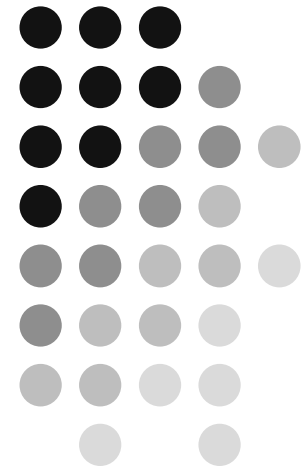
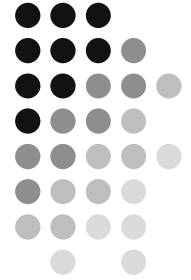


Government Departments & Governance of State Bodies

Sean Dorgan

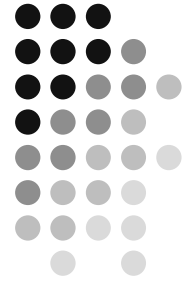


Wide Variety in Public Bodies



- **Commercial State Companies e.g. ESB, CIE**
- **Large Semi-Autonomous Agencies e.g. HSE, IDA**
- **Other Board structures e.g. Arts Council**
- **'Departmental' Agencies e.g Courts Service, OPW, Competition Authority**

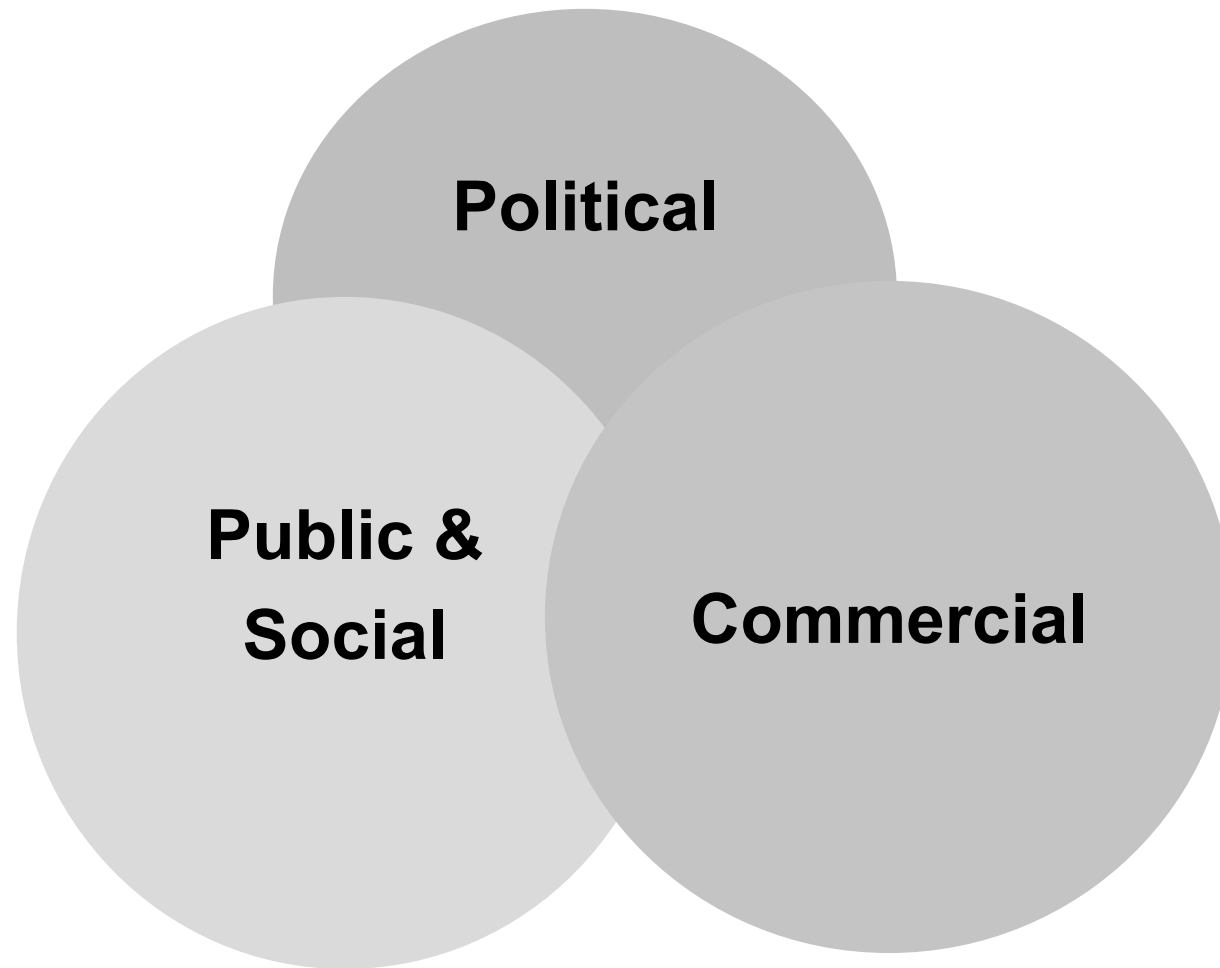
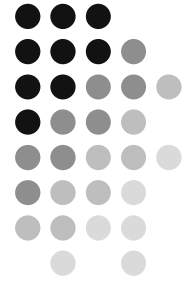
The Combined Code on Corporate Governance



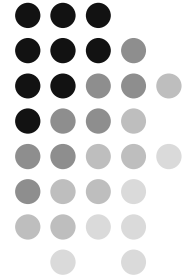
“The board’s role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed. The board should set the company’s strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review management performance....”

“As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy.”

The Public Context



Three Key Questions



What are we seeking to achieve?

How will we go about that?

How will we account for our progress?

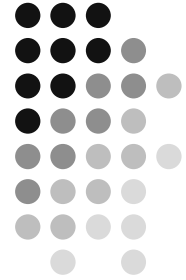
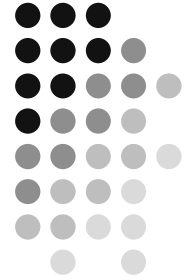


Illustration: IDA History

- **Set up 1969; strong success in 1970s**
- **Less success but much promise in 1980s**
- **White Paper on Industrial Policy 1984**
 - *“Department should determine policy”*
- **Culliton “Time for Change” 1991/92**
 - *Much broader view of policy – not just about agencies*
 - *Reorganisation of agencies*
- **Great success in 1990s**
- **2000s – repositioning Ireland and reshaping the role of IDA (with other agencies)**

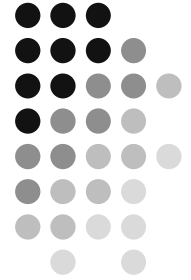
Three Key Questions



What are we seeking to achieve?

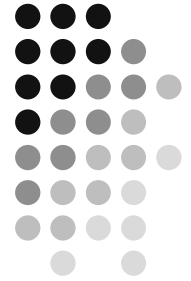
How will we go about that?

How will we account for our progress?

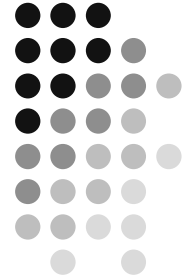


***“The Government is
the worst of all
possible shareholders”***

Some Political and Civil Service Limitations



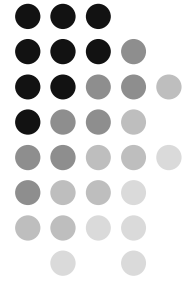
- **Complexity or confusion of purpose and mission**
- **Sometimes, lack of leadership**
- **Narrowness of communications and accountability frameworks – with control focus**
- **Risk aversion or mistake avoidance as priority**
- **Failure to engage, discuss and agree the strategy**
- **Sometimes lack of expertise, professionalism or depth in handling issues**



The Role of Departments

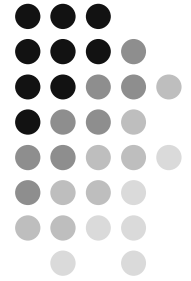
- **Write clear Strategy Statements – on the lines of “Here is what we are seeking to achieve” rather than “Here is what we do”**
- **Insist on coherence of objectives (rather than on uniformity of inputs or even of actions)**
- **Facilitate accountability and communications on public outcomes – the pursuit of the good rather than avoidance of mistakes**
- **Be responsive to and support the front line, rather than seeking to direct it in detail**

The Role of Boards and Chair



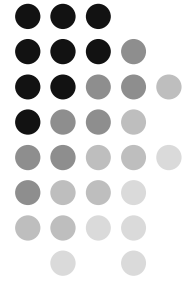
- **Provide effective governance for organisation including necessary challenge to managers**
- **Support executive leadership of organisation (or, if necessary, change it)**
- **Communicate to Minister / Government as shareholder**
- **Achieve sufficient separation from Minister / Department while retaining cohesion of purpose**

OECD Public Management Review

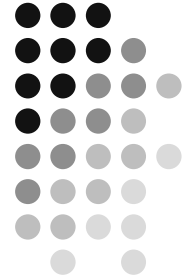


Towards an Integrated Public Service:

- **Improved governance and performance dialogue**
- **Networked approaches to working**
- **Moving towards a performance focus**
- **Prioritising spending within budget frameworks**
- **Using e-government**
- **Increased flexibility and mobility for workers**
- **Senior Public Service**
- **Strong leadership role for the Centre**



“Nowhere is the strategic role of Departments more important than in their relationship with agencies and other PS bodies.... The performance dialogue between departments and agencies is currently missing in Ireland and with it the link between societal and government goals....”



The Challenge

How will the leaders of the public service create a unified public serviceproviding seamless planning and delivery of public services and do all this in a spirit of letting go, of minimising control in favour of empowering, incentivising, and trusting managers not at the centre?

John Cullen

Irish Times 29 April 2008