



**Health
Information
and Quality
Authority**

An tÚdarás Um Fhaisnéis
agus Cáilíocht Sláinte

Code of Governance Manual

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Introduction

The Health Information and Quality Authority is committed to operating to the highest standards of efficient and effective corporate governance. This is particularly important given the values that drive the approach and behaviour of the Authority and the need for the Authority to subject itself to the highest standards of scrutiny.

This manual sets out the systems and processes by which the Authority directs and controls its functions and manages its business. It is intended to guide the Board (and staff, where appropriate) of the Authority in performing their duties to the highest standards of accountability, integrity and propriety.

This manual brings together the main standing orders and policies and procedures for corporate governance into one reference point and contains the following key documents:

1. Code of Governance

This code sets out the appropriate structures and procedures to ensure that the governance and accountability arrangements are robust and effective across the Authority.

2. Code of Business Conduct

This code sets out the guidelines for ensuring that the Authority conducts its business to the highest possible standards of integrity and ethics and reflects the obligations on staff, Board Members and individuals contracted by the Authority in the deposition of their public duties.

3. Standing Orders of the Board

The Standing Orders of the Board of the Authority provides for the regulation of the proceedings of the meetings of the Board.

4. Formal Schedule of Matters for Board Decision

This Schedule outlines the matters specifically reserved to it for decision to ensure that the direction and control of the Authority is firmly managed by the Board.

5. Functions of the Board Secretary

This sets out the functions performed by the Board Secretary.

6. Committees of the Board

This sets out the general rules for Committees of the Board, a list of the Committees established by the Board and the membership and the Terms of Reference for those Committees.

7. Conflict of Interest Policy

This Policy reflects the emphasis which the Authority places on the avoidance of occasions where conflict of interest may arise and sets out principles for the management of real and potential conflicts of interest.

8. Conflict of Interest Procedure

This procedure sets out the practical means by which a conflict of interest or potential conflict of interest situation is managed.

9. Code and Charter for the Internal Audit Function

This sets out a formal Code and the formal charter for the internal Audit function. The Code includes an internal audit reporting structure and the terms of reference for the function.

10. Principles of Quality Customer Service for Customers and Clients of the Public Service.

This document outlines these principles that are actively promoted by the Authority.

It is intended for this manual to be part of the induction programme for staff and it will be subject to regular review and updated as required.

Code of Governance

1 Context

This In accordance with Section 34 of the Health Act 2007 and informed by the Framework for Corporate and Financial Governance as well as the Code of Practice for the Governance of State Bodies, a Code of Governance for the Authority has been compiled and approved by the Board at its meeting on 16th April 2008 for submission to the Minister for approval.

Subject to approval by the Minister the Board has agreed to keep this code under continuous review and to update it as necessary and in accordance with the development of the Authority and any additional new public sector requirements.

This Code provides for appropriate structures and procedures to ensure a robust framework for the governance and accountability of the Health Information and Quality Authority.

2 Definitions

In this Code of Governance the following expressions shall, unless the context otherwise requires, have the following meanings:-

- *'Act', the Health Act 2007, establishing the Health Information and Quality Authority.*
- *'Authority', the Health Information and Quality Authority established under the Act.*
- *'Board', the Board of the Authority, appointed by the Minister under the Act.*
- *'Chief Executive Officer' or 'CEO', a person appointed to the post of Chief Executive Officer of the Authority.*
- *'Chief Inspector', a person appointed to the post of Chief Inspector of the Social Services Inspectorate.*
- *'Directors and Heads', the Director of Healthcare Quality, the Director of Health Technology Assessment, the Director of Health Information, the Chief Inspector of Social Services, the Head of Communications and Stakeholder Engagement and the Head of Corporate Services.*
- *'Executive', the Health Service Executive established under the Health Act, 2004.*
- *'Minister' means the Minister for Health and Children.*

3 Introduction

The Authority is a body corporate with functions and responsibilities as set out under section 8 of the Act. This Code of Governance sets out a corporate governance best practice framework within which the Authority wishes to operate. It includes standards of conduct and probity that the Board Members, staff members and anybody contracted by the Authority are required to observe. Members of the Board, the staff or anybody contracted by the Authority subscribe to an identified Code of Business Conduct.

3.1 The key functions of the Authority are as follows:

- *Developing quality and safety standards for Ireland's health and social services based on evidence and best practice.*
- *Monitoring standards of quality and safety in Ireland's health services, implementing continuous quality assurance programmes and accrediting service providers that meet standards of excellence.*
- *Ensuring registration and inspection by the Social Services Inspectorate of residential homes for children, older people and people with disabilities. Monitoring day and pre-school facilities and children's detention centres, inspecting foster care services.*
- *Health Technology Assessment – ensuring the best outcome for the service user by evaluating the clinical and economic effectiveness of pharmaceuticals, medical devices, diagnostic, techniques and health promotion activities.*
- *Publishing information on Ireland's health and social services and advising and setting standards for the collection and sharing of information across the services.*

The work of the Authority spans the health and social services system, with the exception of mental health services.

4 Guiding Principles of the Authority

The Authority shall observe the highest standards of probity in relation to the stewardship of public funds and the exercise of its functions; maximise value for money, through ensuring that duties are delivered in the most economical, efficient and effective way, within available resources; demonstrate adherence to the Authority's core functions in accordance with the Act. The Authority shall be accountable to the body public and the Minister, for its activities, its stewardship of public funds and the extent to which key performance targets and objectives have been met.

5 Structure of the Authority

5.1 Introduction

Section 14 of the Act provides that the Board is the governing body of the Authority with the power to perform the functions of the Authority. The Chief Executive Officer (CEO) is responsible to the Board for the implementation of the Board's policies. The CEO in turn delegates or sub delegates functions to the Senior Management Team. The Chief Inspector of Social Services also performs social service functions in accordance with Section 41 of the Act. Appendix 1 shows the organisational structure of the Authority.

5.2 Specific duties and responsibilities of the Chairperson:

The specific duties of the Chairperson are as follows:

- *representing the Authority in its dealings with the Minister*
- *promoting the work of the Authority*
- *providing effective leadership to the Board*
- *ensuring Board members understand their respective roles and responsibilities and that the Board works effectively and efficiently*
- *ensuring that the Board meets not less than six times yearly, chairing the meetings and ensuring that the minutes of the meeting accurately record the decisions taken and, where appropriate, the views of individual Board members*
- *ensuring that all meetings of the Board are conducted in accordance with the Standing Orders of the Board and with the Authority's Code of Business Conduct*
- *the Chairperson of the Board has to confirm to the Minister for Health and Children that the Authority has complied with the Codes of Business Conduct*
- *ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Minister*
- *establishing all relevant committees. This shall include an Audit and Corporate Governance Committee, under the chairmanship of a Board member*

5.3 Duties and Responsibilities of Board Members

The Board members (including the Chairperson) shall have collective responsibility to:

- *establish the strategic direction of the Authority, within the framework laid down by the Act and the resources allocated to it*
- *direct, support and evaluate the CEO*
- *ensure that the Authority complies with all statutory and administrative requirements for the use of public funds*
- *fully engage in impartial and balanced consideration of all issues*
- *assure the Authority's system of internal financial control, operations compliance and risk management (this requirement can be delegated to the Audit Committee)*
- *contribute to any Committee of the Board*
- *share corporate responsibility for all Board decisions*
- *be objective in their work on behalf of the Authority*
- *ensure full compliance with Conflict of Interest Policy and Procedure and Codes of Governance and Business Conduct*
- *treat papers marked for non-disclosure as confidential to themselves, not discuss them with others outside the Authority, not leave them unattended and where others may obtain access to them, and dispose of them appropriately*

In addition, each Board member is individually responsible for:

- *on appointment to the Board furnishing to the secretary to the Board details relating to his/her employment and all other business interests including shareholdings, professional relationships, etc. which could involve a conflict of interest or could materially influence the member in relation to the performance of his functions as a member of the Board*
- *complying with all aspects of this Code of Governance, which includes their declaration of all relevant interests*
- *informing the Board, via the Chairperson, of any new appointments they accept which may impinge on, or conflict with, their duties as a Board member*
- *acting in good faith and in the best interests of the Authority*

- *not disclosing, without the consent of the Board, save in accordance with law, any information obtained by him or her while performing duties as a member of the Board*
- *responding to any information requests made directly to him or her, relating to the activities of the Authority, including referring any request to the Chairperson (or the Secretary of the Authority on his or her behalf) for appropriate processing*
- *not misusing information gained in the course of their public service for personal gain or political purpose*

5.4 Key Duties and Reporting Responsibilities of the Board corporately

The Board shall execute the following functions:

- *In a Board resolution, lay down formal procedures whereby Board Members, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the Authority.*
- *The Board shall have a formal schedule of matters specifically reserved to it for decision (formal schedule included with Governance Framework documents).*
- *The Authority shall prepare within six months of establishment, in accordance with Section 30 of the Act, a rolling three year corporate plan.*
- *The Board holds and retains overall responsibility for discharge of the key functions specified in the Act. It shall comply with all statutory regulations and legal obligations which apply to the Authority. Where individual Board members become aware of any non-compliance they are required to bring this to the attention of the Board with the intention of having the matter rectified. The matter shall also be brought to the attention of the Minister by the Chairperson.*
- *The Board is vigilant in ensuring that the Chairperson advises the Minister on any matter relevant to him/her as principal stakeholder and of any significant matter of public concern.*
- *The Minister is notified of any matter for his/her decision or direction as required by the Act.*
- *An Annual Report shall be submitted to the Minister and published. In addition the accounts shall be provided to the Minister and the Minister for Finance where applicable as required by this Code of Governance.*

- *The Board shall approve financial and accounting policies and supervises the production and submission of Annual Accounts. In the context of the annual statement of accounts the Board shall report that the Authority is a going concern along with any assumptions or qualifications which are necessary.*
- *The Board shall seek all necessary information to ensure that the Annual Report to the Minister and the Annual Accounts present a balanced and understandable assessment of the Authority's position and performance.*
- *The Annual Accounts shall include the CEO's annual basic salary, payments made to the CEO under performance-related pay schemes and the total value of the CEO's superannuation benefits or any additional benefits provided.*
- *The annual accounts are audited by the Comptroller and Auditor General. The Board through its Audit Committee should have a discussion with the external auditors at least once a year, without employees of the Authority present, to ensure that there are no unresolved issues of concern.*
- *The Board shall approve the internal control structure of the Authority and receive periodic reports on the effectiveness of these provisions. Internal controls should be reviewed annually.*
- *An annual business plan shall be submitted to the Minister.*
- *The Board shall approve capital and revenue budgets and monitor expenditure.*
- *The Board shall select and appoint the CEO. The succession to the post of CEO and the recruitment procedure for the appointment, which involves public advertisement, shall be a primary concern of the Board. It shall approve the related contract of employment, including remuneration and institute a process of annual performance appraisal.*
- *The Board shall approve procedures for the making of all senior appointments to ensure objectivity and the quality of these appointments.*
- *Contracts for the acquisition and disposal of major assets for a value in excess of €100,000 and for capital works shall be approved by the Board. Loans for capital works shall be approved by the Board.*
- *Where an asset has an anticipated value of in excess of €70,000 the Board shall maintain a transparent auction or tendering process for its disposal.*

- *The Board shall ensure that appropriate procurement procedures are implemented in accordance with relevant domestic and EU guidelines and regulations.*
- *The Board, through its executive, shall ensure the appropriate expertise of the personnel responsible for the purchasing function of the Authority and that they are properly conversant with all developments in this area.*
- *The Board shall ensure that in the event of payment of grants, subsidies and similar type payments all Tax Clearance requirements as set out in Dept. of Finance Circular of 30 July (F48/13/87), as well as the Department of Finance Circular 22/85 relating to Public Sector Contracts, are adhered to.*
- *Where the Authority proposes the establishment of joint ventures, subsidiaries, or an expansion of the Authority's current remit, the Board shall be required to receive approval in relation to same from the Minister.*
- *The Board shall ensure that a qualified management team and a robust management structure are in place.*
- *The Board shall appoint committees as it sees fit and determine their terms of reference.*

5.5 Duties and Responsibilities of CEO

The CEO is responsible for:

- *reporting to the Board and presenting the Board with strategic and operational plans for its review and approval*
- *carrying on and managing and controlling generally, the administration and business of the Authority*
- *performing such other functions as may be assigned to him or her under the Act or as may be delegated to him or her by the Board*
- *supplying the Board with information (including financial information) relating to the performance of his or her functions as the Board may require;*
- *implementing the Board's policies*
- *complying with all aspects of this Code of Governance, which includes his or her declaration of all relevant interests*
- *informing the Board, via the chairperson, of any new appointment he or she accepts which may impinge on or conflict with, his or her duties as CEO*
- *acting in good faith and in the best interests of the Authority*
- *not disclosing, without the consent of the Board, save in accordance with law, any information obtained by him or her while performing duties as CEO*
- *not misusing information gained in the course of his or her public service for personal gain or political purpose.*

5.6 Duties and Responsibilities of the Chief Inspector

The Chief Inspector is responsible for:

- *inspecting the performance by the Executive of the Executive's functions under Sections 38 to 42 and 53 of the Child Care Act, 1991 and Section 10 of the Health (Nursing Homes) Act, 1990*
- *establishing and maintaining one or more registers of designated centres (as such term is defined in the Act)*
- *registering and inspecting designated centres to ensure compliance with applicable statutory regulations and standards*
- *inspecting special care units to assess whether the operator is in compliance with applicable statutory regulations and standards*
- *complying with all aspects of this Code of Governance, which includes his or her declaration of all relevant interests*
- *informing the CEO of any new appointments he or she accepts which may impinge on, or conflict with, his or her duties as Chief Inspector*
- *acting in good faith and in the best interests of the Authority*
- *not disclosing without the consent of the CEO, save in accordance with law, any information obtained by him or her while performing duties as the Chief Inspector*
- *not misusing information gained in the course of his or her public service for personal gain or political purpose.*

5.7 Internal Audit Function

The operation of the internal audit function should comply with the Internal Audit Function Code and Charter which are included within the Corporate Governance Framework Documents.

5.8 Devolved Functions

The Board may delegate any of its functions to the CEO. Directors and Heads are individually accountable for assigned areas of delivery and control and are directly responsible to the CEO. Directors and Heads may be required to report periodically to the Board thereon at the CEO's request.

5.9 Authority, Membership and Meetings of the Board

- *The seal of the Authority shall be authenticated by the signature of the Chairperson or such other member of the Authority authorised by the Board to act in that behalf, and by the signature of an officer of the Authority authorised by the Authority in that behalf.*
- *The Board's authority is derived from the Act 2007, the Statutory Instruments 226, 227, 262 of 2007 and 57 of 2008 and the appointment of the Chairperson and Board members by the Minister pursuant to the Act.*
- *The Board shall consist of twelve members (including the Chairperson and 11 ordinary members).*
- *It is the Chairperson's duty to ensure that no individual member, or interest, has excessive influence on decision making and that all members have an equal opportunity to participate in debate and final decisions.*
- *Board decisions are made by consensus or by a majority of the members present. The voting procedure is as laid down in Section 18 (4) of the Act. Decisions of the Board shall be recorded in the minutes.*
- *Meetings of the Board should take place as are necessary for the performance of its functions but in any case not less than six times annually.*
- *Regular Board agenda items are set out in the Standing Orders of the Board.*

5.10 Board Secretariat

A full description of this function is set out as part of this Corporate Governance Manual)

- *The Board Secretary is responsible for arranging Board meetings in accordance with the Standing Orders of the Board and ensuring that Board procedures are followed and applicable rules and regulations are complied with. Applicable rules include those laid down in the Act and the Standing Orders of the Board and any directions of the Minister.*
- *All members of the Board have access to the Secretary for advice and services.*
- *The Secretary shall assure induction, training and maintenance of corporate governance material and information for Board members.*

- *The Secretary shall co-ordinate an objective performance management process for the review of the performance of the chairperson of the Board and the sub committees of the Board on an annual basis.*
- *The Secretary will maintain a record of the seal of the Authority.*
- *Unless and until a post of Secretary to the Board is approved, the CEO shall assume the functions of the Secretary.*

5.11 Briefing for new Board Members

The Board shall undergo orientation through a planned induction programme to ensure that they understand their responsibilities and duties, and the Authority's functions and services, including their obligations in relation to confidentiality and to act in good faith and in the best interests of the Authority.

The Secretary of the Board shall supply new Board members with appropriate induction material.

All new Board members shall formally acknowledge in writing that they understand, and will comply with their responsibilities as Board members.

5.12 Disclosure of Interests

To avoid conflicts of interest and the possibility of unjust enrichment members of the Board and staff of the Authority are required to declare/disclose personal or 'connected' interests which might conflict with those of the Authority. The regulations relating to 'disclosure' form part of the Code of Business Conduct and the Authority's Conflict of Interest Procedure.

6 Reporting Processes and Guidelines

6.1 Introduction

It is the responsibility of the CEO, the Directors and the Heads to ensure that the Board is supplied with accurate and timely information which enables it and the Chairperson to perform their respective functions under the Act and their legal obligations and responsibilities to the Minister and other stakeholders.

6.2 Performance Management

Members of the Board shall review the achievements of the Authority and the effectiveness of their individual and collective performance on an annual basis against set objectives for performance improvement.

Evaluation mechanisms of the key strategic objectives and targets of the Authority shall be utilised. These mechanisms shall be approved by the Board and these mechanisms shall include:

- *financial performance;*
- *staff performance;*
- *quality, efficiency and effectiveness of the Authority's operations;*
- *customer service;*
- *strategic objectives and milestones.*

The Board shall set performance criteria for the CEO annually which it shall evaluate through the Remuneration Committee.

The Board shall make a report to the Minister with a progress report of an approved corporate plan for the Authority in its Annual Report and, at the request of the Minister, at other times that the Minister may specify, in accordance with Section 30 (11) of the Act.

The Board shall seek Ministerial approval for any significant amendments to pension benefits of CEO and staff as appropriate.

6.3 Board Committees

- *The Board shall establish committees for specified purposes which can include appointees who are not members of the Board but have special knowledge and experience related to the purpose of committee.*
- *The terms of reference of committees shall be determined by the Board. These committees shall act and furnish reports as directed by the Board.*
- *Additional committees of the Board shall, but are not limited to, include the Audit Committee.*
- *All committees established by the Board shall be evaluated and reviewed by the Board on an annual basis.*

A full list of the Committees, membership of the Committees, the General Rules applying to the Committees and the respective Terms of Reference are included within this Manual.

7 Internal Controls

The Board is committed to a strategy which minimises risks to all of its stakeholders through a comprehensive system of internal controls, whilst maximising potential for flexibility, innovation and best practice in delivery of its strategic objectives. The Board recognises and acknowledges its responsibility for the Authority's system of internal financial and operational control.

An effective programme of internal controls, incorporated into an overall quality system, will inform the Board in relation to significant risks for which they are responsible. Internal controls shall also assist in the development and review of the Authority's services.

The internal controls include defined performance indicators, written policies and procedures, clearly defined lines of accountability, and the delegation of authority. It makes provision for comprehensive reporting and analysis of the performance indicators on a quarterly basis, against approved standards and budgets, as well as compliance with legal/governmental requirements. The responsibility for the adequacy, extent and operations of these systems is delegated to the CEO.

7.1 Specific controls are to be developed in relation to the following areas:

- *Financial Performance (including internal audit)*
- *Healthcare Quality Directorate*
- *Health Technology Assessment Directorate*
- *Health Information Directorate*
- *Social Services Inspectorate*
- *Corporate Services Directorate, including Human Resources, Facilities and Equipment Management, Health and Safety, insurance and legal, records management and environmental management*
- *Communications and Stakeholder Engagement Directorate*

7.2 Specific internal control procedures will be put in place in relation to:

- *internal audit*
- *risk management*
- *public procurement*
- *financial reporting*

These controls will be augmented by the Board's appointed committees including, but not limited to, the Audit and Corporate Governance Committee.

Findings of internal audits carried out by the internal audit function shall be presented to the board and incorporated into the strategic development plan.

The Authority will seek and maintain an international accreditation programme through an organisation wide system of self-assessment and peer review to determine compliance with a set of international standards.

8 Remuneration and Expenses

Remuneration and allowances for expenses, if any, are payable by the Authority out of funds at its disposal to members of the Board and the members of committees of the Board, in accordance with Section 20 (3) of the Act.

All aspects of travel and subsistence allowances will be in accordance with the Authority's own policies and procedures which will take cognisance of current public sector rate guidelines as issued by the Minister for Finance.

9 The Code of Business Conduct

- *The Code of Business Conduct sets out behaviour by which it requires staff and Board Members of the Authority to conduct its duties and is in accordance with the Ethical Principles outlined. (These Ethical Principles are included with this Code of Governance Manual).*
- *The requirements of the Companies' Acts in relation to the behaviour of Directors shall inform and apply to the members of the Board.*
- *The Code is adopted by the Board and a copy of the Code shall be given to all staff members and shall be published on the Authority's website.*
- *The Chairperson shall report to the Minister and affirm that the Codes of Business Conduct are in place and will also report on compliance in relation to same.*

10 Quality of Service

- *The Authority's mission statement is to drive high quality and safe care for people using our health and social services. The Authority will set standards for delivering health and social care services and will continuously inspect to ensure that these standards are being met. It will take action if there is a risk to the safety of any person using our health services. It will also publish the findings of inspections so that the public can make informed choices when seeking care.*
- *To achieve the foregoing objectives the Board is fully committed to customer quality principles and pursues a comprehensive and continuously reviewed quality improvement programme.*
- *A formal reporting structure is in place so that the Board receives, through the CEO and other nominated officers, regular updates on divisional activities.*
- *In its work the Authority's core values are putting people first, to be fair and objective, to be open and accountable, to strive for excellence and innovation and to work together with others.*
- *The Authority provides clean, accessible public offices and other public areas which, where appropriate, comply with occupational and safety standards and as part of this, facilitates access for people with disabilities and others with special needs.*
- *The staff of the Authority delivers quality services with courtesy and sensitivity and with minimum delay to foster a climate of mutual respect between the Authority's clients and the staff.*
- *Where commercially feasible to do so, the Authority promotes the standards of service outlined in the Government's "Principles of Quality Customer Service for Customers and Clients of the Public Service" (1997) which accompany these Corporate Governance Documents.*

11 Code of Practice Reports

The following reports shall be produced in the context of this Code of Governance:

- **Corporate Plan**

A Corporate Plan must be submitted to the Minister:

- *within six months of establishment of the Authority;*
- *within six months of the appointment of a new minister if that Minister's*
- *requests,*
- *and at the end of a three year period since the last corporate plan was submitted*

- **Progress Reports**

Progress reports are to be included in the Authority's Annual Report on the implementation of the approved Corporate Plan

- **Business Plan**

A Business Plan must be submitted to the Minister within 30 days of the Authority having been notified of its determination of the maximum amount of its net expenditure for the coming financial year.

- **Code of Governance**

This Code of Governance must be submitted to the Minister as soon as practical after the Authority is established.

- **Accounts**

The accounts of the Authority shall be submitted to the Comptroller and Auditor General for audit as soon as practicable and not later than 3 months after the end of the financial year to which the accounts relate.

- **Annual Report**

The Authority shall prepare an Annual Report in relation to the Authority's functions not later than the 30th April each year and shall submit the Report to the Minister not later than 21 days after adopting it.

Code of Business Conduct

1 Introduction

The Health Information and Quality Authority comes under the Ethics in Public Office Acts, following the signing into law by the Minister for Finance of the Ethics in Public Office Prescribed Public Bodies, Designated Directorships of and Positions in Public Bodies) Regulations 2005 (S.I. No 672 of 2005). It is from this legislation that this code has been developed.

It is the objective of the Authority to ensure that the highest possible standards of integrity and ethics are maintained. This document sets out guidelines as to how this will be achieved. Guidelines are formulated to reflect obligations falling on Board and staff members in their deposition of public duties.

It is the responsibility of:

- *Board Members of the Authority*
- *Audit and Corporate Governance Committee*
- *Chief Executive/Board Secretary*
- *Executive Directors and other senior managers*
- *All staff of the Authority*

to ensure that they are compliant with this code of business conduct.

2 Conflict of Interest

This section of the Code of Governance should be read in conjunction with the Board's Conflict of Interests Policy and Procedure which form part of the Corporate Governance Framework Documents.

The Authority recognises that Board membership and employment in a public sector setting can provide potential for conflict of interest. The principal circumstances giving rise to such possibilities in the Authority's case include instances where a Board/staff member:

- *holds an interest directly or indirectly in groupings or enterprises which deal commercially and/or contractually with the Authority*
- *or a family member can influence procurement decisions and the awarding of contracts for which groupings or enterprises with which he/she is associated directly or indirectly are competing.*

In the former case, Board members and the Chief Executive are required to declare such an interest to the Chairperson of the Board. The Chairperson should make his declaration to the Chief Executive and staff members (other than the Chief Executive) are required to similarly declare such an interest to the Chief Executive.

In the latter case, Board and staff members are required to similarly declare such an interest and step aside from the related procurement/contract review, selection and awarding process.

3 Disclosure of Interests/ Avoidance of Conflict Of Interest

To avoid conflicts of interest and the possibility of unjust enrichments each Board member furnishes to the Secretary of the Board details of his or her employment and all other business interests including share holdings which could involve a conflict of interest or could materially influence his or her functions as a member of the Board. Interests of family and other connected persons or bodies are also declared. This information is held in a Register of Board member interests held in trust by the Authority's legal advisors and accessible only by the Chairperson, Chief Executive and Secretary of the Board.

Where individual Board members become aware of non-compliance with any such obligation, they should immediately bring this to the attention of their fellow Board members with a view to having the matter rectified. The matter should also be brought to the attention of the Minister for Health and Children by the Chairperson.

As it is recognised that the interests of a Board member and persons connected with him/her can change at short notice, a Board member should, in cases where he/she receives documents relating to his interests or of those connected with him/her, return the documents to the secretary to the Board at the earliest opportunity.

Guidance of issues of declaration include:

- *shareholdings valued at less than €15,000 need not be disclosed, however more than 5% of the issued capital of a company should be disclosed.*
- *where doubt arises about the need for disclosure the Board member should consult the Chairperson.*

- *the Secretary maintains a confidential register of Board Members' interests which is updated annually. Only the Chairperson, Chief Executive and Secretary have access to the register.*
- *when a matter arises which may relate to interests of the Chairperson, the Vice Chairperson takes the Chair at the relevant Board meeting.*
- *documents relating to dealings with interests of a member of the Board are not made available to the member concerned. Where such documents are received they should be returned. A member absents himself/herself from discussions relating to such dealings.*
- *where a question arises as to whether or not a case relates to a Member's interests the Chairperson adjudicates.*
- *the Chief Executive and the Directors are required to complete a register of interests in line with the above.*
- *when a matter arises which might involve a conflict of interest the Chief Executive is required to inform the Chairperson. Similarly any potential conflict of interest by a Director is to be notified to the Chief Executive.*

4 Attraction of Benefits

The Authority recognises that certain Board and staff members may attract benefits in cash or in kind over and above normal remuneration (for example director fees, salary, travel, subsistence) in respect of associations and activities arising purely and solely by virtue of their position in the organisation. In such cases, Board members and the Chief Executive are required to disclose such positions to the Chairperson of the Board. Staff members (other than the Chief Executive) are required to similarly disclose such positions to the Chief Executive.

5 Unjust Enrichments

The Authority recognises that having regard to the nature of their duties and responsibilities, some Board and Staff members may be exposed to the possibility of inviting and/or attracting offers of personal enrichments. Such enrichments, when established to be materially significant and/or calculated to engender or reward bias are regarded by the Authority as unjust and are prohibite.

6 Engagement in Outside Employments

The Authority recognises and acknowledges that Staff Members may engage in outside employments, consultancies and/or businesses which are not directly related to or associated with their position in the organisation. Subject to the conflict of interest criteria set out at 2 above, no objection to staff engagement in such activities applies providing that they do not:

- *interfere with or diminish the capacity of the relevant staff member to discharge his/ her duties and responsibilities.*
- *result in diminution in hours worked by the relevant staff member for the organisation to levels below those contracted for or standard effort required to enable him/her undertake duties and responsibilities assigned.*
- *members of staff are not permitted to be involved in outside employments/businesses which may give rise to conflict with the business/interests of the Authority.*

7 Ethical Principles

Having regard to the nature of their position, all Board and certain staff members are privy to information and material which is confidential to the organisation and its clients. All Board and relevant staff members are required to maintain confidentiality in such matters.

All Board and staff members are required to operate within these guidelines which are designed to ensure the maintenance of acceptable standards of integrity of the Authority.

Former Board and staff members are required to maintain confidentiality in regard to the business of the Board.

7.1 Work and Environment

Board and Committee members should place the highest priority on promoting and preserving the health and safety of all employees of the Authority. They should also minimise any detrimental impact of the operations of the Board on the environment.

7.2 Appropriate Behaviour

To ensure that the Board Members and all staff are adequately informed on appropriate behaviour the Authority has developed specific policies and procedures in relation to;

- *Sexual harassment*
- *Bullying in the work place*
- *Disciplinary and Grievance procedures*

7.3 Fairness

The Board and Committee Members should;

- *Comply with employment equality and equal status legislation*
- *Commit to fairness of all business dealings.*
- *Value all Clients / Stakeholders and treat all equally.*

7.4 Information

The Board and staff shall facilitate access to general information relating to the Authority in a way that is open and that enhances accountability to the general public.

The Board and staff shall maintain confidentiality concerning information of the commercial interests of the Authority and especially on client data.

The Board and staff shall ensure compliance with statutory provisions relating to information.

- *Board members, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the Authority.*
- *The Board shall observe appropriate prior consultation procedures with third parties where, it is proposed to release sensitive information in the public interest.*
- *The Board shall comply with relevant statutory provisions relating to access of information (e.g. The Freedom of Information Act or the Data protection Act.)*

Note: Where queries arise in relation to the release of information under the provisions of the Freedom of Information Act, these should be directed to the Freedom of Information Officer at the Authority in writing.

7.5 Obligations

The Board and Staff of the Authority are committed to the Code of Governance adopted by the Board, and all statutory obligations.

An obligation of loyalty to the Authority is recognised together with a commitment to the highest standards of business ethics by both the Board and staff.

Board members use all reasonable endeavours to attend all Board meetings.

Board Members must ensure that there are adequate controls in place to prevent fraud including controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel.

The Authority has in place procedures relating to the acceptance of positions / consultancies post employment or resignation to avoid conflicts of interest or breaches of confidentiality.

8 General

This code is reviewed at three year intervals, coinciding with the appointment of new Board members.

Standing Orders to Regulate the Procedures and Business of the Board

1 Introduction

These Standing Orders are made by the Board of the Health Information and Quality Authority for the regulation of the proceedings of meetings. They are made under Section 18 (6) of the Health Act 2007 which requires the Board to regulate, by standing orders, the procedures and business of the Board.

2 Definitions

In these Standing Orders the following expressions shall be used, unless the context otherwise requires, and have the following meanings:

“Act”, the Health Act, 2007 establishing the Authority.

“Agenda”, the business specified in the invitation to attend a meeting for transaction at that meeting.

“Authority”, the Health Information and Quality Authority established under the Act.

“Board”, the Board of the Authority, appointed by the Minister under the Act.

“Chairperson”, the person appointed by the Minister as chair of the Authority who will preside at the meetings of the Board.

“Vice-Chairperson”, the person who has been appointed by the Board to act as Chair of the Authority in the absence of the ministerially appointed Chairperson.

“Chief Executive Officer” or “CEO”, a person appointed to the post of chief executive officer of the Authority.

‘Chief Inspector’, a person appointed to the post of Chief Inspector of the Social Services Inspectorate.

‘Directors and Heads’, the Director of Healthcare Quality, the Director of Health Technology Assessment, the Director of Health Information, the Chief Inspector of Social Services, the Head of Communications and Stakeholder Engagement, the Head of Corporate Services and the Director of International Affairs.

“Committees”, committees of the Board appointed as set out in Section 14.

“Minister”, the Minister for Health and Children.

“Secretary”, the person appointed by the Board or in the absence of the CEO, from time to time as the person to act as secretary to the Board for the purposes specified in these standing orders.

3 General Principles

The Board has adopted the following principles.

- 3.1** The Board will operate on the principles of collective responsibility, support and respect. Normally, decisions will be taken by consensus.
- 3.2** Board members should normally speak with one voice in public on Authority issues. If a different approach were to be followed, this would first have to be discussed by the Board. A Board member should inform the Chairperson (or Vice-Chairperson in the absence of the Chairperson) before making public statements relating to Authority business.
- 3.3** All decisions will be recorded. Minority views will not normally be made public, although if a vote is necessary, the outcome of this will be recorded in the Board minutes. If a Board member resigns because of disagreement with a Board decision, he or she may state the basis for the disagreement but may not publicly disclose the view of other Board members.
- 3.4** Board members (other than those who disagreed with a decision) may be nominated to explain and articulate specific decisions.

4 Meetings

- 4.1** The first meeting of the Board was held within one month after the establishment day of the Authority on 15 May 2007.
- 4.2** The Board shall hold at least 6 meetings in each year and such other meetings as may be necessary for the performance of its functions. The meeting will be held at such times and at such places [within the State] as the Board from time to time decides. Should circumstances arise which in the opinion of the Chairperson, would make it inconvenient for a large number of members to attend a meeting he or she may direct that the meeting be deferred to a later date to be fixed by him or her.
- 4.3** A Board meeting may, at any reasonable time, be convened by the Chairperson or Vice-Chairperson in the Chairpersons absence, following discussion with the Chairperson or on request from at least three Board members.

- 4.4** Meetings, other than 6 formal meetings may be held via teleconference for the purpose of holding urgent discussions on issues arising. Board members must undertake to ensure privacy during such calls.
- 4.5** At least four clear working days before any meeting of the Board, an invitation and agenda for the meeting signed by the Chairperson or Secretary, will be forwarded to every member of the Board. A Board meeting may exceptionally be called at less than four clear working days' notice. Such shorter notice will be valid only if ratified at the Board meeting called at short notice. Notice of a Board meeting will be given to Board members in writing (including by fax or email). Failure to receive notice of a Board meeting will not invalidate that Board meeting or any business transacted at that meeting.
- 4.6** The meetings of the Board will be held in private.
- 4.7** Papers may be tabled at a Board meeting with the Chairperson's permission (or, in his or her absence, the permission of the Vice Chairperson).
- 4.8** The position of Vice Chairperson may be filled by rotation for a period not exceeding 12 months.
- 4.9** The procedure for obtaining Board approval between Board meetings is set out in Section 8 below.

5 Proceedings at Meetings

At a meeting of the Board:

- 5.1** The Chairperson of the Board shall, if he or she is present, be chairperson of the meeting.
- 5.2** If the Chairperson is not present, or the office of the Chairperson is vacant, the Vice-Chairperson shall, if he or she is present, be chairperson of the meeting.
- 5.3** If the Chairperson of the Board is not present, or the Vice Chairperson is not present, or the office of the Chairperson is vacant, the members of the Board who are present shall choose one of their number to be chairperson of the meeting.

- 5.4** The quorum of the Board shall be 5 members, or such greater number as members of the Authority may from time to time determine. If, after the expiration of thirty minutes after the time for which a meeting has been summoned, a quorum shall not be present, the business will stand postponed to the next meeting, unless there is reasonable explanation for the delay of those members.
- 5.5** A Board member is not counted in the quorum on an item in respect of which he or she is not entitled to take a decision.

6 Decision Making

Decisions by the Board will normally be made by consensus rather than by formal vote. Failing consensus, decisions will be made by a vote when:

- *the Chairperson feels that there is a body of opinion among Board members at the Board meeting which disagrees with a proposal or has expressed reservations about it and no clear consensus has emerged; or*
- *a Board member who is present requests that a vote be taken and this is supported by at least one other Board member; or*
- *the Chairperson feels that a vote is appropriate.*

When a vote is taken, a decision will be by simple majority. In the case of a tied vote, the Chairperson will have a casting vote in addition to his or her original vote.

7 Conflict of Interest

Each Board member must comply with the policy and procedure for conflicts of interests, which has been approved by the Board and which are included in the Code of Governance Manual.

8 Procedure for Obtaining Board Approval Between Board Meetings

The Chairperson shall decide when an issue is of a sufficiently urgent nature to warrant the taking of a decision by the Board by written procedure in the interval between meetings of the Board.

The request for a decision shall be communicated to Board members by e-mail and shall:

- *Indicate the Chairperson's agreement that the decision be taken by written procedure*
- *State the nature of the decision requested*
- *Provide information on the urgent nature of the decision*
- *Provide detailed information to enable the members of the Board to take the decision*
- *Set out a final deadline for members of the Board to seek additional information or clarification on the issue to be decided*
- *Set out a final deadline and procedures for members of the Board to inform the Secretary of their decisions.*

In the event that any member of the Board seeks additional clarification or information on the issue to be decided, a copy of that information will be sent to all members of the Board.

A decision will be deemed to be taken by the Board when more than half of the members of the Board are in agreement on the issue to be decided. The decision of the Board will be communicated by the Secretary to all members of the Board by e-mail as soon as it practicable after the decision has been taken.

Decisions taken by written procedure between meetings of the Board will be recorded in the minutes of the subsequent Board meeting.

These procedures for taking decisions between meetings of the Board do not interfere with the rights of the Chairperson or Board members to call a meeting of the Board as set out under Section 12(9) of the Health Act 2007.

9 Minutes of Meetings

Minutes of the proceedings of a meeting of the Board will be drawn up by the Secretary, will be verified by the Board members and will be signed by the Chairperson at the subsequent meeting.

Any discussion on the minutes, except as to their accuracy, shall be deemed out of order and the Chairperson will rule accordingly. Questions will only be permitted on matters arising out of the minutes.

The Secretary will record names of Board members present and absent, and apologies for absence, at a meeting of the Board in the minutes of the meeting.

The names of members voting on any question arising at a meeting of the Board will be recorded in the minutes of the proceedings of the meeting and the record will show which member(s) voted for and against that question and which member(s) abstained.

When minutes of proceedings have been adopted and confirmed by the Board, it will not be in order for any member of the Board to question their accuracy nor seek their amendment at subsequent meetings.

10 Deputations

A deputation will not be heard by the Board unless it has already been decided at a previous meeting to hear it, unless the Chairperson decides that the deputation is critical to the meeting or work of the Authority.

Requests for reception of deputations must be received by the Secretary at least seven days before the date of the meeting. Not more than two persons will be entitled to address the Board on behalf of any deputation and no deputation will exceed five persons in number. The maximum duration of the addresses by any deputation should not exceed fifteen minutes.

11 Review and Suspension of Standing Orders

Any Standing Order or Standing Orders may, at any time, by consent of not less than two-thirds of the members present at the meeting of the Board, (such meeting consisting of not less than one half of the members of the whole Board), be suspended for the purpose of any specific business before the Board, provided to do so would not contravene any statutory provision.

12 Order of Business

The Order of Business at meetings will include:

- *Quorum*
- *Statement of Interest*
- *Corporate Risk Review*
- *Verification of Minutes of previous meeting*
- *Minuting of decisions taken between formal Board meetings*
- *Matters arising*
- *Chairperson's Report*
- *Reports from the Executive*
- *Consideration of sub-committee reports*
- *Any other business as set forth on the Agenda*

At a special meeting of the Board, only business specified in the notice convening that meeting will be transacted at that meeting.

13 Delegations

- 13.1** The Board may delegate the discharge of a function but the exercise of a delegated power should be in accordance with policies agreed by the Board.
- 13.2** The Board delegates to the CEO, the discharge of all functions of the Authority other than:
- *any matter reserved to the Board*
 - *any matter delegated to a committee of the Board.*
- 13.3** The Board may make delegations or vary, revoke or add to existing delegations.
- 13.4** Any delegation made by the Board may be limited or made subject to any condition. For example, the Board may delegate a function only for a limited period of time or for a particular matter. The nature and scope of new delegations will be recorded in the minutes.

- 13.5** The Board may itself discharge a function even though it has delegated the discharge of that function.
- 13.6** There is delegated from the Board to each committee of the Board the discharge of those functions, which fall within their respective terms of reference, other than any matter reserved to the Board. The Board may instruct Authority staff, or a committee, as to how to exercise a delegated authority.
- 13.7** Unless the Board imposes a condition to the contrary, a committee of the Board may delegate the discharge of a function delegated to it.
- 13.8** The Board authorises the CEO to sign contracts or other documents on of the Authority and to delegate this authority to one or more Authority employees.

14 Committees

The Board may establish standing committees and ad hoc committees.

The Board will appoint members to any committee it establishes and may appoint persons who are not members of the Board but have special knowledge and experience related to the purpose of the Committee.

The Committees appointed by the Board will in the transaction of their business comply with any directions which the Board may give from time to time either in general or for individual committees.

The Board may take advice or consider recommendations from any committee of the Board as set out in the committee's terms of reference.

15 Code(s) of Conduct

Board members will comply with the Code of Business Conduct, which have been approved by the Board and are set out in the Corporate Governance Manual.

16 Reviewing the Board's Performance

The Board will review its own performance and that of its committees regularly.

17 Confidentiality

Reports, documents and briefings issued to members in relation to Board matters must be treated as confidential until such time as the Board has had an opportunity to discuss and make decisions on their contents including their distribution outside the Board membership.

18 Issue of Statements on Behalf of the Board

Only the Chairperson shall issue any statement on Board matters to the press or the public on behalf of the Board. The CEO, with the agreement of the Chairperson, may also make such statements.

19 General

The Chairperson will have power to decide upon any procedural matter arising and not covered by these Standing Orders.

20 Commencement

These Standing orders shall come into operation on 16th April 2008

ADOPTED BY THE BOARD AT ITS MEETING ON 16th April 2008

SIGNED:



Pat Mc Grath,
Chairperson



Kathleen Lombard,
Designated Officer

Formal Schedule of Matters for Board Decision

1 Introduction

It is a requirement for the Authority to have a formal schedule of matters specifically reserved to it for decision in order to ensure that the direction and control of the Authority is specifically and demonstrably in the hands of the Board. The following pages therefore outline the minimal formal decision-making requirements of the Board of the Authority.

2 Managerial Functions

- 2.1** Approve the annual accounts and annual report of the Authority.
- 2.2** Approve any significant change in accounting policies or practices. (Through the Audit and Corporate Governance Committee, but referred back to the Board for final decision).
- 2.3** Appoint or remove the Secretary to the Board.
- 2.4** Discharge the Authority's legislative functions.
- 2.5** Approve the Authority's Corporate Plan and the annual operating plan and budget.
- 2.6** Approve the appointment of the Chief Executive Officer and other senior staff.
- 2.7** Oversee the discharge by the Chief Executive Officer and the executive management of the day to day business of the Authority
- 2.8** Approve broad policy in relation to all aspects of executive remuneration. (Through the Remuneration Committee, but referred back to the Board for final decision.)
- 2.9** Ensure that systems are in place to assess the performance of the Chief Executive Officer.

3 Board Membership and Board Committees

Appoint the Chairperson and members of the Committees and approve the terms of reference of the Board Committees.

Approve the terms of reference and delegated authority of the Chairperson, Deputy Chair, and any Executive Directors and Officers and other staff where these are to exercise functions of the Authority.

4 Contracts

4.1 Approve transactions (or related programmes of transactions) not in the ordinary course of business, the value of which (including VAT) is that in excess of €100,000.

4. Approve all transactions (within the Budget approved by the Board) that are in the ordinary course of business, and whose value exceeds and which exceed €500,000. This applies to :

- *both capital and revenue items;*
- *the total of closely related transactions; and*
- *both business as usual and project related transactions.*

4.3 Approve all property leases of whatever value.

5 Internal Controls and Risk Management

5.1 Ensure maintenance of a sound system of internal controls – including financial, operational and compliance controls, and risk management processes – with appropriate reference to the Authority’s Code of Corporate Governance and the Code of Practice for the Governance of State Bodies.

5.2 Monitor the effectiveness of the Authority’s risk management processes and systems, to ensure the effective identification, monitoring and control of external risks, and identification of opportunities, to support the Authority’s statutory objectives. (Audit and Corporate Governance Committee and refer back to the Board for final decision).

- 5.3** Approve statements for inclusion in the annual report concerning internal controls and risk management including the annual Financial Review. (Audit and Corporate Governance Committee, and refer back to the Board for final decision.)
- 5.4** Undertake an annual assessment of the effectiveness of internal control and risk management processes (including financial, operational and compliance controls and risk management systems)
- 5.5** Regularly review the Board's own effectiveness.
- 5.6** Regularly review the potential implications of legal action being taken against the Authority.

6 Miscellaneous

Undertake annually a formal and rigorous review of its own performance, that of its committees and individual directors.

Take specific decisions that the Board or executive management consider to be of such significance as to require to be taken by the Board.

Functions of the Board Secretary

The following list includes functions typically performed by a person retained by a state body in the role of Company Secretary. This is not a comprehensive list and the person performing this role may have to use his or her initiative to ensure that all core functions are fulfilled.

1 Board Meetings

Facilitating the smooth operation of the Company's formal decision making and reporting machinery, organising board and committee meetings, formulating meeting agendas with the Chairperson and or the Chief Executive, collecting, organising and distributing such information, documents or other papers required for such meetings, ensuring that all meetings are minuted and that such minutes are maintained and that all board committees are properly constituted and provided with terms of reference.

2 Functions of the Authority

Ensuring that the Authority operates within its functions under the Health Act, 2007 as may be amended from time to time.

3 Books and Registers

Maintaining such books and registers of the Authority as required under the Health Act, 2007, the Code of Governance of the Authority and the Standing Orders of the Board.

4 Reporting Requirements

Ensuring that the Authority submits such reports to the Minister, the Executive and such other appropriate bodies as required under the Health Act, 2007 as may be amended from time to time.

5 Report on Accounts

Co-ordinating the publication and distribution of the Authority's annual report and accounts, in consultation with the Authority's internal and external advisors.

6 Corporate Governance

Continually reviewing developments in corporate governance, facilitating the proper induction of members of the Board into their role, advising and assisting the members of the Board in respect of their duties and responsibilities, acting as a channel of communication and information for the members of the Board.

Ensure that Board members are informed as to their legal responsibilities and that they are familiar with the requirements of company law and other statutory provisions which have relevance for them in the exercise of their functions as Board members.

7 Seal of the Authority

Ensuring safe custody and proper use of the seal of the Authority.

8 Authority Offices

Establishing and administering the offices of the Authority, attending to the receipt, co-ordination and distribution of official correspondence received by the Authority, ensuring the provision of facilities for the public inspection of appropriate Authority documents.

9 Authority Identity

Ensuring that all business letters, notices and other official publications of the Authority show the name of the Authority and any other information as appropriate and that Authority nameplates are placed in a conspicuous place.

10 Induction

Ensuring appropriate induction for all Board Members

11 General Compliance

Monitoring and laying in place procedures which allow for compliance with relevant regulatory and legal requirements, particularly under the Health Act, 2007 including legal requirements and retention of documents, retaining the minimum set of records required for commercial reasons and ensuring that procedures are in place to allow adequate historical archive to be maintained

Committees of the Board

1 Introduction

- 1.1** The Board refers to the Board of the Health Information and Quality Authority, appointed by the Minister for Health and Children, under Statutory Instrument No 226 which commenced Part 3 (13.2) of the Health Act 2007 and provided for the Board of Authority.
- 1.2** Committee(s) refers to any Committee(s) appointed by the Board, in accordance with its standing orders.

2 General Rules Applying to Committees

- 2.1** Committee members, including the Chair, are appointed by the Board for a period of one year which is reviewed annually.
- 2.2** The terms of reference for Committees are agreed and can be amended by the Board
- 2.3** Committee Chairs will report on progress to the Board at each meeting of the Board.
- 2.4** Committees shall meet according to what is determined in their terms of reference.
- 2.5** Committees can invite other Board members and procure or seek the advice and support from individuals or bodies outside of the Committee or Board membership.
- 2.6** The Board may appoint persons to a Committee who are not members of the Board but have special knowledge and experience related to the purpose of the committee.
- 2.7** Any disclosure of interests by any member of the Committee must be discussed with, and reported to, the Chairperson of the Board.
- 2.8** A quorum for a Committee meeting shall be three members of the Board.

2.9 Any member or members of the Committee may at any time be removed by the Board and another or other persons appointed.

2.10 The CEO or other designated officer working on behalf of the Authority will attend the committee meetings, unless considered inappropriate by the Chair of the Committee.

3 Established Committees

The following is a list of Committees which have been formed by the Board to support the work of the Authority:

- *Audit and Corporate Governance Committee*
- *Research Committee*
- *Health and Social Care Governance Committee*
- *Remuneration and Nominations Committee*

Remuneration Committee

Pat McGrath (Chair)	Chairperson of the Board
Dan Byrne	Board Member
Dave O’Hora	Board Member
Angela Kerins	Board Member
Sean Angland	Executive Team Member
Tracey Cooper	Chief Executive

Research Committee

Ian Callanan (Chair)	Board Member
Brian Meade	Board Member
Michael Barry	Board Member
Dolores Quinn	Board Member
Ruth Barrington	External Committee Member
Jane Grimson	Executive Team Member
Mairin Ryan	Executive Team Member

Audit & Corporate Governance Committee

Dan Byrne (Chair)	Board Member
Dolores Quinn	Board Member
Bryan Barry	Board Member
Pat McGrath	Chairperson of the Board
Diarmuid Collins	External Committee Member
Tracey Cooper	Chief Executive
Sean Angland	Executive Team Member

Health & Social Care Governance Committee

(Incorporating the Investigations Committee)

Geraldine McCarthy (Chair)	Board Member
Dermot Power	Board Member
Sheila O'Connor	Board Member
Angela Kerins	Board Member
Ian Callanan	Board Member
Jon Billings	Executive Team Member
Marion Witton	Executive Team Member
Tracey Cooper	Chief Executive

5 Terms of Reference for Sub-Committees of the Board

Audit and Corporate Governance Board Sub Committee Terms of Reference

1. Introduction

The Audit and Corporate Governance Committee (ACGC) for the Health Information and Quality Authority, the Authority, is an essential Sub-Committee of the Board. Its primary functions are to ensure that the Authority meets its relevant statutory functions and advise the Board on the robustness and effectiveness of the arrangements and status of the corporate governance, financial management, risk management and internal audit of the Authority. Items 1 to 4 represent the terms of reference for the ACGC.

2. Terms of reference

2.1 Corporate Governance

Robust corporate governance is essential for the organisation, particularly given its role as an external assessor of governance across the health and social care system. The role of the ACGC is to:

- 2.1.1** Ensure that the ACGC Committee and the Board are fully understanding of and compliant with their corporate governance role.
- 2.1.2** Ensure that the members of the Board and the Chief Executive fulfil their roles as Public Officers particularly when considering their ethical duties within the role.
- 2.1.3** Receive issues of conflict of interest from the Executive in relation to staff within the Authority where an actual or perceived conflict could compromise the Authority.
- 2.1.4** Satisfy itself that the Authority's corporate governance arrangements are efficient, effective and robust.
- 2.1.5** Receive reports from the Executive in relation to compliance with the corporate governance arrangements.
- 2.1.6** Liaise with the internal auditors to undertake periodic reviews of the corporate governance arrangements.

2.2 Financial Management

The Authority must have robust and effective financial management arrangements in place particularly given the challenges of a dispersed workforce across five sites. The role of the ACGC is to:

- 2.2.1 Satisfy itself that the financial management arrangements, including reporting, are robust, comprehensive, accurate, compliant and effective.
- 2.2.2 Agree a set of financial indicators with the Executive, receive periodic financial reports from the Executive, interrogate areas of variance and review the annual financial statements before they are approved by the Board.
- 2.2.3 Receive any adverse reports from the Executive in relation to concerns relating to the use of financial resources of the Authority – particularly where there may be illegal, questionable or unethical issues.
- 2.2.4 Receive from the Executive, approve and recommend ratification by the Board as appropriate, for amendments to the Standing Orders and Standing Financial Instructions for the Authority and all significant transactions, in keeping with the scheme of delegation of the Authority.
- 2.2.5 Maintain a periodic liaison with the management accountants for the Authority, as appropriate, and approve the contracting of same.

2.3 Risk Management

Given the breadth of work of the Authority, and particularly its start-up status, it is essential that the Authority has robust arrangements to manage risk. The role of the ACGC is to:

- 2.3.1 Ensure that robust and effective arrangements are in place to identify, report, manage, feedback and learn from risks across the organisation.
- 2.3.2 Receive regular reports from the Executive in relation to the corporate risk register for the Authority and specific reports where serious corporate governance, financial and reputational issues could become a significant risk to the Authority

2.4 Internal Audit

The ACGC will have a working relationship with the contracted internal auditors for the Authority whose role will be to agree a rolling programme of internal audits to assist the Executive, the ACGC and the Board in its continuous need to maintain effective corporate governance, financial and risk management arrangements. The role of the ACGC is to:

- 2.4.1 Approve the appointment of the internal auditors for the Authority and agree a rolling programme of internal audits with the Executive and the auditors that most appropriately suit the Authority.
- 2.4.2 Receive reports from the Executive and the internal auditors in relation to the agreed plan, output of the work and actions plans to implement recommendations as appropriate.
- 2.4.3 Advise the Board on the outputs and outcomes of the internal audit plan.
- 2.4.4 Receive from the Executive and approve the annual financial management accounts to be submitted to the Comptroller and Auditor General (C and AG) and receive the C and AG report as a result.

3. Membership

The Board may appoint to the Committee, in addition to Board members, persons who are not of the Board but have special knowledge and experience related to the purpose of the committee. This will include a number of staff of the Authority and, as appropriate, external members. The Chair shall be a Board member who shall determine the length of time a non board member may sit on the committee.

The ACGC is composed of seven members, comprised of Board and Executive members and one external member and is appointed for a period not exceeding the duration of the term of office of the Board.

4. Meetings

- 4.1** The ACGC will meet no less than six times per year and prior to a Board meeting. The Chief Executive and the Head of Corporate Services, or delegated individual(s), will be in attendance.
- 4.2** A quorum of this Committee is three, not including Executive members
- 4.3** The agenda is established by the Chairperson and, if appropriate, in consultation with officers of the Board. It is circulated with related papers in advance of the meeting.
- 4.4** Each Non-Executive member of the committee present has one vote. Decisions are made by consensus or by a majority of the votes of the members present.
- 4.5** Any employee of the Authority or other person may be invited to attend for particular items at the discretion of the Chairperson.

5. Evaluation of Committee

- 5.1** The terms of reference of the Committee will be reviewed and revised periodically to reflect best practice from the corporate and public sectors in order to enable the Authority to be at the forefront of best practice.
- 5.2** The Committee will evaluate and assess its performance, including its procedures, Terms of Reference, effectiveness and membership on an annual basis.

Appendix 1

To Terms of Reference of the ACGC

Duties which may be overseen by the Audit and Corporate Governance
Sub-Committee (ACGC)

Duties which may be overseen by the Audit and Corporate Governance Sub-Committee (ACGC)

Health Act 2007

Section 19 (1)

The Board may –

- (a) *establish committees to provide assistance and advice to the Board in relation to the performance of its functions, and*
- (b) *determine the membership and terms of reference of each committee*

The Framework for Corporate and Financial Governance

(for agencies funded by the Department of Health and Children)

Section 6.2 Audit Committee:-

The Board should establish an audit committee of at least three members and provide it with written terms of reference which deal clearly with its authority, responsibilities and reporting procedures. The role of the Audit Committee should include

- *Monitoring the integrity of the financial statements*
- *Reviewing the organisations internal financial control system and, unless addressed by a separate risk committee or by the Board itself, risk management systems; and,*
- *Monitoring and reviewing the effectiveness of the organisations internal audit function.*

Corporate Governance

In addition to the above, this committee has a corporate governance remit. There is a role therefore for this committee to monitor the governance arrangements for the organisations overall provision of services, in particular through the Business and Corporate plans. This is an area where a common oversight in conjunction with the Health and Social Care committee should be taken.

In this context then, the following includes a list of issues which fall within the role of the ACGC:

- **Finance and procurement**

Ensuring proper accounts for the Authority are maintained and prepared for Board approval for submission to the comptroller and auditor General

Ensure that the Authority, where possible, adheres to the Governments Public Procurement Guidelines when procuring goods and services

- **Internal Audit**

Oversee an effective internal audit function with a clearly defined reporting structure

- **Risk management**

Ensuring that the Authority has a robust risk management programme which includes strategic, operational, financial and reputational risks

- **Codes of Conduct**

Ensure that a comprehensive Code of Governance for Board Members and staff is prepared and submitted to the Minister

Oversee compliance with the Ethics in Public Office Acts

Ensure that an effective system for dealing with gifts received by the Authority is place.

These issues are reflected in the Terms of Reference for the Audit and Corporate Committee and in the Code of Governance Manual. A process for implementation of all relevant actions now needs to be developed and monitored.

Research Board Sub-Committee

Terms of Reference

1 Introduction

In accordance with the Health Act 2007 establishing the Authority where Committees may be established to provide assistance and advice to the Board in relation to the performances of its functions, the Research Committee will review and make recommendations to the Board on research that informs, supports and furthers its work at both strategic and operational level in the following areas:

- *setting standards for the health and social services*
- *monitoring standards in the health and social services*
- *collection, use and sharing of health information*
- *assessment of health technology*

2 Terms of reference

- *The Research Committee may invite, commission and evaluate research proposals that will inform, support and progress the work or strategic objectives of the Authority.*
- *The Committee will develop partnerships with appropriate research bodies and research funding bodies to propose, sponsor, supervise, conduct or evaluate relevant research projects.*
- *The Committee will cultivate inter- disciplinary and inter-institutional activities and collate information and advise on research activity in similar international bodies and functional areas.*
- *The Committee will review trends and emerging issues in research at national and international level and their implications/potential for the Authority.*
- *The Committee will monitor relevant research projects funded by the Authority and evaluate the impact of that research*

3 Membership

The Board may appoint to the Committee, in addition to Board members, persons who are not of the Board but have special knowledge and experience related to the purpose of the committee. This will include a number of staff of the Authority and, as appropriate, external members. The Chair shall be a Board member who shall determine the length of time a non board member may sit on the committee.

The Research Committee is composed of seven members comprised of Board and Executive members and one external member. The Committee is appointed for a period not exceeding the duration of the term of office of the Board.

4 Meetings

- *Meetings of the Research Committee are held four times a year. Additional meetings may be held if necessary.*
- *The quorum of the Research Committee is three, not including executive members of the committee.*
- *The agenda is established by the Chair of the committee in consultation with officers of the Board. It is circulated with related papers in advance of meetings.*
- *Each member of the committee present has one vote with the Chair (or deputy chair, in the absence of the chair) having a casting vote. Decisions are made by consensus or by a majority of the votes of the members present.*
- *Any employee of the Authority or other person may be invited to attend for particular items at the discretion of the Chair but they are not entitled to vote.*

5 Evaluation of performance

The Committee will evaluate and assess its performance, including its procedures, Terms of Reference, effectiveness and membership on an annual basis.

Health & Social Care Governance Board Sub-Committee

Terms of Reference

1 Introduction

The Health Act 2007 sets out the purpose and function of the Health Information and Quality Authority and consequently the quality and safety of health and social care services are at the centre of all of the functions of the Health Information and Quality Authority. It is therefore essential that the Authority establishes robust internal governance and accountability arrangements that ensure that it effectively manages, addresses, monitors and learns from its work across the diversity of its functions. This includes having effective systems to ensure compliance with the Authority's statutory duties relating its health and social care activities.

The Authority's Corporate Plan sets out objectives for the delivery of these functions both strategically and by Directorate.

2 Terms of Reference

The Health and Social Care Governance Sub-Committee has been established to advise the Board on the quality and safety aspects of the totality of the Authority's work set out in the Corporate Plan and the Health Act 2007. This includes the following:

- 2.1** Monitor trends, and where required, specific information, regarding concerns brought to the Authority's attention regarding the provision of health and social care.
- 2.2** Advise the Board as necessary on the instigation of formal investigations.
- 2.3** Approve relevant policies and procedures regarding specific quality and safety functions according to agreed criteria.
- 2.4** Monitor on behalf of the Board the Authority's compliance with relevant statutory duties.
- 2.5** Monitor agreed Committee actions have taken place as required.
- 2.6** Review and monitor internal quality review processes, including Key Performance Indicators.

- 2.7** Review trends in quality and safety issues over agreed timescales and advise on mechanisms for sharing knowledge. Engage with other committees of the Board on relevant common aspects.
- 2.8** Promote mutual understanding and good working relationships between the Directorates and service providers
- 2.9** Advise the Board regarding the education, training and professional development of the Authority's workforce to ensure that they are fit for purpose in dealing with quality and safety issues

3 Membership of the Sub Committee

The Board may appoint to the Committee, in addition to Board members, persons who are not of the Board but have special knowledge and experience related to the purpose of the committee. This will include a number of staff of the Authority and, as appropriate, external members. The Chair shall be a Board member who shall determine the length of time a non board member may sit on the committee.

The Health and Social Care Governance Committee is composed of eight, comprising of Board and Executive members and is appointed for a period of one year to be reviewed annually and not exceeding the duration of the term of office of the Board.

4 Meetings

- 4.1** Meetings of the Committee are held four times a year. Additional meetings may be held if necessary.
- 4.2** A quorum of this Committee is three, not including Executives members.
- 4.3** The agenda is established by the Chair of the committee in consultation with officers of the Board. It is circulated with related papers in advance of meetings.
- 4.4** Each member of the committee present has one vote with the Chair having a casting vote. Decisions are made by consensus or by a majority of the votes of the members present.
- 4.5** Any employee of the Authority or other person may be invited to attend for particular items at the discretion of the Chair but they are not entitled to vote.

5 Executive Accountability

Health and social care governance is a shared responsibility and accountability across the Executive Team with the ultimate accountability being that of the Chief Executive. The need for effective health and social care governance is a requirement across every Directorate and all of the functions of the Authority. However, it is fundamental that one Executive Director holds the direct accountability for ensuring that effective health and social care governance is implemented throughout the Authority and, in view of the client-facing nature of the function of the Healthcare Quality Directorate, the Director of Healthcare Quality will be the nominated accountable Director.

6 Evaluation of Committee

- 6.1** The terms of reference of the Committee will be reviewed and revised periodically to reflect best practice from the corporate and public sectors in order to enable the Authority to be at the forefront of best practice.
- 6.2** The Committee will evaluate and assess its performance, including its procedures, Terms of Reference, effectiveness and membership on an annual basis.

Remuneration and Nominations Board Sub-Committee

Terms of Reference

1 Introduction

The Remuneration and Nominations Board Sub-Committee is a decision-making forum that has been established in order to consider and approve remuneration, where applicable and in-keeping with public sector guidance, and appointment for the posts of Chief Executive Officer, Directors and other specific senior positions within the Authority as necessary.

2 Terms of Reference

The terms of reference are to:

1. *Recommend the remuneration and, where necessary, specific terms and conditions of senior positions in the Authority in keeping with public sector guidance.*
2. *Recommend the remuneration of Board Members of the Authority.*
3. *Recommend the substantive, or interim, appointment of senior positions in the Authority namely the Chief Executive Officer, Director or other specific senior manager positions.*
4. *Advise the Board on issues relating to remuneration and the nomination of senior managers as required.*
5. *Conduct Performance appraisals of the Chief Executive and the Executive Directors*

3 Membership

The Sub-Committee will be chaired by the Chairperson of the Authority. There will be three additional Non-Executive Directors appointed to the Committee. The Chief Executive Officer and Head of Corporate Services will, where appropriate, be in attendance.

The members of the Remuneration and Nominations Committee are appointed for a period of no more than one year and not exceeding the duration of the terms of office of the Board.

4 Meetings

- 4.1** The Sub-Committee will meet as and when required and a minimum of twice per year.
- 4.2** A quorum of this Committee is three, not including Executive members.

5 Evaluation of performance

The Committee will evaluate and assess its performance, including its procedures, Terms of Reference, effectiveness and membership on an annual basis.

Policy for Dealing with Conflicts of Interest

1 Introduction

This policy sets out principles for the management of conflicts of interest, and potential conflicts of interest, arising in relation to Board members.

It is designed to:

- *so far as possible, prevent conflicts of interest from arising;*
- *ensure that any conflicts of interest that do arise are managed in such a way that the independence and integrity of the decisions of the Board are neither compromised nor perceived as being compromised.*

While this policy expressly addresses those conflicts of interest that can be readily anticipated, it is not possible to provide a comprehensive list of all of the conflicts of interest that might arise. Therefore;

- *this procedure must be interpreted with regard to its spirit and purpose;*
- *Board members must comply with this procedure in spirit as well as in letter; and*
- *if there is any doubt as to whether a matter amounts to a conflict of interest, it should be presumed to be a conflict of interest until a decision is made to the contrary by an appropriate person.*

2 Scope

2.1 This policy applies to Board members, and staff members as appropriate.

2.2 Some parts of this policy require Board members to ensure certain conduct by, or to make declarations in relation to, their spouses, parents, siblings or children or other connected persons or bodies corporate as set out in Department of Finance Code of Practice for the Governance of State Bodies as may be amended from time to time.

3 Objectives of the policy

The objectives of this policy are to:

- *protect the Board corporately and each Board member individually against the breach of any law, including, for example the breach of any of the provisions of the Ethics in Public Office Acts, 1995 and 2001;*
- *protect the Board corporately and each Board member individually against impropriety or the appearance of impropriety, including risk to its and their reputations; and*
- *protect the Board against any conflicts of interest that may be detrimental to the exercise of its functions*
- *ensure so far as possible that Board members make decisions free from any external influences, whether personal or financial, whilst recognising that it is precisely their position and expertise external to the Board that enables some of the Board members to make valuable contributions to its work*

Adhering to the principle that Board members should not make a personal profit as a result of their membership of the Board, other than the remuneration determined by the Minister for Health and Children (S20 Health Act 2007)

4 Register of interests

- 4.1** The Secretary to the Board shall maintain a register to be known as the register of Board Members' registrable interests (the "Register") in accordance with the provisions of the Ethics in Public Office Acts, 1995 and 2001.
- 4.2** The Register shall be confidential and shall be updated on an annual basis. Changes in the interim should be notified to the Secretary as soon as possible. Only the Chairperson, Secretary and CEO shall have access to the Register.
- 4.3** The purpose of the Register is to ensure transparency in relation to any interests of Board members – or of their spouses, parents, siblings or children or other connected persons or bodies corporate as set out in Department of Finance Code of Practice for the Governance of State Bodies as may be amended from time to time.

4.4 The Register must contain, in relation to each Board member, details of any of the following held or carried on by that Board member or any persons or bodies connected with a Board member as more particularly set out in the Second Schedule of the Ethics in Public Office Act, 1995:

- *Occupational income, etc., other than that as office holder or member;*
- *Shares, etc.;*
- *Directorships;*
- *Land and buildings;*
- *Gifts;*
- *Supplies of property or services*
- *Travel facilities, etc.;*
- *Remunerated position as a lobbyist, etc.; and*
- *Contracts with the State.*

4.5 It is the duty of each Board member to declare to the Secretary any matter relating to him or her that is required to be included on the Register.

4.6 If a Board member is in doubt as to whether a particular matter should be declared, he or she should declare it, and the Secretary (in consultation with the Chairperson if appropriate) shall decide whether it is a matter that is required to be included on the Register.

4.7 A Board member shall make a signed declaration of his or her interest for the purposes of the Register immediately on taking up appointment as a Board member, and shall subsequently declare any new matter that is required to be included on the Register as soon as possible after it arises.

4.8 Board members may be required at any time to confirm to the Secretary to the Board that their current entries on the Register are accurate and up to date, and the Secretary shall ask them to do so at least once in each year.

If in doubt refer to Guidelines on Compliance with the Provision of the Ethics in Public Office Acts 1995 and 2001 (appendix 2).

5. Board meetings

Board members must comply with the procedure for the disclosure of conflicts of interest arising at Board Meetings, as set out in this Corporate Governance Framework.

Procedure for Dealing with Conflicts of Interest

1 Introduction

Given the diversity of the functions of the Authority, and the calibre of the Board members and staff employed by it, it is essential that an effective and robust policy and procedure exists to manage the actual or potential conflict of interest for any Board member or employee of the Authority. This procedure outlines the steps that the Authority will undertake if, and when, situations arise where there is, or has the potential to be, a conflict of interest for a Board member or senior manager of the Authority. This procedure should be considered with, and is complementary to, the Policy for Dealing with Conflicts of Interest.

2 Managing Potential or Actual Conflict of Interest

- 2.1** Before any item is discussed at a Board meeting, each Board member must disclose any conflict of interest that he or she believes may arise in relation to that item. If a Board member is in doubt as to whether a particular matter amounts to a conflict of interest and should be disclosed, he or she should disclose it.
- 2.2** The Chairperson (or, in his or her absence the Vice Chairperson) in his or her discretion will decide whether any matter disclosed by a Board member (other than the Chairperson or in his or her absence, the Vice Chairperson), amounts to a conflict of interest that should prevent that Board member from participating in the discussion of the relevant item.
- 2.3** The Vice-Chairperson or in his or her absence, Board members will elect a chair from amongst their numbers, and decide whether any matter disclosed by the Chairperson amounts to a conflict of interest that should preclude the Chairperson from participating in the discussion at the relevant item, should the Vice-Chairperson be chairing the meeting, the Board members by taking a vote will decide.
- 2.4** The decisions as to whether to disclose any matter and whether that matter amounts to a conflict of interest should be made having regard to the terms, and the spirit and purpose, of the policy for conflicts of interest.

- 2.5** Where the Chairperson decides that any Board member does have a conflict of interest in relation to any item, that Board member may not participate in any discussion relating to that item or in any vote taken in relation to it. If requested to do so by the Chairperson the Board member must also absent himself or herself from any discussion of the item.
- 2.6** In the event that a Board Member, Authority employee or committee member receives any written paper in relation to any matter on which he or she believes that a conflict of interest may arise, they must disclose that conflict of interest to the Chairperson, or CEO as appropriate, at the earliest opportunity.
- 2.7** Should a Board Member (or staff member) receive an approach from a member of the public or organisation to intervene on their behalf and exert influence for the purpose of gaining advantage in accessing a service or any benefit, it is Board policy that no such intervention should be taken.
- 2.8** The Board, or a sub committee may at any time discontinue an investigation into a board members interests if it becomes of the view that the complaint concerned is frivolous or vexatious.

Code for the Internal Audit Function

1 Introduction

This document outlines the code within which the Authority will undertake its internal audit function.

2 Code for the Function

The operation of the internal audit function should comply with the following code:

- 2.1** The internal audit function should have a formal charter, including terms of reference, which has been approved by the Board
- 2.2** The reporting structure for internal audit should be clear and formally documented. The head of the internal audit service should be a senior and experienced person and the content of all internal audit reports should be entirely at his/her discretion. The head of internal audit should report directly to the Audit and Corporate Governance Committee and should also have access to the Chairperson of the Board and the Chairperson of the Audit and Corporate Governance Committee. The head of internal audit should report periodically within the body to such person as the Board decides and to the Chief Executive
- 2.3** In carrying out its ongoing work the internal audit function should include detailed testing on all specific areas covered by the charter in order to ensure that the Authority fully complying with all requirements and report its findings to the Board Audit and Corporate Governance Committee
- 2.4** The internal audit function should be properly resourced with the necessary skills including the ability to deal with non-financial aspects
- 2.5** The internal audit function should liaise frequently with the external auditors so that the potential for co-operation between the two is maximised. The work carried out by these two entities can frequently be complementary and effectiveness can be increased through regular consultation. (For example, the external auditors could offer guidance on particular areas which the internal audit function might be reviewing. Conversely the internal audit function could provide the external auditor with company specific expertise to assist in the evaluation of the systems being examined as part of the statutory audit)

- 2.6** The Board Audit and Corporate Governance Committee should make the external auditors aware of the corporate governance issues outlined in this document with which the Authority is required to comply. The Board Audit and Corporate Governance Committee should periodically consult with the external auditors regarding the operation of the internal function with particular reference to the staffing of the function, the audit work programmes being applied and the testing carried out in relation to the body's compliance with the requirements set out in this document
- 2.7** In planning, executing and reporting its work, the internal audit function should ensure that value-for-money auditing receives adequate attention
- 2.8** The internal audit function in the Authority should review compliance with procurement and disposal procedures as required by the Board Audit and Corporate Governance Committee, from time to time, and report to the Audit and Corporate Governance Committee.

Charter for the Internal Audit Function

This document outlines the charter for the internal audit function for the Authority.

1 Statement of Policy

It is the policy of the Board that the Authority maintains strong systems of risk management and internal control for maintaining accounting records, safeguarding assets and detecting fraud or other irregularities thereby ensuring, as far as it is practical, that the objectives of the Authority are achieved and that applicable law is complied with. In support of the above objective the Board will ensure the Authority has access to high quality Internal Audit services that meet international standards.

2 Mission

The mission of the Internal Audit services is to support the Authority in achieving its corporate objectives by exercising an independent appraisal function charged with reviewing activities across all areas within the Authority. It discharges its responsibilities by critically appraising on a risk focused basis the effectiveness of control. It identifies and reports areas for improvement and supports operational management by providing best practice advice on risks and controls.

3 Scope and Authority

The Internal Audit service derives its authority from the Board through the Audit and Corporate Governance Committee. Internal Audit is responsible to the Audit and Corporate Governance Committee while reporting operationally to the Chief Executive Officer. Internal Audit is authorised to examine any of the activities of the Authority and has unrestricted access to all activities, records, property, personnel and officers of the Authority necessary to allow it to discharge its responsibilities.

- 3.1** The Internal Audit service is expected to operate with independence and authority, and be free from any interference in carrying out its responsibilities. Accordingly the head of the Internal Audit service has unrestricted access to the Chairperson, Audit and Corporate Governance Committee and the CEO when required. It will also carry out reviews at the request of the CEO, and provide advice and assistance in bringing controls/procedures to best practice.
- 3.2** Internal Audit plans will be developed by prioritising risk in the various businesses, support and control activities throughout the organisation.
- 3.3** Management's goals and objectives, together with its perceptions of risk and exposures, will also form a key input to Internal Audit's strategic and operational planning process, as will the scope of the work of the external auditors. The plans will be agreed with the Audit and Corporate Governance Committee.

4 Independence, role and responsibilities

- 4.1** Internal Audit is an independent and objective assurance and consulting function. It is charged with bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes within the Authority as a service to the Board and all levels of management.
- 4.2** Independence is essential in ensuring the effectiveness of the internal auditing programme. Internal Audit's independence is assured by not exercising direct authority over, or having responsibility for persons, procedures or activities subject to audit review. This will be taken into account when ensuring that other services provided by the provider do not compromise this objectivity and independence.
- 4.3** It is management's responsibility to manage risk and maintain effective controls. The objective of Internal Audit is to provide reasonable assurance to both the Board and to management that the organisation's significant risks are being appropriately managed. This is achieved by appraising the organisation's risk identification and risk management processes, together with the control framework, and by recommending improvements, where appropriate. This will contribute to an improvement in operations and assist in the achievement of the organisation's objectives.
- 4.4** Implementation of operational and control recommendations from Internal Audit will be the responsibility of the management of the area audited.

5 Integrity, competence and confidentiality

- 5.1** Personnel providing the Internal Audit service will operate to the highest standards of integrity and conduct all work in accordance with the standards issued by appropriate professional bodies.
- 5.2** Comprehensive records of activity will be maintained to demonstrate that audit work has been performed to best practice standards.
- 5.3** Any data or information obtained or received by Internal Audit personnel during the course of their work or otherwise shall be treated as internal and confidential to the organisation. Within the organisation, such data or information shall only be discussed with other Authority personnel on a “need to know” basis, respecting individual employees’ privacy.

6 Charter Approval

On 16th April 2008, this Internal Audit Charter received the approval of the Board of the Authority.

Principles of a Quality Customer Service for Customers and Clients of the Public Service (1997)

In its dealings with the public, the Authority will in relation to the following headings:

1. Quality Service Standards

Publish a statement that outlines the nature and quality of service which customers can expect, and display it prominently at the point of service delivery.

2. Equality/Diversity

- *Ensure the rights to equal treatment established by equality legislation, and accommodate diversity, so as to contribute to equality for the groups covered by the equality legislation under the grounds of gender, marital status, family status, sexual orientation, religious belief, age, disability, race and membership of the Travelling Community*
- *Identify and work to eliminate barriers to access to services for people experiencing poverty and social exclusion, and for those facing geographic barriers to services.*

3. Physical Access

Provide clean, accessible public offices that ensure privacy, comply with occupational and safety standards and, as part of this, facilitate access for people with disabilities and others with specific needs.

4. Information

Take a proactive approach in providing information that is clear, timely and accurate, is available at all points of contact, and meets the requirements of people with specific needs. Ensure that the potential offered by Information Technology is fully availed of and that the information available on public service web sites follows the guidelines on web publication. Continue the drive for simplification of rules, regulations, forms, information leaflets and procedure

5. Timeliness and Courtesy

Deliver quality services with courtesy, sensitivity and the minimum delay, fostering a climate of mutual respect between provider and customer. Give contact names in all communications to ensure ease of ongoing transactions.

6. Complaints

Maintain a well-publicised, accessible, transparent and simple-to-use system of dealing with complaints about the quality of service provided.

7. Appeals

Similarly, maintain a formalised, well-publicised, accessible, transparent and simple-to-use system of appeal/review for customers who are dissatisfied with decisions in relation to services.

8. Consultation and Evaluation

Provide a structured approach to meaningful consultation with, and participation by, the customer in relation to the development, delivery and review of services. Ensure meaningful evaluation of service delivery.

9. Choice

Provide choice, where feasible, in service delivery including payment methods, location of contact points, opening hours and delivery times. Use available and emerging technologies to ensure maximum access and choice, and quality of delivery.

10. Official Languages Equality

Provide quality services through Irish and/or bilingually and inform customers of their right to choose to be dealt with through one or other of the official languages.

11. Better Co-ordination

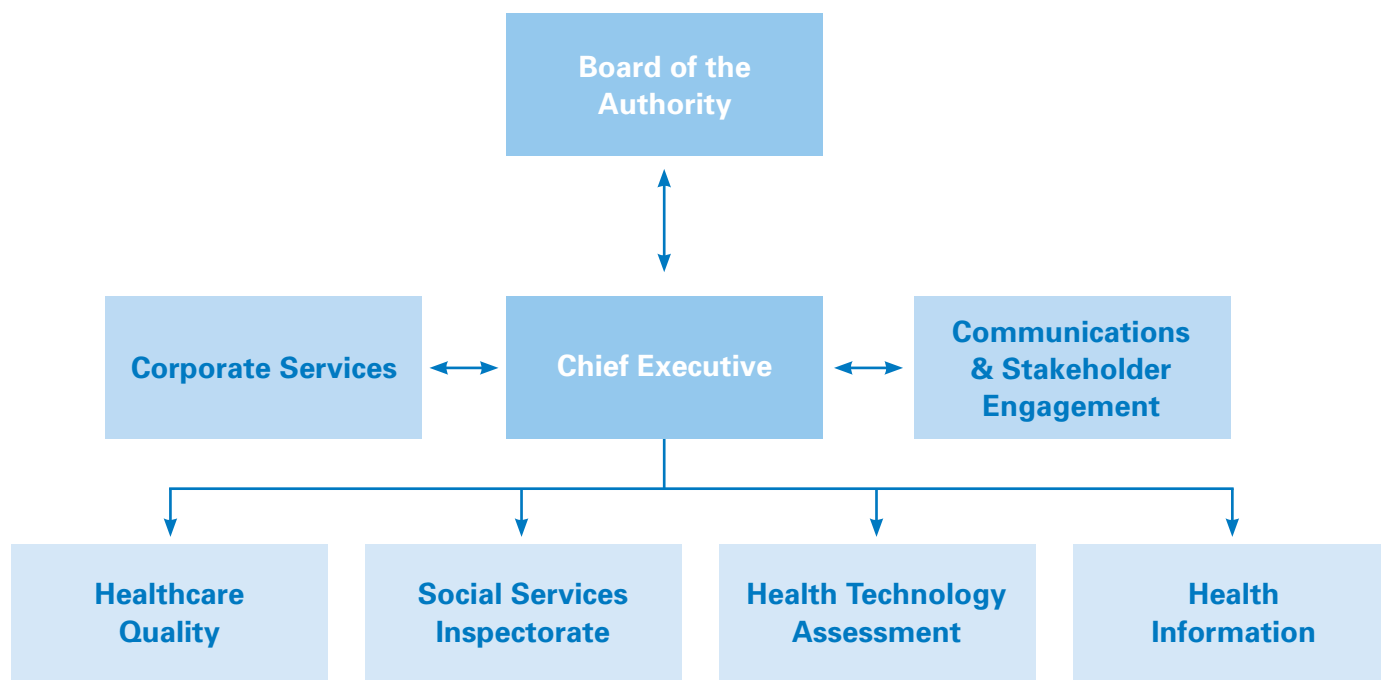
Foster a more co-ordinated and integrated approach to delivery of public services.

12. Internal Customer

Ensure staff are recognised as internal customers and that they are properly supported and consulted with regard to service delivery issues.

Organisational Structure

Organisational Structure of the Authority



Appendix 2

Guidelines on Compliance on Provisions of the Ethics in Public Office Acts 1995 and 2001

PUBLIC SERVANTS (Fifth Edition)

July 2007

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Introduction

This fifth edition of the guidelines for public servants on compliance with the provisions of the Ethics Acts has been drawn up to take account of two Statutory Instruments enacted in 2006 which prescribe certain organisations as public bodies for the purposes of the Ethics Acts and revise the designated directorships and designated positions in public bodies. These regulations came into effect on 1 January 2007 and this fifth edition of the guidelines applies from that date onwards.

These guidelines deal with:

- *annual statements of interests;*
- *statements of a material interest, and*
- *requirements regarding tax clearance.*

Appendices 1 and 2 contain the formats for statements of interests and 'nil' statements for use by various categories of public servants.

Appendix 3 sets out the revised list of designated positions in civil service Departments/Offices with effect from 1 January 2007.

Appendix 4 sets out the revised lists of designated directorships and designated positions in the wider public service with effect from 1 January 2007. Appendix 4 also sets out the officer of the body to whom designated directors and the relevant authority to whom occupiers of designated positions furnish statements. These reporting arrangements apply to statements concerning any interest held on or after 1 January 2007 and replace those set out in the fourth edition of the guidelines.

Part 1 Relevant legislation

For the purposes of these guidelines, the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 are cited together as the Ethics in Public Office Acts 1995 and 2001 (the Ethics Acts).

Ethics in Public Office Act 1995 (the 1995 Act)

1. The 1995 Act established the Public Offices Commission and the Committees on Members' Interests of Dáil and Seanad Éireann. It provides for the disclosure of interests by office holders, the Attorney General, members of the Houses of the Oireachtas, special advisers and holders of designated directorships and occupiers of designated positions in the civil service and the semi-state sector.
2. The 1995 Act also provides for investigation of possible contraventions and for publication of guidelines and giving of advice to assist compliance with the provisions of the legislation. It describes, in detail, the powers of the Public Offices Commission, the circumstances in which complaints can be made and the process by which a decision to commence an investigation would be undertaken.
3. The 1995 Act prohibits the retention of valuable gifts by office holders and amends the Prevention of Corruption Acts 1889 to 1916.

Standards in Public Office Act 2001 (the 2001 Act)

4. The 2001 Act amends the 1995 Act in several respects. It provides for the establishment of the Standards in Public Office Commission (Standards Commission) and confers on it all of the functions and powers of its predecessor, the Public Offices Commission, under the 1995 Act.
5. The principal functions of the Standards Commission, as inherited from the Public Offices Commission, are to publish guidelines, to give advice and to investigate and report in relation to possible contraventions of the Ethics Acts. These functions of the Standards Commission relate to office holders (including Ministers and Ministers of State), the Attorney General, special advisers and holders of designated directorships and occupiers of designated positions in the civil service and the semi-state sector. The same functions are discharged by the Committees on Members' Interests of the Dáil and Seanad in relation to members of those Houses who are not office holders.

6. The 2001 Act includes new tax clearance obligations for the Attorney General and persons who are appointed to senior office [i.e., designated positions or directorships in public bodies prescribed under the 1995 Act in relation to which the remuneration is not less than the lowest remuneration of a Deputy Secretary General in the civil service (€160,942 with effect from 1 June 2007)]. Details of the requirements in this regard are provided in Part 6.
7. As compared to the 1995 Act, the 2001 Act provides for a wider range of circumstances in which a complaint can be made to the Standards Commission. A complaint can now be made to the Standards Commission not only in respect of an office holder, the Attorney General, a special adviser, a person who, at the relevant time, held a designated directorship of, or occupied a designated position of employment in, a public body, but also in respect of a person who held or occupied, at the relevant time, any directorship of or position of employment in a public body. The 2001 Act provides for immunity for complainants and establishes a basis whereby the Standards Commission can appoint Inquiry Officers to carry out preliminary enquiries into complaints.
8. Section 10 of the 2001 Act provides for codes of conduct to be drawn up for certain specified categories of person. The codes, which are published by the Standards Commission, indicate standards of conduct and integrity for the persons to whom they relate in the performance of their functions and connected matters. To date, following consultation with the Standards Commission, codes have been drawn up by the Government for the guidance of office holders, by the relevant Committees on Members' Interests for the guidance of members of Dáil Éireann and Seanad Éireann other than office holders and by the Minister for Finance for the guidance of civil servants. It is intended that the Minister for Finance will draw up a code or codes for the guidance of persons who hold or occupy directorships of or positions in bodies in the wider public service. The codes are admissible in any proceedings before a court or other tribunal or a Committee on Members' Interests of either House of the Oireachtas or the Standards Commission and any provision of a code that appears to any of the aforementioned bodies to be relevant to a question in the proceedings may be taken into account in determining the question.

Part 2 Introduction to the guidelines

9. These guidelines for public servants have been drawn up by the Standards Commission, after consultation with the Committees on Members' Interests of Dáil and Seanad Éireann, as required under Section 25 (1)(a) of the 1995 Act. They relate specifically to public servants.
10. Separate guidelines have been published by the Standards Commission for office holders (i.e., Ministers, Ministers of State, an Attorney General who is a member of either House of the Oireachtas, the Chairman and Deputy Chairman of each House and the Chairman of a Committee of either House or of a joint Committee of both Houses, where the Committee has been designated for the purposes of the legislation).
11. The guidelines provide information on the steps that public servants who are covered by the Ethics Acts need to take in order to comply with the requirements of the legislation. In addition to the guidelines, public servants may seek advice from the Standards Commission concerning any provision of the legislation or the application of any such provision in any particular case.
12. Public servants must act in accordance with the guidelines and any advice given by the Standards Commission, unless by so doing they would be contravening another provision of the legislation.
13. Where requested, advice must be provided by the Standards Commission within 21 days or, alternatively, it may decline to give advice. Ideally, to eliminate any risk of misunderstanding, requests for advice should be made in writing (including by e-mail to sipo@sipo.gov.ie). Normally, the Standards Commission will provide, or confirm, all advice of a substantive nature, in writing.
14. When a request for advice is made to the Standards Commission as referred to in paragraph 11, the provision concerned of the Ethics Acts will not, as regards the person who made the request, apply in relation to that person during the period from the making of the request to the time when the advice is given or the Standards Commission declines to give advice.
15. These guidelines will be admissible in any proceedings before a court or other tribunal or a Committee on Members' Interests of either House of the Oireachtas or the Standards Commission and any provision of the guidelines that appears to any of the aforementioned bodies to be relevant to a question in the proceedings may be taken into account in determining the question.
16. A number of key terms arise in the legislation and in these guidelines and a list of definitions from the legislation is provided in Part 8.

Part 3 Public Servants covered by the guidelines

17. These guidelines cover the following persons:
- (i) *a person, who is not a member of Dáil Éireann or of Seanad Éireann, who holds or held the office of Attorney General;*
(If you are Attorney General and you are a member of either House you should refer to the Guidelines for Office Holders published by the Standards Commission).
 - (ii) *a person who holds or held a designated directorship of a public body, as prescribed by regulations made by the Minister for Finance (see Appendix 4);*
 - (iii) *a person who occupies or occupied a designated position of employment in a public body, as prescribed by regulations made by the Minister for Finance, including a position in respect of which the maximum salary is not less than the maximum salary of a Principal Officer (General Service Grade) in the Civil Service, i.e. €95,363 with effect from 1 June 2007 (see Appendices 3 and 4) ;*
 - (iv) *a person who holds or held or occupies or occupied an office or position as:*
 - *Comptroller and Auditor General;*
 - *Ombudsman;*
 - *Data Protection Commissioner;*
 - *Director of Consumer Affairs;*
 - *Director of Public Prosecutions;*
 - *Appeal Commissioner for the purposes of the Income Tax Acts within the meaning of the Taxes Consolidation Act 1997 (No 39 of 1997);*
 - *Director of Corporate Enforcement;*
 - *Information Commissioner;*
 - *Registrar of Friendly Societies;*
 - *Ombudsman for Children;*
 - *Pensions Ombudsman;*
 - *Chairman or ordinary member of the Labour Court;*

- *Member of the Law Reform Commission (other than a member who holds the office of judge of any court);*
 - *Chief Science Adviser to the Government;*
 - *Coimisinéir Teanga;*
 - *Controller of Patents, Designs and Trade Marks;*
 - *Defence Forces Ombudsman;*
 - *Financial Services Ombudsman;*
 - *Deputy Financial Services Ombudsman;*
 - *Member of the Garda Síochaná Ombudsman Commission;*
- (v) *a person who holds, or held, or occupies, or occupied, such other office or position as may be prescribed by the Minister for Finance;*
- (vi) *a person who occupies or occupied a position as a special adviser (as defined in Part 8).*

Part 4 Procedure for disclosing interests - General

18. A person who is covered by these guidelines is required to furnish a statement, in writing, of:

- (i) *the interests of the person, and*
- (ii) *the interests, of which the person has actual knowledge, of his or her spouse or a child of the person or of his or her spouse*

which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the person, or the spouse or child, a substantial benefit.

(Statement formats are at Appendix 1.)

19. A statement of interests is not legally required where the interests could not materially influence the person in, or in relation to, the performance of his or her official functions. The Standards Commission has, however, recommended that a 'nil' statement, rather than no statement, should be provided in such circumstances.

('Nil' statement formats are at Appendix 2.)

20. The interests referred to above are set out in paragraph 66. In the case of occupiers of designated positions in the civil service, statements are generally furnished to the Head of the Department or Office concerned. (Details are provided at Appendix 4 of the persons to whom statements should be furnished by holders of designated directorships and occupiers of designated positions in other prescribed public bodies.)

21. In addition to the statement of interests referred to in paragraph 18, a person who is covered by these guidelines is required to furnish a statement, at the time, where an official function falls to be performed by the person and the person has actual knowledge that he or she, or a connected person, has a material interest in a matter to which the function relates.

22. There are variations in the procedures for furnishing statements as they apply to the different categories listed in paragraph 17. Accordingly, the procedure for each category is set out in Part 5.

23. Where a person who is covered by these guidelines has an interest that is not set out in paragraph 66, or the person has actual knowledge that his or her spouse or child or a child of the spouse has such an interest, the person may, at any time, furnish a statement of that interest to the person or persons nominated to receive such statements. Where such a statement is provided, the 1995 Act will apply and have effect as if the interest was an interest set out in paragraph 66.
24. Where a person who is covered by these guidelines receives advice from the Standards Commission or it appears from guidelines published by the Standards Commission that an interest of the person, or of the person's spouse or child or a child of the spouse, is a disclosable interest, the person concerned must, as soon as possible, furnish a statement of that interest to the person or persons nominated to receive such statements.
25. Where a person who is covered by these guidelines fails to comply with a requirement to provide a statement of interests, the person may, at any time, furnish a statement, in writing, of the interests to the person or persons nominated to receive such statements.
26. Where there is a change in the interests of a person who is covered by these guidelines, or in the interests of the person's spouse or child or a child of the spouse, the person may, at any time, furnish a statement of the change, in writing, to the person or persons nominated to receive such statements.

Part 5 Procedure for disclosing interests - Specific

(i) ATTORNEY GENERAL

27. As Attorney General you are required in each year, during any part of which you hold or held that office, to prepare and furnish to the Taoiseach, and to the Standards Commission, in a form which is determined by the Minister for Finance, a statement in writing of your interests as described in paragraph 18. You must sign and date your statement after the expiry of the period covered by your statement as provided for in the following paragraphs. The Standards Commission will accept the furnishing of a copy of your statement subject to an original signature.

First statement

28. Your first statement should cover the period from 1 January, or the date of your appointment in a particular year, if later, up to 31 December of the same year and should be furnished not later than 31 January in the following year.

Subsequent annual statements

29. Subsequent annual statements should be in respect of the year ending on 31 December and should be furnished not later than 31 January in the following year.

Statement on leaving

30. If your appointment ends during a year, you must furnish a statement covering the period from 1 January in that year, or the date of your appointment, if later, up to the date on which the appointment ended. This statement must be furnished within 28 days of your appointment ending.

Statement of a material interest

31. In any case where a function of the office falls to be performed and you have actual knowledge that you, or a connected person, have a material interest in a matter to which the function relates, you must, before, or as soon as may be after, such performance, furnish a statement in writing of those facts and of the nature of the interest to the Taoiseach and to the Standards Commission. The requirements set out in this paragraph apply whether or not an interest has been disclosed in a statement referred to in paragraph 27.

32. Performance of a function refers to performance by you personally or by another person on your direction or on the direction of a person acting on your behalf and with your personal knowledge.

(ii) DESIGNATED DIRECTORS

33. You are required in each year, during any part of which you hold or held a designated directorship of a public body, as prescribed by regulations made by the Minister for Finance, to prepare and furnish, in a form determined by the Minister for Finance, a statement in writing of your interests, as described in paragraph 18, to the Standards Commission and to such officer of the body as determined by the Minister for Finance. You must sign and date your statement after the expiry of the period covered by your statement as provided for in the following paragraphs. The Standards Commission will accept the furnishing of a copy of your statement subject to an original signature.

First statement

34. Your first statement should cover the period from 1 January, or the date of your appointment in a particular year, if later, up to 31 December of the same year and should be furnished not later than 31 January in the following year.

Subsequent annual statements

35. Subsequent annual statements should be in respect of the year ending on 31 December and should be furnished not later than 31 January in the following year.

Statement on leaving

36. If your appointment ends during a year, you must furnish a statement covering the period from 1 January in that year, or the date of your appointment, if later, up to the date on which the appointment ended. This statement must be furnished not later than 31 January in the following year.

Statement of a material interest

37. In any case where a function of the directorship, or a function of any other office or position held by you in the public body, falls to be performed and you have actual knowledge that you, or a connected person, have a material interest in a matter to which the function relates, you must, as soon as may be, prepare and furnish a statement in writing of those facts to the other directors of the body. You should not perform the function unless there are compelling reasons requiring you to do so. If you propose to perform the function you should, before doing so or, if that is not reasonably practicable, as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the other directors and to the Standards Commission. The requirements set out in this paragraph apply whether or not an interest has been disclosed in a statement referred to in paragraph 33.
38. The terms under which you hold or held the designated directorship will be deemed to include a term that you will comply with the foregoing requirements.

Note: In the event that you hold more than one designated directorship or you occupy a designated position of employment in addition to holding a designated directorship, you are required to furnish a statement of interests, as described in paragraph 18, separately in respect of each designated directorship held or designated position occupied.

(iii) DESIGNATED POSITIONS

39. You are required in each year, during any part of which you occupy or occupied a designated position of employment in a public body, as prescribed by regulations made by the Minister for Finance, to prepare and furnish, in a form determined by the Minister for Finance, a statement in writing of your interests, as described in paragraph 18, to the relevant authority determined by the Minister for Finance. You must sign and date your statement after the expiry of the period covered by your statement as provided for in the following paragraphs.

First statement

40. Your first statement should cover the period from 1 January, or the date of your appointment in a particular year, if later, up to 31 December of the same year and should be furnished not later than 31 January in the following year.

Subsequent annual statements

41. Subsequent annual statements should be in respect of the year ending on 31 December and should be furnished not later than 31 January in the following year.

Statement on leaving

42. If your appointment ends during a year, you must furnish a statement covering the period from 1 January in that year, or the date of your appointment, if later, up to the date on which the appointment ended. This statement should be furnished not later than 31 January in the following year.

Statement of a material interest

43. In any case where a function of the position falls to be performed and you have actual knowledge that you, or a connected person, have a material interest in a matter to which the function relates, you must, as soon as may be, prepare and furnish a statement in writing of those facts to the relevant authority. You should not perform the function unless there are compelling reasons requiring you to do so. If you propose to perform the function you should, before doing so or, if that is not reasonably practicable, as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the relevant authority. The requirements set out in this paragraph apply whether or not an interest has been disclosed in a statement referred to in paragraph 39.
44. The terms of employment under which you occupy or occupied the designated position will be deemed to include a term that you will comply with the foregoing requirements.

Note: In the event that you occupy more than one designated position of employment or you hold one or more designated directorships in addition to occupying one or more designated positions, you are required to furnish a statement of interests, as described in paragraph 18, separately in respect of each designated directorship held or designated position occupied.

**(iv) HOLDERS OF CERTAIN OFFICES AND POSITIONS
PRESCRIBED AS DESIGNATED POSITIONS UNDER SECTION
18(3) OF THE 1995 ACT**

45. You are required in each year, during any part of which you hold or held or occupy or occupied any of the prescribed offices or positions as set out in the table below, to prepare and furnish a statement in writing of your interests, as described in paragraph 18, in a form determined by the Minister for Finance, to the relevant authority determined by the Minister for Finance. The relevant authority for each of the prescribed offices and positions is also outlined in the table. You must sign and date your statement after the expiry of the period covered by your statement as provided for in the following paragraphs.

	Prescribed Office or Position	Relevant Authority
(i)	Comptroller and Auditor General	Secretary General, Public Service Management and Development (PSMD), Department of Finance
(ii)	Ombudsman	Secretary General, PSMD, Department of Finance
(iii)	Data Protection Commissioner	Secretary General, PSMD, Department of Finance
(iv)	Director of Consumer Affairs	Secretary General, PSMD, Department of Finance
(v)	Director of Public Prosecutions	Attorney General
(vi)	Appeal Commissioner for the purposes of the Income Tax Acts within the meaning of the Taxes Consolidation Act 1997 (No. 39 of 1997)	Secretary General, PSMD, Department of Finance
(vii)	Director of Corporate Enforcement	Secretary General, Department of Enterprise, Trade and Employment
(viii)	Information Commissioner	Secretary General, PSMD, Department of Finance
(ix)	Registrar of Friendly Societies	Secretary General, Department of Enterprise, Trade and Employment
(x)	Ombudsman for Children	Secretary General, PSMD, Department of Finance
(xi)	Pensions Ombudsman	Secretary General, PSMD, Department of Finance
(xii)	Chairman of the Labour Court	Secretary General, Department of Enterprise, Trade and Employment
(xiii)	Ordinary member of the Labour Court	Secretary General, Department of Enterprise, Trade and Employment
(xiv)	Member of the Law Reform Commission, unless the holder of that office holds the office of judge of any court	Secretary of the Law Reform Commission

(xv)	Chief Science Adviser to the Government	Secretary General, PSMD, Department of Finance
(xvi)	Coimisinéir Teanga	Secretary General, PSMD, Department of Finance
(xvii)	Controller of Patents, Designs and Trade Marks	Secretary General, Department of Enterprise, Trade and Employment
(xviii)	Defence Forces Ombudsman	Secretary General, PSMD, Department of Finance
(xix)	Financial Services Ombudsman	Secretary General, PSMD, Department of Finance
(xx)	Deputy Financial Services Ombudsman	Secretary General, PSMD, Department of Finance
(xxi)	Member of the Garda Síochána Ombudsman Commission	Secretary General to the Government

First statement

46. Your first statement should cover the period from 1 January, or the date of your appointment in a particular year, if later, up to 31 December of the same year and should be furnished not later than 31 January in the following year.

Subsequent annual statements

47. Subsequent annual statements should be in respect of the year ending on 31 December and should be furnished not later than 31 January in the following year.

Statement on leaving

48. If your appointment ends during a year, you must furnish a statement covering the period from 1 January in that year, or the date of your appointment, if later, up to the date on which the appointment ended. This statement should be furnished not later than 31 January in the following year.

Statement of a material interest

49. In any case where a function of the office or position falls to be performed and you have actual knowledge that you, or a connected person, have a material interest in a matter to which the function relates, you must, as soon as may be, prepare and furnish a statement in writing of those facts to the relevant authority. You should not perform the function unless there are compelling reasons requiring you to do so. If you propose to perform the function you should, before doing so or, if that is not reasonably practicable, as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the relevant authority. The requirements set out in this paragraph apply whether or not an interest has been disclosed in a statement referred to in paragraph 45.
50. In the case of the designated positions listed at (v) to (xx) in the table at paragraph 45, the terms of employment under which you occupy or occupied the designated position will be deemed to include a term that you will comply with the foregoing requirements.

Note: In the event that, in addition to the designated position described above, you occupy one or more other designated positions of employment or you hold one or more designated directorships, you are required to furnish a statement of interests, as described in paragraph 18, separately in respect of each designated directorship held or designated position occupied.

(v) SPECIAL ADVISERS

51. A definition of what is meant by the term “special adviser” is provided in Part 8.
52. The period of employment or contract of a special adviser ends not later than the date on which the appointing office holder ceases to hold the office by reference to which he or she is an office holder. In the case of a special adviser to a Minister of the Government appointed by the Government under the provisions of Section 11(1) of the Public Service Management Act 1997, the period of employment or contract terminates on the date on which the Minister ceases to hold the office by reference to which he/she is an office holder (i.e. not by reference to a change in portfolio). In the case of a special adviser appointed by the Government under the provisions of Section 11(1) of the Public Service Management Act 1997 to a Minister of State assigned to a Department/Office, the period of employment or contract terminates on the expiration of the assignment of the Minister of State to that Department/Office (whether by appointment as a Minister of the Government, by assignment to another Department/Office, by resignation, or otherwise).
53. The disclosure requirements of the Ethics Acts, as outlined in paragraphs 54 to 58 below, apply to any special adviser whose remuneration exceeds the maximum salary (standard scale, Class B PRSI) of a Higher Executive Officer in the Civil Service, i.e. €52,379 with effect from 1 June 2007.
54. You are required in each year, during any part of which you hold or held a position as special adviser, to prepare and furnish a statement in writing of your interests, as described in paragraph 18, in a form determined by the Minister for Finance, to the office holder concerned and to the Standards Commission. You must sign and date your statement after the expiry of the period covered by your statement as provided for in the following paragraphs. The Standards Commission will accept the furnishing of a copy of your statement subject to an original signature.

First statement

55. Your first statement should cover the period from 1 January, or the date of your appointment in a particular year, if later, up to 31 December of the same year and should be furnished not later than 31 January in the following year.

Subsequent annual statements

56. Subsequent annual statements should be in respect of the year ending 31 December and should be furnished not later than 31 January in the following year.

Statement on leaving

57. If your appointment ends during a year, you must furnish a statement covering the period from 1 January in that year, or the date of your appointment, if later, up to the date on which the appointment ended. This statement must be furnished within 28 days of your appointment ending.

Statement of a material interest

58. In any case where a function of the position falls to be performed and you have actual knowledge that you, or a connected person, have a material interest in a matter to which the function relates, you must, as soon as may be, prepare and furnish a statement in writing of those facts to the office holder and to the Standards Commission. You should not perform the function unless there are compelling reasons requiring you to do so. If you propose to perform the function you should, before doing so or, if that is not reasonably practicable, as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the office holder and the Standards Commission. The requirements set out in this paragraph apply whether or not an interest has been disclosed in a statement referred to in paragraph 54.
59. It is a requirement that the office holder for whom you act, or acted, as special adviser should lay before each House of the Oireachtas the following documents:
- (i) *a copy of the contract, or a statement in writing of the terms and conditions, under which you act or acted as special adviser,*
 - (ii) *a copy of the statement of your own interests (not spouse or children) furnished by you to the office holder,*
 - (iii) *a statement as to whether you are a relative of the office holder and*
 - (iv) *a statement of your qualifications relevant to your functions as special adviser.*
60. You are required to undertake that you will not engage in any trade, profession, vocation or other occupation which might reasonably be seen to be capable of interfering with or being incompatible with the role of special adviser.
61. The terms under which you (a) occupy a position to which section 7(1)(e) of the Public Service Management (Recruitment and Appointments) Act 2004 relates, (b) are employed under the contract for services concerned or (c) have been appointed by the Government under the provisions of Section 11(1) of the Public Service Management Act 1997, will be deemed to include a term that you will comply with the foregoing requirements and that your appointment or employment ends in accordance with the provisions set out in paragraph 52 above.

Part 6 Requirements in relation to tax clearance

62. A person who is appointed as Attorney General or is appointed to senior office [i.e. a designated position or directorship in a public body prescribed under the 1995 Act in relation to which the remuneration is not less than the lowest remuneration of a Deputy Secretary General in the civil service (€160,942 with effect from 1 June 2007)] is obliged to comply with the requirements set out below in relation to tax clearance. Special advisers are not required to comply with these obligations. In the case of an Attorney General and persons who occupy senior office by virtue of a directorship or position having been prescribed in the Ethics in Public Office (Designated Positions in Public Bodies) Regulations, 1996 (S.I. No. 57 of 1996) or the Ethics in Public Office (Prescribed Public Body, Designated Directorships and Designated Positions in Public Bodies) Regulations, 1997 (S.I. No. 32 of 1997), the requirements apply to appointments made after 10 December 2001. In the case of persons who occupy senior office by virtue of a directorship or position having been prescribed for the first time in the Ethics in Public Office (Designated Positions in Public Bodies) Regulations 2004 (S.I. No. 698 of 2004) or the Ethics in Public Office (Prescribed Public Bodies, Designated Directorships of Public Bodies and Designated Positions in Public Bodies) Regulations 2004 (S.I. No 699 of 2004), the requirements apply to appointments made on or after 1 January 2005. In the case of persons who occupy senior office by virtue of a directorship or position having been prescribed for the first time in the Ethics in Public Office (Designated Positions in Public Bodies) (Amendment) Regulations 2005 (S.I. No. 673 of 2005) or the Ethics in Public Office (Prescribed Public Bodies, Designated Directorships of Public Bodies and Positions in Public Bodies) Regulations 2005 (S.I. No 672 of 2005), the requirements apply to appointments made on or after 1 January 2006. In the case of persons who occupy senior office by virtue of a directorship or position having been prescribed for the first time in the Ethics in Public Office (Designated Positions in Public Bodies) (Amendment) Regulations 2006 (S.I. No. 677 of 2006) or the Ethics in Public Office (Prescribed Public Bodies, Designated Directorships of and Positions in Public Bodies) (Amendment) Regulations 2006 (S.I. No 678 of 2006), the requirements apply to appointments made on or after 1 January .

Paragraph 5 of S.I. 699 of 2004, inter alia, prescribes as a designated position every position in respect of which the maximum salary is not less than the maximum salary of a principal (general service grade, Class B PRSI) in the Civil Service, in any public body which meets the following criteria:

- *a body, organisation or group established*
 - (a) *by or under any enactment (other than the Companies Acts 1963 to 1990), or*
 - (b) *under the Companies Acts 1963 to 1990, in pursuance of powers conferred by or under another enactment, and financed wholly or partly by means of moneys provided, or loans made or guaranteed, by a Minister of the Government or the issue of shares held by or on behalf of a Minister of the Government, or*
- *a company (within the meaning of the Companies Act 1963) a majority of the shares in which are held by or on behalf of a Minister of the Government, or*
- *any other body, organisation or group appointed by the Government or a Minister of the Government,*

Accordingly, the tax clearance requirements set out below apply to any person appointed on or after 1 January 2005 to a position of employment in any public body meeting the above criteria (regardless of whether the public body is listed in the Schedules to S.I. 698 of 2004, S.I. 699 of 2004, S.I. 672 of 2005, S.I. 673 of 2005, S.I. 677 of 2006, S.I. 678 of 2006 or in any subsequent regulations) in relation to which the remuneration is not less than the lowest remuneration of a Deputy Secretary General in the Civil Service.

A person appointed to senior office or as Attorney General in accordance with the above must provide the following to the Standards Commission, not more than nine months after the date of appointment:

- *a Tax Clearance Certificate, which will issue, on application, from the Collector-General, where an appointee is in compliance with the obligations imposed by the Tax Acts, the Capital Acquisitions Tax Act 1976, as amended, the Capital Gains Tax Acts and the Value-Added Tax Act 1972, as amended, (the Acts), in relation to the payment or remittance of any taxes, interest or penalties due to the Revenue Commissioners and the delivery of any returns required (the Tax Clearance Certificate must have been issued by the Collector-General within a period of nine months before or after the date of appointment), or*

- *an Application Statement, which is issued by the Collector-General, following an application, and is to the effect that the person has applied for a Tax Clearance Certificate and that a decision on the application has not been made (the Collector-General would issue an Application Statement where it had not yet been decided whether to issue or refuse a Tax Clearance Certificate, or where the application for the issue of a tax clearance certificate had been refused and the refusal was the subject of an appeal or further appeal which was awaiting determination; an Application Statement that was issued to the person must have been made within a period of nine months before or after the date of appointment) and*
- *a Statutory Declaration, which is a declaration made by the appointee in accordance with the Statutory Declarations Act 1938, as amended, testifying that, at the time of its making, the appointee is, to the best of his or her knowledge or belief, in compliance with the obligations imposed on him or her by the Acts referred to above and is not aware of any impediment to the issue of a Tax Clearance Certificate (the Statutory Declaration must have been made by the person within a period of one month before or after the date of appointment to senior office).*

For example, a person who is appointed to senior office on 1 March 2006 must:

- (a) *make a statutory declaration not earlier than 2 February 2006 and not later than 31 March 2006 and*
- (b) *furnish*
 - (i) *that statutory declaration and*
 - (ii) *a Tax Clearance Certificate (which was issued not earlier than 2 June 2005 and not later than 30 November 2006) or an Application Statement (which was made not earlier than 2 June 2005 and not later than 30 November 2006) to the Standards Commission not later than 30 November 2006.*

63. Contravention of these requirements will lead to investigation by the Standards Commission and the drawing up of a written report of the result of the investigation. In the case of an Attorney General, the Standards Commission will furnish a copy of the report to the Taoiseach who will cause copies of it to be laid before each House of the Oireachtas. In the case of an appointee to senior office, the Standards Commission will furnish a copy of the report to the public body concerned and will cause copies of the report to be laid before each House.

64. Where an Attorney General or an appointee to senior office contravenes the above requirements, he or she must provide, to the Standards Commission, a Tax Clearance Certificate and/or a Statutory Declaration as early as possible and, in any event, within one month of receipt of a Tax Clearance Certificate or the making of a Statutory Declaration, as the case may be.
65. Where an Attorney General or an appointee to senior office has not complied with the above requirements by the time the Annual Report of the Standards Commission for the year in question, or any later such report, is being prepared, the Standards Commission will, in the case of an Attorney General, specify the non-compliance in the report and, in the case of an appointee to senior office, notify the non-compliance to the head of the public body concerned. When compliance has been achieved, the Standards Commission will, in the case of an Attorney General, notify the Taoiseach who will cause copies of the notification to be laid before the Houses and, in the case of an appointee to senior office, notify the head of the public body concerned.

Part 7 Disclosable interests under the Ethics Acts

66. The following are the interests which are referred to in paragraph 18, being the interests specified in the Second Schedule to the 1995 Act. It should be noted that it will not be necessary to specify in a statement of interests the amount or monetary value of any interest or the remuneration of any trade, profession, employment, vocation or other occupation included in the statement. A reference in this paragraph to “during the appropriate period” means during the period to be covered by the statement of interests.

(a) Occupational income, etc.

A remunerated trade, profession, employment, vocation or other occupation (other than that specified in paragraph 17) of the person concerned at any time during the appropriate period where the remuneration to the person, e.g. pay, pension, benefits-in-kind, rental income, etc., during the period exceeded €2,600.

(b) Shares, etc.

A holding by the person concerned of shares, bonds, debentures, or other like investments in any particular company or other enterprise or undertaking, with an aggregate nominal or market value in excess of €13,000 at any time during the appropriate period. Holding does not include money in a current, deposit or other similar account with a financial institution but does include a holding in unit trusts or managed funds.

(c) Directorships

A directorship or shadow directorship of any company held by the person concerned at any time during the appropriate period.

(d) Land (including premises)

Any interest in land of the person concerned, including land in the State and land in any other jurisdiction, being an interest that exceeded in value €13,000 at any time during the appropriate period. This includes an interest in any contract for the purchase of land, whether or not a deposit or part payment has been made under the contract. It also includes an interest in any option held to purchase land, whether or not any consideration has been paid in respect thereof, or land in respect of which such an option has been exercised but which has not been conveyed.

A person is not required under this heading to disclose information regarding his or her private home or that of a spouse and any subsidiary or ancillary land to such home that is not being used or developed primarily for commercial purposes. Also excluded is a holiday home and any other private home used by the person or his or her family and any land that is subsidiary or ancillary to it which is required for its amenity or convenience and is not being used or developed primarily for commercial purposes.

(e) Gifts

A gift, or gifts from the same person, given to the person concerned during the appropriate period where the value, or the aggregate value, exceeded €650.

Excluded from this requirement is a gift given to the person, for purely personal reasons, by a relative or friend of the person or of his or her spouse or child or of the spouse's child (child being a son or daughter of any age), unless acceptance of the gift could have materially influenced the person in the performance of his or her official functions.

(f) Property and services

Property supplied or lent or a service supplied to the person concerned, once or more than once by the same person, during the appropriate period, where the consideration or price was less than the commercial consideration or price by more than €650. Also included is property lent or a service supplied free of charge where the commercial consideration or price would have been more than €650.

Excluded is property supplied or lent or a service supplied to the person, as a gift for purely personal reasons, by a relative or friend of the person or of his or her spouse or child or of the spouse's child, unless acceptance could have materially influenced the person in the performance of his or her official functions.

If services disclosed relate to legal or medical services (including psychiatric or psychological services) it will be sufficient to state that the services were supplied. No further details will be required.

(i) Contracts

Any contract, or contracts, for the supply of goods or services to a Minister of the Government or a public body during the appropriate period, to which the person concerned was a party or in which he or she was interested in any other way, directly or indirectly, if the aggregate value of the goods or services supplied to a Minister of the Government or a public body during the appropriate period exceeded €6,500.

(g) Travel facilities, etc.

Travel facilities, living accommodation, meals or entertainment supplied to the person concerned during the appropriate period free of charge or at less than the commercial price.

Excluded are:

- *travel facilities, living accommodation, meals or entertainment supplied, by the same person, once or more than once, free of charge during the appropriate period where the commercial price or the aggregate of the commercial prices was less than €650, or supplied where the price paid was less than the commercial price by not more than €650;*
- *travel facilities, living accommodation, meals or entertainment provided:*
 - (i) within the State,*
 - (ii) in the course and for the purpose of performing the person's official functions, or*
 - (iii) in the course and for the purpose of any trade, profession, employment or other occupation of the person;*
- *travel facilities, living accommodation, meals or entertainment supplied as a gift for personal reasons by a relative or friend of the person or of his or her spouse or child or of the spouse's child, unless the acceptance of such might reasonably be seen to have been capable of influencing the person in the performance of his or her official functions.*

(h) Remunerated position

A remunerated position held by the person concerned as a political or public affairs lobbyist, consultant or adviser during the appropriate period.

(i) Contracts

Any contract, or contracts, for the supply of goods or services to a Minister of the Government or a public body during the appropriate period, to which the person concerned was a party or in which he or she was interested in any other way, directly or indirectly, if the aggregate value of the goods or services supplied to a Minister of the Government or a public body during the appropriate period exceeded €6,500.

Appendix 3

Framework For Corporate & Financial Governance For Agencies funded by The Department of Health & Children

Department of Health & Children
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1 Introduction

The Governance Framework

Corporate governance is the system by which organisations direct and control their functions and relate to their stakeholders in order to manage their business, achieve their mission and objectives and meet the necessary standards of accountability, integrity and propriety. It is a key element in improving efficiency and accountability as well as enhancing openness and transparency. A significant element of the Government's programme for health service reform is the strengthening of governance and accountability arrangements across the health system.

Both the Audit of Structures and Functions in the Health System (the 'Prospectus Report') and the Report of the Commission on Financial Management and Control Systems in the Health Service (the 'Brennan Report') highlighted the need for strengthened accountability across the health system to be achieved by a range of measures including the development of a code of governance. Both reports pointed to the need for guidelines for governance for all health and social service agencies. The purpose of this document is to provide a framework for corporate and financial governance for agencies funded directly by the Department of Health and Children. In keeping with the minimum standards set out in the framework, agencies are expected to draw up their own tailored codes of governance or where codes are already in place, to review them in the light of the framework.

Best practice in the area of governance is recognised as being evolutionary in nature. Standards need to be responsive to the changing environment and will continue to develop and evolve. The standards set out in this document are the minimum standards of best practice at this time.

The document should be read as supplementary to existing requirements as set out both in statute – particularly legislation specific to your agency, the Health Acts 1947-2004, Ombudsman Act, 1980, Data Protection Acts 1988 & 2003, Freedom of Information Acts 1997-2003, Ethics in Public Office Acts 1995 & 2001, Ombudsman for Children Act, 2002 and the Comptroller and Auditor General (Amendment) Act, 1993 – and in Government approved guidelines, including the Code of Practice for the Governance of State Bodies (2001), Public Financial Procedures, The Role and Responsibilities of Accounting Officers (2003) and Risk Management Guidance for Government Departments and Offices (2004).

In recent years, a number of reports have been commissioned concerning corporate governance and as a result, a number of standards of best practice have emerged. While these standards were drawn up specifically in the context of listed companies, many of their principles can equally be applied to non-listed companies and State bodies in the interests of furthering best practice. Agencies should explore their potential. A bibliography that includes these reports is set out in Appendix A.

2 Guiding Principles

Standards of governance should be underpinned by a set of key principles which promote transparency, efficiency and effectiveness, are consistent with the regulatory environment and clearly articulate the division of roles and responsibilities within the organisation. Specifically, standards should provide that a publicly funded health sector organisation

- *acts legitimately in compliance with legal requirements, within the authority conferred, observes due process in all its activities and respects the rights and aspirations of other stakeholders and the public;*
- *meets publicly declared standards of performance particularly relating to quality, equity, VFM in the use of public resources, delivery of agreed outputs and achievements of targeted health and social gains outcomes; and,*
- *accounts to stakeholders and to the public for its actions relating to the principles of equity, people-centredness, quality and accountability.*

Good governance will reflect the following key characteristics

- *Propriety – measured by the extent to which the Board and its executive carry out their duties with integrity and fairness and without self-interest or favouritism. It is reflected in the organisation’s decision making procedures, the quality of its financial and performance reporting, in guidance issued on governance and ethics as well as standards of conduct and behaviour;*
- *Responsiveness – measured by the ability of stakeholders, including patients/clients and the public, to secure performance to given standards and to obtain redress if these standards are not met.*

- *Transparency – measured by the extent to which patients/clients and the public are informed about the actions taken by the organisation and the rules governing these actions. It is also manifest by the degree of clarity and understanding that exists regarding roles and responsibilities together with authority and accountability levels.*
- *Public Accountability - the extent to which a publicly funded organisation accounts to Government, the Oireachtas and the general public for the use of public resources.*

Internal standards, codes and guidelines on governance should be written in clear concise language and be easily accessible to all stakeholders.

3 Structures - Roles & Responsibilities

Central to good governance is a clear understanding by all parties of their respective responsibilities and roles. It is particularly crucial that this understanding is clearly articulated in writing and covers the:

- *Board's role, including a detailed description of the roles of the chairperson, the members and its committees;*
- *Chairperson's and Chief Executive Officer's roles. There should be a clear written statement describing the division of responsibilities of the chairperson and CEO having regard to relevant statutory provisions.*

Having regard to the relevant legislative provisions, a clear understanding of the roles and responsibilities of key parties will support effective lines of communication between parties in the organisation's governance process which include the Board, its Committees, Internal Audit, and the CEO and senior Management Team.

3.1 The Board

The Board's role across key areas should be clearly documented, having regard to relevant legislation and should reflect:

- *its role as guardian of strategic direction and policy, including ensuring that these are in line with overall Ministerial/Government policy and reviewing and guiding corporate strategy;*
- *its stewardship role in relation to setting performance objectives, monitoring implementation and corporate performance, financial, manpower, planning, audit, risk policy, communications policy and due process;*

- *its ambassadorial role for both the Board, and the community and patients/clients – ensuring that the needs of patients/clients and the community are at the forefront of the Board’s consideration;*
- *its role in meeting its accountability to Government and the Oireachtas;*
- *its role in meeting its accountability to the Secretary General of the Department of Health & Children as the Accounting Officer;*
- *the need for expertise to enhance/support the Board and its executive, including the formulation and review of both Board and organisational strategy, policies and outcomes;*
- *appraisal of Board performance as well as developing and maintaining competencies and skill sets of its members and particularly induction training for new members;*
- *clearly documented procedures on its workings to ensure maximum transparency and contribute to effective monitoring of its performance;*
- *its role in ensuring the integrity of the organisation’s accounting and financial reporting systems and in ensuring that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards; and,*
- *the clear definition of authority, responsibility and accountability levels for senior managers.*

The chairperson should ensure that all members are properly briefed on issues arising at Board meetings. The Board should ensure that a formal schedule of matters specifically reserved to it for decision is drawn up and made available. A formal process of induction for new Board members should be in place.

Whilst being conscious of the commercial nature of the Code of Practice for the Governance of State Bodies, nevertheless the Board should have regard as appropriate to Appendix A of the Code - Framework Code of Best Practice for Corporate Governance in State bodies - in setting out its own governance arrangements.

3.1.1 Committees of the Board

Where the Board establishes committees to assist in the discharge of its responsibilities, it must ensure that authority and accountability are clearly defined in a written brief available to each committee, which encompasses the committee's mandate, terms of reference, composition, term of office, working procedures, relationship with management and reporting responsibilities to the Board on a regular basis. Committee members, who are not Board members, should be provided with a written code of conduct that includes standards of integrity and conduct to be maintained by them in performing their functions.

3.2 The CEO

The executive's role is to manage the day to day operational issues on behalf of the Board. As head of the executive, the CEO is accountable to the Board and is expected to:

- *carry on and manage and control generally the administration and business of the organisation;*
- *be accountable to the Board;*
- *put in place procedures to allow the Board to meet its accountability to Government and the Oireachtas;*
- *put in place procedures to allow the Board to meet its accountability to the Secretary General of the Department of Health & Children in his role as Accounting Officer;*
- *implement its annual business plan and its corporate plan;*
- *put in place a unified management structure to manage the work of organisation;*
- *agree individual plans including performance targets with his/her management team;*
- *delegate authority and accountability to his/her management team for operational matters;*
- *monitor performance and hold his/her management team accountable;*
- *ensure that the Board has timely and accurate information to fulfil the statutory object and functions of the organisation;*
- *ensure that the Board has timely and accurate information on the performance of management;*

- *ensure that the Board has sufficient information on risk identification, measurement and mitigation strategies;*
- *ensure economy and efficiency in the use of resources;*
- *ensure systems, procedures and practices of the organisation are in place for evaluating the effectiveness of its operations; and,*
- *appear before the Oireachtas Committees when duly requested.*

4 Codes of Conduct and Quality Customer Service

In keeping with best practice, the Government approved Code of Practice for the Governance of State Bodies (2001) outlines the need for State bodies to prepare written codes of conduct.

A code of conduct for the board must be in place setting out basic objectives on the conduct of the Board, its members and its committees' members. The agency should also ensure that a code of conduct for its employees is drawn up and a copy given to every employee. A code of conduct for advisers, consultants and contractors should also be drawn up.

Codes of conduct drawn up by the agency should include at a minimum:

- *the duty of the Board, its members, its committees' members, employees, advisers consultants and contractors to maintain proper standards of integrity, conduct and concern for the public interest;*
- *an agreed set of ethical principles;*
- *rules regarding disclosure of confidential information;*
- *the promotion and maintenance of confidence and trust; and*
- *the prevention of the development or acceptance of unethical practices.*

Typical components of the code include Obligations, Loyalty, Fairness, Work/external environment, Responsibility and Review, and the Acceptance of Gifts. Codes of Conduct should be made available to all persons for whose guidance they have been issued.

The Code also highlights the requirement on State bodies to publish a statement outlining the nature and quality of service which customers and clients can expect.

5 Reporting Processes

Agencies are required to report to Government through the Minister for Health & Children and through the Secretary General as the Accounting Officer for the Department of Health & Children. Reporting arrangements must be scrupulously observed. Good governance requires a high standard in terms of the quality, accuracy and timeliness of information and reporting as required to the Minister and the Secretary General.

Clear written guidelines should be set down on the key management information required by the Board to enable it to meet the Minister's and Secretary General's requirements.

6 Control, Compliance & Risk Processes

6.1 Internal Controls

A key element in any corporate governance framework is an effective system of internal control. Sound control of public moneys depends on a robust system of internal control. The internal control framework involves the whole system of controls, financial and otherwise, established by management in order to carry on the business of the organisation in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets from inappropriate use and loss from fraud or error and secure, as far as possible, the completeness and accuracy of the records. It is the responsibility of the executive to decide the extent of the internal control system based on current best practice which is appropriate to the organisation and the responsibility of the Board to ensure that an effective internal control system is in place. Internal control systems should include a number of subsystems, including internal financial controls, internal audit, audit committees and risk management strategies. While sound internal controls are best achieved by a process firmly embedded throughout the organisation, the Board cannot solely rely on such an embedded process, but should regularly receive and review reports on internal control from management.

Good governance requires organisations to implement best practice in relation to internal controls. Appendix E of the Code of Practice for the Governance of State Bodies sets out the format for the Chairperson's report on internal financial controls. This report should be the end result of a process of management that is embedded in the planning, operational, monitoring and review activities of the body, as these activities are the critical elements of the report.

6.2 Audit Committee

The Board should establish an audit committee of at least three members and provide it with written terms of reference which deal clearly with its authority, responsibilities and reporting procedures. The role of the audit committee should include:

- *monitoring the integrity of the financial statements;*
- *reviewing the organisation's internal financial control system and, unless addressed by a separate risk committee or by the Board itself, risk management systems; and,*
- *monitoring and reviewing the effectiveness of the organisation's internal audit function.*

Where the audit committee's monitoring and review activities reveal cause for concern or scope for improvement, it should make recommendations to the Board on action needed to address the issue or to make improvements. The Board should review annually the audit committee's terms of reference and effectiveness. Section 4 of Appendix A of the Code of Practice for the Governance of State Bodies sets out a framework for the Board's audit committee and for the internal audit function.

6.3 Internal Audit

The internal audit function helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. The scope of internal audit activity covers the whole network of the organisation's systems. Its primary objectives are to review and appraise:

- *the systems and procedures (financial and managerial) that are intended to control the organisation's operations;*
- *the adequacy, reliability and integrity of the information being provided for decision-making and accountability;*
- *the degree of compliance with legislation, with requirements laid down centrally (e.g. by the Department of Finance, Department of Health & Children) and with management plans, procedures and policies;*
- *the procedures for the acquisition and disposal of assets and the safeguarding of assets and interests from losses, including those arising from fraud, malpractice and irregularity; and,*
- *arrangements for economic and efficient use of resources.*

By providing independent opinion on systems, procedures and controls, internal audit is an important element in providing assurance to an organisation on the system of internal control. This is an important element in providing assurance to the accounting officer through the board on the system of internal control and assists him or her in discharging his or her responsibilities for the integrity of the accounts furnished to the C&AG and reported on to the Oireachtas, and also in discharging his or her responsibilities to the PAC.

6.4 Risk Management

Systematic risk identification, measurement and mitigation strategies are an increasingly important part of internal control, as the management of risk is seen as an integral part of achieving desired outcomes. The risks to be addressed as part of a risk management programme are wide-ranging and include strategic, operational, financial and reputational risk. The roles and responsibilities of all key constituents in respect of the identification, evaluation, monitoring and reporting on risk should be clearly and explicitly stated by the Board.

A process of self-assessment of risk in the operating systems of the organisation should be developed. By being assured that employees are routinely assessing risks against defined standards in their work, it will assist the Board in assuring itself that the organisation is doing its reasonable best to achieve its objectives and protect against risks.

Risk Management Guidance for Government Departments and Offices published by the Department of Finance in March 2004 sets down guidelines on risk management as well as highlighting international risk management models and standards available.

In the absence of other arrangements, such as a risk committee, the audit committee of the Board should assess and scope the effectiveness of the systems established by management to identify, assess, manage and monitor risks, both financial and non-financial.

6.5 Procurement

The Code of Practice for the Governance of State Bodies (2001) identifies procurement as one of a number of activities requiring special attention in promoting good corporate governance. Public Procurement refers to the acquisition, whether under formal contract or not, of works, supplies and services by public bodies. It ranges from the purchase of routine supplies or services to formal tendering and placing contracts for large infrastructural projects by a wide and diverse range of contracting authorities.

Essential principles to be observed in conducting the procurement function include non-discrimination, equal treatment, transparency, mutual recognition, proportionality, freedom to provide service and freedom of establishment. EU Directives impose legal obligations on public bodies in regard to advertising and the use of objective tendering procedures for contracts above certain value thresholds. Even in the case of procurement which might not be subject to the full scope of the Directives, the EU Commission and European Court of Justice (ECJ) have ruled that the Treaty principles of non-discrimination, transparency, freedom of movement, and freedom to provide goods and services must be observed. ECJ case law implies a requirement to publicise and advertise such contracts of significant value to a degree which allows parties in other Member States the opportunity to express an interest or to submit tenders.

Agencies should ensure that staff involved in purchasing or placing contracts are familiar with national, EU and international rules that may apply and are aware of the legal and policy framework within which procurement must be conducted. To safeguard against improper or unethical practices, contracting authorities must also take measures to separate functions within the procurement cycle by ensuring that, for example, ordering and receiving goods and services are distinct from payment for goods and services.

Agencies should also be aware of the National Public Procurement Policy Framework published by the Department of Finance in April 2005 and of the Public Procurement Guidelines – Competitive Process published in July 2004. Both documents are available at www.finance.irlgov.ie.

Public Procurement guidelines are available on the National Public Procurement portal www.etenders.gov.ie. General information on EU public procurement issues together with copies of EU Directives are available on <http://europa.eu.int/eur-lex/en/index.html>, or the EU public procurement website <http://simap.eu.int> under 'Rules and Guidelines'.

7 Governance & Clinical/Professional Accountability

In terms of organisational accountability, it is important that organisations' governance arrangements reflect the efficiency, effectiveness and overall quality of services provided. Clinical and professional governance should provide the framework by which an organisation is accountable for the quality of services provided.

It is the responsibility of the Board to ensure that appropriate clinical and professional governance arrangements are put in place. These accountability requirements should be reflected within the broader governance arrangements and, in particular, through agencies' business and corporate plans.

Controls assurance has historically been concerned with financial and organisational control matters. Clinical and professional governance is concerned with the quality and effectiveness of the professional services and procedures. Both agendas are complementary. Taken together and properly considered, they will enable agencies to say with some degree of confidence whether effective systems of internal control including risk management are in place.

8 Reporting on Compliance with Governance Standards

The agency's Code of Governance should maintain the philosophy of "comply or explain". The Board should report to the Minister for Health & Children on an annual basis on how they have applied the governance standards outlined in this framework document or to explain their reasons where the standards have not been implemented.

9 APPENDIX A

Bibliography of Reports Relating to Corporate Governance

Audit Committees - Combined Code Guidance (*the Smith Report*) (2003)

Financial Aspects of Corporate Governance (*the Cadbury Report*) (1992)

Code of Practice for the Governance of State Bodies (*Department of Finance 2001*)

Combined Code on Corporate Governance (2003)

Hampel Report (1998)

Internal Control: Guidance for Directors on the Combined Code (*Turnbull Report*) (1999)

National Public Procurement Policy Framework (*Department of Finance*)

OECD Principles of Corporate Governance (1999)

Public Financial Procedures (*Department of Finance*)

Public Procurement Guidelines – Competitive Process (*Department of Finance*)

Review of the role and effectiveness of non-executive directors (*Higgs Report*) (2003)

Risk Management Guidance for Government Departments and Offices (*Department of Finance 2004*).

Role and Responsibilities of Accounting Officers (*Department of Finance 2003*)

APPENDIX 4

Code of Practice for the Governance of State bodies, Department of Finance, 2001

Code of Practice for the Governance of State bodies

Preface

In March 1992, a set of guidelines entitled "State bodies Guidelines" was issued by the Department of Finance. This document updates and expands those guidelines and takes into account, where appropriate, recommendations made in subsequent reports and publications. It sets out principles of corporate governance which State bodies are required to adopt.

It should be noted that:

- i) *any reference contained in this Code of Practice, whether a reference to any enactment or otherwise, should be construed as a reference to such provision as amended, adapted or extended from time to time;*
- ii) *where legislation applying to a State body contains provisions governing matters the subject of this Code of Practice, such matters will continue to be governed by the relevant legislation; and*
- iii) *the provisions contained in this Code of Practice, including the financial thresholds, may be amended from time to time by the Minister for Finance, having consulted with relevant Ministers. The Minister for Finance may also issue circulars and/or guidance notes, from time to time, in relation to the Code of Practice.*

This Code was endorsed by Government on 2 October, 2001. The Code was subsequently promulgated to all State sponsored bodies by the relevant parent Departments and made available in both hard copy and electronic format (on the Department of Finance website). For ease of reference, it has now been decided to publish the Code as an official publication of the Department of Finance.

Department of Finance

Code of Practice for the Governance of State bodies

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Code of Practice for the Governance of State bodies

Introduction

- 1.1 Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. In the interests of transparency and accountability, it is important that corporate governance of State bodies should operate to the highest standards applicable in the business world generally. This Code of Practice sets out, at Appendix A, a corporate governance best practice framework which the Government wishes to have put in place in the State body sector.

State bodies, including the subsidiaries of such bodies, are required in the conduct of their operations to adopt this Code of Practice and, in accordance with paragraph 10.2, to confirm to the relevant Minister that this has been done. These procedures relate both to internal practices and external relations with the Government, the relevant Minister, the Minister for Finance and their Departments. The requirements of this Code of Practice are supplementary to and do not affect existing statutory requirements and other obligations imposed by the Companies Acts, the specific statutory provisions relating to the State body itself and any other relevant legislation (including equality legislation). The Secretary to the relevant State body has an obligation to ensure that the Directors of that body are informed as to their legal responsibilities and that they are familiar with the requirements of company law and such other statutory provisions which have relevance for them in the exercise of their functions as Directors.

- 1.2 It is not feasible to have a code of practice which will specifically provide for all situations which may arise. Directors and employees of State bodies and their subsidiaries should bear in mind, therefore, that it is primarily their responsibility to ensure that all of their activities, whether covered specifically or otherwise in this document, are governed by the ethical and other considerations implicit in it.

- 1.3 While the Code of Practice applies to both commercial and non-commercial State bodies, it is recognised that difficulties may arise in a given situation. In this regard non-commercial State bodies may find that some aspects of the Code of Practice are not “appropriate” or fully “relevant” to their circumstances. In such a situation, the application of a provision of the Code of Practice may, with the consent of the relevant Minister, following consultation with the Minister for Finance, be waived. Also certain commercial State bodies or their subsidiaries who are involved in strategic alliances, joint ventures or other shareholding arrangements may be of the view that certain aspects of this Code of Practice are not appropriate where a shareholder other than the State is involved. In such circumstances, the relevant Minister should be consulted and, with the consent of the Minister for Finance, that Minister may waive any requirement of this Code of Practice he/she considers inappropriate. If a State body is in any doubt as to whether the Code of Practice is directed at such body, it should seek clarification on the matter from the relevant Department.
- 1.4 Subject to the provisions of paragraph 1.3, each State body should comply with the provisions contained in this Code of Practice and any updates of same.

Codes of Conduct

- 2.1 All State bodies should have written Codes of Business Conduct for Directors and Employees. Typical components of such a code are listed in Appendix B to this document. The requirements of the Companies Acts which relate to the behaviour of Directors should be implemented in the case of those State bodies which are statutory boards, even where their legislation does not reflect these requirements. The code for employees, a copy of which should be given to every employee, should embrace such matters as duty to the State body, avoidance of conflict of interest, limits on outside activities, acceptance of gifts and honesty in dealings. The up to date codes of business conduct should be available upon request with a copy of each such code being accessible through the State body’s web site (where relevant).
- 2.2 As part of the report to be furnished in accordance with paragraph 10.2, the Chairperson of the Board should affirm to the relevant Minister that Codes of Business Conduct for Directors and Employees have been put in place and complied with by the State body.

- 2.3 In addition to the requirements of the Companies Acts, and, where relevant, their own governing legislation, each member of the Board of a State body and each person holding a designated position of employment with a State body should ensure his/her compliance with relevant provisions of the Ethics in Public Office Act, 1995¹.
- 2.4 To the extent commercially feasible, commercial State bodies should promote the standards of service and the initiatives outlined in the “Principles of Quality Customer Service for Customers and Clients of the Public Service” which was originally launched in 1997 and was revised in 2000. A copy of these Principles is reproduced at Appendix C.
- 2.5 The requirements specified in this document should be applied in all trading subsidiaries of the State bodies. Chairpersons of all subsidiaries should formally report to the main Board in a similar manner as the main Board Chairperson reports to the relevant Minister. This report should be received prior to the main Board Chairperson reporting to the relevant Minister.

Internal Audit

3. Each State body is required to have a properly constituted internal audit function or to engage appropriate external expertise which should operate in accordance with the Framework Code of Best Practice set out in Appendix A.

Procurement

- 4.1 Competitive tendering should be normal procedure in the procurement process of State bodies. It is the specific responsibility of the Board to ensure that this procedure is implemented and that it is fully conversant with the current value thresholds for the application of procurement rules. The detailed procurement procedures, as set out in the Public Procurement Booklet (1994), in respect of competitive tendering should be applied. It is stressed that, in addition to the national guidelines, the relevant EU Directives, which have the force of law in this and all Member States, should be complied with. It is the responsibility of the Board and management to ensure such compliance. The Chairperson should, in the annual report to the relevant Minister (see paragraph 10.2), affirm compliance with the procurement procedures outlined above.

1. In brief, the Act requires inter alia that persons in State bodies who hold designated directorships and designated positions of employment must make an annual statement or declaration of those interests (as defined in the Act) which could materially influence them in the performance of their functions and refrain them from exercising such functions in accordance with the Act. The annual statement, which may be updated if interests change, must be made to a designated person within the State body, in accordance with the provisions of the Act, and, in the case of those who hold designated directorships, to the Public Offices Commission established under the Act. The Commission will provide advice and publish mandatory procedures concerning steps to be taken by designated directors and holders of designated positions (among others) to ensure compliance with the Act. Where a person who holds a designated directorship or designated position of employment in a State body is advised by the Commission, or it appears from guidelines published by the Commission that his/her interest or the interest of a connected person should be disclosed, that person must make an appropriate statement to the relevant authority in the State body.

4.2 **Importance of procurement function**

The management, and ultimately the Board, should ensure that there is a strong focus on the role and expertise of the procurement function and that purchasing personnel are properly conversant with all developments in this area.

4.3 **Tax Clearance Procedures**

All State bodies must ensure that the Tax Clearance requirements set out in Department of Finance Circular of 30 July 1991 (F 49/13/87), as regards the payment of grants, subsidies and similar type payments, and Department of Finance Circular 22/95, as regards Public Sector Contracts, are fully adhered to.

Disposal of Assets and Access to Assets by Third Parties

5.1 It should be standard practice that the disposal of assets of State bodies or the granting of access to property or infrastructure for commercial arrangements e.g. joint ventures with third parties, with an anticipated value at or above a threshold level of €70,000, should be by auction or competitive tendering process, other than in exceptional circumstances (such as a sale to a charitable body). The method used should be both transparent and likely to achieve a fair market-related price. The anticipated value may be determined either by a reserve price recorded in advance in the State body's records or by a formal certification by the Director of the body with responsibility for financial matters or, alternatively, a Director who is also a member of the Board Audit Committee, that, in his or her view, the anticipated value is likely to be less or greater than €70,000. In determining market value, regard should be had to accounting standards best practice in Ireland.

5.2 If an auction or competitive tendering process takes place and the highest bid is not accepted, then specific Board approval is required before the disposal of the asset or granting of access to property or infrastructure for commercial arrangements with third parties can be completed. For reasons of transparency, such approval together with the reason why a lower bid was permitted to be accepted should be noted in the minutes of the Board.

5.3 If an auction or competitive tendering process does not take place and the agreed price is €70,000 or more, then specific Board approval is required before negotiations start and also before the disposal of the asset or granting of access to property or infrastructure for commercial joint venture arrangements with third parties can be completed.

- 5.4 No disposal of an asset or grant of access to property or infrastructure for commercial arrangements with third parties should be completed until the officer authorising the disposal or grant of access has certified formally that (i) Board approval is not necessary, with the reasons therefore, or (ii) Board approval, where necessary, has been obtained.
- 5.5 Disposal of assets to Directors, employees or their families or connected persons², should, as with all disposals, be at a fair market-related price. A record of all such disposals to such persons (to include details of the asset disposed of, price paid and name of the buyer) should be noted in a register kept for this purpose (minor disposals below a threshold approved by the Board may be omitted from the register). This register should be available for inspection, if requested, by the Board or by any Director. The Board may retain a requirement that any disposal above an approved threshold may not be made without having been formally endorsed by the Board which may impose specific restrictions with regard to any such disposal.
- 5.6 Details of all disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties (save for connected third parties which is dealt with in paragraph 5.5) below the threshold value of €70,000 without auction or competitive tendering process should be formally reported, with the paid price and the name of the buyer to the Board on an annual basis.
- 5.7 Details of and explanations for the disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €70,000 which have not been subject to auction or competitive tendering process should be included in the Chairperson's annual report to the relevant Minister (see paragraph 10.2).
- 5.8 The Chairperson, in the annual report to the relevant Minister (see paragraph 10.2), should affirm that the disposal procedures, as outlined above, have been complied with.

2. see Appendix A, section 3(i).

Establishment of Subsidiaries and Acquisitions by State bodies

- 6.1 The establishment or acquisition of subsidiaries, participation in joint ventures and the acquisition of shares by any State body, by its subsidiaries or by joint ventures in which either a State body or its subsidiaries participate ("State body joint ventures") is subject to the legal capacity to do so and to the prior written approval of the relevant Minister, given with the consent of the Minister for Finance. Any offer to acquire shares made by a State body, its subsidiaries or State body joint ventures must refer expressly to such legal capacity and to such approval requirements.
- 6.2 When seeking such approval, State bodies should supply their relevant Department with complete details of such proposed subsidiaries, joint ventures or acquisitions. Such details should include, together with such other information requested:
- *the full business case for the proposal;*
 - *the amount of share capital proposed to be acquired compared with the entire issued share capital of the company concerned;*
 - *details of any shares held in such company by any other State body, its subsidiaries or State body joint ventures;*
 - *data on the financial commitment and exposure of the parent body, whether by way of equity, loans, guarantee or otherwise;*
 - *outstanding borrowings of such company from all sources, whether guaranteed or not, and any commitments by them which could involve financial exposure for a State body; and*
 - *in seeking approval for the establishment or acquisition of subsidiaries, the proposed approach to the remuneration and conditions of employment of the Chief Executive/Managing Director and, where appropriate, other employees of the subsidiaries should be outlined.*
- 6.3 Where State bodies, their subsidiaries and/or any State body joint ventures have a combined holding in any company exceeding 30% of the entire issued share capital of such company, the State bodies concerned should notify the relevant Minister and the Minister for Finance of such shareholdings.

- 6.4 Where a State body is subject to a limit on its borrowings, the combined borrowings of both the parent body and all its subsidiaries (the “Group”) are covered by that limit. Cash balances are not to be taken into account in calculating borrowings for the purposes of borrowing limits.

State guarantees cannot be given without explicit statutory authority and may be given only by the Minister for Finance or with his consent. State guarantees may also be subject to approval by the EU Commission under the Treaty rules on State Aid. As a general rule, current policy is not to issue new State guarantees and to allow outstanding guarantees to expire as the relevant borrowings are repaid.

Diversification

7. A State body should obtain the approval of the relevant Minister for any intended action which would extend or change significantly the nature, scope or scale of the activities in which it (or any subsidiary or State body joint venture) engages. The financial consequences of such actions, and their consistency with the existing remit of the body (if any), notably its statutory remit, should be set out. The consent of the Minister for Finance should be obtained to any action which, in the view of the relevant Minister, would have significant financial consequences, notably on the debt, profitability or ability of the body to pay dividends (where relevant).

Investment Appraisal

8. Guidelines for the Appraisal and Management of Capital Expenditure Proposals were issued by the Department of Finance in July 1994. These procedures apply to State bodies as well as to Departmental investments and should be adhered to. The Chairperson of each State body should confirm that these Guidelines are being complied with.

Remuneration and Directors’ Fees

9.1 Remuneration

Chairpersons and Boards of all State bodies are reminded that they are required to implement Government policy in relation to the remuneration of the Chief Executive/Managing Director and that the arrangements authorised from time to time cover total remuneration. Arrangements put in place by a relevant Department or the Department of Finance for determining and approving the remuneration of the Chief Executive/Managing Director must also be implemented and adhered to.

Chief Executives of commercial State bodies

In particular, following Government consideration of Report No.37 of the Review Body on Higher Remuneration in the public sector (the "Review Body Report") and of the Hay Management Consultants' Report on the remuneration of Chief Executives of commercial State bodies, the following new approach applies to the determination of the remuneration of all new (post July 1999) Chief Executives of commercial State bodies and of all those existing Chief Executives who accept that the terms of the Government decision of 14 July 1999 on the application of the recommendations of the Review Body on Higher Remuneration in the public sector on the nature of contracts, performance-related pay and the publication of remuneration information in annual accounts would also apply to them:

- (1) *performance criteria, consistent with the corporate plans produced pursuant to paragraph 11, for each body should be drawn up by the Board and should reflect the shareholders' objectives and strategic mandate. The performance-related system should be implemented by a remuneration committee of the Board, which should include a civil servant from the relevant Department, whether he/she is a member of the Board or not, who would represent the relevant Minister's requirements as shareholder;*
- (2) *the remuneration committee should examine the Chief Executive's performance annually and should submit a report thereon, following approval by the Board, to the relevant Minister each year;*
- (3) *the Chief Executive's remuneration and that of the Chief Executive of any subsidiary should be set out in the company's annual report which should state (a) the Chief Executive's annual basic salary, (b) payments made to the Chief Executive under performance-related pay schemes and (c) the total value of the Chief Executive's superannuation benefits, with a breakdown between standard company superannuation benefits and any additional benefits being provided for the Chief Executive (i.e. any other arrangements made of financial benefit to the Chief Executive). This information should be subject to the company's annual audit;*
- (4) *revised contractual arrangements should be introduced and operated in accordance with the principles set out in paragraphs 2.18 to 2.22 of the Review Body Report. All contracts require the approval, before signature, of the relevant Minister and the Minister for Finance;*
- (5) *the remuneration of Chief Executives of commercial State bodies will be reviewed periodically by the Minister for Finance using pay consultants as appropriate;*

- (6) *the all-in cost to the State body of the total remuneration package of the Chief Executive/Managing Director and the Chief Executive/Managing Director of any subsidiary (with a breakdown of the components) should be included in the Chairperson's annual report to the relevant Minister; and*
- (7) *any changes in the terms and conditions of employment of the Chief Executives (including remuneration) require the prior written approval of the relevant Minister given with the consent of the Minister for Finance.*

General

Chairpersons and Boards are also required to implement Government pay policy, as expressed from time to time, in relation to other staff including, as appropriate, the Chief Executive/ Managing Director and other staff of any subsidiary.

The relevant Department should be consulted in good time on any pay proposals or likely developments which could have significant implications for (i) general Government pay policy (ii) the body's finances (iii) charges for goods or services provided and/or (iv) other areas of the public sector. Compliance with Government pay policy or with any particular Government decision should not be effected in ways which cut across public service standards of integrity or conduct or involve unacceptable practices which result in a loss of tax revenue to the Exchequer.

9.2 **Directors' Fees and Expenses**

The guidelines covering the payment of fees to the Chairpersons and Directors of State bodies, which were issued by the Minister for Finance in July 1992, as set out in Appendix D, should continue to be observed. The Chairperson of the main Board should affirm, as part of the Chairperson's annual report to the relevant Minister, that those guidelines are being complied with in respect of such appointees who serve on the main Board and any subsidiaries of State bodies. The Chairperson's annual report should also include a schedule of the fees and aggregate expenses paid to each of the Directors.

Reporting Arrangements

10.1 Reports and Accounts of State bodies

Existing reporting requirements should be adhered to as follows:

- i) each commercial State body should furnish to the relevant Department and the Department of Finance, not later than the end of the eighth month of the financial year, interim unaudited accounts for the first half of that year;*
- ii) draft unaudited annual accounts³ for each State body should be furnished to its relevant Department and to the Department of Finance not later than two months after the end of the relevant financial year; and*
- iii) the annual report and accounts of each State body should be published (or where publication is not required, submitted to the Government), in the case of commercial State bodies, not later than four months after the end of the relevant financial year and, in the case of non-commercial State bodies, not later than one month following completion of the audit of the accounts of the said body by the Comptroller and Auditor General and six months from the end of that body's financial year end (whichever is the earlier).*

In addition to the foregoing, the Chairperson's statement in the report to the relevant Minister regarding the system of internal financial control (paragraph 10.2(iii)) should be included in the annual report of the State body. This statement should be reviewed by the external auditors to confirm that it reflects the audited body's compliance with the requirements of paragraph 10.2 and should consider if the statement is inconsistent with the information of which they are aware from their audit work on the financial statements. The external auditors should report their findings accordingly.

In cases where fulfilment of the requirements in paragraphs 10.1 (ii) and (iii) would cause unjustifiable difficulties for bodies, the relevant deadline can be extended, as an exceptional measure, subject to the consent of the relevant Minister.

3. Draft unaudited accounts refer to draft financial statements and notes thereon (in accordance with generally accepted accounting principles) and not management accounts.

10.2 Reporting additional to annual report and accounts

The Chairperson of each State body should furnish separately to the relevant Minister, with the annual report and accounts of the body, a comprehensive report covering the Group:

- i) *outlining all commercially significant developments affecting the body in the preceding year, including the establishment of subsidiaries or joint ventures and share acquisitions, and major issues likely to arise in the short to medium term;*
- ii) *affirming that all appropriate procedures for financial reporting, internal audit, procurement and assets' disposals are being carried out;*
- iii) *including a statement on the system of internal financial control in the form set out in Appendix E⁴;*
- iv) *affirming that Codes of Business Conduct for Directors and Employees have been put in place and adhered to;*
- v) *affirming that Government policy on the pay of Chief Executives and all State body employees is being complied with (see paragraph 9.1);*
- vi) *affirming that Government guidelines on the payment of Directors' fees are being complied with;*
- vii) *explaining failure to comply with any of the above and stating any corrective action taken or contemplated;*
- viii) *outlining significant post balance sheet events;*
- ix) *confirming that the Guidelines for the Appraisal and Management of Capital Expenditure Proposals are being complied with; and*
- x) *confirming that this Code of Practice has been adopted and is being complied with.*

Along with the unaudited six-monthly accounts, the Chairperson should also provide an interim report to the relevant Minister on significant commercially sensitive developments in the preceding six months and likely developments for the rest of the year.

4. Paragraph 10.2(iii) came into effect for accounting years ended on or after 31st December, 2002. All other provisions of the Code came into immediate effect in October 2001. The Controller and Auditor General has issued guidance for State bodies on the completion of the statement on internal financial control.

Strategic and Corporate Planning

11. The need for sound corporate planning by State bodies is very important. Each body should, within the first six months of each year, produce annual rolling five-year business and financial plans encompassing strategy (taking account of general sectoral policy), planned investment and appropriate financial targets. Such corporate plans should be approved by the Board and should reflect the shareholders' objectives and strategic mandate in terms, inter alia, of dividend policy, capital value and, where relevant, economic and social objectives. The plans should set appropriate objectives and goals and relevant indicators and targets against which performance can be clearly measured. This is important in the context of assessing effectiveness and objectively evaluating achievement of targets. A copy of the corporate plans should be sent to the relevant Minister and the Minister for Finance.

Tax Compliance

- 12.1 State bodies should be exemplary in their compliance with taxation laws and should ensure that all tax liabilities are paid on or before the relevant due dates. In addition to the reporting requirements set out in paragraph 10, a report on the body's compliance with tax laws should be furnished each year to its relevant Department. The report should confirm that the body has complied with its obligations under tax law.
- 12.2 State bodies, while availing of all legitimate taxation arrangements, should not engage in "offensive" tax avoidance transactions. In broad terms tax avoidance is offensive if it involves the use of the tax code for a purpose other than that intended by the Oireachtas (including an unintended use of a tax incentive) with a view to reducing the amount of tax to be paid by the State body or some other party to a transaction in which the State body participates. Where a doubt arises in a particular instance, the State body concerned should consult the Revenue Commissioners.

October 2001

Appendix A

Framework Code of Best Practice for Corporate Governance in State bodies

1. The Board of Directors

- *The Board should meet regularly, retain full and effective control over the State body and monitor the executive management and performance.*
- *The Board should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the body is firmly in its hands (some of these matters may require Ministerial approval and this should be noted). This schedule should include, at least, the following:*
 - *significant acquisitions, disposals and retirement of assets of the State body or its subsidiaries. The schedule should specify clear quantitative thresholds for contracts above which their approval is required;*
 - *major investments and capital projects, delegated authority levels, treasury policy and risk management policies;*
 - *approval of terms of major contracts;*
 - *policy on determination of senior management remuneration;*
 - *approval of annual budgets and corporate plans;*
 - *production of annual reports and accounts;*
 - *appointment, remuneration and assessment of the performance of the Chief Executive; and*
 - *significant amendments to the pension benefits of the Chief Executive and staff (which may require Ministerial approval).*
- *The collective responsibility and authority of the Board should be safeguarded. Excessive influence on Board decision-making by individual members should be avoided, while allowing Board members the opportunity to fully contribute to Board deliberations.*
- *All Directors should have access to the advice and services of the Secretary of the body who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Any question of the removal of the Secretary should be a matter for the Board as a whole.*

- *The Board should, in a Board resolution, lay down formal procedures whereby Directors, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the State body. Such procedures should also be set out in the code of conduct for Directors.*
- *The non-executive Directors should bring an independent judgement to bear on issues of strategy, performance, resources, key appointments, and standards of conduct.*
- *Any business or other interests, which could affect a Director's independence, should be dealt with as outlined in section 3.*
- *It is the Board's duty to ensure that a balanced and understandable assessment of the body's position is made in presenting its annual report and accounts to the relevant Minister.*
- *The Directors should state in the annual report that they are responsible for preparing the accounts. There should also be a statement by the external auditors about their reporting responsibilities.*
- *The Directors should review annually the effectiveness of the body's system of internal controls, including financial, operational and compliance controls and risk management.*
- *The Directors should ensure that the Chairperson keeps the relevant Minister advised of matters arising in respect of the State body.*
- *The Directors should report that the business is a going concern with supporting assumptions or qualifications, as necessary.*
- *The Board should be supplied, in a timely fashion, with information which is of a suitable quality to enable Board members to satisfactorily discharge their duties.*
- *The Board is responsible for compliance with all statutory obligations applicable to the State body. Where individual Board members become aware of non-compliance with any such obligation, they should immediately bring this to the attention of their fellow Board members with a view to having the matter rectified. The matter should also be brought to the attention of the relevant Minister by the Chairperson.*
- *The Board has a responsibility to establish procedures for maintaining an appropriate relationship with the external auditors.*

2. Briefing for new Directors

Directors of State bodies incorporated under the Companies Acts have duties under these Acts and it is the responsibility of each Director to act in conformity with the applicable provisions of those Acts.

On appointment of new Directors, the Secretary of the body should provide them with the following information:

- *a formal schedule of matters reserved to the Board for decision; procedures for obtaining information on relevant new laws and regulations;*
- *procedures to be followed when, exceptionally, decisions are required between Board meetings;*
- *a schedule detailing the composition of all committees and their terms of reference;*
- *a statement explaining the Directors' responsibilities in relation to the preparation of the accounts, the State body's system of internal control and audit and for reporting on the business as a going concern with supporting assumptions or qualifications as necessary;*
- *a statement informing the Directors that they have access to the advice and services of the Secretary, who is responsible to the Board for ensuring that Board procedures are followed and the applicable rules and regulations are complied with;*
- *code of ethics/conduct for Directors, including disclosure of Directors' interests;*
- *specific company information; and*
- *a copy of the most up to date version of the "Code of Practice for the Governance of State bodies" together with any relevant circulars and/or guidance notes.*

3. Disclosure of Interests by Directors of State bodies

In addition to the legal requirements under the Companies Acts and requirements under the Ethics in Public Office Act 1995, the following procedures should be observed:

- i) On appointment to a Board of a State body, each member should furnish to the Secretary of the body details relating to his/her employment and all other business interests including shareholdings, professional relationships etc., which could involve a conflict of interest or could materially influence the member in relation to the performance of his/her functions as a member of the Board. Any interests of a member's family of which he/she could be expected to be reasonably aware or a person or body connected with the member which could involve a conflict of interest or could materially influence the member in the performance of his/her functions should also be disclosed. For this purpose, persons and bodies connected with a member should include:
 - (a) *a spouse, parent, brother, sister, child or step-child;*
 - (b) *a body corporate with which the member is associated;*
 - (c) *a person acting as the trustee of any trust, the beneficiaries of which include the member or the persons at (a) above or the body corporate at (b) above; and*
 - (d) *a person acting as a partner of the member or of any person or body who, by virtue of (a) - (c) above, is connected with the member.*

Each member should furnish to the Secretary details of business interests on the lines above of which he/she becomes aware during the course of his/her directorship.

- ii) Where it is relevant in any matter which arises, the member should be required to indicate to the Secretary the employment and any other business interests of all persons connected with him/her, as defined at (i).
- iii) Boards may exercise discretion regarding the disclosure by members of minor shareholdings. As a general guideline, shareholdings valued at more than €15,000 or of more than 5 per cent of the issued capital of a company should be disclosed.
- iv) If a member has a doubt as to whether this Code requires the disclosure of an interest of his/her own or of a connected person, that member should consult the Chairperson.

- v) Details of the above interests should be kept by the Secretary of the body in question in a special confidential register and should be updated on an annual basis. Changes in the interim should be notified to the Secretary as soon as possible. Only the Chairperson, Secretary and Chief Executive of the body should have access to the register.
- vi) Should a matter relating to the interests of the Chairperson arise, he/she should depute the Deputy Chairperson or another Director to chair the Board meeting and should absent himself/herself when the Board is deliberating or deciding on a matter in which the Chairperson or a person or body connected with the Chairperson has an interest.
- vii) Board or company documents on any case which relate to any dealings with the above interests should not be made available to the member concerned prior to a decision being taken. (Such documents should be taken to include those relating to cases involving competitors to the above interests). Decisions once taken should be notified to the member.
- viii) As it is recognised that the interests of a Director and persons connected with him/her can change at short notice, a Director should, in cases where he/she receives documents relating to his/her interests or of those connected with him/her, return the documents to the Secretary at the earliest opportunity.
- ix) A Director should absent himself/herself when the Board is deliberating or deciding on matters in which that member (other than in his/her capacity as a member of the Board) or a person or body connected with the member has an interest. In such cases a separate record (to which the Director would not have access) should be maintained.
- x) Where a question arises as to whether or not a case relates to the interests of a Director or a person or body connected with that Director, the Chairperson of the Board should determine the question.
- xi) Former Directors should treat commercial information received while acting in that capacity as confidential.
- xii) The procedures set out above should also be adopted in subsidiaries of State bodies.

4. Audit Committee

- *The Board should establish an Audit Committee of at least three independent non-executive Directors with written terms of reference which deal clearly with its authority and duties.*
- *The Board Audit Committees of the commercial State bodies should only include non-executive Directors. If Chairpersons participate, the Board Audit Committees should be chaired by another Director.*
- *The constitution and terms of reference of the Board Audit Committee and other Board committees should be reviewed by the main Board and updated as appropriate.*
- *The Board Audit Committees of State bodies should meet at least four times a year.*
- *The Board Audit Committee should have explicit authority to investigate any matters within its terms of reference, the resources which it needs to do so and full access to information. The Board Audit Committee should be able to obtain outside professional advice and, if necessary, invite outsiders with relevant experience to attend meetings.*
- *The Board Audit Committee should have a discussion with the external auditors at least once a year, without executive members of the Board or employees of the State body present, to ensure that there are no unresolved issues of concern.*

4(a) Internal Audit Function

The operation of the internal audit function should comply with the following code:

- i) the internal audit function should have a formal charter, including terms of reference, which has been approved by the Board (an outline of the charter is set out below);
- ii) the reporting structure for internal audit should be clear and formally documented. The head of the internal audit function should have considerable seniority within the organisation and the content of all internal audit reports should be entirely at his/her discretion. The head of internal audit should report directly to the Board Audit Committee and should also have access to the Chairperson of the Board and the Chairperson of the Board Audit Committee. Functionally, the head of internal audit should report within the body to such person as the Board decides and to the Chief Executive;

- iii) in carrying out its ongoing work the internal audit function should include detailed testing on all specific areas covered by the charter in order to ensure that the State body is fully complying with all requirements and report its findings to the Board Audit Committee;
- iv) the internal audit function should be properly resourced with the necessary skills including the ability to deal with non-financial aspects;
- v) the internal audit function should liaise frequently with the external auditors so that the potential for co-operation between the two is maximised. The work carried out by these two entities can frequently be complementary and effectiveness can be increased through regular consultation. (For example, the external auditors could offer guidance on particular areas which the internal audit function might be reviewing. Conversely the internal audit function could provide the external auditor with company specific expertise to assist in the evaluation of the systems being examined as part of the statutory audit);
- vi) the Board Audit Committee should make the external auditors aware of the corporate governance issues outlined in this document with which the State body is required to comply. The Board Audit Committee should periodically consult with the external auditors regarding the operation of the internal audit function with particular reference to the staffing of the function, the audit work programmes being applied and the testing carried out in relation to the body's compliance with the requirements set out in this document;
- vii) in planning, executing and reporting its work, the internal audit function should ensure that value-for-money auditing receives adequate attention; and
- viii) the internal audit function in each State body should review compliance with procurement and disposal procedures as required by the Board Audit Committee, from time to time, and report to the Board Audit Committee.

4(b) Charter for Internal Audit

A charter for the internal audit function should include the following:

- **Board policy statement**

This should state the Board's policy to support and develop the internal audit function.

- **A mission statement**

This should set out the internal audit function's contribution to the organisation.

- **Terms of Reference**

The terms of reference of the internal audit function should include:

- *Scope and authority*

The Board should provide the internal audit function with authority to act on its behalf in carrying out internal audit and there should be no operational areas or levels within the organisation precluded from internal audit review.

- *Independence, role and responsibilities*

The internal audit function should serve the best interests of the State body as a whole and carry out its work in a manner that is consistent with the Standards for the Professional Practice of Internal Auditors, published by the Institute of Internal Auditors. In order to demonstrate that due professional care has been taken in performing its work, it is necessary to have comprehensive records of activity showing that the work has been performed in accordance with accepted standards of best practice.

In order to ensure objectivity and independence, internal audit staff should be free from all operating responsibility.

Where State bodies appoint appropriate external expertise to undertake this function, objectivity and independence should also be assured.

Appendix B

Framework for a Code of Business Conduct

Introduction

This is a suggested framework for a code of business conduct for all Directors and employees of State bodies. The Code should be prepared via a participative approach, and should be approved by the Board, taking into account the implications of the Ethics in Public Office Act, 1995. Such a Code should address the following matters:

Intent and scope

It should contain a description of nature, intent and scope of application of the Code.

Objectives

The Code should set out basic objectives such as:

- *establishment of an agreed set of ethical principles;*
- *promotion and maintenance of confidence and trust; and*
- *prevention of development or acceptance of unethical practices.*

General Principles

It should include a description of fundamental principles, for example:

Integrity

- *disclosure by Directors of outside employment/business interests in conflict or in potential conflict with the business of the body;*
- *management and employees should not be allowed to be involved in outside employment/business interests in conflict or in potential conflict with the business of the body;*
- *avoidance of the giving or receiving of corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions;*
- *commitment to compete vigorously and energetically but also ethically and honestly;*

- *conduct of purchasing activities of goods/services in accordance with best business practice;*
- *ensuring that the body's accounts/reports accurately reflect their business performance and are not misleading or designed to be misleading;*
- *avoidance of use of the State body's resources or time for personal gain, for the benefit of persons/organisations unconnected with the body or its activities or for the benefit of competitors; and*
- *commitment not to acquire information or business secrets by improper means.*

Information

- *support by Directors, management and employees of a State body for the provision of access by the body to general information relating to the body's activities in a way that is open and enhances its accountability to the general public.*
- *respect the confidentiality of sensitive information held by the State body. This would constitute material such as:*
- *commercially sensitive information (including, but not limited to, future plans or details of major organisational or other changes such as restructuring);*
- *personal information; and*
- *information received in confidence by the public body.*
- *observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest.*
- *comply with relevant statutory provisions (e.g. data protection legislation, the Freedom of Information Act, 1997).*

Obligations

- *fulfil all regulatory and statutory obligations imposed on the State body;*
- *compliance with detailed tendering and purchasing procedures, as well as complying with prescribed levels of authority for sanctioning any relevant expenditure;*
- *introduce controls to prevent fraud including adequate controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel;*
- *Directors should use their reasonable endeavours to attend all Board meetings; and*

- *acceptance of positions following employment and/or engagement by a State body can give rise to the potential for conflicts of interest and to confidentiality concerns. The Board of a State body should, therefore, in a manner most effective to such body, deal with the issue of post resignation/retirement employment, appointment and/or consultancy of its Directors and employees by the private sector and should ensure that any procedures that it may have put in place in this regard are monitored and enforced.*

Loyalty

- *acknowledge the responsibility to be loyal to the State body and fully committed in all its business activities while mindful that the organisation itself must at all times take into account the interests of the owner(s); and*
- *acknowledge the duty of all to conform to highest standards of business ethics.*

Fairness

- *compliance with employment equality and equal status legislation;*
- *commitment to fairness in all business dealings; and*
- *value customers and treat all customers equally.*

Work/External Environment

- *place highest priority on promoting and preserving the health and safety of employees;*
- *ensure that community concerns are fully considered; and*
- *minimise any detrimental impact of the operations on the environment.*

Responsibility

- *circulation of this Code of Business Conduct and a policy document on disclosure of interests to all Directors, management and employees for their retention;*
- *above recipients to acknowledge receipt and understanding of same; and*
- *prepare an explanatory booklet providing practical guidance and direction on such areas as gifts and entertainment and on other ethical considerations which arise routinely.*

Review

- *commitment to review the Code of Business Conduct as appropriate.*

Appendix C

Principles of Quality Customer Service for Customers and Clients of the Public Service

In their dealings with the public, Civil Service Departments and Public Service offices will:

Quality Service Standards

Publish a statement that outlines the nature and quality of service which customers can expect and display it prominently at the point of service delivery.

Equality/Diversity

Ensure the rights to equal treatment, established by equality legislation, and accommodate diversity, so as to contribute to equality for the groups covered by the equality legislation (under the grounds of gender, marital status, family status, sexual orientation, religious belief, age, disability, race and membership of the Traveller Community).

Identify and work to eliminate barriers to access to services for people experiencing poverty and social exclusion, and for those facing geographic barriers to services.

Physical Access

Provide clean, accessible public offices that ensure privacy, comply with occupational and safety standards and, as part of this, facilitate access for people with disabilities and others with specific needs.

Information

Take a proactive approach in providing information that is clear, timely and accurate, is available at all points of contact and meets the requirements of people with specific needs. Ensure that the potential offered by Information Technology is fully availed of and that the information available on Public Service web sites follows the guidelines on web publication.

Continue the drive for simplification of rules, regulations, forms, information leaflets and procedures.

Timeliness and Courtesy

Deliver quality services with courtesy, sensitivity and the minimum delay, fostering a climate of mutual respect between provider and customer.

Give contact names in all communications to ensure ease of ongoing transactions.

Complaints

Maintain a well-publicised, accessible, transparent and simple-to-use system of dealing with complaints about the quality of service provided.

Appeals

Similarly, maintain a formalised, well-publicised, accessible, transparent and simple-to-use system of appeal/review for customers who are dissatisfied with decisions in relation to services.

Consultation and Evaluation

Provide a structured approach to meaningful consultation with, and participation by, the customer in relation to the development, delivery and review of services. Ensure meaningful evaluation of service delivery.

Choice

Provide choice, where feasible, in service delivery including payment methods, location of contact points, opening hours and delivery times. Use available and emerging technologies to ensure maximum access and choice and quality of delivery.

Official Languages Equality

Provide quality services through Irish and/or bilingually and inform customers of their right to choose to be dealt with through one or other of the official languages.

Better Co-ordination

Foster a more co-ordinated and integrated approach to delivery of public services.

Internal Customer

Ensure staff are recognised as internal customers and that they are properly supported and consulted with regard to service delivery issue

Appendix D

Guidelines on the payment of fees to the Chairpersons and Directors/ Members of State bodies

1. The Board of the State body will ensure that the fees paid to Chairpersons and Directors will be at the rates authorised by the relevant Minister.
2. The fees paid to the Chairpersons or Directors of any subsidiary or associated body will not exceed the rates applying to the Chairperson or Directors, respectively, of the main body and will, as a general rule, be significantly less.
3. Only one fee will be payable to a person in respect of (a) service on the main Board of a State body and Boards of subsidiary or associated bodies or (b) service on subsidiary or associated Boards only.
4. The Board will adhere strictly to the arrangements recommended by the Review Body on Higher Remuneration in relation to the retention/ surrender by the Chief Executive of fees for directorships payable to him/ her - the arrangements would, for instance, allow the Chief Executive to retain the fee in respect of membership of his/her own main Board, prohibit retention of any fees paid in respect of subsidiary or associate bodies and, subject to Board approval, allow retention of not more than two fees in respect of other directorships.
5. A staff member, other than the Chief Executive, who becomes a member of the Board of a subsidiary or associated body shall be regarded as holding that position ex-officio and shall not, therefore, receive any additional remuneration in respect of it.
6. An executive other than the Chief Executive will, subject to Board approval, be allowed to hold membership of the Boards of bodies which are not subsidiary to or associated with the main body and to retain not more than two fees in respect of such membership.
7. As part of the reporting arrangement put in place under the Code of Practice for the Governance of State bodies, the Chairperson of the main Board will each year submit a report affirming that the above guidelines are being complied with.

Appendix E

Format for the Report from the Chairperson regarding the assessment of internal financial controls of a State body as required in paragraph 10.2 (iii)

1. Acknowledgment by the Chairperson that the Board is responsible for the body's system of internal financial control.
2. An explanation that such a system can provide only reasonable and not absolute assurance against material error.
3. Description of the key procedures, which have been put in place by the Board, designed to provide effective internal financial control including:
 - i) *the steps taken to ensure an appropriate control environment (such as clearly defined management responsibilities and evidence of reaction to control failures);*
 - ii) *processes used to identify business risks and to evaluate their financial implications;*
 - iii) *details of the major information systems in place such as budgets, and means of comparing actual results with budgets during the year);*
 - iv) *the procedures for addressing the financial implications of major business risks (such as financial instructions and notes of procedures, delegation practices such as authorization limits, segregation of duties and methods of preventing and detecting fraud); and*
 - v) *the procedures for monitoring the effectiveness of the internal financial control system which may include: audit committees, management reviews, consultancy, inspection and review studies, the work of internal audit, quality audit reviews and statements from the heads of internal audit.*
4. Confirmation that there has been a review of the effectiveness of the system of internal financial control.

5. Information (if appropriate) about the weaknesses in internal financial control that have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.
6. The information relating to weaknesses in internal financial control should be a description of the action taken, or intended to be taken, to correct the weaknesses, or an explanation of why no action is considered necessary.

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