



# Governance Forum 2012

## “Promoting good governance in the public interest”

The Governance Forum at the Institute of Public Administration provides advice, training, information and a range of supports on good governance, with a particular emphasis on state, public interest and public benefit organisations.

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ADMINISTRATION



# Governance Forum 2012

## Promoting good governance in the public interest

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## Introduction to the Governance Forum

The Governance Forum at the Institute of Public Administration provides advice, training, information and a range of supports on good governance, with a particular emphasis on state, public interest and public benefit organisations. The member organisations of the Forum include state bodies, public agencies, Government departments and not for profit organisations.

The benefits for each Forum member include invitations for board members and senior executives to a series of highly relevant briefing events and conferences, round table discussions and peer to peer dialogue on best practice, customized in-house governance advice, board training and related consultancy services, access to advice and support from IPA governance specialists as well as privileged access to the Governance Forum web site.

Since its establishment in 2007, the Forum services have evolved in response to the needs of the members and in response to governance developments more generally. Among the recent themes addressed within the Forum have been the application of governance codes to different sectors and institutions, board compliance obligations, the role and effectiveness of audit committees and internal audit, the embedding of risk management arrangements, board evaluation, the relationships between State bodies and parent departments, the role of the board secretary, the governance of regulation, the application of the Public Financial Procedures, and the most recent research on the governance of commercial state bodies. The proposed events for 2012 take into account the implications of severe economic challenges and the programme for public service reform and the consequent governance challenges for organisations.

Many Boards have availed of the services of the governance team for board induction events, board member and audit committee training and advice on governance processes and procedures.

In 2012, the programme will maintain a level of flexibility to focus on relevant and pressing governance issues and topics raised by Forum members.



# Moving on from 2011

2011 was an unprecedented year in the history of the Irish economy and public administration. It was the first year of implementing a recovery plan which required agreement and progress reporting to the European Commission, the ECB and the IMF. The general election resulted in a new government. The Department of Finance was restructured with the establishment of the new Department of Public Expenditure and Reform. A cost for restructuring the Irish banks was established, providing further confirmation of the heavy burden to be borne. The crisis in European and other economies grew larger. The weakness of international economies increases the headwinds facing a recovery of the domestic economy.

International comparisons showed that in 2010 trust in government and parliament in Ireland had hit all time lows. An IPA report (*Public Sector Trends 2011*), showed improvements for 2011 with Irish trust levels improving to around European averages. The report, in its review of Irish public administration performance in a comparative European context, identified a key weakness in the implementation of policy.

A strong recovery will require high levels of trust and engagement from all stakeholders in the public service. Key features in building trust will be the actual and perceived commitments to high levels of good governance in bodies charged with delivering in the public interest.

Good governance means focusing on the purpose of the organisation and the outcomes for citizens and service users. During 2011 the Forum ran a programme of events which combined core briefings on governance topics set in the context of issues which members were facing. In 2012 this approach will be built on further. In addition to sessions on the formal responsibilities of those in governance roles we will have presentations to discuss and share the real experiences of organisations and individuals committed to high standards in governance.

## Agencies and Boards

In 2011 a special Forum conference 'Setting the Tone from the Top' included discussions with newly appointed Minister

Brian Hayes TD, the Commissioner for Public Appointments in Scotland and other leading commentators examining the manner in which State Board appointments are made and the contributions boards should make to good governance.

The role of agencies and their boards is an important theme in the statement on reforms of the public sector announced in November 2011. That statement signaled further reductions in the number of State Bodies. It indicated that there would be a rationalization of 48 bodies by the end of 2012, a review of the position of a further 46 bodies and scrapping of boards where it would be more appropriate for managers to be directly accountable to Ministers.

In this context, the Forum programme for 2012 includes a conference on the benefits and costs of agency rationalization and governing boards.

## Briefing Topics

In the 2011 briefing for members on key governance issues we were delighted to be joined by the Comptroller and Auditor General. An addition to the initial programme was a special half day event on finance for board members. A special event was arranged on skills which would be of particular value in the Boardroom. Harvard Professor Gary Orren delivered a Masterclass on Persuasion.

The round table events were continued for Audit Committees and for Board secretaries. A special theme was the governance of IT. In 2012, specific themes under consideration include human resources, project management and property management.

The outline programme of events is set out on page 4. This may be revised in the light of unfolding events and to respond to areas of particular interest communicated by the Members.

In addition to the events programme the IPA governance team have been actively working with and supporting many organisations on reviews of their governance arrangements and processes.





# Outline programme for Governance Forum Events, 2012

DATE	TOPIC	CONTENT TO BE ADDRESSED AT THE EVENT
25 January	Values, compliance and codes of business conduct	Public bodies are required to have codes of conduct which are based on the rights and legitimate expectations of citizens. The briefing will give examples of how organisations have looked to embody dignity and trust into their operations.
22 February	An update on Governance issues	The governance issues which are in the headlines, the concerns raised by the C&AG and the state of progress on public service reforms.
28 March	Leadership and teamwork in the organisation	This event looks specifically at areas of competency helpful for board members and senior managers to discharge their leadership, responsibilities. What does team work mean when it comes to a board?
18 April	Role and responsibility of board members	This review of Board responsibilities will cover the requirements under the governance Code of Practice, legal obligations and other governance requirements
May Conference	To be or not to be? - deciding the future of agencies and boards.	This conference will involve both international and national speakers and include new research on the criteria for deciding agency rationalisation.
23 May	Finance for Board Members	This is a special half day event which will provide an overview on financial concepts, financial reporting obligations and public financial procedures
13 June	Board and committee composition and evaluation	Three years after the Code of Practice introduced the requirement for Board evaluation what are the results? What is the most effective means of board nomination? These questions will be addressed in the briefing.
27 June	The governance of specialist areas.	The proposed areas include HR, IT, property management and project supervision. These will be confirmed after consultation with the members on priority areas.
19 September	Board Secretaries	Network event supported by key note speakers
3 October	Monitoring and contributing to strategy	This will include case examples from bodies which have prepared strategy statements and discuss issues which arise in the preparation of output statements.
31 October	Risk Management	The techniques of risk management and how it adds value and can be supportive of innovation in an organisation This must be achieved in a period when organisations are looking to operate with reduced resources.
28 November	The Audit Committee	A round table event addressing topical issues for audit committees

Other events can be added to reflect areas of particular interest to the Forum Members. Areas under consideration include

- Update on newly published codes
- Responding to new policies/ major events
- The benefits and costs of regulation and controls

Each Forum Member organisation is entitled to training and support services from the Forum staff. This is often taken in the form of a workshop.

Forum members have the scope, also, to avail of specific advice and consultation with the Forum staff.

# Governance Forum Events in 2011

This section contains an outline of the main open events which took place during 2011. Further details on the presentations are available to Forum members at the website [www.governance.ie](http://www.governance.ie) or by contacting a member of the Forum team.

**4 February**

## **Good Governance in the Current Environment**

A briefing on governance in 2011 and the changes required. Addressed by John Buckley, Comptroller & Auditor General, Economist Jim Power and Richard Boyle, Head of Research at the IPA.

**11 March**

## **Persuasion and the Achievement of Public Goals**

A master class on persuasion led by Professor Gary Orren of the Harvard Kennedy School of Government.

**8 April**

## **Good Governance Conference; Setting the Tone from the Top**

This conference, included an opening address by Minister Brian Hayes TD. Scotland's Commissioner for Public Appointments, Karen Carlton discussed State board appointments the importance of the culture of boards in setting the tone of an organisation and what skills and experiences a board member should have.

**6 May**

## **Ensuring Information and IT Governance is Effective**

A briefing on the governance of IT, the impact of web based activities and the risks and opportunities which board members and senior managers should be informed about.

**24 May**

## **Finance for Board Members**

This half day event provided an overview on contemporary financial reporting issues and public financial procedures of direct relevance to boards and committees.

**14 June**

## **Developments within the Board Secretary Role**

This roundtable event brought together a broad network of individuals to discuss the specific challenges of delivering the board secretary role, a key compliance officer role in modern organisations

**28 June**

## **Role and Responsibility of Board Members**

Board members require an understanding of the legislative basis of state bodies, public sector governance guidelines and key issues in achieving a balance between compliance and performance. This briefing provided an overview of the roles and duties of members of the boards of state, public and not for profit bodies.

**13 September**

## **Setting and Delivering Strategic Priorities**

The issues discussed included the preparation of strategy, environmental analysis, stakeholder consultation, handling cross cutting/interagency issues, human resource and workforce planning.

**15 November**

## **Risk Management - Supporting Innovation in the Public Interest**

This event included a discussion of risk appetite in public interest bodies. Presentations addressed principles and practices in the adoption of risk management. Case studies included contributions on best practice in successfully implementing risk management processes and experiences in adopting a strong innovation focus.

**30 November**

## **Audit Committees**

A round table event arranged to consider the evolving role of audit committees, the arrangements and processes to maximise the effectiveness of audit committees and to discuss the findings of recent research on the topic.

**13 December**

## **The Features of Effective Board Committees and Sub-Board Structures**

This briefing was designed to discuss the role of committees, how they should relate to the Board, the agreement of terms of reference, the composition of committees and the results of a survey of practices among members and other organisations.





# Forum Services to Individual Member Organisations

During 2011, the Governance team at the Institute provided a range of supports to forum member organisations and other state and public interest bodies who were reviewing and enhancing their governance systems and processes. The supports ranged from bespoke individual and collective board member induction to availability via phone or email to provide confidential advice on governance issues which were arising within the organisation, at board or at board committee level.

## Board Induction/Role of Directors/Governance Updates

These events typically take place as workshops for new or existing Boards. The benefits are maximised when the governance specialists can combine their own knowledge of the roles and responsibilities of directors with prior research and briefing on issues which are directly relevant to the individual organisation. The overall objective is to clarify roles and responsibilities at senior levels and enhance the value added by the Board to the leadership of the organisation.

## Board Evaluation

The Code of Practice for State Bodies states that “the board should constantly review its own operation and seek to identify ways of improving its effectiveness” The Board performance evaluations undertaken focus on the key roles of the Board - setting the strategic direction, monitoring performance, arrangements for holding to account, stakeholder relationships, ethics and behaviour and also effective board processes and procedures.

## Risk Management

The risk management services include assisting with the adoption of risk management policies and the implementation of risk management frameworks to suit different types and sizes of organisations. The supports provided range from the facilitation of the process through to the production of corporate and divisional/office level risk registers and the updating of relevant policies and assurance arrangements relating to risk management.

## Audit Committees

Audit committee role continues to evolve. The governance

team has been retained by and assisted several audit committees with their annual programme and other professional support as deemed necessary. In addition periodic briefings and updates are provided for other committees or chairs of committees.

## Governance Manuals and other Documentation

The Forum team has been actively supporting organisations with the development and updating of bespoke governance manuals and documentation. These documents are a core part of board member induction in many organisations and provide a key reference for senior executives, board and committee members and the external auditor.

## Control Effectiveness Reviews

There is an obligation on boards to monitor and report on the systems of internal control including risk management in their Annual Report. This has implications for the work of internal audit and the assurance and control compliance arrangements across the organisation. The governance team have been commissioned to (a) independently undertake these reviews and (b) support organisations in carrying out such reviews.

## Other Services

The team has provided assistance in several additional areas, including the preparation of strategy statements, managing relationships between Departments and agencies and facilitation of workshops to address other governance challenges in organisations.

It is an objective of the Governance Forum Team to be available to assist organisations with issues at short notice. The Government’s Public Service Reform proposals announced in November 2011 contain a series of steps which will have significant implications for the way public bodies are organized. Good governance will require that they have clear mandates and performance expectations, and that they can show they are accountable, transparent and efficient. The Team will make available their broad knowledge and extensive experience of public policy issues to provide assistance to bodies in a period of unprecedented challenges.



# The Benefits of Forum Membership

As a member of the Forum, Boards and executives of an organisation will be joining a network of people who are actively promoting and implementing good governance. Membership is on an annual basis. Each organisation may nominate Board Members and senior managers to receive documentation and access to the Forum members' website. In addition they will receive up to three complimentary invitations to each briefing and the conference. The range of benefits that participating Forum members will enjoy includes:

- Automatic inclusion and invitation to high quality and relevant events for Board level personnel and senior management nominees;
- Discounted rates for further training and consultancy;
- Access to an expert Forum team and a network of contacts comprising sectoral and specialist personnel;
- Opportunity to participate in and set the agenda for special policy or practice issues within the Forum;
- Access, through the Forum, to key influencers who will be shaping the Governance agenda;
- Dedicated members website [www.governance.ie](http://www.governance.ie);
- Highly cost effective and quality driven service focussed on public interest organisations and agencies.



# The Forum Specialist Team



**Paul Turpin** is a Governance Specialist at the IPA. Previously he worked at a senior level in financial services, as an economic adviser to Government Departments and with the National Economic and Social Council. He has served as a company director, a member of the Health Insurance Authority and the Audit Committee of An Garda Síochána.



**Muiris MacCarthaigh**, Research Officer at the IPA is involved in a variety of academic and commissioned research projects. Recent areas of work include state agencies, administrative reform, accountability regimes and public service values. He has written and edited a number of books on Irish government and public administration.



**Noreen Fahy**, Senior Finance Specialist is involved in training and advice on financial reporting, financial management and financial information systems. She has worked with a wide range of State bodies and boards. Noreen is a Fellow of the Association of Chartered Certified Accountants (FCCA) and worked for several years as a professional accountant in the private sector before joining the IPA.



**Aidan Horan** is a qualified accountant with a diploma in International Financial Reporting and Auditing. He is a director in the consultancy, training and development directorate at the IPA. He is a non-executive member of several boards and audit committees.

The Governance Forum, managed through the Institute of Public Administration, has been established to provide advice, training and information on good governance. Membership of the Forum includes state bodies, public interest and public benefit organisations, not for profit bodies and Government Departments. The 2012 corporate Forum subscription period runs to 31 December 2012. The cost per organisation is €4,500. A further discount of €500 is given for corporate members of the IPA.

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