

Board (Sub)Committees: What and Why

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Boards

- *State of the Public Service* report (2010)
- 249 agencies
 - Down 10 on 2007
- 188 (75%) of them had some form of board or governing authority
 - 2,300 positions
 - 2 - 37 members.
 - Average 12 member Board
- Scrap Boards?

Why delegate to (sub)-committees?

- Economy of operation
- Gains from Trade
- Co-ordination by chair
- Information quality enhancement
- Issue avoidance
- Loss of full Board expertise
- Accountability and Liability

Typical committees & tasks

- **Nomination**
 - Recommend candidate, review induction, procedures, succession plans, measures for informing Board members
- **Remuneration**
 - Compensation policy and compensation proposal development, recommendations on incentive schemes
- **Audit**
 - Adequacy of accounting/internal control systems, internal auditor has clear access to Board, quality of financial information, scope and independence of external audit

Sub-Committees elsewhere

- Cabinet (7)
 - Economic Recovery & Jobs
 - Social Policy
 - Climate change and Green Economy
 - European Affairs
 - Economic Infrastructure
 - Irish & Gaeltacht
 - Public Service Reform
- ‘Conclusions arrived at by the Cabinet committees are then brought before Cabinet for final approval.’ (Taoiseach May 2010)
- Economic Management Council

Sub-Committees elsewhere (cont'd)

- ASX companies
 - Minimum of 3 (nomination, risk, audit, remuneration)
- Original OECD Corporate Governance guidelines – little reference to committees
 - Update 2004
- Companies legislation requirement
 - External memberships (including management)
- Other types of Committees
 - Disclosure, H&S, Environmental, Corporate Governance

Issues arising

- Ad-hoc or permanent
- Co-ordination
 - Overlap, lacunae
 - Role of Chairman
- Membership
- Relationship to external actors
- Size of non-Board membership

Issues arising (cont'd)

- Issue selection and allocation
- Liability of non-committee Board members
 - Duty to monitor? Sanction?
- Records, Accountability
- Charter for committees

Thank You Questions?

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