IPA
AN FORAS RIARACHÁIN
INSTITUTE OF PUBLIC
ADMINISTRATION

GOVERNANCE FORUM

Governance Forum 2017

The range of benefits for participating Forum members includes:

- Two complimentary invitations to each of the Forum briefing events, training workshops and conference

- A day of governance specialist time for training, support and/or advice. Many members use this for in-house Board or committee briefings

- Access to an expert Governance team and a network of contacts comprising sectoral and specialist personnel

Promoting Good Governance in the Public Interest

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

The Forum programme for 2017 is designed to give enhanced value to the membership. The benefits for each Forum member include invitations for Board and committee members, senior executives and staff to a series of highly relevant briefing events, conferences and roundtable discussions.

In addition, members can receive customised in-house governance advice, Board and committee training, related consultancy services and access to advice and support from IPA governance specialists.

Since its establishment in 2007, the Forum's services have grown and evolved in response to the needs of the members and in response to governance developments.

Recent topics addressed have included new codes of practice, effective risk management, Board evaluation, the role of audit and risk committees, reputation management, communications, social media, effective regulation, Board member skills and experience requirements and the link between governance, culture and ethics. The programme is kept under constant review to ensure topicality and relevance.

Each event in 2016 included speakers with high levels of practical experience and responsibilities in the areas discussed. The training events were expanded to include a full day's training on Board members' roles and responsibilities, while the half-day course on Finance for non-financial managers was enhanced with more practical case examples.

Leadership within a Framework of Effective Controls

The role of the Board in providing and being accountable for leadership of organisations is a core theme of the 2017 programme. The tone set by Boards, committees, chief executives, leadership teams and others with governance responsibilities can be reflected in many ways, including by enhancing teamwork at the Board table, focussing on performance reporting and accountability arrangements, embedding risk management across organisations or ensuring that audit and governing committees and internal audit bring an independent perspective.

Each member organisation is invited to nominate up to two participants to the briefings and conferences. There will be discounts for additional nominated participants.

The strength of the Forum is based on its membership. The network provided by the Forum gives participants an opportunity to be part of a group which can have significant influence on the agenda for good governance in the public interest. We welcome organisations with a strong commitment to good governance as members.

2017 Governance Forum - Draft Programme of Events

In addition to briefings, the draft programme includes a Conference, Roundtables and Training and Development events (T). In response to demand we have increased the 2017 programme to 15 scheduled events

	TOPIC	CONTENT
27 January	Key governance themes for 2017	This briefing will discuss key governance themes for 2017.
23 February	Meeting assurance requirements – managing the mix of professional and voluntary obligations	The briefing will look at how non-profit and other bodies delivering public benefits can meet the requirements of their funders and deliver for stakeholders.
16 March Conference	Governance – principles, rules or values?	Convened in conjunction with Chartered Institute of Public Finance and Accountancy
7 April	Board effectiveness and reviewing the Board	Leadership, Boards as effective teams, requirements for Boards of different sizes.
4 May	Promoting Good Governance – what can research tell us?	What would we like to know? What evidence would assist?
25 May (T) Full day event	Role and responsibility of the Board and individual members	This will be a full-day event of particular value to new State Board members. It will include a review of the latest policy developments and State Body Codes.
15 June	Communications – what do stakeholders hear?	The briefing will look features of reputation management for public interest bodies.
6 July (T) Half day event	Finance for Board Members (reporting , monitoring and disclosure obligations)	This special half day event will provide an overview of financial reporting developments, public sector reporting standards and accounting policies.
21 September	Strategy – preparation and successful communication internally and externally	Why is there an implementation gap in many strategies? How flexible should a strategy be?
October date TBC (T)	Role and responsibility of the Board and individual members	A similar workshop to 25 May - a full day event of particular value to new State Board members.
12 October	Periodic Critical Reviews	How will they work? What are the lessons from international experience
10 November	Risk Management – embedding best practice in organisations	How should the Board contribute and engage with the process? Reporting risks and setting a risk appetite.
7 December	Audit Committees – key features of the effective committee	The annual discussion will provide a valuable opportunity to learn from experienced practitioners and provide updates on notable developments.

The outline programme also includes, two lunchtime roundtable events

A roundtable for **Audit Committee Chairpersons** will take place on 1st June. The annual roundtable for **Board Secretaries** is scheduled for 7 September.

Additional Topics
The Forum is committed to ensuring relevance to the members. In addition to the outline programme there will be scope to add additional events in response to feedback from members. These are likely to include one or more with a sectoral focus in areas such as Education, Health and Non-profit organisations.

Forum Services to Individual Member Organisations

The Governance team has provided advice and carried out extensive governance assignments and projects. A selection of the areas covered is set out in the following paragraphs. The governance team are available to discuss how we can assist you and your organisation during the year.

Board Evaluation

During 2016 the team undertook Board and committee evaluations for many state body, public sector and non-profit organisations. With the wide acceptance that such evaluations should be carried out, increasingly the real value is in the identification of steps to enhance the contribution of Boards as a team and in the identification of development opportunities.

Risk Management

The services in risk management include assisting with the adoption of risk management policies, the implementation of risk management frameworks and the consideration of risk appetite to suit the specific needs of larger and smaller bodies and agencies.

Audit and Other Board Committees

The role and responsibility of audit and risk committees continue to evolve. The governance team assist audit committees with their annual audit programme and other professional support as deemed necessary. In addition, periodic briefings and updates are available and provided to full committees or chairpersons of committees.

Reviews of Governance Policies and Documentation

The specialist team support organisations with the development and updating of bespoke governance manuals and documentation, including quality assurance reviews of governance frameworks and related policies.

Control Effectiveness and Assurance Reviews

The Governance Team supports Boards in determining the effectiveness of the systems of internal control and risk management as required in Governance Statements, the Statement on Internal Control and the Annual Report.

Other Services

In addition to the above, the team has used its experience and skills to undertake governance reviews and to advise on several other topics, including effective chairing, compliance with standards and Board work shop facilitations. We are available to provide advice and to discuss how we can assist with issues which arise in the governance of organisations. The contact details of the team are on the final page of this brochure or can be accessed via the website: www.governance.ie.

The Benefits of Forum Membership

Membership is on an annual basis. Boards, leadership teams and executives will be joining a network of people who are actively promoting and implementing good governance. Each organisation may nominate Board Members and senior managers to receive documentation and to have access to the Forum team and website. The range of benefits for participating Forum members includes:

- Two complimentary invitations to each briefing event and conference
- A day of governance specialist time for training and/or advice. This is often taken as a customised in-house workshop
- Access to an expert Governance team and to a network of contacts comprising sectoral and specialist personnel
- Opportunity to participate in and set the agenda for special issues within the Forum
- Access, through the forum, to key influencers who will be shaping the Governance agenda
- Preferential rates for governance consultancy and advisory services

The Governance Forum is designed to be a highly cost-effective and quality driven service focused on state, public interest, publicly funded and not for profit organisations and agencies.

International Framework

Principles for Good Governance in the Public Sector

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B. Ensuring openness and comprehensive stakeholder engagement
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
D. Determining the interventions necessary to optimize the achievement of the intended outcomes
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
F. Managing risks and performance through robust internal control and strong public financial management
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Governance Specialist Team

Paul Turpin is a Chartered Director and Governance Specialist at the IPA providing corporate governance advice and training to Boards and Management. Previously, he worked at a senior level in investment management, as an economic adviser to Government Departments and with the National Economic and Social Council. He has served as a director of commercial companies as member of the Health Insurance Authority, The Pharmaceutical Society of Ireland and the Audit Committee of An Garda Síochána.

Noreen Fahy is a qualified accountant who worked for several years in the private sector before joining the IPA, where she has responsibility for training and development services in financial reporting, financial management and internal audit. She has been nominated to a number of non-executive roles on audit and other Board committees.

Philip Byrne has a Doctorate in Business Administration and specialises in public sector financial management, public sector legislation, and audit and risk management. He has been nominated to a number of Boards and audit committees and is currently a non executive chair and member of several local authority audit committees.

Nicolas Marcoux has a Doctorate in Governance from Queens University Belfast and qualifications in constitutional, administrative and European Law. Before joining the IPA he worked for the European Commission in various development roles in Eastern Europe and in the Balkans.

Ariane Allex is a Graduate Intern specialising in Governance. She has recently graduated with a Masters degree in Public Policy, she studied Public Administration and Regulatory Governance. Ariane also has a background in social policy and social studies.

Aidan Horan is a qualified accountant with a diploma in International Financial Reporting and Auditing. He is a director in the consultancy, training and development directorate at the IPA, specialising in governance, audit, assurance and risk management systems. He is a non-executive member of several Boards and audit committees.

Governance Codes
and Relevant Publications

Introduction

In the last few years, successive waves of scandals and stewardship and accountability issues have led to an increasing focus on governance by legislators, regulators and the media. This is particularly true in Ireland, where the echoes of a recent economic crisis and multiple scandals have been the precursor for many guidance documents and legislation published recently, particularly in the state, public sector and not for profit sector.

Since 2007, the Governance Forum has focussed on many topical developments in the Governance arena. The Forum has welcomed and hosted many quality guest speakers who shared their unique insights on issues significant for forum members, Boards, management, policy makers and other stakeholders. The Forum will continue to reflect the governance interests and challenges which our members face. As we look forward to 2017 we can expect another important year for governance issues.

2016 was another significant year for corporate governance, both nationally and internationally. The end of 2015 was marked by three important publications, the G20/OECD Principles of Corporate Governance, the Corporate Governance Standard for the Civil Service by the Department of Public Expenditure and Reform and the Governance Principles and Governance Framework for the Local Government Sector. In early 2016, an updated UK Corporate Governance Code was published, followed in August by the Code of Practice for the Governance of State Bodies, and in October by an updated version of the Governance Code for Community, Voluntary and Charitable Organisations. There are also a range of sectoral governance codes including the HSE Governance Code, last updated in 2015, and University codes and sectoral Institute of Technology codes which evolve in tandem with relevant governance codes, guidance and legal and regulatory requirements.

Code of Practice for the Governance of State Bodies 2016:

On the 17th August, Paschal Donohoe TD, Minister for Public Expenditure and Reform launched an updated Code of Practice for the Governance of State Bodies at a special event in the Institute. It takes into account recent developments in regulations, legislation and good practice relevant to the public and state sector, public agencies, regulatory bodies, government departments and their aegis bodies, including the Companies Act 2014, the Corporate Governance Standard for the Civil Service 2015, the UK Corporate Governance Code and other reports and governance material. The document reinforces the bases for good governance in organisations and is based on four key pillars: values, purpose, performance and developing capacity.

Overall, the Code presents significant changes and developments, particularly with regards to leadership, roles and responsibilities, accountability, audit and assurance, reporting and disclosure requirements, the oversight and relationship between the parent Departments and the bodies under their aegis and in the area of risk management.

Leadership:

The Code pays significant attention to the responsibilities and relationships of the Leadership Team. It contains guidelines that aim to strengthen the Board's leadership role and provides further direction on the accountability and responsibility of Board members.

Reporting Requirements:

One of the main purposes of the Code of Practice is to update the reporting requirements and guidelines to be observed by Boards of state bodies. Business and Financial Reporting Requirements is one of the additional documents within the Code of Practice. It requires the inclusion of new elements in both the annual report and financial reports, including detail on how the Board operates and matters for decision.

The Chairperson should include a Statement on Internal Control (SIC), which should also be incorporated into the annual report.

Oversight:

The relationships and requirements between the Parent Department and their State Bodies are strengthened and reinforced in the new Code. The Code emphasises the notion of "comply or explain"; where the State Body is required to comply with the relevant governance arrangements, there is potential spaces for some adaptability, with the approval of the Parent Department (with disclosures necessary).

Risk Management and Audit:

It is recognised that effective risk management is a major component of good governance in an organisation. The position of risk management is strengthened in the Code by the inclusion of new requirements and guidance.
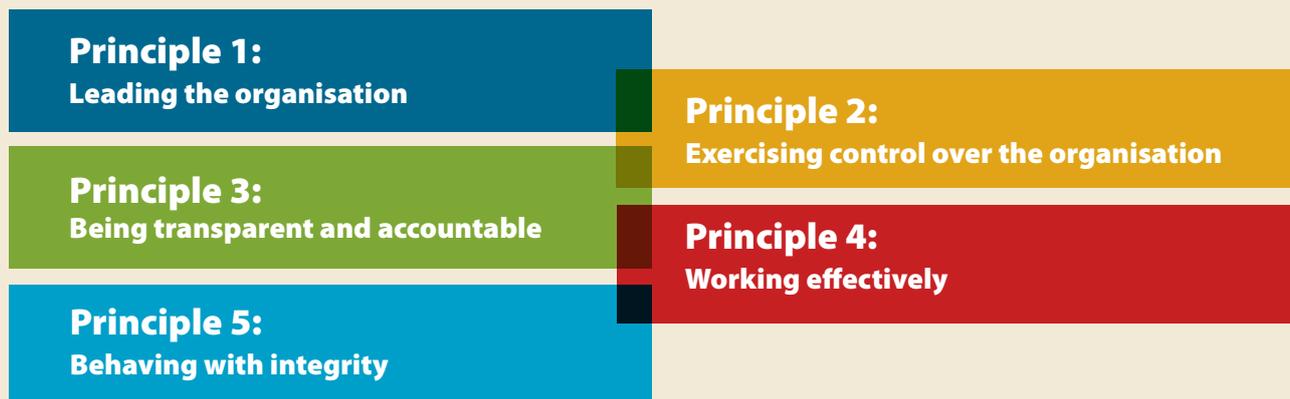
Overall, the new Code of Practice is an extensive document which further develops guidance in the state and public sector. Its changes reflect the recent developments in Governance nationally and internationally as well as legislative developments made in Ireland. It underpins important concepts of best practice governance such as accountability and transparency, clarity of roles and responsibilities (whether internal or external), and the necessity of having the right skills, knowledge, experience and expertise in the organisation.

Governance Code for Community, Voluntary and Charitable Organisations

The Code, issued in October 2016 is, like most recent Governance guidance, set on a "comply or explain" basis. It comprises principles and recommendations that advise and guide Boards of community, voluntary and charitable organisations.

The 2016 Governance Code does not change the five principles of its predecessor document, but it reinforces their importance and promotes greater accountability, transparency and ethics.

The Governance Code has a very practical approach, outlining how Boards are to promote an adoption of the Code proportional to the type and size of their organisation. The five principles of the Code are as follows:

Principle 1:
Leading the organisation

Principle 2:
Exercising control over the organisation

Principle 3:
Being transparent and accountable

Principle 4:
Working effectively

Principle 5:
Behaving with integrity

UK Corporate Governance Code

The UK Corporate Governance Code came into effect in June 2016. The Code is relevant for companies with a stock exchange listing. This Code and its predecessors continue to be very influential across Europe in the area of corporate governance for both private and public sectors. With the Code came another three updates: the revised Guidance on Audit Committees, the Ethical Standards 2016 and International Standards on Auditing. The main changes in the audit and accounting functions were introduced to implement the EU Audit Regulations and Directive. The document also reinforces risk management and internal control. The 2016 code is based on the following principles:

Leadership:	The Board's main role is to provide entrepreneurial leadership of the company.
Effectiveness:	The Board must have the appropriate skills and capacity to carry out its functions.
Accountability:	The Board's responsibility for financial and business reporting, as well as the responsibility to maintain appropriate risk management and internal control systems.
Remuneration:	The remuneration requirements for an organisation, should be formal and transparent
Relations with Stakeholders:	There is a necessity to ensure that there is appropriate dialogue and communication with stakeholders.

Governance Principles and Governance Framework for the Local Government Sector

The governance principles and governance framework launched in December 2015 recognises that good governance in the local government sector and wider public sector is about delivering priorities, achieving objectives, behaving with integrity and acting in the public interest, in ways that are consistent with legal, regulatory and government policy obligations. The principles and framework demonstrates the importance and priority that the City and County Management Association (CCMA) and the Association of Irish Local Government (AILG) attach to governance within this sector.

The six core principles and supporting principles are as follows:

Core Principle 1
Good governance means focusing on the purpose of the authority, on outcomes that deliver sustainable economic and societal benefits and implementing a vision for the Local Authority.

Core Principle 2
Good governance means members and officials working together to achieve a common purpose within a framework of clearly defined functions and roles.

Core Principle 3
Good governance means promoting and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

Core Principle 4
Good governance means taking better informed and transparent decisions and managing risks and performance.

Core Principle 5
Good governance means developing the organisational capacity and the leadership capability and competencies of members and officials to operate effectively and achieve agreed outcomes.

Core Principle 6
Good governance means engaging openly and comprehensively with local people, citizens and other stakeholders to ensure robust public accountability.

G20/OECD: Principles of Corporate Governance

An updated version of the OECD's Principles of Corporate Governance, also referred to as "the Principles", was published on the 5th of September 2015, and adopted by the G20 committee in November 2015.

The 6 principles are as follows:

1. **Ensuring the basis for an effective corporate governance framework:** The corporate governance framework should promote transparent and fair markets, and the efficient allocation of resources. It should be consistent with the rule of law and support effective supervision and enforcement.

2. **The rights and equitable treatment of shareholders and key ownership functions:** The corporate governance framework should protect and facilitate the exercise of shareholder's rights and ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.

3. **Institutional investors, stock markets and other intermediaries:** The corporate governance framework should provide sound incentives throughout the investment chain and provide for stock markets to function in a way that contributes to good corporate governance.

4. **The role of stakeholders in corporate governance:** The corporate governance framework should recognise the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stakeholders in creating wealth, jobs and the sustainability of financially sound enterprises.

5. **Disclosure and transparency:** The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership and governance of the company.

6. **The responsibilities of the Board:** The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the Board, and the Board's accountability to the company and the shareholders.

Corporate Governance Standard for the Civil Service.

In November 2015, the Department for Public Expenditure and Reform launched the "Corporate Governance Standard for the Civil Service".

The Corporate Governance Standard is aimed at government departments and relevant offices. It first establishes a summary of good governance principles which should be in place in these organisations and then introduces an adaptable Governance Framework.

The document is divided in 5 chapters, each looking at core principles.

1. **Department Overview:** Good governance supports a culture and ethos which ensures behaviour with integrity, a strong commitment to ethical values, and respect for the rule of the law.

2. **Minister and Senior Management Roles & Assignment of Responsibilities:** Good governance helps to define priorities and outcomes in terms of sustainable economic and societal benefits and to determine the policies and interventions necessary to optimise the achievement of these priorities and outcomes. It means implementing good practices in transparency, reporting, communications audit and scrutiny to deliver effective accountability.

3. **Management Board and other Governance Structures:** Good governance means developing the Department's capacity, including the capability of the leadership team, management and staff.

4. **Audit, Assurance & Compliance Arrangements:** Good governance means managing risks and performance through robust internal control system and effective performance management practices.

5. **Bodies under the Aegis of the Department:** Good Governance ensures openness, effective public consultation processes and comprehensive engagement with domestic and international stakeholders.

In summary, the Corporate Governance Standard for the Civil Service calls for more than just documenting governance arrangements; it also looks to reinforce clarity in roles and responsibilities and in structures and arrangements present in each Department and office.

Conclusion:

Governance guidance, codes and standards influence and inspire each other. In the documents that we have looked at, common themes and components can be identified. The values of transparency, accountability and performance remain key governance themes. Certain functions of an organisation are given more responsibility and more definition, such as the Audit and Risk Committee. Certain processes are attracting more regulation, such as the disclosures and other reporting requirements. Without doubt, further updates and implementation lessons based on these Codes and Standards will evolve and develop.

Members of the IPA's Governance Forum believe that coming together as a group for discussions and to hear the views of relevant experts can assist all of us with lessons learnt, identifying new opportunities and positions and with being able to responding to governance challenges. We look forward to 2017, a year which promises to be another interesting one for those who occupy governance and leadership positions.

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While we have increased the number of scheduled events for 2017, the annual fee per organisation remains at €4,500. A further discount of €500 is given for corporate members of the IPA.

To join the Forum please fill out the subscription form or contact one of the team listed below.

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