

GOVERNANCE FORUM BRIEFING

Meeting Governance Obligations

- Paul Turpin, 4 February 2010

Governance in the Public Interest

“State Bodies must serve the interests of the taxpayer, pursue value for money in their endeavours and act transparently as public entities”

(Code of Practice, 2009)

Issues to cover

1. Overview of compliance obligations
2. Employment obligations
3. Data protection responsibilities
4. Governance Code of Practice

Governance Compliance

- State bodies are required to confirm to the relevant Minister that they comply with the up-to-date requirements of the Code in their governance practices and procedures
 - *Code of Practice for the Governance of State Bodies*

Legal compliance

- “The Board is responsible for compliance with **all statutory obligations applicable to the State body** that may be set out in the legislation governing the establishment of the body or in other relevant legislation”
 - *(Code of Practice for the Governance of State Bodies(2.3))*

Compliance Obligations

- Establishing legislation
- Employment
- Data management
- Other
 - Health & Safety, Ethics, FoI, Official languages,
- Governance Codes of Practice
- Other

Meeting Statutory Obligations

- Data Protection
 - *Billy Hawkes*
- Employment
 - *Ercus Stewart*

Structure of Code of Practice

- A. The Board and Directors
- B. Remuneration
- C. Risk, Accountability, Audit
- D. Oireachtas and the Minister
- E. Specific Procedures
 - Procurement, capital appraisal, travel, legal disputes

The Board/ Governing Authority has a collective responsibility

- The strategic direction
- Monitoring performance
- An effective system of governance

Wide variation in features of Public Bodies

1. Level of Autonomy
2. Governing authority
3. Commercial/Non commercial
4. Restructuring proposals
5. Other?

Sources of Corporate Governance Controversies

1. Poor leadership and decision making processes
2. Inadequate systems and controls
3. Poor standards of conduct
4. Ineffective risk management

A: Board and Directors

- Matters reserved for decision of the board
- Confidential disclosures
- Strategic planning
- Review effectiveness of Board

A (cont): Board and Directors

- Raise any evidence of non-compliance with statutory obligations
- Written Code of Business conduct
- Disclosure of interests

C: Risk Management, Accountability, Audit

- Board Oversight of Risk Management
 - Standing meeting agenda item
 - Chief risk officer or equivalent
 - Risk management policy
- Audit Committee
 - Review of internal control
 - Review the effectiveness of internal audit

D: Oireachtas and the Minister

- Performance framework
 - Annual output Statements
- Reports and Accounts
- Chairperson' report to the relevant Minister
- Assurance of Departmental Accounting Officer.

E: Specific Procedures

- Procurement
- Capital Investment Appraisal
- Travel
- Tax Compliance
- Legal disputes

Key areas in the Confirmation of Compliance with Code

- Statutory responsibilities
- Clarity on board responsibilities
- Remuneration
- Internal Controls/ audit process

Key areas in the Confirmation of Compliance with Code

5. Risk management
6. Procurement procedures
7. Reporting requirements
8. Code of Business Conduct