

Opening Statement

by

Sean Ó Foghlú, Secretary General

Department of Education & Skills

to

the Committee of Public Accounts

regarding

**Special Report of the Comptroller and Auditor General on Accountability and Governance
at the National College of Art and Design**

I wish to thank the Chairman for the opportunity to make a statement concerning the C&AG Special Report on Accountability and Governance at the National College of Art and Design.

The Department of Education and Skills is very concerned with a number of issues arising from this report.

The Department is concerned at the failure of the College to comply with the Code of Governance for third level institutions which had issued to them in 2009. The College has been informed of the seriousness of the Department's concerns.

The C&AG Report has highlighted the level of non-compliance across a range of areas such as the role of the audit committee, the absence of annual reviews of the effectiveness of the systems of internal financial control and procurement. This level of non-compliance is not acceptable, regardless of the financial constraints on NCAD which are no different to those experienced by all other third level institutions. In carrying out their duties, the Governing Authority and the Executive of the College must place a high priority on financial and governance accountability.

I wish to acknowledge that NCAD has educated many students down through the years and continues to do so in this specialised field through what have been challenging times for all areas including the education sector. Notwithstanding that, the college is in receipt of substantial State funding and as a state body has a requirement to operate in line with relevant Government procedures in relation to governance and accountability.

The Department has instructed the HEA to continue to work closely with NCAD and the Office of the C&AG to ensure the implementation of the recommendations in the Special Report.

The Department of Education and Skills in conjunction with the HEA will put in place a robust mechanism to continually review the implementation of these recommendations.

The Report has shown up significant weaknesses in the processes employed by the HEA in this case to oversee the operation of the NCAD. These weaknesses are also a cause of concern to the Department. These build upon weaknesses already identified in processes within the HEA following C&AG reviews and meetings of the Public Accounts Committee and subsequent recommendations which were made in October 2014.

Subsequent to these reviews, meetings and recommendations, the Department of Education and Skills has been reviewing with the HEA the oversight arrangements in place within the sector on these and a range of other issues. Some initial amendments in oversight arrangements have been initiated by the HEA and the Department. The HEA has recently set out a governance and regulatory framework for the sector which is to be agreed and implemented commencing in April of this year. This includes the strengthening of the HEA's executive processes in relation to oversight on governance and internal controls in the institutions.

My own Department is also in the process of strengthening its own role in relation to governance and accountability oversight of all institutions and bodies right across the whole education sector, not just at third level. We will continue to work with all stakeholders, including the C&AG, to strive for improvements in processes so that the utilisation of public funding is done within a framework of high standards of accountability, compliance and oversight.