

Code of Conduct Policy (Board Members)



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1 Introduction

- 1.1 Board Members are subject to the provisions of the Ethics in Public Office Act 1995 and Standards in Public Office Act 2001, as well a general obligation to observe all applicable rules, regulations, legislation and laws including but not limited to the Department of Public Expenditure's Code of Practice for the Governance of State Bodies 2016.
- 1.2 The updated Code of Practice for the Governance of State Bodies (CoPGSB) is based on 4 key pillars:

Values – Good governance supports a culture of behaviour with integrity and ethical values;

Purpose – Each body should be clear about its mandate with clearly defined roles and responsibilities;

Performance – Defined priorities and outcomes to achieve efficient use of resources resulting in the delivery of effective public services;

Developing Capacity – Appropriate balance of skills and knowledge within the organisation, to be updated as required.

2 Fiduciary Duty

- 2.1 All Board Members have a fiduciary duty to Loughs Agency in the first instance (i.e. the duty to act in good faith and in the best interests of the organisation).
- 2.2 The principle fiduciary duties are:
 - to act in good faith in what the Board Member considers to be the interest of the organisation;
 - to act honestly and responsibly in relation to the conduct of the affairs of the organisation;
 - to act in accordance with the Financial Memorandum, Sponsorship Manual and Code of Practice for the Governance of State Bodies (2016) and exercise his or her powers only for the purposes allowed by law;
 - not to benefit from or use the organisations property, information or opportunities for his or her own or anyone else's benefit unless a resolution is passed in a Board Meeting;
 - not to agree to restrict a Board Member's power to exercise an independent judgment;

- to avoid any conflict between the Board Member's duties to the organisation and the Board Member's other interests unless the Board Member is released from his or her duty to the organisation in relation to the matter concerned;
- to exercise the care, skill and diligence which would be reasonably expected of a person in the same position with similar knowledge and experience as a Board Member. A Board Member may be held liable for any loss resulting from their negligent behaviour; and
- to have regard to interests of the company's members.

3 Public Service Values

3.1 This Code should be read in conjunction with the Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland establishing Implementation Bodies and the Financial Memorandum for the Agency.

3.2 The FCILC and its Board must at all times:

- observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the bodies concerned;
- maximise value for money through ensuring that services are delivered in the most economic, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable;
- be accountable to the Northern Ireland Assembly and the Oireachtas, the NSMC, users of services, and staff for the activities of the Agency, their stewardship of public funds and the extent to which key performance targets and objectives have been met; and
- comply fully with any code of practice on access to information, which has been drawn up by the Irish and Northern Ireland Ministers with responsibility for freedom of information and has been approved by the NSMC.

4 Relationship with NSMC and Sponsor Departments

- 4.1 The NSMC determines the policy and financial framework within which FCILC operates. The NSMC approves the FCILC three-year Corporate Plan and annual Business Plan, including key performance targets.
- 4.2 The Permanent Secretary of the Department of Agriculture, Environment and Rural Affairs (DAERA) and the Secretary General of the Department of the Environment, Climate and Communications (DECC) are the principle advisors to Ministers on the policy, resources, plans and objectives of FCILC and on the performance of FCILC and the Chief Executive.
- 4.3 The financial procedures and accountability arrangements, which govern the financial relationship between FCILC and its Sponsor Departments, are set out in the Financial Memorandum.

5 The Role of the Chairman

- 5.1 The Chairman has particular responsibility for providing effective strategic leadership on matters such as:
 - encouraging high standards of propriety, and promoting the efficient and effective use of staff and other resources throughout the organisation;
 - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the NSMC;
 - representing the views of the Board to the general public.
- 5.2 The Chairman should ensure that all Members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. The Chairman and other Members of the Board should each have a copy of the Code of Practice for FCILC; other relevant background material such as FCILC'S latest Corporate and Business Plans and Annual Reports and Accounts; the Financial Memorandum; notes describing the Agency's organisational structure and the Standing Orders of the Board. The Chairman should encourage new Board Members, where appropriate, to attend an induction course on the duties of Board Members of public bodies or some other suitable form of induction programme.

6 Corporate Responsibilities of Board Members

6.1 Members of the FCILC Board are a non-executive Board and have a corporate responsibility for ensuring that FCILC complies with any statutory or administrative requirements for the use of public funds and that FCILC fulfils the legal responsibilities imposed upon it. Other important corporate responsibilities of Board Members include:

- being responsible to the NSMC for the achievement of FCILC'S objectives and targets;
- agreeing the FCILC'S three year Corporate Plan and annual Business Plan and the performance targets contained in them, for submission to the NSMC;
- overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;
- ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the NSMC, and in accordance with any other conditions relating to the use of public funds;
- ensuring that, in reaching decisions, the Board has taken into account any guidance issued by the NSMC;
- ensuring that high standards of corporate governance are observed at all times;
- ensuring that FCILC operates sound environmental policies.

7 Compliance with Equality Legislation

7.1 It is a responsibility of the Board to ensure that FCILC complies with equality legislation applicable in each jurisdiction.

8 Committees

8.1 The Board may establish such committees as it considers appropriate to the conduct of its business.

8.2 The Board may decide to delegate responsibility for specific matters for consideration by committees of the Board. Recommendations made by

such committees of the Board on the basis of delegated authority should be submitted to the Board for decision.

9 Responsibilities of Individual Board Members

9.1 Individual Board Members should be aware of their wider responsibilities as Members of the Board. Like others who serve the public, they should follow the principles of public life set out in Appendix 1. Board Members must:

- undertake on appointment to comply at all times with the Code of Practice that is adopted by the Agency and with rules relating to the use of public funds;
- act in good faith and in the best interests of the Agency;
- not misuse information gained in the course of their public service for personal gain or for political purposes, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations; and
- ensure that they comply with FCILC's rules on the acceptance of gifts and hospitality.

9.2 Members are free to engage in political activities, provided that they are conscious of their general public responsibilities and exercise a proper discretion, particularly in regard to the work of FCILC. On matters directly relevant to their Board membership, they should not make political speeches or engage in other political activities.

10 Acceptance of Gifts and Hospitality

10.1 Board Members should exercise caution when accepting hospitality or gifts in their Board capacity as this could be viewed as affecting their impartiality or could render them vulnerable to accusation.

10.2 Gifts and hospitality over the value of £15 should be recorded in the Register of Interests.

10.3 Any Board Member who is concerned about the propriety of hospitality or a gift should seek advice from either the Chairperson or the Chief Executive.

11 Disclosure of Interests by Board Members

11.1 In addition to the requirements under the Northern Ireland Audit Office Conflicts of Interest, A Good Practice Guide, the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 the following procedures should be observed:

- **Periodic Disclosure of Interests:** On appointment and annually thereafter, each Board Member should furnish to the Secretary of the Board or other nominated person a statement in writing of:
 - the interests of the Board Member;
 - the interests, of which the Board Member has actual knowledge, of his or her spouse or civil partner, child, or child of his/her spouse or civil partner; which could materially influence the Board Member in, or in relation to, the performance of his/her official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the Board Member, or the spouse or civil partner or child, a substantial benefit. For the purposes of this disclosure 'interests' has the same meaning as that contained in the Ethics in Public Office Act 1995. The statement of interests form used for annual statements under the 1995 Act could be utilised for this purpose on an administrative basis.
- **Disclosure of interest relevant to a matter which arises (Conflict of Interest):** In addition to the periodic statements of interest required under (i) above, Board Members are required to furnish a statement of interest at the time where an official function falls to be performed by the Board Member and he/she has actual knowledge that he/she, or a connected person as defined in the Ethics Acts, has a material interest in a matter to which the function relates. For the purposes of this disclosure, material interests has the same meaning as that contained in the Ethics in Public Office Act 1995
- **Doubt:** If a Board Member has a doubt as to whether an interest should be disclosed pursuant to this Code, he/she should consult with the Chairperson of the Board and/or the Secretary of the Board to deal with such queries.
- **Confidential Register:** Details of interests disclosed under this Code should be kept by the Secretary of the Board or other nominated person in a special confidential register. Access to the register should be

restricted to the Chairperson and Secretary of the Board and other members of Loughs Agency on a strictly need to know basis.

- **Chairperson's Interests:** Where a matter relating to the interests of the Chairperson arises, the other Members attending the meeting shall choose one of the Members present at the meeting to chair the meeting. The Chairperson should absent himself/herself when the Board is deliberating or deciding on a matter in which the Chairperson or his/her connected person has an interest.
- **Documents withheld:** Board or Loughs Agency documents on any deliberations regarding any matter in which a Member of the Board has disclosed a material interest should not be made available to the Board Member concerned.
- **Early return of documents:** As it is recognised that the interests of a Board Member and persons connected with him/her can change at short notice, a Board Member should, in cases where he/she receives documents relating to his/her interests or of those connected with him/her, return the documents to the Secretary of the Board at the earliest opportunity.
- **Absent:** A Board Member should absent himself/herself when the Board is deliberating or deciding on matters in which that Board Member (other than in his/her capacity as a member of the Board) has declared a material interest. In such cases consideration should be given as to whether a separate record (to which the Board Member would not have access) should be maintained.
- **Uncertainty:** Where a question arises as to whether or not an interest declared by a Board Member is a material interest, the Chairperson of the Board should determine the question as to whether the provisions of this Code apply. Where a Board Member is in doubt as to whether he or she has an obligation under the Northern Ireland Audit Office Conflicts of Interest, A Good Practice Guide, the Ethics in Public Office Acts 1995 and 2001, he or she should seek advice from the Standards in Public Office Commission under section 25 of the Ethics in Public Office Act 1995 or the Director of Corporate Services.

12 Personal Liability of Board Members

- 12.1 Although any legal proceedings initiated by a third party are likely to be brought against the Board, in exceptional cases proceedings (civil or, in

certain cases, criminal) may be brought against the Chairperson or other individual Board Members. However, all Board Members who have acted honestly, reasonably, in good faith and without negligence will not have to meet out of their own personal resources any personal civil liability, which is incurred in execution of their Board functions. FCILC provides professional indemnity cover for its Board Members.

12.2 Board Members who need further advice should consult the Chief Executive.

13 Openness and Responsiveness

13.1 FCILC Board Members should conduct all their dealings with the public in an open and responsible way and ensure full compliance with the principles of Open Government.

13.2 The FCILC Board should ensure it can demonstrate that it is using resources to good effect with propriety, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. It will need to act consistently with the nature of the Agency's business and the possible need for confidentiality on commercial or other grounds, always subject to the rights of the Northern Ireland Assembly and the Oireachtas and both Comptrollers and Auditor Generals (North and South) to obtain information. There are internal procedures available to deal with complaints, including those on failure to provide information.

14 Accountability for Public Funds

14.1 FCILC Board Members have a duty to ensure the safeguarding of public funds which, for this purpose, should be taken to include all forms of receipts from fees, charges and other sources and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that the Agency at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance.

14.2 Board Members are responsible for ensuring that the Agency does not exceed its powers or functions, whether defined in statute or otherwise, or any limitations on its authority to incur expenditure. They are normally advised on these matters by the Chief Executive.

15 Annual Report and Accounts

- 15.1 As part of its responsibilities for the stewardship of public funds, the FCILC Board must ensure that it includes a full statement of the use of such resources in its Annual Report and Accounts. Such Accounts should be prepared in accordance with North / South Guidance with the approval of the Departments of Finance.
- 15.2 The FCILC will produce an Annual Report and Accounts as a single document and will give it appropriate publicity. It will state whether the Annual Accounts were qualified and provide details if this was the case.
- 15.3 The Annual Report and Accounts of the FCILC will be laid before the Northern Ireland Assembly and both Houses of the Oireachtas in accordance with the Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland establishing Implementation Bodies, and the Financial Memorandum. They will provide a full description of FCILC's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current Members of the Board and Senior Staff and provide details of remuneration of Board Members and Senior Staff. The Annual Report will contain information on access to Registers of Interests in accordance with paragraph 11 above.

16 Role of the Chief Executive

- 16.1 The Chief Executive of Loughs Agency is responsible for the management and control generally of the administration and business of the Agency in accordance with the Corporate and Business Plans, and for the achievement of FCILC'S objectives and targets. This involves the promotion by leadership and example of the values embodied in the principles of public life (Appendix 1). Board Members should support the Chief Executive in undertaking this responsibility and should not involve themselves in areas of management responsibility.
- 16.2 The Chief Executive of Loughs Agency, is the accountable person for FCILC and for the propriety and regularity of its expenditure. He/she is responsible for establishing proper systems for this purpose. He/she should also ensure that FCILC observes any relevant Accounting Officer instructions issued by Sponsor Departments and puts into effect as appropriate any relevant recommendations by Committees of the Northern Ireland Assembly or the Oireachtas.

16.3 The Chief Executive of Loughs Agency, with the agreement of the FCILC Board may delegate management responsibility within FCILC to other officers of FCILC; and may adapt the organisational structure of FCILC as necessary to meet its business needs, subject to the approval of the NSMC to the terms and conditions of all staff, including staff numbers.

16.4 If the Chief Executive is instructed by the Board to act in a way which he/she considers would conflict with his/her accountable person role, he/she must inform the NSMC.

16.5 The Financial Memorandum sets out in detail the role and responsibilities of the Chief Executive as the accountable person for Loughs Agency.

17 Audit and Risk Committee

17.1 The FCILC Board shall establish an Audit and Risk Committee as a Committee of the Board.

18 The Board as an Employer

18.1 The FCILC Board as an employer should ensure:

- that it complies with all relevant legislation and that FCILC employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by such bodies;
- that the organisation adopts management practices which use resources in the most economical and efficient manner;
- that the Agency's rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff. In filling senior staff appointments, the Board should satisfy itself that an adequate field of qualified candidates is considered;
- that its staff, and the Board's own Members, have appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.

18.2 The Agency will be subject to the Data Protection legislation applicable in each jurisdiction in accordance with the Agreement between the

Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland establishing Implementation Bodies.

- 18.3 The Board shall adopt a Code of Conduct for its staff. The Code must be approved by the NSMC and must enable members of staff to raise concerns about propriety with a nominated official or Board Member in the first instance and subsequently, if necessary, with nominated officials in the Sponsor Departments. There should be safeguards to prevent Conflicts of Interests when staff leave.
- 18.4 This Code may be amended from time to time by the FCILC, with approval of the NSMC.

19 Document Review and Amendment

This policy will be formally reviewed every 36 months (or sooner if work processes change).

To ensure that each copy of the policy contains a record of all changes, a record of the change or amendments will be kept on the amendment list. The amendment list along with any revised or new pages will then be circulated to all staff.

Amendment List

Date	Section	Brief description of change	Page no.	Version no.
	All	Complete review of all policies	All	1
	All	General formatting	All	2
09/05/14	17	Inserted date column on amendment list	14	3
16/09/15		Removed Footer	All	4
01/04/16		Policy reviewed	All	5
16/01/17		Removed ref to Annex and updated Departmental names	3	6
22/05/17	All	Review policy – no updates	All	7
12/04/18	17	Review frequency changed to 36 months	13	8
27/09/18	All	New logo added to cover page.	All	9
28/09/18	All	General formatting	All	10
27/08/19	1	Added introduction	3	11
27/08/19	2	Added Fiduciary Duty	3	11
27/08/19	11	Updated Disclosure of Interests	8	11
18/11/20	All	General formatting and updated name of Southern Sponsor Department	All	12

Appendix 1

THE SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointment, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.