



INSTITUTE OF DIRECTORS
IN IRELAND



Governance for Directors on State Boards

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1 Foreword

Since the initial governance guidelines for State bodies were published by the Department of Finance in 1992, three subsequent updates have been published, the most recent being in 2016 (*Code of Practice for the Governance of State Bodies – ‘the Code’*). These guidelines have formed the prevailing reference framework for good governance as applicable to State boards, and have evolved in documented improved governance practices in line with similar guidelines applicable to the public, private and voluntary sectors in Ireland and abroad.

There is currently in excess of 200 State boards in Ireland. The role and levels of accountability of State boards have evolved significantly in the last decade, during a period when we have seen marked developments in the importance of oversight, transparency, disclosure and the management of risk and change. State boards are today required to engage in active oversight, provide clear direction and guidance of State bodies, and will be held responsible and accountable for ensuring the highest standards of corporate governance. To do this, they require very specific skills and experience. State boards are also expected to serve the interests of their stakeholders, including Government as a shareholder, and the taxpayer.

The Code provides a good reference framework for State boards, in respect of their role and expectations as joint and individual board members. The Code was developed to encourage good practice corporate governance arrangements, better decision-making in respect of strategic direction and resource allocation, and facilitates transparency and external scrutiny of how State boards manage their business.

This publication focuses mainly, and was prepared based on, the governance requirements applicable to State boards as detailed in the provisions of the Code, but it is acknowledged that a wider range of governance codes, companies acts, legislative provisions, government circulars and guidance notes should be considered in conjunction with the Code. We hope that you will find this publication to be useful in providing guidance on the varied and complex role of State board members in Ireland today.

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Definition of a state body

The Code defines a State body as an entity or organisation subject to some of the following criteria:

<ul style="list-style-type: none">• The Minister presents<ul style="list-style-type: none">- Legislation- Financial statements/annual report to the Houses of the Oireachtas	<ul style="list-style-type: none">• Statutory basis
<ul style="list-style-type: none">• The Minister<ul style="list-style-type: none">- provides funding- presents estimates to the Dáil- appoints the board or other governing body- appoints the CEO- consents in relation to remuneration, superannuation, fees- consents in relation to borrowing	<ul style="list-style-type: none">• Policy direction by Minister
	<ul style="list-style-type: none">• Ministerial powers to issue directions, codes, regulations, guidelines
	<ul style="list-style-type: none">• Minister approves Statement of Strategy
	<ul style="list-style-type: none">• Secretary General of parent department is the Accounting Officer¹
	<ul style="list-style-type: none">• Employees are eligible to participate in the Public Service Pension Scheme

State bodies can range significantly in respect of size and complexity, their mandate can be commercial/non-commercial, regulatory, and their funding model can be self-funded, partially or fully funded.

¹ The Comptroller and Auditor General Amendment Act, 1993 defines an Accounting Officer as “an officer referred to in section 22 of the [Exchequer and Audit Department’s Act of 1866] to whom the duty of preparing the appropriation accounts of a department is assigned under that section”.

3 Governance framework applicable to state boards

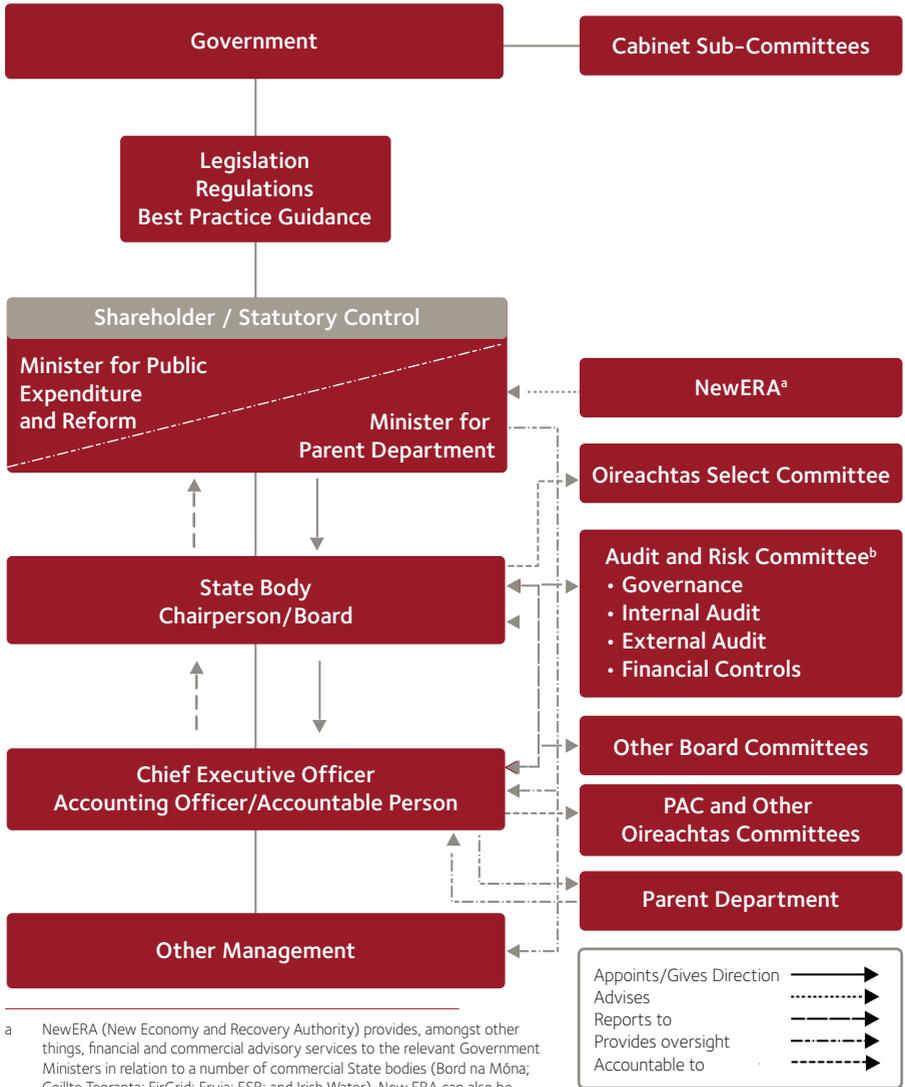
The **Code of Practice for the Governance of State Bodies** (Department of Public Expenditure and Reform (DPER), August 2016) is the principal framework for best practice governance arrangements applicable to commercial and non-commercial State bodies. The Code should be **implemented for year ends starting on or after 1 September 2016**, and should be applied in conjunction with other laws, regulations, circulars, guidelines and directives applicable to individual State bodies – the Acknowledgements and Useful References section of this publication provides an indication, and not a comprehensive list, of the wider framework that may be referred to in this regard.

The Code does not override existing statutory requirements and obligations of State bodies. While it is recognised that not all aspects of the Code may apply to all (smaller) State bodies, a **comply or explain** approach should be adopted to the Code. This means that all State bodies including regulatory bodies, commissions and other bodies set up under a different constitution, are expected to apply the provisions of the Code, or:

- Reach an alternative agreement with the parent/sponsoring department
- Demonstrate that alternative arrangements are in place
- Disclose any non-compliance

State bodies generally have governing legislation which, in conjunction with provisions of the Companies Acts as applicable, provides for the establishment of a governance structure, and the appointment, function and duties of the board. The governing legislation also makes the CEO accountable to the Public Accounts Committee of the Oireachtas, on the basis that the financial statements of the State body are subject to audit by the Comptroller and Auditor General (C&AG) and laid before the Oireachtas. Select committees of the Oireachtas examine policies, expenditure, administration and service delivery in defined areas. The Public Accounts Committee examines financial statements, scrutinises value for money and holds the Accounting Officer of a government department or office to account for the use of public resources.

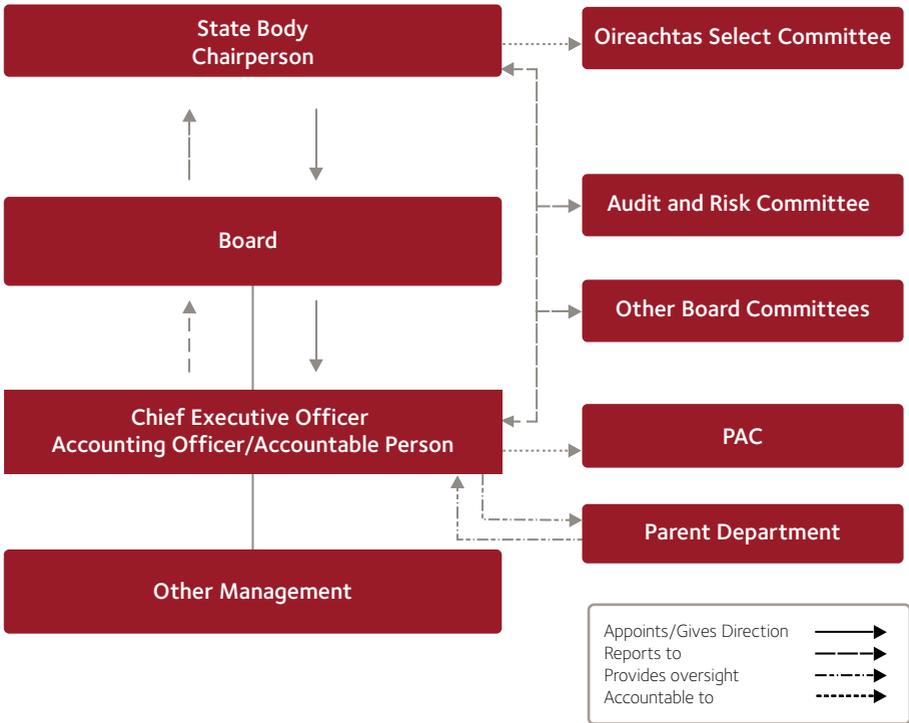
GOVERNANCE FRAMEWORK, as suggested by the Code



a NewERA (New Economy and Recovery Authority) provides, amongst other things, financial and commercial advisory services to the relevant Government Ministers in relation to a number of commercial State bodies (Bord na Móna; Coillte Teoranta; EirGrid; Ervia; ESB; and Irish Water). New ERA can also be requested to advise Ministers in relation to other State bodies and assets.

b In general, the Audit and Risk Committees should be combined, however, in some larger entities there may be a requirement for separate Audit and Risk Committees.

BOARD OF A STATE BODY, as suggested by the Code



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Relationships with the oireachtas, minister and parent department

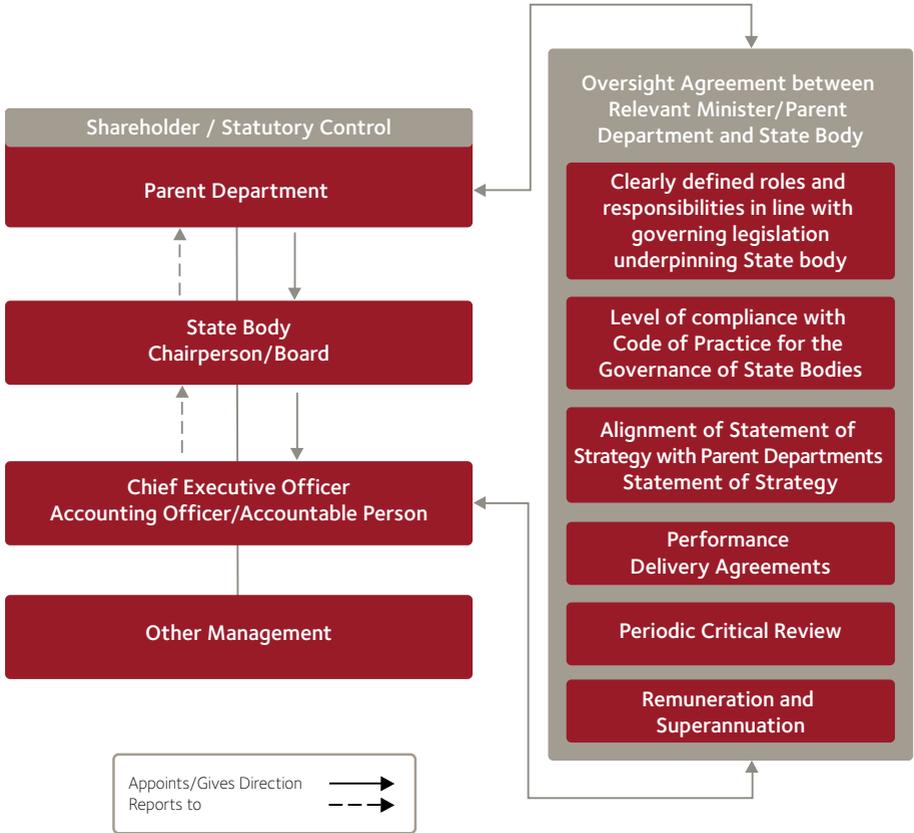
The Code envisages a formal oversight relationship between a parent department and a State body under its aegis, while not impacting on the functional independence or commercial competitiveness of State bodies, as may be required. This includes a written oversight agreement, ongoing dialogue and a common understanding of objectives between departments and State bodies, and effective procedures in a State body for responsibility, accountability, budget allocation, defining outputs and outcomes, and performance monitoring.

It is noted that the civil servant in the department responsible for oversight should not be the person nominated by the department to the board of the State body. The parent department should document the roles and responsibilities of the Accounting Officer, the chairperson and CEO of each State body. The Accounting Officer should obtain assurances that the provisions of the Code are adopted and implemented by the State body, or take action to address any gaps in this regard.

DEPARTMENTAL OVERSIGHT/ OVERSIGHT AGREEMENTS

The Corporate Governance Standard for the Civil Service details that parent departments must ensure robust and effective governance arrangements are in place in State bodies under their aegis. This requirement is achieved through a combination of ongoing dialogue, performance reviews, reporting by the chairperson to the Minister, annual reporting and financial statements. State bodies are required to comply with governance arrangements set out in the Code, or report to its parent department on non-compliance (comply or explain principle). Agreement of the parent department is required if elements of the Code are not applied or applied proportionately.

DEPARTMENT OVERSIGHT ROLE, as suggested by the Code



The onus is on government departments to implement written oversight agreements with State bodies under their aegis. These agreements should be reviewed annually and should include the following in respect of the State body:

- Legal framework
- Environment within which it operates
- Purpose and responsibilities
- Level of compliance with the Code, including agreement on any variations/derogations
- Details of the Performance Delivery Agreement
- Oversight, monitoring and reporting arrangements
- Areas of expenditure where prior department/Ministerial sanction is required

PERFORMANCE DELIVERY AGREEMENTS

Non-commercial State bodies are required to develop Performance Delivery Agreements and agree the level of performance and related targets with its parent department/Minister. The agreements should:

- Facilitate improved efficiency and effectiveness
- Allow for annual and multi-annual targets, output and outcome indicators and milestones

- Be aligned to the parent department's Statement of Strategy, government policies on reform and modernisation, and the State body's legal mandate
- Be communicated to all employees
- Be reviewed annually (formal meeting between department, board and management representatives)
- Include at least the following:
 - goals and objectives
 - key programmes of activity (by expenditure programme)
 - key measurable outputs
 - annual and multi-annual targets and milestones
 - cost of programme delivery
 - review process of the performance agreement

Further guidance on the content of a Performance Delivery Agreement is available at Appendix E of the Code. It is also noted that Performance Delivery Agreements are not intended for commercial State bodies as an alternative arrangement for performance monitoring is in place (Shareholder Expectation Letter).

PERIODIC CRITICAL REVIEW

The periodic critical review process was introduced in the Code to ensure a formal evidence based process for ongoing consideration (every five years) of:

- The business case relating to State bodies
- Identification of improvements in governance arrangements, accountability, efficiency and effectiveness
- Rationalisation and consolidation of public bodies in light of current circumstances
- External environmental factors
- Organisational capacity
- Organisational performance

The reviews will be carried out by working groups established by government departments, and will be reported to the relevant Minister. The reviews should be timely, proportionate, challenging, open and inclusive, and transparent. Further guiding principles for Periodic Critical Reviews are available at Appendix F of the Code.

5 State board appointment procedures

The Government introduced arrangements for State board selection procedures (in 2011, and revised in 2014) and the stateboards.ie website was created to assist with these procedures. Under these arrangements, all State board vacancies, except for certain cross border bodies and financial institutions, should be:

- Advertised on stateboards.ie
- Subject to detailed criteria determined by the relevant Minister, and informed by input from the chairperson (if relevant), including but not limited to:
 - knowledge, skills and experience applicable to the State body
 - independence and objectivity
 - sound judgement and challenge, particularly in respect of the delivery of organisational strategy and objectives
 - desirable qualifications, if any
 - personal attributes required for the role
 - available time commitment, commensurate with role
 - diversity (including gender) requirements
- Processed by way of a transparent assessment system by the independent Public Appointments Service (PAS), which includes:
 - development of a specification by the department and PAS
 - publication of roles on stateboards.ie
 - consideration of diversity
 - expressions of interest
 - an open application process
 - independent, expert, rigorous and transparent assessment of applications
 - provision of a list of suitable candidates for selection by the relevant Minister
 - publication of high level details of board appointment processes completed
- Filled from a sufficiently wide pool of candidates to ensure quality of appointments

The relevant Minister has responsibility for final appointment decisions, based on the list of suitable candidates provided by PAS, unless exceptions apply as outlined overleaf. Successful candidates will be notified by the relevant department. Each candidate for the role of chairperson is required to make themselves available to the appropriate Oireachtas Committee to discuss how the role will be approached.

The appointment procedures **may not apply** in the following circumstances – where:

- A legislative basis for board appointments already exists
- Clearly established custom and practice exists, subject to agreement with the relevant Minister
- The relevant Minister identifies additional candidate(s) to the list provided by PAS, but who will be subject to the same criteria applicable to other board candidates
- The Minister is of the view that a vacancy can be filled from a list provide by PAS in the previous year for the same board
- Board members are re-appointed, subject to satisfactory performance
- The relevant Minister appoints a department official to the board
- An arrangement is in place whereby the Minister seeks nominations from key stakeholder organisations

The duration of appointment for each State board member should not exceed two full terms, of five years each, and no more than two appointments to State boards should occur at the same time, unless explicitly permitted. Board appointment dates and duration should be varied so that boards do not resign or complete their appointment period en masse.

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The role of the state board

The role of the State board should be based on the following key principles:

- Clarity about mandate, including functions, roles and responsibilities
- Collective responsibility for leadership and direction
- Some key functions reserved for the board
- Behavioural principles, including ethical, responsible with due care, in good faith, fully informed, in the interest of stakeholders
- Promotion of capacity and leadership of State body
- Oversight of the CEO and management

The role of the State board should emphasise:

- Leadership and direction, promotion of an effective control and risk management framework, and agreed strategic and resource allocation plan
- Ethical behaviour and tone from the top
- Compliance with statutory and governance provisions
- Collective and constructive contribution and responsibility of board members
- Adequate oversight based on relevant and complete information

MATTERS FOR DECISION BY THE BOARD

State boards should set a specific annual agenda and meet sufficiently often to discharge the agenda and duties effectively (at least twice annually without executive board members or management present). The agenda should include matters specifically reserved for the board's decision or approval.

Items for inclusion on the board schedule may include:

• Significant acquisition/disposal of assets and related approval thresholds	• Risk management policy/strategy
• Approval of major investments/capital projects	• Approval of annual budgets
• Delegated authority levels	• Approval of corporate plans
• Treasury policy	• Approval of annual report and financial statements
• Major contract approvals	• Appointment, remuneration and performance evaluation of the CEO
• Senior management remuneration (commercial)	• Significant changes to pension/benefits of CEO and staff
• Compliance in respect of staff complement and terms and conditions	• Confirmation of the effectiveness of the system of internal control

Further specific responsibilities of the board include ensuring:

- Effectiveness of the State body's system of internal control
- Evaluation of major expenditure outcomes in line with strategy (performance measurement system should be in place)
- Effective resolution of resignations/retirement/consultancy provisions of board members and employees and management of conflicts of interest and information protection in this regard
- Management of conflict of interest at board and management level
- An appropriate relationship is maintained with external auditors
- Board sub-committees and internal audit have written and up-to-date charters
- A protected disclosures procedure is in place in line with requirements of the Protected Disclosures Act 2014

A model terms of reference for State boards is included at Appendix A of the Code.

STATEMENT OF STRATEGY

The State board is responsible for preparing and adopting the State body's strategic plan and for ensuring that there is a formal process in place for the development of such a strategic plan. The strategic plan should:

- Set clear objectives and goals
- Facilitate performance monitoring by detailing performance indicators and targets
- In the case of commercial State bodies:
 - include the development and approval of a rolling five year business and financial plan within six months of the start of the financial year
 - reflect shareholders' interests and the legal mandate of the State body
- In the case of non-commercial State bodies:
 - adopt a three to five year strategy or for a period determined by governing legislation
 - ensure alignment to the parent department's Statement of Strategy
 - be consistent with government reform and modernisation policies and statutory responsibilities
 - contain a mission statement, high level objectives and target outputs and outcomes

- include a statement on resource deployment
- Obtain and carefully consider Ministerial input (parent department, DPER, NewERA, as applicable) within a period of 12 weeks
- Be supported by implementation tools such as annual budgeting and planning cycles
- Be subject to at least an annual evaluation of performance

ANNUAL REPORT AND FINANCIAL STATEMENTS

The State board must confirm in the annual report:

- That it is responsible for preparing the annual report and financial statements
- Whether it considers the financial statements to be a true and fair view of the State body's financial performance and its financial position at year end

The board's reporting responsibilities will also be confirmed in the external audit report.

SECRETARY OF THE BOARD

The State board should appoint a secretary of the board with the appropriate skills to discharge the board's statutory and legal duties. The secretary should support the board and may have duties such as:

- Statutory duties
- Duty of disclosure
- Duty to exercise due care, skill and diligence
- Administrative duties
- Reporting to the chairperson and advising the board on governance matters
- Assisting the chairperson with ensuring adequate information provision to the board and its sub-committees
- Ensuring provision of a list of statutory obligations and regulations applicable to the State body

DIVISION OF RESPONSIBILITIES

The State board should ensure that there is a clear division between its role in leading and directing the organisation and management, and management's role in running the organisation. No individuals should have sole decision-making powers. The role of the chairperson and CEO should not be combined, unless this occurs in exceptional circumstances with Ministerial consent. The roles of the chairperson and CEO and the division of responsibilities between these roles should be documented and approved by the board.

7 The role of the chairperson

The chairperson leads the State board and ensures its effectiveness, while displaying integrity, probity and setting the values, behaviours and tone for the State body and board. The chairperson should be available to the appropriate Oireachtas Committee to discuss how this role will be approached.

The chairperson should ensure:

- Management of the board's agenda and discussion times, in conjunction with the CEO
- Constructive, challenging and open discussion
- Timely, accurate, complete and relevant information is received by the board
- Skills considerations for board members are advised to the Minister when appointing new board members
- Good information flows between the board, its sub-committees and senior management (including with non-executive board members)
- Facilitation of induction, mentoring, training and development of board members

- Comprehensive reporting to the Minister in the annual report and financial statements
- Specific reporting by the chairperson to the Minister regarding the system of internal control (also reviewed and referenced by the external auditor)

It is envisaged that the chairperson should oversee an annual review and consideration of the board's effectiveness against its objectives and agenda, and that such a review could, from time to time, be carried out independently, as would be considered best practice. Attendance of, and contributions made by, board members should be considered as part of such a review or as part of any renewal process.



8

The role of individual state board members

State board members are collectively responsible for the long-term sustainability of State bodies. Non-executive board members provide independent challenge to strategy, performance, resources, key appointments and standards of conduct.

FIDUCIARY DUTIES OF STATE BOARD MEMBERS

The principal fiduciary duties of individual State board members are to:

- Act in good faith in the interest of the State body
- Act honestly and responsibly
- Act within the State body's constitution and the law
- Not derive benefit from company property, information or opportunities, unless explicitly permitted
- Not restrict board powers, unless explicitly permitted
- Avoid a conflict of interest between board duties and other interests
- Exercise care, skill and diligence as reasonably expected
- Regard the interests of the State body's members

PROVISIONS OF THE COMPANIES ACT 2014

Boards of State bodies incorporated under the **Companies Act 2014** or the **Companies Acts 1963–2013** must adhere to specific duties and obligations under these Acts, including:

- Compliance with the notification requirement to the Registrar of Companies when appointed
- Compliance with duties and responsibilities as per Part 5 of the Companies Act 2014

- Compliance with the general duties for directors as detailed in the Companies Act 2014:
 - compliance with the Companies Act and tax acts
 - ensuring the company secretary is suitably qualified
 - acknowledging, in signed declaration, their duties
 - considering the interests of members and have regard for the interests of employees
 - restrictions on certain loans, guarantees, credit and security
 - disclosure of interests in contracts made by the company
 - notification of interests in shares in the company, its parent or subsidiaries (unless less than 1% or with no voting rights)
- Indemnification of the company against any losses arising due to breach of duties

OTHER PROVISIONS APPLICABLE TO STATE BOARD MEMBERS

State board members must also:

- Disclose any knowledge of non-compliance with statutory obligations to the full board (with further reporting to the Minister)
- Have access to professional advice to further their board duties at reasonable expense to the State body
- Have access to the secretary of the board for advice and procedural support, and mentoring if required
- Have a procedure for recording concerns that cannot be resolved
- Aim to attend all board meetings
- Ensure that terms of appointment do not exceed two full terms, of five years each
- Receive a standard formal letter of appointment

Suggested board member letter of appointment content should include:

• Induction	• Time commitment
• Role of the board	• Remuneration and expenses
• Role of board members	• Conflict of interest provisions
• Board terms of reference	• Termination arrangements
• Appointment duration	• Rules of confidentiality
• Provisions for renewal	• Insurance and indemnity
• Training and support provision	• Data protection

Newly appointed board members should be provided with the following by the secretary of the board:

- Schedule of matters reserved for the board
- Procedures for obtaining information on relevant new laws and regulations
- Procedures for decisions between board meetings
- Schedule of board committees, their composition and terms of reference
- Statement on board members' responsibilities in respect of preparation of the financial statements, going concern consideration and reporting requirements, and the system of internal control
- Statement on access to the secretary for advice and the role of the secretary in respect of board procedures and related compliance with rules and regulations
- Code of ethics/conduct for board members, detailing disclosure of interest and conflict of interest procedures
- Information on the role and responsibilities of the State body
- List of applicable legislation and statutory requirements to the State body
- Up-to-date version of the Code and relevant circulars/guidance notes

Civil servants nominated to a State board must notify the Minister of:

- Serious and unresolved weaknesses in controls
- Significant strategic or reputational risk to a State body that remains unresolved
- Serious concerns about possible fraud or illegality occurring in a State body
- Significant board disagreement in respect of a major public policy issue (through the chairperson)

9 Audit and risk committee

The board should be supported by the Audit and Risk Committee, or separate Audit Committee and Risk Committee in larger bodies, to ensure effective arrangements are in place for governance, risk management and internal control of a State body. The board of each State body should establish an Audit and Risk Committee independent from management which should:

- Be appointed by the board based on formal assessment criteria, including:
 - at least one member with recent/ relevant financial experience
 - members with experience of risk management, internal audit, governance, technical or specialist issues, the public sector environment and reform initiatives
 - understanding of organisational culture, objectives and challenges
 - understanding of organisational structure and relationships
 - understanding of relevant legislation and governing rules
- Comprise three independent non-executive board members (or two for smaller bodies of fewer than 20 employees)
- Include independent external personnel where the board is only comprised of executive members

- In the case of commercial bodies, only comprise non-executive board members
- Include external members to complement expert skills required
- Have a written charter and terms of reference, set by the board and reviewed annually

Audit and Risk Committee Charter – Suggested Provisions	
<ul style="list-style-type: none"> • Membership 	<ul style="list-style-type: none"> • Governance
<ul style="list-style-type: none"> • Reporting requirements 	<ul style="list-style-type: none"> • Responsibilities for <ul style="list-style-type: none"> - risk management - internal control - internal audit - external audit - its own effectiveness
<ul style="list-style-type: none"> • Authority to investigate 	
<ul style="list-style-type: none"> • Timing, conduct, frequency of meetings 	
<ul style="list-style-type: none"> • Information requirements 	
<ul style="list-style-type: none"> • Value for money 	

A model charter is included at Appendix A of the Audit and Risk Committee Guidance attached to the Code.

- Allow the chairperson to attend or be a member, but not to chair
- Have clearly documented duration of appointment of members, up to two terms of three years each

- Implement conflict of interest procedures similar to board level
- Make declarations of interest as is required at board level
- Include a formal induction process, and further training and development as recommended by the committee chairperson, to the chairperson and the board
- Hold at least four meetings per annum
- Invite external experts to attend meetings, as necessary
- Have explicit authority, reasonable resources and professional advice to investigate matters in its terms of reference
- As required, invite the CEO, Head of Finance, Head of Internal Audit, external auditor or other relevant executive functions to attend specific meetings or agenda items
- Communicate effectively with the board, Head of Internal Audit, external auditor and other stakeholders
- Review the draft financial statements for recommendation to the board for adoption (ideally prior to external audit commencing)
- Periodically consult with external auditors regarding the internal audit function's approach and resourcing
- Meet with the external auditor at least once annually without executives present
- Present an annual report to the board, including an opinion on the adequacy of risk management, internal control systems and other assurance systems, any governance issues, financial reporting matters and the quality of internal/ external audit
- Report to the board annually on its own effectiveness
- In the case of a commercial State body, recommend appointment of a suitable external auditor to the board, and monitor/approve the external auditor's engagement terms, independence, objectivity and effectiveness
- Appoint a secretary to the committee who should
 - commission papers and reports
 - keep/circulate minutes and documents
 - track agreed actions and requirements for advice
 - brief the committee on developments in the State body
 - record members' appointments, termination/renewal based on appropriate appointment procedures

The Audit and Risk Committee should develop a work programme/agenda which represents its duties and responsibilities in accordance with the charter/terms of reference. This should include:

- Monitoring and reviewing the effectiveness, independence, expertise, professional conduct and experience of the internal audit unit
- Consideration of the scope of internal audit work and resourcing
- Approval of the internal audit plan
- Reviewing progress against internal audit plans
- Reviewing external audit management letters and letters of representation
- Requesting the external auditor's views on the committee's effectiveness and matters of concern
- Encouraging co-operation between the internal and external audit functions
- Reviewing draft financial statements, including:
 - accounting policies
 - completeness
 - anti-fraud policies
 - recording of losses
 - processes to ensure regularity, probity and propriety
 - external audit issue status
 - fair representation of the financial position
 - statement on internal control
- Considering the effectiveness and adequacy of anti-fraud, anti-corruption and protected disclosure policies
- Adequacy of financial control systems to achieve objectives and value for money
- Appropriateness of investment appraisal procedures in line with the Public Spending Code
- Considering the adequacy and effectiveness of the system of internal control for the reporting period

A letter of appointment should be issued to all Audit and Risk Committee members, which should include:

- Role of the committee
- Duration of appointment and renewal procedures
- Support and training provision
- Time commitment expected
- Level of remuneration and expenses (as applicable)
- Conflict of interest rules
- Performance management arrangements
- Termination arrangements

A model letter of appointment is included at Appendix B of the Audit and Risk Committee Guidance attached to the Code.

The chairperson of the Audit and Risk Committee should ensure that:

- The committee is adequately resourced
- Internal audit reports, management responses and actions are reviewed by the committee
- The committee receives timely and relevant information
- Members' attendance is monitored and absent members are briefed
- Regular reporting to the board takes place
- Matters arising are reported at subsequent meetings
- He/she is involved in the appointment of new members

Appraisal of the Audit and Risk Committee chairperson should be completed by the chairperson of the board. A checklist for an effective Audit and Risk Committee is included at Appendix C of the Audit and Risk Committee Guidance attached to the Code.

10 State board effectiveness

The following **key principles** should determine the effective operation of a State board:

- Appropriateness of skills, knowledge and experience of board and committee members
- Induction, training and mentoring of board members
- Access to timely, accurate and relevant information
- Allocation of adequate time to discharge board duties and responsibilities
- Effectiveness review and assessment annually
- Addressing any weaknesses identified in board effectiveness assessments

The key elements of board effectiveness should be considered jointly and separately, and include the following:

- Discharging the board's duties/role
- Having a sufficiently robust oversight agreement in place with the relevant Minister/parent department
- Ensuring clear division of responsibilities, including between the CEO, chairperson, board and management

- Board (member) effectiveness – including consideration of:
 - the appointment process
 - appropriateness of skills and knowledge
 - identification of any skills gaps
 - time dedicated to board functions
 - attendance at and regularity of meetings
 - facilitation of induction, training and mentoring
 - culture of openness and debate
 - independent judgement
 - adequacy of meeting formats
 - timeliness, accuracy and quality of board information
 - time allocation on a priority/strategic basis
 - adequate consideration of the benefits of diversity (including gender) as part of appointment procedures

- Effective codes of conduct in place
- Disclosure of board members' interests and potential conflicts of interest (and adequate management thereof)
- True and fair view represented by the annual report and financial statements
- Timely and accurate reporting on all relevant matters to the Minister/parent department
- Effective oversight of the risk management policy and framework
- Effective oversight of the system of internal control
- Previously identified weaknesses in board conduct resolved
- Adequate and appropriate delegation authorities in place
- Adequacy of performance review mechanisms in place to ensure effective corporate governance, adequacy of the internal structure, and clear lines of accountability for management

The Code includes a separate Board Self-Assessment Evaluation Questionnaire, which should be utilised for the purpose of assessing board effectiveness. An external evaluation of the board and its sub-committees should be conducted at least every three years, proportionate to the size of the State body.

The annual report should include a statement on how the board operates, including a list of items reserved for board decision and those delegated to management. The annual report should also reference the number of board and sub-committee meetings, and the attendance of board members at such meetings.

11

Conduct and disclosures

All State bodies should have a code of conduct for the board and employees, approved by the board, to promote integrity, transparency, ethical behaviour, disclosure of interests and objective decision-making. The code of conduct should set out clear procedures for the following:

- Application of the Code of Practice for the Governance of State Bodies
- Requirement to comply with the Companies Act 2014, if applicable
- Requirement to comply with other applicable legislative and regulatory requirements, and governing legislation
- Provisions of the [Ethics in Public Office Acts 1995 and 2001](#), including disclosure of interests (also refer to Appendix B of the Code)
- Procedures for identifying, disclosing and addressing conflicts of interest
- Obligations regarding non-disclosure of privileged and confidential information, including post employment or board membership
- Document retention and return procedures

A framework for a code of conduct is included in Appendix C of the Code.

DISCLOSURES OF INTERESTS BY STATE BOARD MEMBERS

State board members must, on appointment to the board or an official function, and annually thereafter, make the following disclosures to the secretary of the board or other nominated person:

- Interests of the board member
- Interests of certain immediate family members of the board member, where he/she has actual knowledge of this which could materially affect or influence the board member's functions or decision-making (as further defined by the Ethics in Public Office Act 1995)

A register of all such disclosed interests should be maintained confidentially by the secretary of the board, and accessible to the chairperson.

The chairperson, or appointed substitute, should determine whether an interest declared is material to board deliberations. Board members should absent themselves from deliberations in which they have declared a material interest. The chairperson should absent him/herself in matters where he/she has declared a material interest and the remaining board should appoint a chairperson for such deliberations. Where board members were absent due to material interests in matters discussed, papers relating to such discussions should not be provided to them.

PROTECTED DISCLOSURES

Each State body must have procedures for the making of protected disclosures by workers/employees in accordance with provisions of the **Protected Disclosures Act 2014**. An annual report must be published on protected disclosures by 30 June each year.

12 Reporting requirements

BUSINESS AND FINANCIAL REPORTING REQUIREMENTS

The business and financial reporting requirements detailed in the Code are aimed at ensuring that the annual report and financial statements of the State body are a true, fair and balanced depiction of a State body's financial performance, position, business model and strategy (a fundamental duty of State boards). All State bodies are required to publish audited financial statements, while some are also required to produce an annual report if required by governing legislation. The annual report and financial statements are the responsibility of the board. These reports form a primary expression of public accountability and should include:

Financial statements

- Annual financial statements on a going concern basis, based on accounting records and application of relevant accounting policies, and in accordance with applicable accounting standards
- A true and fair view of income, expenditure, assets, liabilities and capital (and cash flows) at year end
- Judgement as to valuation, disclosure and materiality
- Prudent consideration of matters of judgement
- Representation of the commercial substance of transactions, not only the legal form
- External audit opinion/report on the financial statements
- Details of termination/severance payments and agreements with an aggregate value exceeding €10,000 (including granting of certain added years for pension purposes or early retirement)
- Cost of travel and subsistence analysed between national and international travel
- Aggregate total of hospitality expenditure
- Legal costs exceeding €50,000, analysed between legal fees and compensation
- Non-salary related board fees
- Salary of the CEO, benefits and any termination payment, if relevant
- Aggregate details of key management compensation (and in total), including:
 - salaries and short-term employee benefit
 - post-employment benefits
 - termination benefits
- Aggregate compensation paid to employees and employee numbers in whole time equivalent format, split between salary, overtime and allowances
- A note on the termination benefits to all staff

- For commercial State bodies, the total number of employees who are receiving benefits from €50,000 upward, in bands of €25,000, and the overall cost of employer pension contributions
- For non-commercial State bodies, the total number of employees who are receiving benefits from €60,000 upward, in bands of €10,000, and the overall cost of employer pension contributions
- Disclosure of public service superannuation liabilities and the conventions followed for this
- Expenditure on consultancy/adviser fees per year per entity, analysed by legal fees, tax and financial advisory, PR and marketing, pensions and HR, and other

Annual report

- Report and commentary on the State body's activities and financial performance for the preceding year
- Detail of adoption and compliance with the Code, and any agreement reached with the parent department in this regard
- Details of approval of annual plans and/or budgets by the board and evaluation of actual performance against these
- A statement on how the board operates, including a list of items reserved for board decision and those delegated to management
- Reference to the number of board and sub-committee meetings and attendance of board members at these meetings
- The names of the chairperson, deputy chairperson (if any), CEO, and members of the board and board committees
- Details of annual board and committee performance evaluations
- An assurance statement on duties performed by the Audit and Risk Committee if fewer than four meetings are held in the year
- Confirmation of adherence to the Public Spending Code as applicable

- Confirmation of adequate risk assessment activity and mitigation measures or strategies
- Annual reporting to the Minister on the effectiveness of the system of internal control of the State body (reviewed by the external auditors and so reported on)
- Confirmation by the State board in the annual report:
 - that it is responsible for preparing the annual report and financial statements
 - whether it considers the financial statements to be a true and fair view of the state body's financial performance and its financial position at year end

Annual reports should be published on the website of the State body.

The following timelines apply in respect of financial reporting to parent departments, DPER and NewERA (as applicable):

- Interim unaudited financial statements (commercial State bodies) – by end of the eighth month of the financial year
- Draft unaudited financial statements (each State body) – within two months after the financial year end
- Publication of Annual Report and Financial Statements – within four months after

the financial year end (commercial State bodies); for non-commercial State bodies within six months after the financial year end or within one month of completion of the C&AG audit (whichever is earlier)

CHAIRPERSON'S COMPREHENSIVE REPORT TO THE MINISTER

The Chairperson of each State body must annually furnish a comprehensive report to the Minister (and NewERA where applicable), in addition to, and in conjunction with, the annual report and financial statements. This report should include:

- Commercially significant developments in the preceding year
- Summary off-balance sheet financial transactions not disclosed in the annual report and financial statements
- Statement on the system of internal control, details of any significant breaches of this system and steps to resolve these
- Confirmation of adherence to, and/or implementation of, the following, or explanation of non-compliance and corrective action taken:
 - procedures for financial reporting, internal audit, travel, procurement and asset disposal (disposals or access granting exceeding €150,000 and not subject to competitive process)

- procurement policy and procedures and development of a Corporate Procurement Plan, including reporting of non-competitive procurement
- codes of conduct for the board and employees
- government policy on the pay of the CEO and State body employees
- government guidelines on board member fees
- DPER Public Spending Code
- procedures for making protected disclosures
- government travel policy requirements
- obligations under tax law
- Significant post-balance sheet events
- Details of legal disputes involving other State bodies
- Confirmation of adoption of the Code and the extent of compliance with the Code
- Statement that subsidiaries of the State body remain aligned to its purpose and consent under which it was established
- For commercial State bodies, details of commercially sensitive developments with each six monthly unaudited financial statement (for the preceding and following six month period)

The chairperson of each subsidiary board should report to the main board in a similar manner as the main board chairperson reports to the Minister.

OTHER REPORTING REQUIREMENTS

- State board members must disclose any knowledge of non-compliance with statutory obligations to the full board (with further reporting to the Minister)
- An annual report must be published on protected disclosures by 30 June each year

13 Risk management

Risk management is a process to identify, assess, manage, and control potential events or situations, to provide reasonable assurance regarding the achievement of organisation objectives. It supports better decision-making by providing greater insight into risks and their impacts.

Each State body should have a formal risk management framework to ensure transparency of its arrangements for managing key risks, and to minimise the impact on performance or achievement of outcomes. The State board should advise on key risks, and should be supported in this role by the Audit and Risk Committee. Guidance provided in the Code in respect of risk management can be further supplemented by the DPER guidance in respect of risk management issued in 2016, and good best practice guidelines are also suggested in the risk management standard ISO31000:2009.

RISK MANAGEMENT FRAMEWORK COMPONENTS

A risk management framework should be approved by the board and should include the following:

- **Risk management policy** – the standard ISO31000:2009 suggests that a risk management policy could include the following:

- Risk management and internal control objectives (governance)
- Statement of the attitude of the organisation to risk (risk strategy)
- Description of the risk aware culture or control environment
- Level and nature of risk that is acceptable (risk appetite)
- Risk management organisation and arrangements (risk architecture)
- Details of procedures for risk recognition and ranking (risk assessment)
- List of documentation for analysing and reporting risk (risk protocols)
- Risk mitigation requirements and control mechanisms (risk response)
- Allocation of risk management roles and responsibilities
- Risk management training topics and priorities
- Criteria for monitoring and benchmarking risks
- Allocation of appropriate resources to risk management
- Risk activities and risk priorities for the coming year

- **Risk management plan/strategy** – the approach taken to continuously identify, analyse, evaluate and treat risk, and available resources allocated to this process
- **Risk appetite statement** – a clearly defined statement on the State body's appetite for accepting or treating risk, weighed carefully against its organisational mandate, objectives and performance targets
- **Risk tools** – principally these include risk registers, but also reporting and action tracking tools as applicable
- **Risk architecture** – the allocation of roles and responsibilities for risk management, and reporting and communication of risk actions and activities
- **Risk protocols** – guidelines and procedures for the risk management process, and an emphasis on embedding risk and control management across the State body
- **Chief Risk Officer** or suitably empowered management alternative – to lead and coordinate risk management activity and related reporting, as well as promoting a risk management culture

THE STATE BOARD'S RISK MANAGEMENT RESPONSIBILITIES

State boards are principally responsible for:

- Approving the risk management policy
- Ownership of board level risks
- Advising on key risks
- Liaising with the Audit and Risk Committee to obtain an independent view on risks and risk management systems
- Making risk management a standing board agenda item
- Ensuring the board has access to adequate risk management expertise (included in competencies of at least one board member or through external advice)
- Appointing the Chief Risk Officer or management alternative
- Ensuring direct reporting on risk matters to the board
- Setting the risk appetite
- Approving the risk management plan/strategy at least annually
- Approving the risk register at least annually
- Reviewing risk reporting and risk actions
- Obtaining external assurance on the risk management framework periodically
- Confirming in the annual report that the board has assessed principal risks and associated mitigation measures/strategies

14 Internal audit and internal control

INTERNAL CONTROL

In conjunction with risk management, internal control is regarded as a key element of a State body's performance management systems and may impact planned objectives and outcomes. The board is principally responsible for ensuring that an effective system of internal control is in place consistently, and should review the effectiveness of the internal control system annually. The Code defines internal control procedures as follows:

- | | |
|---|---|
| <ul style="list-style-type: none">● Steps to implement a control environment, for example<ul style="list-style-type: none">- management responsibilities- remedial control activity<hr/>● Business risk identification and evaluation processes<hr/>● Major information systems such as budgeting and related analysis/reporting<hr/>● Annual statement on effectiveness review of system of internal control | <ul style="list-style-type: none">● Procedures around financial risk exposures, for example<ul style="list-style-type: none">- approval thresholds- segregation of duties- fraud prevention<hr/>● Internal control monitoring activity by<ul style="list-style-type: none">- audit and risk committee- management- consultancy- inspection and review processes- internal audit and head of internal audit- quality reviews |
|---|---|

REVIEW OF THE SYSTEM OF INTERNAL CONTROL

The board is required annually to review the effectiveness of the system of internal control and provide a statement to this effect which covers the financial year and up to the date of signing the financial statements. The review should take place within three months of year end at the latest.

The system of internal control consists of several elements and the board, supported by the Audit and Risk Committee, should obtain assurances that each of these components continues to function effectively, as follows:

Internal Control Component	Assurances Required
Risk management	The State body should have a risk management framework in place that is approved by the board and subject to review by the Audit and Risk Committee, and periodically, internal audit. The Audit and Risk Committee should conclude whether the risk management framework operates effectively and key risks should be reviewed by the board. Any significant changes in the risk environment that require specific reporting should be identified.
Internal control procedures	The State body's major internal control systems should be supported by written policies and procedures which are subject to continuous management review and reporting. This may be supplemented by internal control questionnaires completed by management and reviewed by internal audit. Any significant control weaknesses or material breaches should be identified by management or raised with the Audit and Risk Committee/board.
Board and sub-committees	The board and its sub-committees should have a charter/terms of reference which details its duties and responsibilities. Minutes of meetings and annual reports should reflect the discharge of these duties and the assessments of effectiveness that have taken place. Any significant control weaknesses or material breaches should be clearly identified by the board or sub-committees as part of its remit.
Internal audit	The internal audit function should develop a risk-based internal audit plan for approval by the Audit and Risk Committee. Internal audit activities should be based on the risk and strategic priorities of the State body and should include an annual evaluation of key financial controls. Where internal audit has identified any significant control weaknesses or material breaches as part of its audit work, these should be reported to the Audit and Risk Committee. Recommendations raised by internal audit should be monitored and completed by management.
External audit	Where external audit has identified any significant control weaknesses or material breaches as part of its audit work, these should be reported to the Audit and Risk Committee. Matters raised by the external auditor should be addressed by management within the envisaged timeframes.
Other assurance functions	Material weaknesses in internal control systems identified through quality or similar reviews should be reported to the board. Any material incident reports, including in respect of business continuity.
Financial reporting	The State body should ensure that financial reporting has taken place as envisaged by the Code and within the expected timelines. The financial statements should reflect a true and fair view of the State body's financial position at year end.
Governance	The Code should be adopted and observed for the year under review.

INTERNAL AUDIT

The internal audit function of a State body should be established on the principles of independence and objectivity, and should provide value-added assurance and consultancy services to enhance the State body's operations. State bodies are required to have an internal audit function, or alternative shared access to such a function (for smaller bodies).

The internal audit function should:

- Be independent from activities subject to internal audit
- Have access to review all management and control systems
- Have access to all functional areas, records and personnel for audit purposes
- Be responsible for review of risk management and internal control systems
- Develop an annual audit programme based on strategic and risk priorities, in consultation with the Audit and Risk Committee
- Function professionally, adhering to the **Code of Ethics** and **International Standards for the Professional Practice of Internal Auditing (Chartered Institute of Internal Auditors)** or equivalent professional standards

- Have a formal charter/terms of reference approved by the board (a model internal audit charter is included at Appendix D of the Code)
- Formally documented reporting structure
- Appoint Head of Internal Audit at appropriately senior level, reporting directly to the Audit and Risk Committee and with access to the chairpersons of the board and Audit and Risk Committee
- Report on assessments/audits to the Audit and Risk Committee in line with its terms of reference
- Be adequately resourced with consideration of duties, responsibilities and skills required
- Liaise with the external audit function to maximise potential co-operation between assurance functions
- Include adequate value for money auditing in its plans/agenda
- Review compliance with procurement and disposal procedures from time to time as required by the Audit and Risk Committee

The international internal audit standards published by the Chartered Institute of Internal Auditing (UK & Ireland) contain further details of good internal audit practice. The standards also recommend that internal audit functions are subject to continuous quality monitoring annually, and an external quality assessment at least every five years.

15 Remuneration and superannuation

State boards are required to implement government policy in relation to remuneration, and superannuation and termination benefits, of the CEO, as well as government policy in relation to remuneration of board members and employees (including subsidiaries). This includes any conditions of sanction of approval issued by DPER and/or the relevant parent department (including arrangements for determining/approving CEO remuneration). As mentioned under the Reporting Requirements section of this publication, various details of remuneration in respect of the board, CEO, executives and employees must be published annually by State bodies.

State boards should consult with DPER where pay proposals may have significant implications for:

- General government pay policy
- The State body's financial position
- Charges for goods or services provided
- Other areas for the public sector

The following additional remuneration and superannuation provisions apply to commercial State bodies:

- The CEO should be recruited using a competitive process
- The CEO's contract, terms and conditions (based on the approved template contract) are subject to board approval and prior consent from the relevant Minister and DPER (for new and existing CEOs)
- The CEO contract should be limited to a single term of between five and seven years, not renewable, including for internal appointments
- The CEO's pension options are limited to a:
 - contributory defined benefit scheme (covering the term of the appointment, pension of 1/80 of basic salary and lump sum of 3/80 of basic salary for each year of service)
 - company pension scheme (if already a member of that scheme, subject to government amendments to reflect government decisions or legislation applicable to the CEO)
 - defined contribution scheme (with company contributions up to 25% of basic salary for the term of the contract)

- CEO board fees should not be paid to a CEO who is an ex-officio board member of a commercial State body
- Below CEO level, government policy on pay and related matters should be applied

The following additional remuneration and superannuation provisions apply to non-commercial State bodies:

- The CEO should be recruited based on appointment guidelines and template contract available from parent departments
- Pension provision to all persons, including the CEO and senior management, recruited on or after 1 January 2013, shall be through the Single Public Service Pension Scheme (except where exempted under law)

The following provisions apply in respect of fees paid to board members:

- The applicable fees payable to chairpersons and board members are determined by the relevant Minister with consent from DPER
- From 1 November 2011, public sector employees and public servants sitting on State boards should not be paid board fees (One Person One Salary principle)
- All State board members should be given the option to waive board fees
- Fees paid to the chairperson and board members are subject to taxation, but are in general exempt from PRSI
- Fees paid to the chairperson and board members of subsidiaries must be within the same rates set for the main/parent body, and only one fee will be paid within the group
- An executive officer (other than the CEO) can sit on the boards of other State bodies, but will not receive a fee for these roles
- State board members are entitled to claim expenses incurred in respect of attendance at board meetings, in accordance with DPER circulars and rates issued from time to time

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Specific other code provisions

PROCEDURES FOR PROCUREMENT

Procurement policy information and guidelines applicable to State bodies are published by the Office of Government Procurement on its website. These are based on EU Directives and treaty principles, and national regulations which impose legal obligations on State bodies with regard to procurement. The board of a State body should satisfy itself that the body is compliant with EU and national procurement rules – this should include:

- Development of procurement policies and procedures
 - Controls which are implemented to prevent/detect non-compliance with procurement rules, including a contracts register for contracts/payments over €25,000
 - Competitive tendering as the standard procurement procedure
 - Observing essential EU Treaty principles of non-discrimination, equal treatment, transparency, mutual recognition, proportionality, freedom to provide service and freedom of establishment
- Development of a corporate procurement plan (non-commercial State bodies), with reference to:
 - analysis of expenditure relevant to procurement
 - procurement and purchasing structure
 - strategic aims and objectives for improved procurement outcomes
 - resourcing
 - approach to procurement activity
 - Confirmation of adherence to the relevant procurement policies and guidelines by the chairperson (to the Minister)

PROPERTY ACQUISITION AND DISPOSAL OF SURPLUS PROPERTY

The chairperson of a State board should seek approval from the relevant Minister and the Minister for Public Expenditure and Reform prior to any material disposal of land, buildings, or other significant assets (including leases and rights to use). In addition to State body specific guidelines, the following DPER circulars should also be adhered to:

- 11/2015 – Protocols for the Transfer and Sharing of State Property Assets
- 17/2016 – Policy for Property Acquisition and for Disposal of Surplus Property
- 02/2016 – Arrangements for Digital and ICT related Expenditure in Civil and Public Service

ACQUISITION OF LAND, BUILDINGS OR OTHER MATERIAL ASSETS

In addition to DPER circulars, the following should be observed:

- Independent valuations are required from professional property valuation surveyors for acquisition of land/property (prior to board approval)
- The board should consider and formally note the parties to land/property transactions as part of approval considerations
- The board should be notified of any profit charged when purchasing options on land
- Board resolutions on property transactions should state the price
- Transparency in land/property transactions should be observed, without compromising on negotiations
- A due diligence report is required prior to acquisition of land/property
- Clear responsibility for land/property transactions should be allocated to an individual with direct reporting to the CEO
- Legal advice in respect of commercial and technical aspects of land/property transactions should be obtained

- Confirmation is required after any acquisition of land/property that the title is properly registered with the Property Registration Authority
- Confirmation is required that any undertakings, obligations and other matters relating to acquisition of land/property are completed, including reviewing the status of title registration, way leave agreements, leases, bonds, planning permissions and other matters
- Recording of all land/property on the online State Property Register

CAPITAL INVESTMENT APPRAISAL

The board is responsible for ensuring that a State body has systems and procedures in place to facilitate compliance with the expenditure appraisal and value for money requirements in the Public Spending Code. Compliance with the Public Spending Code should be annually confirmed by the chairperson.

DIVERSIFICATION, ESTABLISHMENT OF SUBSIDIARIES AND ACQUISITIONS BY STATE BODIES

Diversification – any significant change in the nature, scope, function or scale of activities of the State body, its subsidiaries or joint venture require the chairperson to seek Ministerial approval (parent department and DPER).

Subsidiaries – any establishment or acquisition of subsidiaries, joint ventures or shares must be within the relevant legal capacity and require prior written approval (detailed as noted in the Code) from the relevant Minister (and DPER).

Shareholdings – the relevant Minister (and DPER) should be notified where State bodies (or subsidiaries/joint ventures) own more than 30% of the share capital of any company.

Borrowings – limits applied to the borrowings of a State body include the combined borrowing of the State body and all of its subsidiaries.

State guarantees – can only be given by the relevant Minister with consent from the Minister for Finance and Public Expenditure and Reform, and in certain cases, the EU Commission.

Measures constituting State aid require EU Commission approval prior to implementation. Further guidance on EU State aid rules can be found in the EU Commission [Guidance Paper on State aid-compliant financing, restructuring and privatisation of State-owned enterprises](#).

DISPOSAL OF STATE ASSETS, ACCESS TO ASSETS BY THIRD PARTIES AND PLEDGING OF ASSETS AS CONTINGENT ASSETS IN PENSION SCHEME FUNDING PROPOSALS

The board should ensure that the State body has procedures in place to ensure the following provisions of the Code are adhered to:

[Disposal and granting of access to State assets](#) – should be at fair market value, and subject to competitive process if exceeding €150,000 (value to be formally signed off at board or CFO level). If the highest bid is not accepted in a competitive process, or if a competitive process is not followed for a disposal exceeding €150,000, board approval is required to ratify the decision. Disposals or granting of access to assets below €150,000 and not subject to a competitive process should also be reported to the board. Any disposals to board members, employees and their families should observe conflict of interest procedures, and should be noted on a

register if exceeding €5,000 (including board approval at a threshold set by the board).

[Use of assets as contingent assets in pension scheme funding proposals](#) – such a decision by the board should be a last resort option to meet Minimum Funding Standard or other funding deficit requirements. Further guidance on this is available in the DPER Circular 12/2014 – Assessment of Pension Scheme Funding Proposals.

TAXATION COMPLIANCE

State boards are responsible for ensuring that State bodies have adequate measures in place for ensuring:

- Adherence to tax clearance and/or subcontractor tax requirements related to payments/contracts as applicable
- Compliance with taxation laws and payment of tax liabilities
- No engagement in tax avoidance schemes
- Board approval of corporate restructuring plans
- The tax treatment of any financial transaction requiring Ministerial approval is confirmed by the Revenue Commissioners as compliant with Irish tax law
- Annual confirmation of compliance with tax laws if provided to the relevant parent department

LEGAL DISPUTES INVOLVING OTHER STATE BODIES

Efforts should be made to mediate, arbitrate or otherwise resolve such disputes before significant legal and other costs are incurred. Legal disputes involving other State bodies should be annually reported to the parent department.

TRAVEL AND OFFICIAL ENTERTAINMENT

Non-commercial State bodies should adhere to the DPER circulars and notices regarding travel, subsistence and official entertainment. All State bodies should observe the need to achieve economy and efficiency in relation to such expenditure.

QUALITY CUSTOMER SERVICE

All State bodies are required to develop and publish (on websites and displayed prominently) a customer charter detailing the nature, scope and quality of service in respect of customers. The process for developing the charter and ensuring customer service quality should include consultation with customers and stakeholders, commitment to service standards, evaluation of performance and reporting on results. The customer service charter should include:

- Levels of service that customers can expect
- Commitment to providing the service, based on the principles of:
 - quality service standards
 - equality/diversity
 - physical accessibility
 - information provision
 - timeliness and courtesy
 - complaints handling
 - appeals handling
 - consultation and evaluation
 - choice
 - official languages equality
 - enhanced co-ordination
 - internal customer recognition

Further detailed principles of quality customer service are included at Appendix G of the Code.





Acknowledgements and useful references

This publication was prepared based on the requirement of the:

Code of Practice for the Governance of State Bodies (DPER, August 2016)

We have also reviewed and considered the following publications:

Corporate Governance Standards for Civil Service (DPER, November 2015)

Guidelines on Corporate Governance of State-Owned Enterprises (OECD, 2015)

International Framework: Good Governance in the Public Sector (IFAC/CIPFA, July 2014)

Guidelines for Appointments to State Boards (DPER, November 2014)

OECD Principles of Corporate Governance (OECD, September 2015)

UK Corporate Governance Code 2016

Companies Act 2014 and the Companies Acts 1963 to 2013

Ethics in Public Office Acts 1995 and 2001

Protected Disclosures Act 2014

The Principal Duties and Powers of Company Directors under the Companies Act (ODCE, 2015)

Risk Management Guidance for Government Departments and Offices (DPER, February 2016)

ISO31000:2009 – Risk Management – Principles and Guidelines

International Standards for the Professional Practice of Internal Auditing (theiia.org)

Model Shareholder Expectation Letter (govacc.per.gov.ie/governance-of-state-bodies)

Office of Government Procurement (ogp.gov.ie)

Public Spending Code (DPER)

Guidance Paper on State aid-compliant financing, restructuring and privatisation of State-owned enterprises (EU Commission)



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