Governance Framework
Public Appointments Service

June 2018

An tSeirbhís um Cheapacháin Phoiblí
Public Appointments Service

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Joint Foreword from Chair and Chief Executive

As an independent public body responsible for providing recruitment and selection services across the civil and public service, the Public Appointments Service (PAS) is proud of its reputation as a body which operates to the highest standards of probity and fairness.

This reputation has been built, and continues to be developed by PAS staff, on a strong foundation of belief in the civil service values which underpin all of our work as an organisation. This commitment to values, together with our ongoing efforts to ensure our management systems and work processes remain reliable, effective and relevant, means that PAS is an organisation with the capability to deliver on its strategic objectives and has the capacity to adapt to a changing world.

As Chair and Chief Executive, we recognise that the proud reputation of PAS rests on a foundation of good corporate governance – something which we regard as central to the ongoing success of the organisation. In this regard, the *2015 Corporate Governance Standard for the Civil Service* sets out, in a clear and understandable way, the overarching framework within which PAS considers its own governance arrangements.

This revised *PAS Governance Framework* is intended to assist PAS by ensuring that the organisation has all key aspects of governance in place and is actively keeping their effectiveness under review. The Governance Framework is also intended to explain clearly to our stakeholders and to the wider public, how we govern the organisation and how responsibility is assigned within PAS. Together with the supporting Compliance Framework, we believe that the PAS Governance Framework will continue to play an important role in the ongoing development of the organisation and provides assurance that its reputation is grounded in good governance practice.

Tom Moran   Fiona Tierney
Chair of the Board of PAS   Chief Executive

Background

This document sets out the Governance Framework within which the work of the Public Appointments Service (PAS) is managed and delivered.

The PAS Governance Framework is based on the *Corporate Governance Standard for the Civil Service*[1] which was approved by Government in 2015. This *Standard* applies to all Civil Service Departments and Offices. The Civil Service Management Board agreed that each Civil Service body should adopt the *Standard* and should publish its governance arrangements in the form of a Governance Framework which accords with the requirements, and format, of the *Standard*. This is the second revision of the PAS Governance Framework since its initial publication in April 2016.

The following numbered points regarding the *Corporate Governance Standard for the Civil Service* are adapted from the Introduction to the *Standard* and are intended to explain the broader Civil Service governance context within which the PAS Governance Framework has been developed.

1. **Good Governance**

    1.1. Good governance is central to the effective operation of Government Departments and Offices; it is vitally important in effectively discharging their statutory and policy obligations. Good governance ensures that a framework of structures, policies and processes are in place to deliver on these obligations and it allows for an objective assessment of management and corporate performance.

    1.2. The development and implementation of Departments' Governance Frameworks should be clearly led at senior management level.

2. **Scope of** *Standard*

    2.1. The focus of the *Corporate Governance Standard for the Civil Service* is on Government Departments and Offices (i.e., all Departments and Central Government Offices in the Civil Service[2], hereafter referred to as *Departments/Offices*[3]). The *Standard* sets out:

    - a summary of good governance principles; and

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[1]Department of Public Expenditure & Reform (2015) *Corporate Governance Standard for the Civil Service*.
[2]The Civil Service comprises all Departments as defined by the Public Service Management Act 1997, all Offices or branches of the Public Service specified in Part I or in Part II of the Schedule to that Act and 'Vote Holding' bodies under the aegis of those Departments and Offices.
[3] PAS is listed as an "Office" in Part II of the Schedule to the Public Service Management Act 1997.

- an adaptable Governance Framework including provisions to be used in documenting each Department/Office's own arrangements.

3. Context of Civil Service Renewal Plan

3.1. The Civil Service Renewal Plan (CSRP) 2014[4] sets out new arrangements for governance and accountability in the Civil Service. The Renewal Plan includes a key action to enhance governance arrangements in line with international best practice by the introduction of a common governance standard. In particular it seeks to:

- formalise the role of the Management Board[5] in Departments/Offices and support greater ministerial and managerial interaction in jointly and regularly reviewing priorities and performance;

- introduce a single governance standard for all Management Boards drawing on international best practice in corporate governance; and

- establish an annual assessment for all Management Boards to measure delivery and performance.

4. Links with Existing Guidance on Governance

4.1. There is already a great deal of guidance on a variety of aspects of corporate governance within the Civil Service, for example, in the Cabinet Handbook, the Public Financial Procedures (the blue book), the Public Spending Code, the Civil Service Code of Standards and Behaviour, and the recommendations of the Report of the Working Group on the Accountability of Secretaries General and Accounting Officers (i.e., the 'Mullarkey Report').

4.2. Nothing in the *Standard* is intended to displace the existing roles, responsibilities and accountabilities of Ministers, Secretaries General, Accounting Officers, and Departments/Offices. Existing administrative and legislative provisions, applying to a Department/Office on matters that are also the subject of the *Standard*, continue to apply (e.g. developing Strategy Statements, Performance Budgeting, etc.).

4.3. While Governance Frameworks should be consistent with these existing provisions, guidance, accountabilities etc., they should not simply seek to duplicate them.

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[4] Available at http://www.per.gov.ie/en/civil-service-renewal/

[5] Various terms including 'Management Board', 'Management Advisory Committee' (MAC) and 'Executive Board' are used across the Civil Service to describe the formal senior management structures. The *Standard* recommends the use of the term 'Management Board' and this term has been adopted by PAS.

5. Flexibility within this *Standard*

5.1. The *Standard* recognises that a 'one size fits all' approach is not appropriate as Departments/Offices are not uniform in their structure, size, functions, locations, etc. and, therefore, each must make pragmatic decisions against this core Governance Framework to reflect their own individual responsibilities and circumstances.

5.2. However, a common approach on certain core governance issues must exist across Departments/Offices. In this regard, the *Standard* should be considered in its entirety to ensure a comprehensive perspective.

5.3. Exceptionally, Departments may choose to put in place alternative governance measures with similar effect. In such an instance, a Department/Office should aim to illustrate how its governance measures are consistent with the principles in the Standard and contribute to good governance. These measures should be published.

6. Publication of Governance Arrangements

6.1. Departments should document and publish their governance arrangements in accordance with the principles set out in the *Standard*. These governance arrangements should be communicated to all staff and stakeholders.

7. Constitutional and Legal Framework

7.1. Corporate governance measures must be applied within the framework of constitutional and statutory provisions, and must comply with the provisions of the Ministers and Secretaries Acts, 1924 to 2013, the Civil Service Regulation Acts, 1956 to 2005, the Public Service Management Act, 1997, and the Comptroller and Auditor General Acts, 1866 to 1998.

7.2. The *Standard* is intended to be a living document and will evolve in line with experience and as Civil Service bodies develop their good practices in relation to governance.

Key requirements of the *Standard* for PAS

The key requirements arising for PAS from its adoption of the *Corporate Governance Standard for the Civil Service* are:

1. To document and publish the Governance Framework for the Public Appointments Service,

2. To include in the published Governance Framework, the core elements set out in Chapters 1 to 4 of the Framework[6], and

3. To develop a separate, but related, Compliance Framework setting out how PAS ensures that it is in compliance with statutory, administrative and other significant compliance requirements.

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[6] The *Corporate Governance Standard for the Civil Service* contains a fifth Chapter, "Bodies Under the Aegis of the Department". This fifth Chapter is not relevant to PAS as there are no bodies under the aegis of PAS.

The Corporate Governance Standard for the Civil Service refers to the *'International Framework: Good Governance in the Public Sector'*[7] which proposes a number of high-level governance principles which should underpin the governance arrangements in civil service organisations. PAS has adopted the five overarching principles set out in the *Standard* in developing its own Governance Framework.

PAS Governance Principles

1 Good governance in PAS supports a culture and ethos which ensures we behave with integrity, demonstrate a strong commitment to ethical values, and show respect for the rule of law.

2 Good governance in PAS helps the organisation 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. Good governance means implementing good practices in transparency, reporting, communications, audit and scrutiny to deliver effective accountability.

3 Good governance in PAS means developing our organisational capacity, including the capability of staff and the leadership team.

4 Good governance in PAS means managing risks and performance through robust internal control systems and effective performance management practices.

5 Good governance in PAS ensures openness, effective public consultation processes and comprehensive engagement with all stakeholders.

[7] *International Framework: Good Governance in the Public Sector* (IFAC, CIFPA 2014)
https://www.ifac.org/publications-resources/international-framework-good-governance-public-sector

Key Legal and Administrative Accountabilities[8]

The following table outlines the legal and administrative environment within which PAS operates, and the particular context for the organisation's governance arrangements.

- Under section 34(2) of the Act establishing PAS (the Public Service Management (Recruitment and Appointments Act), 2004), PAS is "independent in the exercise of its functions".
- The Minister for Public Expenditure and Reform ("the Minister") appoints the Board of PAS and the Chief Executive of PAS.
- The Minister appoints staff to PAS and these staff are civil servants of the State.
- The Chief Executive is accountable to the Minister.
- The Chief Executive, as Accounting Officer for the Vote of PAS, is personally responsible for, and accountable to the Oireachtas for, ensuring regularity and propriety in the accounts of PAS, the efficient and economical use of PAS resources, and for the control of assets held by PAS, in accordance with Comptroller and Auditor General Acts, 1866 to 1998.
- The Chief Executive of PAS is responsible and accountable for managing the organisation and ensuring compliance with all relevant statutory and other requirements, including acting as Head of the Scheduled Office under the Public Service Management Act, 1997.
- PAS, as a body licenced by the Commission for Public Service Appointments (CPSA) under section 43 of the Act, is required to comply with the Codes of Practice issued by the CPSA under section 23(1) of the Act. In summary, the Codes require that high standards of probity, merit, equity, fairness, confidentiality and good governance underpin all licensed recruitment activity and processes.
- The statutory functions of the Board of PAS are somewhat more advisory in nature than is normally the case with the Board of a State body and, mainly, relate to giving advice and/or guidance to the Chief Executive (see page 19).

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[8] The primary legislation establishing and governing PAS is the Public Service Management (Recruitment and Appointments Act), 2004. This Act is referred to throughout this Governance Framework as "the Act".

While applicable legislation is a key driver of governance arrangements in PAS, there is also a wide variety of authoritative guidance[9] that defines aspects of the governance obligations for Civil Service organisations, such as PAS. More detail on these requirements is given in the separately-published document, "PAS Compliance Framework"[10].

Role of PAS staff in good governance

Good governance is integral to the culture of PAS and to the implementation of the strategic and operational policies and practices of the organisation. Employees have a critical role to play in committing to be part of the good governance of PAS and to the application of this Governance Framework in their day-to-day work. More detail on how PAS works to ensure that this happens is given in later chapters.

The PAS *Audit and Assurance Arrangements* are set out in a separate document which should be read in conjunction with this document.

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[9] As referred to on Page 2.
[10] See Chapter 4 for details of the PAS Compliance Framework

Overview of the PAS Governance Framework

The PAS Governance Framework is structured around a number of chapters which, together, set out the core elements of the governance arrangements within PAS. Following the structure recommended in the *Corporate Governance Standard for the Civil Service*, these four[11] Chapters are:

1	**Overview of the Public Appointments Service (PAS)**

2	**The Board of PAS, Senior Management Roles and Assignment of Responsibilities**

3AS	**The PAS Management Board and other Governance Structures**

4	**Audit, Assurance and Compliance Arrangements in PAS**

In keeping with future governance developments within the Civil Service more generally, and as specific governance arrangements and requirements within PAS develop in response to stakeholder requirements and other legal or administrative developments, these initial four key areas will change and evolve over time. These changes will be reflected in future versions of this Governance Framework.

Checklist of key items within the PAS Governance Framework

The following key items are included in the PAS Governance Framework:-

☑ Overview of the mission of PAS and the role of the Board of PAS,

☑ Details of senior management and organisational structures within PAS;

☑ Outline of the strategic and integrated business planning process;

☑ Details of engagement processes with stakeholders;

☑ Process for reviewing the effectiveness of the Governance Framework;

☑ Overview of the roles and responsibilities of the Minister for Public Expenditure & Reform and his/her Department;

☑ Overview of senior management governance roles and responsibilities, including those relating to the Chief Executive and Accounting Officer and those officials who exercise a senior management role within PAS,

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[11] The *Corporate Governance Standard for the Civil Service* contains a fifth Chapter, "Bodies Under the Aegis of the Department". This fifth Chapter is not relevant to PAS as there are no bodies under the aegis of PAS.

☑ Details of the PAS framework of assignment under the Public Service Management Act 1997;

☑ Purpose, role and terms of reference of management structures and arrangements in place including the Management Board and senior management structures;

☑ Compliance, audit and assurance arrangements; and

☑ Overview of the PAS Compliance Framework within which all compliance assurance activity within PAS is managed.

Commitments to good governance practice

In addition to the foregoing requirements, PAS, in common with the Civil Service more generally, aims to ensure that its Governance Framework reflects:

✓ a strong commitment to effective leadership;

✓ a strong commitment to Civil Service core values and behaviours;

✓ a strong commitment to a culture of accountability, efficiency and value for money; and

✓ a clear linkage to its 2017 / 2019 Strategy Statement

Relevant PAS Governance Principle:

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

Core Elements

> The Corporate Governance Standard for the Civil Service requires that the following core elements are reflected in the PAS Governance Framework:
>
> A   The purpose of PAS;
>
> B   The core values, behaviours and culture of PAS;
>
> C   The organisation structure;
>
> D   Strategic planning, decision making and performance management;
>
> E   Internal communications arrangements;
>
> F   Engagement with external stakeholders; and
>
> G   Review of effectiveness of the Governance Framework.
>
> In addition, PAS should ensure that its Governance Framework reflects the core values and behaviours of the Civil Service and that it is aligned with the PAS Strategy Statement.

Core Element A: Purpose of PAS

The Vision for PAS, as set out in its current Strategy Statement[12], is:

Through our professionalism and excellence, we work in partnership with our clients, attracting and engaging great people to the Irish public service.

The purpose of PAS is set out in the primary legislation which establishes PAS[13]. The Act states that the core role of PAS is to be "*the centralised recruitment, selection, and assessment body for the Civil Service and to provide a similar service, where requested, to the local authorities and Health Boards, the Garda Síochána and any other public service body*" (s.34(1)(a) of the Act). Under the Act, PAS may also provide recruitment-related advisory and related services to the Civil Service, Local Authorities, the Health Service Executive, the Education Sector, An Garda Síochána, other public bodies and non-commercial semi-state agencies, when requested (s.34(1)(f) of the Act).

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[12]Available at
https://www.publicjobs.ie/publicjobs/publication/document/Strategy_Statement_2017_2019.pdf

[13] Public Service (Recruitment and Appointments) Act, 2004 – hereinafter referred to as "The Act".

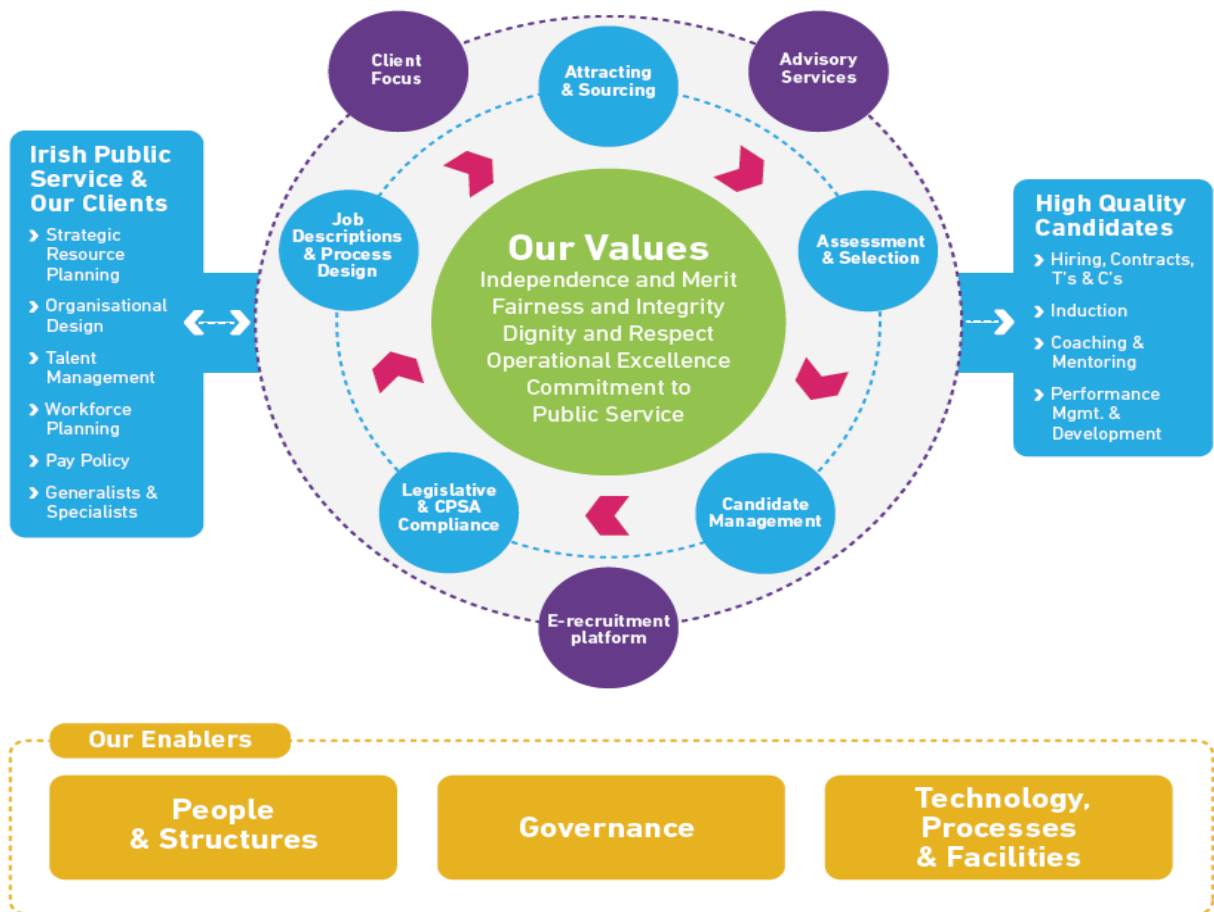The PAS strategy for 2017 – 2019[14] is summarised in Figure 1 below.

Figure 1: PAS Strategy Map 2017-2019

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[14] The PAS Strategy is available at
https://www.publicjobs.ie/publicjobs/publication/document/Strategy_Statement_2017_2019.pdf

Core Element B: Core Values, Behaviours and Culture of PAS

As a Civil Service body, the values and behaviours of PAS and of its staff are those of the Civil Service generally - impartiality, integrity, respect for the law, commitment to service and performance. These are the values stated in the statutory Civil Service Code of Standards and Behaviour[15] as published by the Standards in Public Office Commission. The Civil Service Renewal Plan (2014) recently reiterated these values as follows:

- a deep-rooted public service ethos of independence, integrity, impartiality, equality, fairness and respect;
- a culture of accountability, efficiency and value for money; and
- the highest standards of professionalism, leadership and rigour.

The PAS Strategy 2017-2019 lists a set of specific values which echo these core civil service values. These are:

- ✓ Fairness & Integrity,
- ✓ Independence and Merit,
- ✓ Dignity and Respect,
- ✓ Operational Excellence,
- ✓ Commitment to Public Service

In addition to the foregoing, the Act also imposes specific statutory obligations on PAS relating to standards and values:

- s.34(1)(b): requires that PAS observes standards of probity, the principle of appointment based on merit, etc. and that PAS must have regard to "the public interest" in its work;
- s.34(1)(i): PAS is required to inform itself as to best practice in recruitment and allied areas; and
- s.34(2): PAS is required to be independent in the performance of its functions.

Furthermore, additional behavioural obligations fall on PAS via the requirements of the Commission for Public Service Appointments (CPSA) which is the regulator of public service recruitment established under Part 2 of the Act. In summary, PAS, as a body licenced by the CPSA, is required to comply with the Codes of Practice issued by the regulator, under
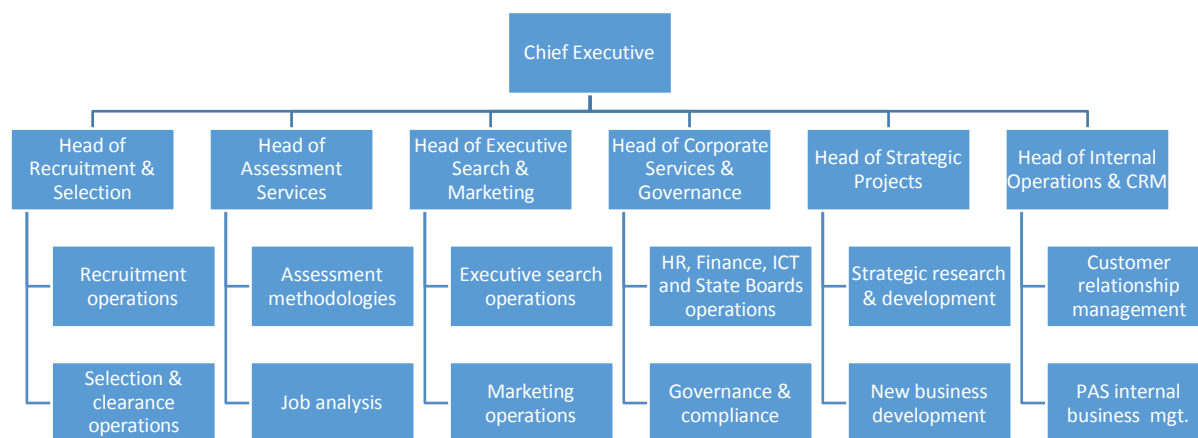
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[15] Available at http://hr.per.gov.ie/files/2011/06/Civil-Service-Code-of-Standards-and-Behaviour.pdf

s.23(1), which require that high standards of probity, merit, equity, fairness and confidentiality underpin all licensed recruitment processes.

All staff joining PAS are informed of the standards of behaviour required generally of civil servants and of the particular standards that apply to the work of PAS. Regular briefing sessions are held to remind staff of the key requirements as regards values and behaviours. This Governance Framework will be widely publicised within the organisation and used as a basis to ensure an appropriate culture is in place across all staff within the organisation and that all staff understand the governance framework. PAS will support its staff in understanding the part they each play in creating a sound and effective governance culture which is grounded in core public service values and the specific values of PAS itself.

Core Element C: Organisation Structures

The organisation structure of PAS is shown below.

The following is a descriptive overview of the functions within the overall organisational structure. These functions will continue to evolve in response to changing priorities and client demands. Changes will be reflected in future versions of this Governance Framework.

Recruitment: The Recruitment and Selection Services Unit (RSSU) carries out the core business functions of PAS. The RSSU consists of ten recruitment teams, each led by a Recruitment Manager. While each team has a particular area of recruitment within which it specialises, the overall structure is flexible and allows for resources to be deployed where demand is greatest at any given time.

Assessment Services: The main purpose of the Assessment Services Unit (ASU) is to provide assurance that PAS selection processes deliver required outcomes and are in compliance with the obligations of PAS, both under law and under relevant statutory Codes of Practice. ASU develops and delivers appropriate and specific assessment processes which are relevant, effective and fair to candidates. The implementation, on-going monitoring, and evaluation of these processes is also carried out by the Unit.

Executive Search: The Executive Search Unit supports the work of the recruitment units, principally the Senior Executive Recruitment and State Board units. The objective of this Unit is to source, in a targeted way, pools of high calibre, experienced potential candidates for very particular roles.. Roles are typically at Secretary General, Assistant Secretary or Head of Function levels. In addition, search work is also undertaken for some positions on the Boards of State Bodies as well as for jobs where very particular specialist expertise is essential. Candidates are typically sourced from the public and private sector in Ireland, as well as internationally.

Marketing and Communications: The Marketing and Communications Unit is responsible for our marketing efforts which are directed towards ensuring that PAS is the recruitment and resourcing shared service provider of choice in the public sector. The Unit aims to achieve this objective by marketing career opportunities in the civil and public service to potential candidates through advertising, promotion at events, social media and relevant industry and other publications. The Unit also promotes the client organisations of PAS by raising awareness of potential roles and opportunities through the gradpublicjobs, publicjobs and stateboard website brands.

Corporate Services: The Corporate Services function provides HR, finance and ICT services to the organisation and supports the operation of the PAS Corporate Governance Framework. It consists of the following support units:

The **Human Resources** Unit has a range of responsibilities relating to manpower planning, resourcing, deployment and staff welfare. It also deals with staff training and development and performance management. The Unit also has responsibility for consultation /negotiations with staff representatives, including managing the staff partnership process in PAS.

The main function of the **Finance** Unit is the provision of financial management for the Office, within the government accounting and other relevant guidelines set by the Department of Public Expenditure and Reform. The Finance function also plays a key role in providing support to the Chief Executive in carrying out the functions of Accounting Officer for PAS (see Chapter 2).

The role of the **Information and Communications Technology** (ICT) Unit is to support the business and corporate strategy of PAS through the implementation and maintenance of effective, efficient and secure ICT solutions that meet the requirements of the organisation.

The role of the **Governance/Compliance** Unit is to manage the assurance and risk management arrangements within the organisation and to support the ongoing development of governance and compliance practice within PAS. This includes supporting the Management Board and the Internal Audit Committee, maintaining the PAS Governance and Compliance Frameworks and managing the candidate review and appeal processes.

Strategic Projects: This Unit supports the PAS Management Board by delivering a rolling agenda of key projects, often in collaboration with other organisations, which assists the organisation prepare for adopting market-leading approaches to recruitment, and which helps ensure PAS continuously delivers excellent service to our client organisations.

State Boards: Under the relevant Government Guidelines[16], PAS is given particular responsibilities relating to advertising vacancies and assessing applications for the majority of vacant positions on the Boards of State Bodies. A dedicated team has responsibility for the management of these functions.

Internal Operations & CRM: This team focuses on the auxiliary processes which support the business of recruitment. The objective of the team is to ensure the most efficient running of the end-to-end services which are integral to recruitment. This includes managing client relationships; the collation and reporting of information for use by the management team and

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[16] Guidelines on Appointments to State Boards, 2014 available at http://www.publicjobs.ie/publicjobs/publication/document/Guidelines_on_Appointments_to_State_Boards_Jan2015.pdf

for external publication; and the management of PAS' front-of-house services as provided to candidates and selection board members..

Core Element D: Strategic Planning, Decision Making & Performance Management

Strategic planning: In accordance with the Public Service Management Act, 1997, PAS is required to prepare and submit a Strategy Statement to the Minister for Public Expenditure and Reform within six months of the appointment of a new Minister, and at the expiration of the three year period since the last Statement was prepared.

A Strategy Statement shall, as defined by the Public Service Management Act, 1997, "comprise the key objectives, outputs and related strategies (including use of resources)" of the Department or Office. Essentially, the Strategy Statement is intended to be a forward-looking document that serves as a framework for action by PAS for the coming three-year period.

Preparation of the Strategy Statement is regarded as a strategic project by PAS and is progressed under the oversight of the PAS Management Board. The Strategy Statement is prepared based on wide consultation, both within PAS and externally with its stakeholders. The Strategy is based on a careful analysis of relevant environmental factors which may impact on the functions of PAS as well as on the results of extensive client engagement, intended to gain insight into the recruitment plans and expectations of client organisations in the period covered by the strategy.

Once approved by the PAS Management Board, the Strategy Statement is submitted to the Board of PAS for its approval after which the Chief Executive submits the Strategy Statement to the Minister for Public Expenditure and Reform and the Houses of the Oireachtas.

Business planning: A Strategic Operations Plan, focused on strategic operations and organisation development, is prepared on an annual basis by the PAS Management Board and approved by the Board of PAS. This Plan forms the basis on which PAS progresses achievement of the strategic objectives as set out in the 3-year Strategy Statement through an annual focus on key strategic operations and organisation development. The Plan consists of a number of projects, each of which is assigned to a member of the management team. Progress against the Plan is monitored by the Management Board on a quarterly basis and reported to the Board of PAS at regular intervals throughout the year.

In addition to the Corporate Business Plan, each business unit within PAS prepares an operational plan for the year which sets out the planned activities for the unit for the year.

Decision Making & Performance Management: By adopting this integrated approach to planning, PAS is in a position to link strategic and annual goals to the work of each staff member as reflected in the annual Performance Management and Development process. This allows employees to see exactly how their individual work contributes to their unit's goals, to their division's goals and, ultimately, to the corporate goals of PAS.

Core Element E: Internal Communications

To support the integrated approach to planning, performance and service delivery, briefing sessions are held regularly with all staff to communicate the content of the Strategy Statement and the annual Strategic Operations Plan and to report on progress towards the achievement of defined objectives. Other briefing sessions are held to inform staff of important organisational issues, such as the content of the PAS Business Continuity Plan. Shorter and more focused "teabreak" and "lunch-and-learn" sessions are offered to staff throughout the year on topics of more general relevance to PAS business objectives, such as public procurement procedures or disability awareness. These sessions are in addition to other established internal communication channels such as the staff partnership process, staff intranet notices, CEO emails to all staff, unit meetings, etc.

Core Element F: Engagement with External Stakeholders

PAS is committed to openness and transparency in all aspects of its work. PAS has in place an annual programme of gathering survey feedback from key stakeholders – client organisations in the civil and public service, candidates for advertised roles and members of selection boards. The results of all stakeholder surveys are published in the PAS Annual Report each year. Action plans are developed to address issues raised by stakeholders in these surveys.

In addition, and as mentioned earlier, PAS also engages extensively with stakeholders as regards the preparation of its 3-year Strategy Statement.

As part of its core business, PAS is putting a comprehensive programme of Customer Relationship Management is in place, led by a member of the Management Board, to ensure

that the organisation understands and is fully engaged with its client organisations as regards their current and planned future recruitment requirements.

Core Element G: Review of Effectiveness of Governance Framework

PAS is committed to building and sustaining a sound and effective Governance Framework. Delivering on this commitment requires that PAS has processes in place to identify and address any governance issues arising which could impact on the performance of the organisation.

This current Governance Framework will be subject to annual review. The Framework will be amended accordingly and re-submitted to the PAS Board for approval, if required.

On an ongoing basis, the PAS Management Board will consider whether any issues are arising which have implications for the Governance Framework. Where such issues are identified, amendments and/or extensions to the Governance Framework will be made and submitted to the PAS Board for approval prior to publication.

PAS Governance Principle:

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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.

Core Elements

The Corporate Governance Standard for the Civil Service requires that the following core elements are reflected in the PAS Governance Framework:

A — An overview of the relationship with the Minister for Public Expenditure and Reform;

B — An overview of the governance role of the Board of PAS;

C — An overview of senior management governance roles and responsibilities, including those relating to the Chief Executive and Accounting Officer, those senior officials who exercise a senior management role within the Department, and the role for all staff; and

D — How responsibility is assigned to officers of the Department for the performance of the functions under the Public Service Management Act 1997.

Core Element A: Relationship with Minister for Public Expenditure & Reform

Article 28.4.2 of the Constitution provides that the Government shall be collectively responsible for Departments of State "administered" by the Members of the Government. Under Article 28.12 of the Constitution Ministers are "in charge of" Departments of State. The principal legislative provisions governing the Minister's powers are the Ministers and Secretaries Acts, 1924 to 2013 and the Public Service Management Act, 1997. The structures and management of Departments and Offices of State are regulated by these Acts.

As PAS is not a Department of State, its relationship to the Minister is primarily defined under the provisions of the Public Service Management Act, 1997 (as amended) and under the primary legislation establishing PAS, the Public Service Management (Recruitment and Selection) Act, 2004 ("The Act"). Under the Act, PAS is designated as a "scheduled office"

within the meaning of the Public Service Management Act, 1997 (as amended) and the Minister for Public Expenditure and Reform is prescribed as the Minister responsible for PAS (this was originally the Minister for Finance).

Because PAS is a "scheduled office" and the Chief Executive is, under the Act, prescribed as the Head of the Scheduled Office, the provision of section 6 of the 1997 Act applies to PAS:

> *the Head of a Scheduled Office shall, in accordance with directions issued from time to time by the Government, be accountable to the Minister of the Government having charge of the Department or Scheduled Office in carrying out the duties or functions referred to in section 4 .*

The specific responsibilities of the Chief Executive in this regard are described later in this Chapter.

Core Element B: The Governance Role of the Board of PAS

The Board of the Public Appointments Service is established under section 36 of the Act. This section also provides that the Minister, in consultation with other specified Ministers, appoints members to the Board. Under the Act, the Board consists of a chairperson, seven ordinary members and the Chief Executive. The Act prescribes that at least two members must have experience of the civil and/or public service and that at least two members have HR, recruitment and/or customer service experience from outside the public service.

The **functions** of the Board under section 36(3) are as follow:
(a) to represent the interests of the public service and ensure that all appropriate service standards are being achieved;
(b) to consider and approve plans and strategic objectives put forward by the Chief Executive of the Service;
(c) to monitor and advise the Public Appointments Service in the performance of its functions;
(d) to ensure that appropriate review procedures are developed and implemented by the Public Appointments Service in relation to recruitment and promotion competitions, having regard to any relevant codes of practice issued by the Commission;
(e) to publish the annual report of the Public Appointments Service;
(f) where relevant, to give effect to the exercise of a ministerial function to which *section 58* relates or to which that section refers;
(g) to give directions to the Chief Executive of the Service in respect of functions of the Public Appointments Service which it regards as necessary.

In addition to the foregoing, an additional function is given to the Board of PAS under section 42(2):

> The grades of the staff of the Public Appointments Service and the members of staff in each grade shall be determined by the Board with the consent of the Minister.

From a governance perspective, it is important to distinguish the role of the Board of PAS from that of the majority of State Boards. Generally, the Board, or other governing authority of a State Body, is responsible for promoting the success of the body by leading, directing and governing the Body's activities. The Board is expected to provide strategic guidance to the State body for which it is responsible and to monitor the activities and effectiveness of its management. Approval of annual budgets and the production of annual reports and accounts are the responsibilities of the Board. Boards are responsible for compliance with all statutory obligations applicable to the State body, and are required, annually, to confirm to the relevant Minister that the State Body has a system of internal financial control in place. The preparation and adoption of a strategic plan is the primary responsibility of the Board of a State Body.

In the case of PAS, the Chief Executive, as Accounting Officer (see below) has statutory responsibility for preparation of the Appropriation Accounts and compliance with the associated public financial procedures regarding the Vote. Similarly, the preparation of a Strategy Statement for submission to the Minister is the responsibility of the Chief Executive as "Head of the Scheduled Office" under the Public Service Management Act 1997. Hence, reflecting the accountability relationship of the Chief Executive to the Minister for Public Expenditure and Reform, as set out earlier, the statutory functions of the Board of PAS are somewhat more advisory in nature than is normally the case with the Board of a State body and, mainly, relate to giving advice and/or guidance to the Chief Executive.

The Management Board reports to the Board of PAS (through the CEO) at each meeting. (Further detail on the role and functioning of the PAS Management Board is given in Chapter 2 of this Governance Framework.) The Board of PAS receives the following documents in advance of each meeting:

- Operational / Activity Report,
- Financial Report,
- Update on Corporate Risks,
- Update from the Internal Audit Committee (including Minutes of Meetings and all Audit Reports considered by the Audit Committee), and

- Update on Key Strategic Issues identified by the Board of PAS or by the PAS Management Board.

At set intervals throughout the year (as set out in the annual work plan agreed by the Chief Executive with the Board) the Board also considers the following documents:

- Corporate Risk Register
- Organisational Business Plan
- Annual Budget
- FOI Activity
- Annual Report
- Annual Report of the Internal Audit Committee
- Update on Achievement of Key Performance Indicators from Statement of Strategy
- Board Work plan
- Annual Review of Board Effectiveness

Core Element C: Chief Executive and Accounting Officer

PAS is led by a Chief Executive who is appointed by the Minister for Public Expenditure and Reform (section 39(2) of the Act). As described above, the Chief Executive is the Head of the organisation and accountable to the Minister. The statutory functions of the Chief Executive arise from two sources. The **first source** is section 4 of the Public Service Management Act, 1997 which sets out the following as the functions of the Head of a Scheduled Office:

a) managing the Scheduled Office, implementing Government policies appropriate to the or Scheduled Office, monitoring Government policies that affect the Scheduled Office and delivering outputs as determined with the Minister of the Government having charge of the Scheduled Office;

b) at the following times, or at an earlier time if the Minister of the Government having charge of the Scheduled Office so requires, preparing and submitting to the Minister of the Government a strategy statement in respect of the Scheduled Office—

    i. within 6 months after the coming into operation of the 1997 Act,

    ii. within 6 months after the appointment of a new Minister of the Government having charge of the Scheduled Office, and

    iii. at the expiration of the 3 year period since the last such statement was prepared and submitted,

and providing progress reports to the Minister of the Government on the implementation of the strategy statement annually or at such intervals as the Government may by order from time to time direct;

c) preparing an outline of how specific elements of the responsibilities described in paragraphs (d) to (h) are to be assigned so as to ensure that the functions performed on behalf of the Minister of the Government are performed by an appropriate officer, or an officer of an appropriate grade or rank, of the Scheduled Office;

d) providing advice to the Minister of the Government having charge of the Scheduled Office with respect to any matter within, affecting or connected with, the responsibilities of the Minister or the Scheduled Office giving rise to material expenditure chargeable to its appropriation account;

e) ensuring that appropriate arrangements are put into place that will facilitate an effective response to matters that pertain to both the Department or Scheduled Office and other branches of the public service;

f) ensuring that the resources of the Scheduled Office are used in a manner that is in accordance with the Comptroller and Auditor General (Amendment) Act, 1993 , with a view to enabling the matters referred to in paragraphs (a) to (d) of section 19 (1) of that Act to be appropriately addressed by the Department or Scheduled Office;

g) examining and developing means that will improve the provision by the Department or Scheduled Office of cost effective public services;

h) subject to the Civil Service Regulation Act, 1956 , the Civil Service Commissioners Act, 1956 , the Defence Acts, 1954 to 1993 (in respect of civilian employees recruited or appointed under the Defence Acts, 1954 to 1993) and any other Act affecting the appointment, performance, discipline or dismissal of civil servants or civilian employees of the Department of Defence, managing all matters pertaining to appointments, performance, discipline and dismissals of staff below the grade of Principal or its equivalent in the Department or Scheduled Office; and

i) subject to section 9 (1)(f) of the 1997 Act, assigning the responsibility for performance of the functions for which the Head of the Scheduled Office is responsible to other officers or to a grade or grades of officer of the Scheduled Office including the conditions pertaining to such assignments in order to ensure coherence of policy across the Scheduled Office, and ensuring that, where appropriate, the responsibility for the performance of those functions is further assigned to other officers or to a grade or grades of officer within the Scheduled Office.

The **second source** of functions is section 40 of the Act:

40.—(1) The Chief Executive of the Service shall—

(a) manage and control generally the staff, administration and business of the Public Appointments Service, and

(b) perform such other functions that are conferred on him or her by or under this Act or as may be determined by the Board.

(2) Without prejudice to the generality of *subsection (1),* the Chief Executive of the Service shall—

(a) be the recruitment licence holder for the Public Appointments Service,

(b) be responsible to the Board for the performance of his or her functions and the implementation of the Public Appointments Service's policies,

(c) draw up the strategic plan for the Public Appointments Service for consideration and approval by the Board before submitting it to the Minister,

(d) be the accounting officer for the appropriation accounts of the Public Appointments Service for the purposes of the Exchequer and Audit Departments Acts 1866 and 1921 and the Comptroller and Auditor General (Amendment) Act 1993 ,

(e) provide the Board with such information (including financial information) in relation to the performance of his or her functions as the Board may from time to time require,

(f) report periodically to the Board and, from time to time, advise the board on relevant issues,

(g) carry out his or her functions as the Head of the Scheduled Office under the Public Service Management Act 1997 (as amended by *Part 1* of *Schedule 2*),

(h) undertake such other functions of the Public Appointments Service as may be determined by the Board,

(i) in respect of arrangements for competitions for the following posts being organised by the Public Appointments Service, to consult with the Secretary General of the Department of the State as indicated:

(i) city manager or county manager[17] — the Secretary General of the Department of the Environment, Heritage and Local Government,

(ii) chief executive officer of a health board[18] — the Secretary General of the Department of Health and Children, and

(iii) chief executive officer of a vocational education committee[19] — the Secretary General of the Department of Education and Science.

(3) Such of the functions of the Chief Executive of the Service as may from time to time be specified by him or her may, with the consent of the Board, be performed by such member of the staff of the Public Appointments Service as may be authorised by the Chief Executive.

(4) The functions of the Chief Executive of the Service may be performed during his or her absence or when the position of Chief Executive is vacant by such member of the staff of the Public Appointments Service as may from time to time be designated for that purpose by the Board.

Accounting Officer: Under section 40(2)(d) of the Act, the Chief Executive is also the Accounting Officer for the Exchequer funds which are voted to PAS each year by the Oireachtas. The responsibilities of Accounting Officers are described in detail in the 'Role and Responsibilities of Accounting Officers – A Memorandum for Accounting Officers

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[17] Now refers to Chief Executives of Local Authorities
[18] Now refers to Health Service Executive
[19] Now refers to Education and Training Boards

(2011)[20] As Accounting Officer, the Chief Executive is personally accountable for the public funds entrusted to PAS, for the use made of its resources and for control of the assets in its keeping.[21] The Accounting Officer is personally answerable to the Oireachtas Committee of Public Accounts (PAC) for the regularity and propriety of all financial transactions and for any issues arising from the annual independent audit conducted on the accounts of PAS by the Comptroller and Auditor General. The statutory role of the Accounting Officer is set out in the Comptroller and Auditor General Acts 1866 to 1998 and also set out in the Public Financial Procedures.

Leadership and Organisational Capacity/Capability

The management team[22] of PAS leads and manages the implementation of the systems, processes and behaviours necessary to promote good corporate governance across the organisation and which ensure that all staff work together as a high performing team. Each individual member of the management team has a responsibility to show leadership, to contribute to the management of PAS as a whole and to actively support colleagues in meeting their objectives. Leadership and management in PAS set the tone for effective governance from the top while modelling good governance behaviours and demonstrating a commitment to achieving objectives through accountable processes.

PAS recognises that building and maintaining leadership and organisation capacity and capability is an ongoing responsibility of management. In recognition of this, organisation development and capacity improvement projects are included in the annual Corporate Business Plan.

PAS also has an ICT governance and security strategy in place designed to ensure it develops its ICT infrastructure in support of business goals while also maintaining a high degree of security as regards its ICT systems and the electronic data which is held by the organisation for business purposes.

Information is essential to the business of PAS. In collecting personal data from candidates, selection board members, suppliers and staff members, PAS has a responsibility to use this information both effectively, ethically and in accordance with statutory requirements and safeguards. It is critical that all staff work to the highest attainable standards as regards

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[20]   http://govacc.per.gov.ie/accounting-officer-information/
[21] Department of Public Expenditure & Reform's Public Financial Procedures (2012)
[22] The term "management team" refers to all staff at Assistant Principal and analogous grades as well as the members of the PAS Management Board.

information governance.   In this regard, and set against the background of the Data Protection Acts 1988 and 2003, the aim of the *PAS Code of Practice for the Protection of Personal Data* is to ensure each staff member in PAS has an understanding of the concepts of Data Protection and is aware of their own responsibilities. Such awareness and understanding will assist PAS in its compliance with the requirements of these Acts – these compliance requirements are discussed in more detail in the separate PAS Compliance Framework.

Responsibilities of all Staff

As referred to earlier, all staff joining PAS are informed of the standards of behaviour required generally of civil servants and of the particular standards that apply to the work of PAS. Regular briefing sessions are held to remind staff of the key requirements as regards values and behaviours. This Governance Framework will be widely publicised within the organisation and used as a basis to ensure an appropriate culture is in place across all staff within the organisation and that all staff understand the governance system and their responsibilities for contributing to a sound and effective governance culture which is grounded in public service values. In addition, staff are regularly reminded and/or briefed on PAS corporate policies, procedures, circulars and Office Notices.

Core Element D: Assignment of Senior Management Roles & Responsibilities

In accordance with Section 4(1) and 9(2) of the Public Service Management Act 1997, the Chief Executive has made assignments of responsibility to officers at Principal Officer level in relation to key aspects of the operation of the organisation.

In keeping with commitments made under the Civil Service Renewal Plan [23], these assignments are shown on the Government's "Who does What" website at http://www.whodoeswhat.gov.ie/root/pas/.

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[23] Action 21 of the Civil Service Renewal Plan: Publish the framework for assignment of responsibilities for all Departments.

PAS Governance Principle:

3 *Good governance means developing PAS's organisational capacity, including the capability of the leadership team, management and staff.*

Core Elements The Corporate Governance Standard for the Civil Service requires that the following core elements are reflected in the PAS Governance Framework:

A The purpose, role and terms of reference of the PAS Management Board; and

B An overview of other management structures in place to assist in governance of the organisation.

Core Element A:

1. Purpose of the Management Board

The purpose of the Management Board is to ensure delivery of the organisation's strategy and to ensure that effective management structures, including corporate governance structures, are in place and are working effectively. The Management Board is responsible for assuring the Board of PAS on the effective use of all PAS Resources and, within the allocated resources, ensuring that PAS has the capability to deliver on its legislative remit.

2. Membership of the Management Board

The Management Board is constituted as follows:

- Fiona Tierney,   Chief Executive (Chair)
- Margaret McCabe,   (Recruitment and Selection)
- Lisa Keyes,   (Internal Operations & CRM)
- Michelle Noone,   (Executive Search, Marketing and State Boards)
- John Keegan,   (Corporate Services & Governance)
- Niall Leavy,   (Strategic Projects)
- Aine Gray,   (Assessment Services)
- Mary Flynn,   (Recruitment & Selection)

Other members of PAS management may be required to attend a Management Board meeting when matters relevant to their areas of responsibility arise.

3. Frequency of meetings

Generally, the Management Board meets fortnightly. Outside of this schedule, additional meetings may be scheduled as the need arises or as particular circumstances might dictate.

4. Quorum

The Quorum for Management Board meetings is 5 members and there is no facility to send substitutes. This quorum may not apply in an emergency or business continuity situation where decisions will be made by those members of the management board present at that time (subject to at least three members of the management board attending in person or electronic means).

5. Relationship with the Board of PAS

The Management Board reports to the Board of PAS, through the Chief Executive. (Further detail on the role and responsibilities of the Board of PAS and its governance relationship with the Chief Executive is given in Chapter 2 of this Governance Framework.)

6. Matters which are dealt with by the Management Board

The Management Board is responsible for the following matters – this list is not exhaustive:

(i)   Agreeing the Strategy Statement (prior to its approval by the PAS Board),

(ii)   Approval of annual Strategic Business Plan and monitoring its implementation.

(iii)   Agreeing and monitoring all operational business plans,

(iv)   Active review of the Corporate Risk Register and provision of assurance to the Board of PAS on the management of risk,

(v)   Decisions with regard to major strategic challenges facing PAS and strategies affecting the long term interests of PAS (including IT, financial and human resource strategies),

(vi)   Ensuring that cross-cutting and longer-term issues are fully accounted for in resource planning and policy formulation,

(vii)   Approving budget allocation and management of the PAS Vote,

(viii) Monitoring of performance/delivery against published performance targets, output measures and other KPIs,

(ix)   Reviewing the management of significant HR issues in the organisation,

(x)   Ensuring effective communication throughout the organisation, including dissemination of information on the role and decisions of the Management Board (where appropriate), and driving positive engagement with PAS staff,

(xi)   Driving engagement and communication with all external stakeholders,

(xii)   Considering and debating major issues and wider external issues of significance to the functions of PAS,

(xiii)   Ensuring that opportunities to further exploit technology and service-delivery innovations are embraced and implemented,

(xiv)   Deciding on appropriate benchmarking activities and ensuring that learning from these activities is implemented,

(xv)   Monitoring compliance with internal audit recommendations, compliance requirements and procurement guidelines, and

(xvi)   Ensuring effective corporate governance structures and frameworks are in place.

7.   Information for meetings:

The Management Board operates to a planned calendar of activities in addition to addressing issues as they arise. On a planned basis, the following information is considered at its meetings:

- Progress of spending against budget (monthly),
- Corporate Risk Register (quarterly),
- Progress and status of strategic projects as set out in the annual Strategic Operations Plan (quarterly),
- Risk Management Business Plan (annually), and
- Operational, resourcing and compliance matters (ongoing).

8.   Roles on the Management Board

Chair: The role of the Chair includes:

(i)   Ensuring the Management Board monitors, and has oversight of, all relevant matters that relate to the efficient and effective delivery of PAS services and functions, both currently and in the longer term,

(ii)   Ensuring the Management Board considers all significant resource and/or risk issues which could impact on the capacity and capability of PAS to deliver on its objectives and that, where necessary, appropriate mitigating actions are taken in a timely manner,

(iii)   Updating the Management Board on external stakeholder engagement, and

(iv)   Scheduling and chairing meetings every second week or as required

When the Chief Executive is absent, the Chair role is taken by another nominated member of the Management Board.

Members: The role of the members of the Management Board include:

    (i)   Regular attendance and active participation at meetings of the Management Board;

    (ii)   Taking specific responsibility arising from their individual roles (i.e., taking responsibility for delivering on their areas of the Corporate and Strategic Operations Plans and implementing actions, as agreed at previous meetings);

    (iii)   Promoting civil service values and demonstrating the specific values of PAS in their work and in their interpersonal relationships,

    (iv)   Participating proactively in the overall management of PAS, providing leadership and strategic direction, and driving and overseeing the implementation of PAS strategies;

    (v)   Using their experience and knowledge to challenge and critically examine items under discussion by the Management Board;

    (vi)   Notifying the Management Board of any matters which could affect or undermine the propriety with which PAS manages its business, its assets and its other resources,

    (vii)   Notifying the Management Board of any significant issues which may impact on PAS's medium term capacity and capability, or significant risks to delivery of its objectives, together with details of mitigating actions proposed or taken.

    (viii)   Acting with probity and maintaining appropriate confidentiality as to matters discussed.

9. Senior Management Groups

Two standing Senior Management Groups support the work of the Management Board. These generally meet on alternate weeks and each is chaired by the Chief Executive.

The purpose of both these Groups is to ensure that the work of PAS is progressed efficiently and that any issues impacting on performance and delivery are addressed. The Senior Management Groups play a key role in the planning and managing of operations, in the sharing of information on critical issues and in progressing the implementation of organisational policies and quality/process improvement.

There is no Quorum for the Senior Management Groups and there is no facility to send substitutes. Minutes of these meetings are prepared and circulated for the next meeting of each Group. Decisions are communicated by attending managers to their own staff. The two Groups are described below.

Recruitment & Selection Group

This Group consists of the Management Board plus the appropriate managers responsible for recruitment and selection. Its functions include:

- Planning and reviewing recruitment activity, including the composition and management of Selection Boards,
- Planning and reviewing assessment services activity,
- Planning and reviewing customer relationship activity,
- Planning and reviewing new projects/activities,
- Ensuring the implementation of actions under the Customer Action Plan and that Action Plans put in place to address all relevant issues,
- Updating on specific strategic projects and Business Plan projects, and
- Considering progress on the implementation of Quality Projects and embedding the learning from these in their areas of responsibility.

- Making and documenting key operational decisions in relation to all recruitment, selection and assessment activities including decisions in relation to individual applications where necessary.

Corporate Services and Business Support Group

This Group consists of the Management Board plus the appropriate managers responsible HR and Governance, IT and Finance. Its functions include:

- Planning and reviewing ICT activity and projects,
- Planning and reviewing HR activity and projects, including resourcing,
- Updating on budget and other finance issues,
- Planning and reviewing business support activity,
- Reviewing compliance and risk management issues,
- Ensuring that effective business continuity plans are in place,
- Ensuring implementation of actions under the Customer Action Plan and that Action Plans are put in place to address all relevant organisational issues,
- Evaluation of training every six months and contributing to the annual learning needs analysis
- Updating on specific strategic projects and Business Plan projects, and
- Considering progress on the implementation of Quality Projects and embedding the learning from these in their areas of responsibility.

10. Risk Management Group

Details of the Risk Management Group are included in Chapter 4 of this Governance Framework.

11.   Performance and Evaluation

An annual review will be conducted to assess the performance of the Management Board in delivering on its leadership, oversight and governance remits. This review will also involve assessing the continued relevance of these Terms of Reference.

12.   Support to the Management Board

A member of PAS staff will act as Secretary to the Management Board and will assist the Head of Corporate Services and Governance in ensuring that the Management Board is properly supported, that relevant records are maintained, that required actions are tracked and that decisions are implemented.

Core Element B:

See under Core Element A.

PAS Governance Principle:

4 *Good governance in PAS means managing risks and performance through robust internal control systems and effective performance management practices.*

Core Elements

The Corporate Governance Standard for the Civil Service requires that the following core elements are reflected in the PAS Governance Framework:

A — Audit and Assurance arrangements; and

B — Compliance Framework.

Core Element A: Audit and Assurance Arrangements

The Public Appointments Service has audit and other arrangements in place which, taken together, are intended to provide assurance that the organisation is managing its resources properly and that it is actively assessing and managing risk.

The Assurance Framework is shown in diagrammatic format in Figure 2 later in this Chapter. Each of the key elements of the PAS Assurance Framework is described in more detail in the following sections.

Accounting Officer – Statement of Financial Control

The role of the Chief Executive as Accounting Officer for the PAS Vote is described in Chapter 2 of this Governance Framework. As part of the Accounting Officer's responsibilities[24], a Statement of Internal Financial Control is made to the Comptroller and Auditor General each year as part of the preparation of the annual Appropriation Account.[25] The Statement of Internal Financial Control is the means by which the Accounting Officer declares his or her approach to, and responsibility for, risk management, internal control and corporate governance. It is also the vehicle for highlighting weaknesses, if any, which exist in the internal control system within the organisation.

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[24] In accordance with the Public Financial Procedures

[25] The Appropriation Account is the equivalent of the annual Financial Statements for PAS and shows how the Vote for the year has been spent.

The following is the Statement of Internal Control as made by the Accounting Officer of PAS in the Introduction to the Appropriation Account for 2015:

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Public Appointments Service.

This responsibility is exercised in the context of the resources available to me and my other obligations as Head of the Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Payroll and human resource functions are provided on a shared services basis by the National Shared Service Office (Vote 18). The Accounting Officer of the Department of Public Expenditure and Reform is Accounting Officer for Vote 18 also, and is responsible for the operation of controls within the Shared Service Centres. I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Public Appointments Service and the National Shared Service Office for the provision of payroll shared service and human resource service.

The Accounting Officer for shared services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operate effectively.

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for shared services.

Financial control environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Internal Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by

senior management

- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Public Appointments Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Public Appointments Service ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. Two exceptions, with a combined value of €151,544, arose during 2015. Both related to Oracle support and software licensing and have been reported under Circular 40/2002. These two exceptions arose because there was only a single suitable supplier available for the proprietary software.

Internal Audit and Audit Committee

I confirm that the Public Appointments Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Public Appointments Service is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Fiona Tierney

Accounting Officer

Public Appointments Service

24 March 2016

Assurance arrangements – National Shared Services Office

In common with other Civil Service bodies, PAS is provided with payroll services by another Civil Service body – the National Shared Services Office (NSSO) which is currently part of the Department of Public Expenditure and Reform (and which is due to become a statutory body in its own right). As payroll expenditure is a significant part of the expenditure of PAS, it is important that appropriate assurance arrangements are in place between NSSO and PAS as regards the accounting for PAS payroll. This issue is addressed specifically in the Statement of Internal Financial Control under "Responsibility for system of internal financial control".

Role of Audit Committee and reporting arrangements to the Chief Executive

As the Statement on Internal Financial Control makes clear, PAS has an Audit Committee which operates in accordance with published Civil Service guidance[26]. The Audit Committee has an independent role in the provision of assurance to the Chief Executive. This includes

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[26]Audit Committee Guidance – 2014 – available at http://www.per.gov.ie/en/minister-howlin-announces-publication-of-audit-committee-guidance/

consideration of the adequacy and effectiveness of the internal control systems, control environment and control procedures within PAS. The Committee also oversees the Internal Audit function within PAS and provides advice and professional guidance to the Chief Executive in relation to the development of the internal audit function[27]. The Audit Committee also provides advice and guidance in relation to the systems of risk management and internal control within PAS.

The PAS Audit Committee operates under a written charter and includes external representation with appropriate expertise. The Chairperson of the Audit Committee is external to PAS.

The Audit Committee prepares an annual report to the Accounting Officer, reviewing its operations, and invites the Office of the Comptroller and Auditor General, as the external auditor of PAS, to meet with it at least once a year.[28] The Chair of the Audit Committee also meets the Board of PAS annually to brief the members on the internal audit programme and on the general control environment within PAS.

The Internal Audit function in PAS

The majority of the Internal Audit function reviews in PAS are outsourced to a professional services firm. As stated in the Statement on Internal Financial Control under "Internal Audit and Audit Committee", this function operates to a 3-year audit plan approved by the Chief Executive and under the oversight of the PAS Audit Committee.

All draft audit reports are submitted to the PAS Management Board for the approval of management responses. Once finalised, the completion of any actions arising is tracked and monitored by the Internal Audit function via regular reports by PAS management to the PAS Audit Committee.

The Head of Corporate Services & Governance in PAS is also a member of the Civil Service "Heads of Internal Audit Forum" which provides a forum for the discussion of policy and operational issues relating to internal audit within civil service bodies as well as disseminating good practice and new developments within the internal audit field.

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[27] The Internal Audit function in PAS is outsourced to a professional services firm under a procurement framework managed by the Office of Government Procurement.
[28] Public Financial Procedures.

Role of PAS Finance Unit

The Finance Unit in PAS is under the management of a professional accountant (who also acts as Finance Manager to two other public bodies). The Unit is responsible for supporting the annual budgeting process, the monitoring of expenditure against budget, liaison with the Department of Public Expenditure and Reform regarding vote management and accounting, administration of creditors and debtors and for preparation of the Appropriation Account for approval by the Chief Executive/Accounting Officer. The Unit is also responsible for the operation of the approved financial control procedures within PAS.

The Finance Unit also acts as the PAS Procurement Unit, ensuring that PAS is observing, and complying with, all relevant Public Procurement requirements and guidance and providing assurance to the Accounting Officer in this regard.

Risk Management

As stated in the Statement on Internal Financial Control under "Administrative controls and management reporting", PAS has a risk management system in place. This includes a Risk Management Framework and Risk Management Policy appropriate to the size and scale of the organisation and is in accordance with the relevant Civil Service Risk Management Guidance.[29] An integrated and holistic approach to risk management is one of the keystones to achieving effective corporate governance. PAS takes its risk management responsibilities seriously and has processes in place to respond appropriately to significant business, strategic, operational, financial, compliance and other risks that threaten the successful achievement of the strategic and operational objectives of the organisation.

Risk Management is a standing item on the agenda of each meeting of the PAS Management Board. A Risk Management Group oversees the implementation and monitoring of this process. The Group (through the Chair) reports to the Management Board following each meeting of the Risk Management Group. The Group reports to the Internal Audit Committee at each of its meetings. Updates on the principal risks facing the organisation are given to the Board of PAS by the Chief Executive at each meeting of the Board.

Public Procurement

See under "Role of PAS Finance Unit", above.

[29] Risk Management Guidance for Government Departments & Offices 2016: http://govacc.per.gov.ie/risk-management/

Purpose of the Compliance Framework

As an accompaniment to this Governance Framework, and as recommended in the Corporate Governance Standard for the Civil Service, PAS has developed a Compliance Framework. The Compliance Framework has a crucial role to play in underpinning, and providing evidence of, the effective implementation of the governance principles as set out in the Governance Framework

The PAS Compliance Framework will provide an overview of each compliance assurance activity in the organisation and will identify who within PAS is responsible for each activity. The PAS Compliance Framework will focus on, and provide greater detail of, the subset of governance standards where compliance is required either by statute, on foot of Government decisions or as a result of significant administrative or external commitments.

The PAS Compliance Framework will be an important element in the management of risk within PAS. It will help ensure PAS has the requisite systems and procedures in place to fully meet each of its compliance obligations, and will have regard to the Risk Management Guidance, as referred to earlier. The Compliance Framework will assist the responsible PAS staff to identify and address any issues that have the potential to result in some degree of failure in those systems and procedures. Any such risks identified can then be placed on the relevant Risk Register, assessed as to their likelihood and impact, and the requisite controls and mitigating actions put in place.

Regulatory requirements specific to PAS

As stated earlier in this document, PAS is subject to ongoing regulatory oversight by the Commission for Public Service Appointments (CPSA) as regards the core recruitment and selection activities of PAS. The requirements of the CPSA, as the regulator of public service recruitment, give rise to major governance and performance obligations for PAS. These obligations are:

- The CPSA issues PAS with a "recruitment licence" under section 43(1)(a) of the Act,

- By holding this licence, PAS is bound by section 43(3)(b) to comply with the Codes of Practice[30] issued by the CPSA under section .23(1). The published Codes set out the principles and practices underpinning proper running of licensed recruitment processes (the main principles of the codes are those of probity, merit, equity and fairness),

- PAS is subject to ongoing oversight by the CPSA as to how PAS complies with the Codes and the other relevant requirements, and

- Oversight includes being subject to potential review/investigation by CPSA should a significant breach of the Codes be suspected. Should PAS be found to be in serious breach of its obligations, there is the possibility that its licence could be revoked.

The various principles underpinning the Codes of Practice are listed in section 23(2)(a) of the Act including the requirement to ensure that licence holders, such as PAS, observe "the implementation of best practice and good governance".

The Codes of Practice create clear governance and performance obligations for PAS as regards all aspects of the recruitment process, from defining a role through to the making of an appointment. They create a regulatory environment within which PAS must operate in a transparent and accountable way, including the requirement that PAS provides clear and compliant review and appeal mechanisms for candidates.

Development of PAS Compliance Framework

The work to document the PAS Compliance Framework involved identifying the key compliance requirements arising for PAS and categorising these under the headings shown below.

A	**Compliance obligation arising from a statutory requirement** – For example, Protected Disclosures Act, 2014, Freedom of Information Act, 2014 or Public Service Management (Recruitment and Appointments) Act, 2004 (including CPSA requirements).
B	**Compliance obligation arising from a Government Decision** – For example; the Guidelines on Appointments to State Boards, November 2014.
C	**Compliance obligation arising from a significant Administrative or Policy Initiative** – For example, Public Financial Procedures or Risk Management Guidelines .

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[30] Codes are available here: http://www.cpsa.ie/en/Publications/Codes-of-Practice/

For each obligation identified, a detailed 'Compliance Status Report' has been developed which describes the systems and procedures in place to meet the particular compliance requirements. Each Compliance Status Report also identifies the particular person within PAS who is responsible for the particular system/process and for providing assurance to the Chief Executive and Management Board that the relevant obligations have been met. The format of a Compliance Status Report is shown overleaf.

Public Appointments Service
COMPLIANCE STATUS REPORT
Compliance with Ethics/Standards in Public Office Legislation

Responsible Officer

Catherine Dobbins

Compliance Obligation

Compliance with Ethics in Public Office Legislation, including:

- Notifying designated persons of their obligations on appointment and annually
- Notifying Board members of their obligations on appointment and annually

Source Obligation

Ethics in Public Office Act 1995 and Standards in Public Office Act 2001

http://www.sipo.gov.ie/en/About-Us/Legislation/

Who is the auditor/enforcer/controller?

Standards in Public Office Commission

Process (How is assurance provided to the Chief Executive?)

Letters informing designated officials and Board members of their obligations are issued on appointment and are also issued annually. A report on the issue of such letters is made to the Management Board annually.

Who is involved in the process?

Lead officials – Catherine Dobbins

Input from PAS HR Unit

Is the Responsible Officer happy that participants in the process are aware of compliance obligations, respond as required and have captured requirements in section level procedures?	Green	Amber	Red
	X	☐	☐
	Yes	Some Issues	Significant Issues

When was the last audit of these procedures?	Click here to enter a date.	
Have all recommendations from that audit been implemented?	**Yes**	**No**
	☐	☐

Brief description of any issues with compliance procedures

Reminders are required to be issued to ensure everyone acknowledges that they understand their obligations

The PAS Compliance Framework will be kept actively under review so it is a "live" document reflecting ongoing changes in the compliance environment of PAS.

Figure 2: PAS Assurance Framework

Minister / Oireachtas / PAC

Chief Executive/Accounting Officer & PAS Board

Central Guidance: Ethics Legislative Framework, Corporate Governance & Risk Management Guidelines, Public Spending Code, Departmental Guidance etc.

Audit Committee: Provides independent assurance on the adequacy and effectiveness of the governance arrangements, including risk management and the control environment.

Management Board: Receive / Provide reports on performance and risk management to inform key decisions.

KEY SOURCES OF ASSURANCE

Internal Audit Independent opinion on the adequacy of, and compliance with, internal control.

Procurement Provision of oversight and reporting role on compliance with legislation.

Risk Management Outcomes from risk assessment and evaluation as documented in Corporate and Business Unit Risk Registers. PO-level monitoring of risk registers. Formal review of Corporate Risk Register by Management Board.

Internal Management Day-to-day management of services. Financial Management; Business & Strategic Plans. Performance Management Framework. Corporate Governance Code & Framework. Programme Management Arrangements, processes and procedures. Customer service& complaints processes. Quality assurance etc.

Other (Internal) Business Process Improvement Strategic Projects, External Benchmarking etc. Service Level Agreement obligations / MOUs etc.

Other (external) CPSA Reviews/Audits H&S Reports; Ombudsman; Information Comm., Data Protection Commissioner, etc.

C&AG-External Audit: Independent scrutiny of the effectiveness of the financial control environment including financial reporting, internal control, risk management and VFM. Control improvements highlighted in Statutory Audit Reports and other auditor reports.