction with the Annual Report and Financial Statements. The comprehensive report will include:

i) An outline of all commercially significant developments affecting the HEA in the preceding year, including the establishment of subsidiaries or joint ventures and share acquisitions, and major issues likely to arise in the short to medium term;
ii) Summary details of all off-balance sheet financial transactions of the HEA that are not disclosed in the annual report and financial statements of the HEA, including information on the nature, purpose and financial impact of the off-balance sheet financial transactions.
iii) Confirmation that all appropriate procedures for financial reporting, internal audit, travel, procurement and asset disposals are being carried out;
iv) A statement on the system of internal control and including, in cases where a breach of this system has been identified, an outline of the steps that will be taken to guard against such a breach occurring in future;
v) Confirmation that Codes of Conduct for the Board and employees have been put in place and adhered to;

vi) Confirmation that Government policy on the pay of the CEOs and all employees is being complied with;

vii) Confirmation that Government guidelines on the payment of Board members’ fees are being complied with;

viii) Explanation of any failure to comply with any of the above and stating any corrective action taken or contemplated;

ix) An outline of significant post balance sheet events;

x) Confirmation that the appropriate requirements of the Department of Public Expenditure and Reform Public Spending Code are being complied with;

xi) Confirmation that procedures are in place for the making of protected disclosures in accordance with section 21(1) of the Protected Disclosures Act 2014 and confirmation that the annual report required under section 22(1) of the Act has been published;

xii) Confirmation that Government travel policy requirements are being complied with in all respects;

xiii) Confirmation that the State body has complied with its obligations under tax law;

xiv) Details of/information on legal disputes involving other State bodies;

xv) Confirmation that the Code of Practice for the Governance of State Bodies 2016 has been adopted and the extent to which the HEA is in compliance with the Code; and

xvi) A statement that any subsidiary of the State body (or subsidiary thereof) continues to operate solely for the purpose of which it was established, remains and continues to remain in full compliance with the terms and conditions of the consent under which it was established.

5. Monitoring and Reporting

In addition to regular oversight meetings and ongoing dialogue both at high level and at an operational level between the parties, three meetings have been agreed to review progress in respect of the services outlined in the Performance Delivery Agreement. The final meeting is for the purpose of reviewing the performance of the system against the national priorities and system objectives outlined in the System Performance Framework and agreeing priorities for the next period.

It is also recognised that a significant degree of reporting will occur in a less formal manner and that there is a need for flexibility in communications to ensure that there is open and regular channels of communications to ensure that timely warnings may be provided and/or information gathered should time sensitive or significant issues come to attention.
6. Agreement Approval

Signed on behalf of the Department of Education and Skills

Mary Doyle, Deputy Secretary General
Department of Education and Skills

04/09/18

Signed on behalf of the Higher Education Authority

Dr Graham Love, Chief Executive Officer
Higher Education Authority

13-06-18