

Code of Governance Manual
for the
National Paediatric Hospital Development Board
(Project to build the Children's Hospital of Ireland)

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1) INTRODUCTION

The National Paediatric Hospital Development Board (the “**Board**”) is committed to operating to the highest standards of efficient and effective corporate governance. This is particularly important given the values that drive the approach and behaviour of the Board to subject itself to the highest standards of scrutiny.

This manual sets out the systems and processes by which the Board directs and controls its functions and manages its business. The manual is intended to guide Board members (and the Executive and project teams, where appropriate) in performing their duties to the highest standards of accountability, integrity and propriety. It should be read as a supplement to existing requirements as set out both in statute and in Government-approved guidelines (See Appendix I – NPHD Board Governance - Overview of Statutory and Legislative Requirements and Government Approved Guidelines), and all Board approved policies and procedures.

The Board had previously adopted the Code of Practice for the Governance of State Bodies 2009, which was replaced on 1 September 2016 by the Code of Governance for State Bodies 2016 (the “**Code**”), and has begun reviewing and implementing the additional provisions of that Code. The Board is committed to maintaining the highest standards of corporate governance, and to monitoring compliance on an on-going basis.

All relevant legislation, regulations and government approved guideline are reviewed on an annual basis for any changes or updates, along with all applicable Government Department circulars issued during the year. The Annual Governance Review Schedule is completed to ensure that the Board is fully compliant and appropriate controls and/or procedures are put in place on foot of any changes, as required.

The Board will consist of thirteen persons made up of a chairperson appointed by the Minister and twelve ordinary members appointed by the Minister¹ and an Executive consisting of a Project Director, Finance Officer and Medical Director (part-time) together with such other Project Staff appointed from time to time supporting the Board, appointed in accordance with Article 17 of S.I. No. 246 of 2007.

The Board and Executive rely on any consultants contracted to the Board to ensure that all of their dealings with the Board and the Executive comply with the highest standards of efficient and effective corporate governance. As the primary work of the Board will be completed via a series of contracts, the Board will be reliant on consultants to deliver on the work as specified in their contracts. In doing so, the Board expect these consultants to conduct themselves in accordance with accepted best practice, to maintain proper standards of integrity, conduct and concern for the public interest, and to comply with the highest standards of corporate governance.

This manual contains the following key documents:

1. Code of Governance

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

¹ S.I. No. 246 of 2007, article 9

2. Code of Business Conduct

This code sets out the guidelines for ensuring that the Board conducts its business to the highest possible standards of integrity and ethics and reflects the obligations on Board members, the Executive and individuals contracted, either directly or indirectly by the Board in the discharge of their public duties.

3. Standing Orders of the Board

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

4. Formal Schedule of Matters for Board Decision

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

5. Committees of the Board

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

6. Conflict of Interest Policy & Procedure

This Policy reflects the emphasis, which the Board places on the avoidance of occasions where conflict of interest may arise and sets out principles for the management of real and potential conflicts of interest. The procedure sets out the practical means by which a conflict of interest or potential conflict of interest situation is managed.

7. Charter for the Internal Audit Function

This sets out a formal charter for the Internal Audit function.

It is intended for this manual to be part of the induction programme for Board members, the Executive and contractors and it will be subject to annual review and updated as required.

2) CODE OF GOVERNANCE

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1. CONTEXT

In accordance with Statutory Instrument No. 246 of 2007 and informed by the Framework for Corporate and Financial Governance as well as the “Code of Practice for the Governance of State Bodies”, a Code of Governance for the Board has been compiled and is reviewed annually. This Code provides guidance only and is not a substitute for the full requirements as set out both in statute and in Government approved guidelines. The objective is to provide a practical approach to the effective discharging of obligations as a Board and as individual Board Members.

Subject to approval by the Minister for Health, the Board has agreed to keep this code under continuous review and to update it as necessary and in accordance with the development of the Children's Hospital of Ireland and any additional new public sector requirements.

This Code provides for appropriate structures and procedures to ensure a robust framework for the governance and accountability of the Board.

2. DEFINITIONS

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

- **‘Board’**, the National Paediatric Hospital Development Board, established under S.I. No 246 of 2007, appointed by the Minister;
- **‘Children's Hospital of Ireland’**, the project to build the new children's hospital, at St James's Hospital Campus established under S.I. No 246 of 2007. It is intended that this statutory instrument will be updated in due course;
- **‘DOH’**, the Department of Health;
- **‘Executive’**, the Executive appointed by the Board including the Project Director, Finance Officer and Medical Director together with such other Project Staff as appointed by the Board from time to time;
- **‘HSE’**, the Health Service Executive established under the Health Act, 2004;
- **‘Minister’**, the Minister for Health;
- **‘Project Director’**, the person appointed as Project Director by the Board, with the approval of the Minister, who is carrying on and managing the administration and business of the Board; and
- **‘Secretary’**, the secretary of the Board; and
- **‘S.I. No 246 of 2007’**, Statutory Instrument No 246 of 2007, establishing the National Paediatric Hospital Development Board.

3. INTRODUCTION

The Board is a body corporate with functions and responsibilities as set out under article 5 of S.I. No 246 of 2007. This Code of Governance sets out a corporate governance best practice framework within which the Board wishes to operate. It includes standards of conduct and probity that the Board members, the Executive and anybody contracted by the Board are required to observe. Members of the Board, the Executive or anybody contracted by the Board subscribe to an identified Code of Business Conduct.

The specific remits of the Board as set out, inter alia, in article 5(1) of S.I. 246 of 2007 are as follows:

- to plan, design, build, furnish and equip a national paediatric hospital (“**the Children’s Hospital of Ireland**”) in accordance with a brief approved by the HSE with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the HSE in consultation with the Board, and with the prior consent of the Minister; and
- do any other thing as is necessary for the performance of its functions.

It is intended that there will be a change to S.I. No. 246 of 2007 such that the following remits will be transferred from the Board to the Children’s Hospital Group Board in due course. However, at present this currently remains within the auspices of S.I. No. 246 of 2007.

- *in consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital;*
- *in consultation with the relevant hospitals, prepare a human resource strategy for the transfer of the hospitals;*
- *explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the hospital, and foster the philanthropic interests that already exist in relation to the provision of paediatric services;*

4. GUIDING PRINCIPLES OF THE BOARD

The Board shall observe the highest standards of probity in relation to the stewardship of public funds and the exercise of its functions; maximise value for money, through ensuring that duties are delivered in the most economical, efficient and effective way, within available resources; demonstrate adherence to the Board’s core functions in accordance with S.I. No 246 of 2007. The Board shall be accountable to the body public and the Minister (through the DOH), for its activities, its stewardship of public funds and the extent to which key deliverables and objectives have been met.

5. STRUCTURE OF THE BOARD

5.1 Introduction²

Article 4 of S.I. No 246 of 2007 provides that the Board is the governing body of the project to build the Children’s Hospital of Ireland with the power to perform the functions of the Board. The Board’s role is to provide leadership and direction to achieve its stated aim within a framework of prudent and effective controls which enables risk to be assessed and managed.

The powers and responsibilities of the Board are exercised jointly by its members, (each Board member therefore has statutory and fiduciary duties in discharging such duties).

² Refer to sections 1.24, 2.4 and 4.2 of the ‘Code of Practice for the Governance of State Bodies 2016’

The Board constantly reviews its own operation and seeks to identify ways of improving its effectiveness.

The Board has the key role in setting the ethical tone of the Board: not only by its own actions but also in overseeing senior management and staff. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Board (subject to the objectives set by Government). The Board should lead by example and ensure that good standards of governance and ethical behaviours permeate all levels of the organisation.

5.2 Collective Responsibility & Delegation

The Board is collectively responsible for leading and directing the Board's activities.

All Board members should be afforded the opportunity to fully contribute to the deliberations of the Board and, where necessary, provide constructive challenge, while excessive influence on Board decision-making by one or more individual members should be guarded against. Matters which are reserved for the Board are outlined on pages 53 – 54.

The Project Director is responsible to the Board for the implementation of the Board's policies. The Project Director in turn delegates or sub-delegates functions to the Executive (Finance Officer, Medical Director and such other Project Staff as appointed from time to time) and contractors employed to support the Board.

While the Board may delegate particular functions to management the exercise of the power of delegation does not absolve the Board from the duty to supervise the discharge of the delegated functions.

5.3 Authority and Membership of the Board³

- The seal of the Board shall be authenticated by the signature of the Chairperson or such other member of the Board authorised by the Board to act in that behalf, and by the signature of an officer of the Board authorised by the Board in that behalf.
- The Board's authority is derived from the S.I. No 246 of 2007 and the appointment of the Chairperson and Board members by the Minister (through the DOH) pursuant to S.I. No 246 of 2007.
- The Board shall consist of thirteen members (including the Chairperson and twelve ordinary members) appointed by the Minister as specified in Article 9.(2)(a) of S.I. No. 246 of 2007.
- Of the ordinary members of the Board⁴,
 - a) three shall be appointed to represent the interests of the general public;
 - b) three shall be appointed on the nomination of the Chairperson;
 - c) two shall be appointed on the nomination of the Health Service Executive;
 - d) one shall be appointed on the nomination of Our Lady's Children's Hospital, Crumlin;
 - e) one shall be appointed on the nomination of the Children's University Hospital, Temple Street;

³ Refer to section 4.2 of the 'Code of Practice for the Governance of State Bodies 2016'

⁴ It is intended that the composition of membership of the Board outlined by S.I. No. 246 of 2007 will be changed over time to reflect the needs of the Project.

- f) one shall be appointed on the nomination of the National Children's Hospital at Tallaght;
- g) one shall be appointed on the nomination of the Faculty of Paediatrics, Royal College of Physicians or Ireland.
- The term of office of a member of the Board, including the Chairperson, shall be five years.
- The Chairperson or members shall hold office for the period for which he or she is appointed, unless he or she dies or resigns by letter addressed to the Minister or is removed from the Board by the Minister if, in the Minister's opinion, the member has become incapable through ill-health of performing his or her functions, or has committed stated misbehaviour, or his or her removal appears to the Minister to be necessary for the effective performance by the Board of its functions, or the Minister is satisfied that the member has failed to comply with Disclosure of Interest provisions.
- In the event of a casual vacancy arising, through the death, resignation or cessation of membership of a member of the Board, including the position of Chairperson, the vacancy may be filled by appointment by the Minister as specified in Article 9(6) of S.I. No. 246 of 2007.
- Where the Chairperson is of the view that specific skills are required on the Board, he/she advises the Minister of this view for his/her consideration sufficiently in advance of a time when board vacancies are due to arise in order that the Minister may take the Chair's views into consideration when making appointments.
- It is the Chairperson's duty to ensure that no individual member, or interest, has excessive influence on decision making and that all members have an equal opportunity to participate in debate and final decisions.

5.4 Briefing for new Board Members⁵

The Project Director/FO shall assure induction, training and maintenance of corporate governance material and information for Board members.

The Board shall undergo orientation through a planned induction programme including an initial briefing session to ensure that they understand their responsibilities and duties, and the Board's functions and services, including their obligations in relation to confidentiality and to act in good faith and in the best interests of the Board. At this session, the Project Director/FO will brief the new Members on the following:

- Overview of Board approved policies & procedures
- Outline of the Project Plan
- Outline of Short to Medium term key deliverables
- Overview of Financial plan and financial reports

The Project Director/FO shall supply new Board members with the following information:

- A formal schedule of matters reserved to the Board for decisions;
- Procedures for obtaining information on relevant new laws and regulations;
- Procedures to be followed when, exceptionally, decisions are required between Board meetings;

⁵ Refer to section 3.7 of the 'Code of Practice for the Governance of State Bodies 2016'

- A schedule detailing the composition of all committees and their terms of reference;
- A statement explaining the Board Members' responsibilities in relation to the preparation of the accounts, the Board's system of internal control and audit;
- A statement informing the Board Members that they have access to the advice and services of the Secretary;
- A copy of the code of ethics/conduct for Board Members, including requirements for disclosure of Directors' interest and procedures for dealing with conflicts of interest situations;
- A copy of relevant legislation together with the most up to date version of the Code of Practice for the Governance of State Bodies and any relevant circulars and/or guidance notes; and
- A listing of the statutory requirements relating to the Board.

5.5 Primary functions of the Board

The governance structure for the project is divided between the Board, the Children's Hospital Project and Programme ("CHP&P") Steering Group and the CHP&P Board.

In accordance with Article 5(1) of S.I. No. 246 of 2007, the primary functions of the Board in relation to the project shall be:

- to plan, design, build, furnish and equip a national paediatric hospital ("the hospital") in accordance with the brief approved by the HSE with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the HSE in consultation with the Board, and with the prior consent of the Minister;
- do any other thing as is necessary for the performance of its functions.

Article 5(2) Without prejudice to the generality of 5(1)(a), the Board shall:

- in the planning, designing, building, furnishing and equipping of the education and training facilities at the hospital in accordance with the brief, consult with the relevant hospitals and such educational and training institutions as it considers appropriate;
- in the planning, designing, building, furnishing and equipping of the research facilities at the hospital in accordance with the brief, consult with the relevant hospitals and such research institutions as it considers appropriate;
- in the planning, designing, building, furnishing and equipping of the accommodation and facilities for the families of patients attending the hospital in accordance with the brief, consult with the relevant hospitals and such charitable organisations as it considers appropriate.

It is intended that in due course that the following activities and duties under Article 5(1) will be transferred to the Children's Hospital Group although currently this remains within the remit of S.I. No. 246 of 2007.

- In consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital;
- In consultation with the relevant hospitals, prepare a human resource strategy for the transfer to the hospital;

- Explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the hospital, and foster the philanthropic interests that already exist in relation to the provision of children's hospitals' services;
- [In the planning, designing, building, furnishing and equipping of the education and training facilities at the hospital in accordance with the brief, consult with the relevant hospitals and such educational and training institutions, research institutions and charitable organisations as it appropriate].

It is intended that the brief to be provided under Article 5(2) will be provided by the Children's Hospital Group as approved by the Board.

5.6 Duties and Responsibilities of the Board⁶

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

- establish the strategic direction of the Board, within the framework laid down by S.I. No 246 of 2007 and the resources allocated to it
- direct, support and evaluate the Project Director
- ensure that the Board complies with all statutory and administrative requirements for the use of public funds
- provide reports and assist the CHP&P Steering Group and the CHP&P Board
- ensure all necessary processes and structures are in place to guarantee appropriate reporting, monitoring, oversight and compliance for the duration of the project⁷
- fully engage in impartial and balanced consideration of all issues
- exercise independent judgement on issues of strategy, performance, resources, key appointments, and standards of conduct
- carefully weigh the views of the Minister and consideration of the public interest in strategic planning
- approve an annual plan and/or budget and formally undertake an evaluation of actual performance by reference to the plan and/or budget on an annual basis
- state in the annual report that they are responsible for preparing the accounts along with a statement by the external auditors about their reporting responsibilities
- ensure that the Chairperson keeps the Minister (through the DOH) advised of matters arising
- assure the Board's system of internal financial control, operations compliance and risk management following the appointment of the new Design Team (this requirement is delegated to the Audit and Risk Committee who report to the Board on these matters)
- contribute to any Committee of the Board
- share corporate responsibility for all Board decisions

⁶ Refer to section 3.1 – 3.4 of the Code of Practice for the Governance of State Bodies 2016

⁷ Condition of DOH Consent (27 April 2017)

- be objective in their work on behalf of the Board
- ensure full compliance with Conflict of Interest Policy and Procedure and Codes of Governance and Business Conduct
- take all necessary steps to make themselves aware of any relevant information and access all information as necessary to discharge their duties effectively
- ensure that the person appointed as Secretary has the skills necessary to discharge their statutory and legal duties (and such other duties as may be delegated by the Board). Both the appointment and removal of the Secretary of the Board should be a matter for the Board as a whole.
- treat papers marked for non-disclosure as confidential to themselves, not discuss them with others outside the Board, not leave them unattended and where others may obtain access to them, and dispose of them appropriately. In addition, where a Board member resigns or is relieved of its position it shall return all confidential information, including but not limited to all Board papers, to the Secretary.

In addition, each Board member is individually responsible for:

- on appointment to the Board furnishing to the secretary to the Board details relating to his/her employment and all other business interests including shareholdings, professional relationships, etc. which could involve a conflict of interest or could materially influence the member in relation to the performance of his functions as a member of the Board
- complying with all aspects of this Code of Governance, which includes their declaration of all relevant interests
- informing the Board, via the Chairperson, of any new appointments they accept which may impinge on, or conflict with, their duties as a Board member
- acting in good faith and in the best interests of the Board
- not disclosing, without the consent of the Board, save in accordance with law, any information obtained by him or her while performing duties as a member of the Board
- responding to any information requests made directly to him or her, relating to the activities of the Board, including referring any request to the Chairperson (or the Secretary of the Board on his or her behalf) for appropriate processing
- not misusing information gained in the course of their public service for personal gain or political purpose

5.7 Key Duties and Reporting Responsibilities of the Board⁸

The Board shall execute the following functions:

- In a Board resolution, lay down formal procedures whereby Board members, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the Board in accordance with Article 18 of S.I. No. 246 of 2007.
- The Board has in place a procedure for recording the concerns of Board members that cannot be resolved. The concerns are noted in the minutes of the Board meeting and therefore retained on permanent record. A log of all

⁸ Refer to section 2.3, 3.3 and 3.5 of the 'Code of Practice for the Governance of State Bodies 2016'

concerns raised is maintained. This is reviewed annually and the appropriate action taken, if required. The resolution of concerns are also documented in the minutes of the meeting that they were addressed.

- The Board shall have a formal schedule of matters specifically reserved to it for decision.
- The Board shall prepare annual plans and project plans indicating project completion date.
- The Board holds and retains overall responsibility for discharge of the key functions specified in S.I. No 246 of 2007. It shall comply with all statutory regulations and legal obligations which apply to the Board. Where individual Board members become aware of any non-compliance they are required to bring this to the attention of the Board with the intention of having the matter rectified. The matter shall also be brought to the attention of the Minister (through the DOH) by the Chairperson.
- The Board is vigilant in ensuring that the Chairperson advises the Minister (through the DOH) on any matter relevant to him/her as principal stakeholder and of any significant matter of public concern.
- The Minister (through the DOH) is notified of any matter for his/her decision or direction as required by S.I. No 246 of 2007.
- An Annual Report shall be submitted to the Minister (through the DOH) and published. In addition the accounts shall be provided to the Minister (through the DOH) and the Minister for Finance where applicable as required by this Code of Governance.
- The Board shall approve financial and accounting policies and supervise the production and submission of Annual Accounts. In the context of the annual statement of accounts the Board shall report on the progress of the project.
- The Board shall seek all necessary information to ensure that the Annual Report to the Minister (through the DOH) and the Annual Accounts present a true and fair, balanced and understandable assessment of the Board's position and performance.
- The annual accounts shall include the Project Director's annual basic salary, payments made to the Project Director under performance-related pay schemes and the total value of the Project Director's superannuation benefits or any additional benefits provided.
- The annual accounts are audited by the Comptroller and Auditor General. The Board through its Audit and Risk Committee shall meet with the external auditors at least once a year, without the Executive present, to ensure that there are no unresolved issues of concern.
- The Board shall approve the internal control structure of the Board and receive periodic reports on the effectiveness of these provisions. Internal controls should be reviewed annually.
- An annual progress report shall be submitted to the Minister (through the DOH).
- The Board shall approve expenditure budgets and monitor expenditure.
- The Board shall select and appoint the Project Director. The succession to the post of Project Director and the recruitment procedure for the appointment, which involves public advertisement, shall be a primary concern of the Board. It shall approve the related contract of employment,

including remuneration and institute a process of annual performance appraisal.

- The Board shall approve procedures for the making of all senior appointments to ensure objectivity and the quality of these appointments.
- Contracts for expenditure for a value in excess of €100,000 shall be approved by the Board. The Chairperson of the Board has authority to approve these contracts in between Board meetings and take them to the next Board meeting for ratification. Loans for capital works shall be approved by the Board. All expenditure of the Board fall under the capital works contracts, unless authorised by the Minister (through the DOH).
- The Board shall ensure that appropriate procurement procedures are implemented in accordance with relevant domestic and EU guidelines and regulations.
- The Board, through its Executive, shall ensure the appropriate expertise of the personnel responsible for the purchasing function of the Board and that they are properly conversant with all developments in this area.
- The Board shall ensure that in relation to payments to contractors, consultants and similar type payments all Tax Clearance and RCT requirements as set out in current Circulars 43 and 44 of 2006 as revised and updated on the 26 July 2012 by the Department of Finance relating to Public Sector Contracts are adhered to., <http://www.revenue.ie/>.
- Where the Board proposes the establishment of joint ventures, subsidiaries, or an expansion of the Board's current remit, the Board shall be required to receive approval in relation to same from the Minister (through the DOH).
- The Board shall ensure that a qualified management team and a robust management structure are in place.
- The Board shall appoint committees as it sees fit and determine their terms of reference.

5.8 Role of Board Members⁹

Each Board member has fiduciary duties to the Board, with the principal fiduciary duties being:

- to act in good faith in what the Board member considers to be the interest of the Board
- to act honestly and responsibly in relation to the conduct of the affairs of the Board
- to act in accordance with S.I. No. 246 of 2007 and exercise his or her powers only for the purposes allowed by law
- not to unjustly benefit from or use the Board's property, information or opportunities for his or her own or anyone else's benefit
- not, except in accordance with law, to agree to restrict the his or her power to exercise an independent judgment
- to comply with the Conflict of Interest Policy and Procedure and Codes of Governance and Business Conduct
- to exercise the care, skill and diligence which would be reasonably expected of a Board member

⁹ Refer to section 3.1 – 3.4 of the Code of Practice for the Governance of State Bodies 2016

Each Board member shall comply with the legal duties and obligations imposed by the Companies Act 2014, other statutes and common law.

If a Board member finds evidence that there is non-compliance with any statutory obligations that apply to the Board, he/she shall immediately bring this to the attention of their fellow Board members with a view to having the matter rectified.

Board members may, if necessary and in the furtherance of their duties, take independent professional advice at the reasonable expense of the Board and in accordance with the procedures set down by the Board in relation to same¹⁰.

5.9 Board Effectiveness¹¹

In order to discharge their respective roles and responsibilities effectively, the Board shall:

- hold such and so many meetings as may be necessary for the performance of its functions
- regularly update and refresh their skills and knowledge¹²
- allocate sufficient time to discharge its responsibilities effectively and Board members shall allocate sufficient time to enable this
- be supplied in a timely manner with information (in a form and of a quality appropriate) to enable it to discharge its duties
- the identification of any gaps in Board competencies and ways these gaps could be addressed through future appointments (such gaps to be communicated to the Minister by the Chairperson)
- undertake an annual self-assessment evaluation of its own performance and terms of reference (and that of its committees)
- carry out an external evaluation of the Board at least once every three years with effect from 1 September 2009¹³, being the commencement date of the Code of Practice for the Governance of State Bodies 2016
- state in its annual report how the Board operates, including a high level statement of which types of decisions are to be taken by the Board and those which are delegated
- state in its annual report the frequency of meetings of the Board (and its committees) and the attendance of each Board member at Board meetings

5.10 Chairperson¹⁴

The Chairperson is appointed by the Minister pursuant to Article 9 of S.I. No. 246 of 2007. The Chairperson promotes continuing high standards of integrity and probity in corporate governance and ensures there is effective communication with stakeholders. The Chairperson is responsible for the leadership and effectiveness of the Board on all aspects of its role.

The role of Chairperson and Project Director should not normally be combined. When this occurs, it should be with the consent of the Minister (through the DOH).

¹⁰ Are there procedures in place?

¹¹ Refer to section 4 of the Code of Practice for the Governance of State Bodies 2016

¹² This can be achieved by updates at monthly meetings, training in relation to significant developments and annual 'refresher' course.

¹³ The

¹⁴ Refer to section 2 of the Code of Practice for the Governance of State Bodies 2016

In the absence of the Chairperson at a Board meeting, the deputy Chairperson shall chair the meeting. In the absence of the Chairperson and the deputy Chairperson at a Board meeting, the remaining Board members present shall elect one of their number to chair the meeting.

5.11 Role and Responsibilities of the Chairperson¹⁵:

The specific roles and responsibilities of the Chairperson are as follows:

- the Chairperson should meet the Project Director in advance of a Board meeting to agree the agenda for the upcoming Board meeting
- the Chairperson is responsible for ensuring that the Board receives accurate, timely and clear information. The Chairperson should ensure effective communication with all relevant stakeholders
- the Chairperson (together with the Project Director) is responsible for the effective management of the Board's agenda for Board meetings and ensuring that adequate time is available for discussion of all agenda items at Board meetings (in particular strategic issues)
- the identification and communication to the Minister of the specific skills required on the Board sufficiently in advance of a time when expected Board vacancies are due to arise and to liaise and consult with the Minister in relation to same¹⁶ (having due regard to the benefits of diversity on the Board, including gender, and the avoidance of gender under-representation on the Board)¹⁷
- the Chairperson shall provide the necessary directions to the Secretary to ensure good information flows within the Board and its committees and between senior management, as well as facilitating induction, mentoring and assisting with ongoing professional development (as and when required)
- the promotion of a culture of openness and debate by facilitating the effective contribution of key management and all Board members
- represent the Board in its dealings with the Minister (through the DOH)
- promoting the work of the Board
- providing effective leadership to the Board
- ensuring Board members understand their respective roles and responsibilities and that the Board works effectively and efficiently
- ensuring that the Board holds such and so many meetings as may be necessary for the performance of its functions, chairing the meetings and ensuring that the minutes of the meeting accurately record the decisions taken and, where appropriate, the views of individual Board members
- ensuring that all meetings of the Board are conducted in accordance with the Standing Orders of the Board and with the Board's Code of Business Conduct
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Minister (through the DOH)

¹⁵ Refer to section 2 of the Code of Practice for the Governance of State Bodies 2016

¹⁶ Refer to section 4.3 of the Code of Practice for the Governance of State Bodies 2016

¹⁷ Refer to section 4.4 of the Code of Practice for the Governance of State Bodies 2016

- in conjunction with the annual report and accounts of the Board, furnish to the Minister (through the DOH) a comprehensive report (as required by the Code of Practice for the Governance of State Bodies 2016):
 - outlining all commercially significant developments affecting the Board in the preceding year, and major issues likely to arise in the short to medium term
 - when applicable, providing summary details of all off-balance sheet financial transactions that are not disclosed in the annual report and financial statements (including information on the nature, purpose and financial impact of the off-balance sheet financial transactions). The contents and format of this section of the report should be agreed in advance with the Minister
 - affirming that all appropriate procedures for financial reporting, internal audit, travel and procurement are being carried out
 - affirming that all appropriate procedures for financial reporting, internal audit, travel are being carried out
 - affirming adherence to the procurement policy and procedures and the development and implementation of the corporate procurement plan
 - including a statement on the system of internal financial control and including, in cases where a breach of this system has been identified, an outline of the steps that will be taken to guard against such a breach occurring in future
 - instances of non-competitive procurement
 - affirming that a Code of Business Conduct has been put in place and adhered to
 - affirming that Government policy on the pay of the Project Director and staff is being complied with
 - affirming that Government guidelines on the payment of Directors' fees are being complied with
 - explaining failure to comply with any of the above and stating any corrective action taken or contemplated
 - outlining significant post balance sheet events
 - confirming that the appropriate requirements of the Department of Public Expenditure and Reform Public Spending Code are being complied with
 - confirming that procedures are in place for the making of protected disclosures in accordance with section 21(1) of the 2014 Act and confirmation that the annual report required under section 22(1) of the 2014 Act has been published in accordance with the 2014 Act;
 - confirming that Government travel policy requirements are being complied with in all respects
 - confirming that the State body has complied with its obligations under tax law
 - providing details of/information on legal disputes involving other State bodies

- confirming that the Code of Practice for the Governance of State Bodies 2016 has been adopted and the extent to which it is being complied with subject to Board approval
- provide appropriate interim reports to the HSE and if requested, the Minister (through the DOH), on significant commercially sensitive developments and likely developments for the year.
- the Chairperson's report to the Minister regarding the system of internal control should be included in the annual report (following review by the external auditors to confirm that it (i) demonstrates compliance with the requirements of paragraph 1.9(iv) of the business and financial reporting requirements section of the Code of Governance for State Bodies 2016 and (ii) is consistent with the information of which they are aware from their audit of the financial statements).
- the Chairperson should confirm in the annual report that the Board is adhering to the relevant aspects of the Public Spending Code¹⁸.
- if there is non-compliance with any statutory obligations that apply to the Board, the Chairperson shall inform the Minister as to: (i) the consequences of such non-compliance and (ii) the corrective steps that have been or will be taken to rectify the situation¹⁹.
- establishing all relevant committees. This shall include an Audit and Risk Committee, Finance Committee, Procurement Committee, Planning Committee, Design Committee²⁰, Decant Committee, Organisational/Recruitment Committee, Healthcare Technology Committee²¹, Co/Tri Location Planning Committee²² Communications Committee²³ under the chair of a Board member.

5.12 Board Committees

The Board shall establish committees for specified purposes which can include appointees who are not members of the Board but have special knowledge and experience related to the purpose of committee.

The terms of reference of committees shall be determined by the Board. These committees shall act and furnish reports as directed by the Board.

Additional committees of the Board shall, but are not limited to, include the Audit and Risk Committee, Finance Committee, Procurement Committee, Planning Committee, Design Committee²⁴, Decant Committee, Organisational/Recruitment Committee, Healthcare Technology Committee²⁵, Co/Tri Location Planning Committee²⁶, Communications Committee²⁷.

All committees established by the Board shall be evaluated and reviewed by the Board on an annual basis.

A full list of the Committees and membership of the Committees is contained at pages 55 – 57.

¹⁸ Section 8.25, Code of Practice for the Governance of State Bodies 2016

¹⁹ Section 3.3, Code of Practice for the Governance of State Bodies 2016

²⁰ Joint Committee with the Children's Hospital Group Board

²¹ Joint Committee with the Children's Hospital Group Board

²² Joint Committee with the Children's Hospital Group Board

²³ Joint Committee with the Children's Hospital Group Board

²⁴ Joint Committee with the Children's Hospital Group Board

²⁵ Joint Committee with the Children's Hospital Group Board

²⁶ Joint Committee with the Children's Hospital Group Board

²⁷ Joint Committee with the Children's Hospital Group Board

5.13 Key Duties and Reporting Responsibilities of the Board Secretary

The following outlines the functions of the Board Secretary. This is not a comprehensive list and the person performing this role may have to use his or her initiative to ensure that all core functions are fulfilled.

- **Board Meetings**

Facilitating the smooth operation of the Board's formal decision making and reporting machinery, organising Board and committee meetings, properly notifying members in advance, formulating meeting agendas with the Chairperson and/or the Project Director, collecting, organising and distributing such information, documents or other papers required for such meetings, ensuring that all meetings are minuted and that such minutes are maintained and that all Board committees are properly constituted and provided with terms of reference.

- **Functions of the Board**

Ensuring that the Board operates within its functions under S.I. No 246 of 2007 as may be amended from time to time.

- **Books and Registers**

Maintaining such books and registers of the Board as required under S.I. No 246 of 2007, the Code of Governance of the Board, the Standing Orders of the Board and Department of Finance guidelines.

- **Reporting Requirements**

Ensuring that the Board submits such reports to the Minister (through the DOH), the HSE and such other appropriate bodies as required under S.I. No 246 of 2007 as may be amended from time to time by the Department of Finance guidelines.

- **Report on Accounts**

Co-ordinating the publication and distribution of the Board's Annual Report and accounts, in consultation with the Board's Chairperson.

- **Corporate Governance**

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

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

Ensure that Board procedures are followed and applicable rules and regulations are complied with. Applicable rules include those laid down in S.I. No 246 of 2007 and the Standing Orders of the Board and any directions of the Minister (through the DOH)

- **Seal of the Board**

Ensuring safe custody and proper use of the seal of the Board. The Secretary will maintain a record of the seal of the Board.

- **Board Offices**

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

- **Board Identity**

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

- **General Compliance**

Monitoring and laying in place procedures which allow for compliance with relevant regulatory and legal requirements, particularly under S.I. No 246 of 2007 including legal requirements and retention of documents.

The Secretary shall co-ordinate an objective performance management process for the review of the performance of the Chairperson of the Board and the committees of the Board on an annual basis.

5.14 Role of Project Director

The Project Director has the responsibility to ensure that the strategic direction agreed by the Board is followed and formulates policy proposals for the Board's consideration. The Project Director will provide leadership through his/her management of the day-to-day operations of the project and advice to the Board.

5.15 Duties and Responsibilities of Project Director

The Project Director shall be appointed by the Board and shall hold office for such period and upon such terms and conditions as the Board may, with the approval of the Minister (through the DOH), determine from time to time. It is anticipated that the role of Project Director will be addressed in the updated statutory instrument in due course, replacing reference to that of Chief Officer.

It is intended that the Project Director shall carry on, manage and control generally the administration and business of the Board and perform such other functions as may be determined by the Board.

The Project Director shall not be a member of the Board, but may attend at all Board meetings unless the Board otherwise decides.

KEY RESULT AREAS:

- 1) **Planning**

Being a key contributor to the planning process – development, execution and monitoring of plans.

- 2) **Financial Management and Control**

In conjunction with the Finance Officer, the design of appropriate financial controls and reporting structures and the provision of accurate financial information in a timely manner.

- 3) **Accountable Officer²⁸**

²⁸ Section 2, National Children's Hospital Project & Programme Governance (23 May 2017)

The Project Director is the accountable officer for the receipt of HSE capital grants and the associated spending to deliver the build programme on time and within budget.

4) **Compliance with Reporting and Regulatory Requirements**

Ensure establishment and maintenance of an accounting and financial control system which will enable the Board to meet its governance and reporting obligations and in particular in respect of the audit requirements under Section 5 of the Comptroller and Auditor General (Amendment) Act 1993. The Board shall in each year, not later than the 30th day of April prepare and adopt an Annual Report on the performance of its functions during the preceding year. The Project Director shall assist the Chairperson and the Board in the preparation and presentation of the Annual Report

5) **Relationships with External Consultants and Contractors Appointed by the Board**

Managing the performance and outcomes of such consultants and contractors and report accordingly and regularly to the Board.

Ensuring establishment of appropriate structures for monitoring and controlling all aspects of activities undertaken on behalf of the Board by external consultants and contractors.

6) **Supporting, Chairperson, the Board and Board Committees**

Ensuring requirements of the Chairperson, the Board and Board Committees are identified, understood and addressed on a periodic and ad hoc basis as appropriate.

PRINCIPAL DUTIES:

1) **Planning**

- Prepare financial budgets and plans in accordance with Board policy and in consultation with the Finance Officer.
- Plan and establish the accounting and reporting procedures to be used both by the Executive employed directly by the Board and by external consultants and contractors appointed by the Board.
- Evaluate and report to Board on plans developed by external consultants and contractors engaged to provide project support and project management services.
- Liaise as required and appropriate with State finance providers (i.e. Department of Health, HSE etc).
- To develop and implement an annual business plan which recognises key priorities and ensures that functions and services are established to ensure the delivery key objectives and targets.
- To recruit and retain a team who will be responsible for various functions within the organisation which are not resourced through external contractual arrangements.

It is intended that in due course that the following activities and duties will be transferred to the Children's Hospital Group although currently this remains within the remit of S.I. No. 246 of 2007.

- In consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital;

- In consultation with the relevant hospitals, prepare a human resource strategy for the transfer to the hospital;
- Explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the hospital, and foster the philanthropic interests that already exist in relation to the provision of children's hospitals' services;
- In the planning, designing, building, furnishing and equipping of the education and training facilities at the hospital in accordance with the brief, consult with the relevant hospitals and such educational and training institutions, research institutions and charitable organisations as it appropriate

2) Financial Management and Control

- Work closely with the Finance Officer on all matters in regard to finance and financial accounting and control.
- Develop and implement Board approved manual of policies and procedures to be applied across all Board activities.
- In conjunction with the Finance Officer, review and monitor the financial reporting and controls being applied by external consultants and contractors appointed by the Board to provide project support services.
- Establish and maintain appropriate monthly financial and management reporting for the Board and present on specific financial and management information topics as requested by the Chairperson and the Board

3) Compliance and Reporting and Regulatory Requirements

- The Project Director will work closely with the Finance Officer to ensure the highest standards of compliance with reporting and regulatory requirements.
- Ensure that monthly accounts are prepared promptly and that they show the current position in relation to budget for all of the main activities and expenditure and prepare an accompanying report commenting on the major features.
- Keep the financial position of the Board under constant review and ensure that all short and long term financial requirements are adequately provided for.
- Ensure that all financial transactions of the Board are properly authorised, approved and recorded.
- Prepare the Annual Financial Statement within three months of the end of the previous year for submission to the Comptroller and Auditor General.
- Coordinate the preparation and submission of the related supporting information to facilitate audit by the Comptroller and Auditor General in accordance with Section 5 of the Comptroller and Auditor General (Amendment) Act 1993.
- Ensure that the annual financial statements are presented in accordance with Section 11 of the Comptroller and Auditor General (Amendment) Act 1993.

4) Relationships with External Consultants and Contractors and Appointed by the Board.

- Pivotal role in managing contractual, commercial, and performance and aspects of these arrangements.

- Lead role in facilitating involvement of such external parties in a manner which ensures effectiveness and efficiencies are optimised.
 - Facilitation will include engagement with stakeholders and others whose involvement and co-operation will be critical to achieving progress on the various work streams which will be developed as part of the planning process.
 - Primary responsibility for monitoring performance against plan and for reporting to the Board or committees of the Board.
 - Developing and maintaining appropriate structures (e.g. Committees) to ensure that the Executive and external consultants and contractors achieve a common and effective team approach which will represent best practices in project management and the best outcome for the Board.
- 5) **Board Committees.**
- The Board may appoint committees, whose members may include persons who are not members of the Board, to assist and advise the Board in relation to the carrying on of its day-to-day functions, or to furnish advice on particular aspects of its functions. The Project Director will ensure that such committees are assisted and fully supported in their proper functioning.

5.16 Duties and Responsibilities of the Finance Officer

KEY RESULT AREAS:

- 1) **Planning**
Being a key contributor to the planning process – development, execution and monitoring of plans.
- 2) **Financial Management and Control**
The design of appropriate financial controls, structures, budgets, cash flows and the provision of accurate financial information in a timely manner.
- 3) **Compliance with Reporting and Regulatory Requirements**
Ensure establishment and maintenance of an accounting and financial control system which will enable the Board to meet its governance and reporting obligations and in particular in respect of the audit requirements under Section 5 of the Comptroller and Auditor General (Amendment) Act, 1993.
- 4) **Relationships with External Consultants and Contractors Appointed by the Board**
Ensuring establishment of appropriate structures for monitoring and controlling all financial aspects of activities undertaken on behalf of the Board by external consultants and contractors.
- 5) **Supporting Project Director, Chairperson, the Board and Board Committees.**
Ensuring requirements of Project Director, Chairperson, the Board and Board Committees are identified, understood and addressed on a periodic basis as appropriate.

PRINCIPAL DUTIES:

1) Planning

- Prepare financial budgets and plans in accordance with Board policy and in consultation with the Project Director.
- Plan and establish the accounting and reporting procedures to be used both by the Executive employed directly by the Board and by external consultants and contractors appointed by the Board.
- Liaise as required and appropriate with State finance providers (i.e. Department of Health, HSE etc).

2) Financial Management and Control

- Direct all matters in regard to finance and financial accounting and control.
- Develop and implement Board approved manual of policies and procedures to be applied across all Board activities.
- Manage the production of all accounts and management information.
- Review and monitor the financial reporting and controls being applied by external consultants and contractors appointed by the Board to provide project support services.
- Establish and maintain appropriate monthly financial and management reporting for the Board and present on specific financial and management information topics as requested by the Project Director and Chairperson.

3) Compliance and Reporting and Regulatory Requirements

- Ensure that monthly accounts are prepared promptly and that they show the current position in relation to budget for all of the main activities and expenditure and prepare an accompanying report commenting on the major features.
- Keep the financial position of the Board under constant review and ensure that all short and long term financial requirements are adequately provided for.
- Ensure that all financial transactions of the Board are properly authorised, approved and recorded.
- Prepare the Annual Financial Statement within three months of the end of the previous year for submission to the Comptroller and Auditor General.
- Coordinate the preparation and submission of the related supporting information to facilitate audit by the Comptroller and Auditor General in accordance with Section 5 of the Comptroller and Auditor General (Amendment) Act 1993.
- Ensure that the annual financial statements are presented in accordance with Section 11 of the Comptroller and Auditor General (Amendment) Act 1993.
- See that all unrepresented cheques are reviewed on a regular basis and, if appropriate, reversed in the accounts on a timely basis.

4) Accountability

- The Financial Controller reports directly to the Project Director.

- The Financial Controller will be responsible for overseeing direct reports' performance.
- The Financial Controller will be responsible for advising, coordinating, consolidating and reviewing all financial related matters including such matters as are carried out through external contractual arrangements.

5.17 Duties and Responsibilities of the Medical Director

Key Duties:

The Medical Director will perform the following key functions

- Advise the Board and the HSE on all medical and clinical issues relating to the development of the Children's Hospital of Ireland.
- Provide medical input into the long-term vision for the new children's hospital.
- Support the Board in providing the direction, leadership and vision to meet its objectives, including the development of Philosophy, Principles and Model of Paediatric Care, locally and nationally.
- Provide effective leadership in the planning, development and delivery of clinical services in the Children's Hospital of Ireland.
- Interact internally with senior level management and provide the medical input required for the development of the design brief for the new children's hospital.
- Work with the three children's hospitals in order to plan combined services departments for the new facility and facilitate the development of a multidisciplinary approach to the management of all clinical issues.
- Develop and maintain relationships externally through Advisory Boards, Professional Associations and Meetings to develop a forum for-Hospital and Cross Specialty- engagement.
- Engage with academic and other relevant Institutions on Education, Training and Research requirements and facilities in the Children's Hospital of Ireland.
- In conjunction with the Board and the Executive team engage with children/ adolescents and their families, other service users and Voluntary Organisations in the planning of hospital facilities.
- Engage with providers on Education, Training and Research in the planning of the new children's hospital.
- In conjunction with the Board and the Executive Team develop care pathways and processes locally, regionally and nationally.
- Provide all medical input required with respect to commissioning of the Children's Hospital of Ireland (equipping, staffing, operational policies etc.) and participate as a key member of the Commissioning Team.
- Advise on and develop quality, safety, risk management and clinical governance provisions for the new children's hospital.
- Develop the structure for clinical and medical services
- Link in with paediatricians around the rest of the country to develop a national model of care (it is expected that another consultant will be appointed on a half time basis to assist in the development of the national services integration)

5.18 Internal Audit Function

The operation of the internal audit function should comply with the Charter for the Internal Audit Function which is included within this Corporate Governance Manual.

5.19 Devolved Functions

The Board may delegate any of its functions to the Project Director and/or Executive. They are individually accountable for assigned areas of delivery and control and are directly responsible to the Board.

5.20 Board Committees and Sub-Committees

The Board may appoint committees, whose members may include persons who are not members of the Board, to assist and advise the Board in relation to the carrying on of its day-to-day functions, or to furnish advice on particular aspects of its functions.

Any committee so appointed shall operate in accordance with Terms of Reference agreed by the Board, shall comply with any instructions given to it by the Board, and any expenditure by it will be subject to the prior consent of the Board.

Where a Committee member is not a Board member, the present Code of Conduct will be provided to that member and such member will be subject to the provisions of the Code.

5.21 Disclosure of Interests

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

6. REPORTING PROCESSES AND GUIDELINES

6.1 Introduction

It is the responsibility of the Project Director and Executive to ensure that the Board is supplied with accurate and timely information which enables it and the Chairperson to perform their respective functions under the S.I. No 246 of 2007 and their legal obligations and responsibilities to the Minister and other stakeholders.

6.2 Performance Management²⁹

Members of the Board shall review the achievements of the Board and the effectiveness of their individual and collective performance on an annual basis against set objectives for the project. The Board will also review the performance of its committees and individual Board members.

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

- financial performance;
- quality, efficiency and effectiveness of the Board's operations;
- strategic objectives and milestones.

²⁹ Section 4 (Board Effectiveness) of the 'Code of Practice for the Governance of State Bodies 2016'

The Organisation/Recruitment Committee of the Board shall set performance criteria for the Project Director annually.

7. INTERNAL CONTROLS AND RISK MANAGEMENT

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

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

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

7.1 Specific controls are as follows:

- Financial Performance (including internal audit)
- Staff and Specialist Consultants to provide project management, Facilities Management, Health and Safety, insurance and legal and records management

7.2 Specific internal control procedures are in place in relation to:

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

Additional committees of the Board shall, but are not limited to, include the Audit and Risk Committee, Finance Committee, Procurement Committee, Planning Committee, Design, Decanting and Shared Services Committee, Organisation/Recruitment, Model of Care Committee, ICT Committee and Communications Strategy Committee.

Findings of internal audits carried out by the internal audit function shall be presented to the Board and incorporated into the project plan.

7.3 Risk Management³⁰

The Board has developed a Risk Management Policy and the Board approves the risk management framework and monitors its effectiveness. The Board reviews material risk incidents and notes or approves management's actions, as appropriate. The Board approves the risk management business plan and risk register at least annually. It also reviews management reporting on risk management and notes/approves actions as appropriate.

The project to develop the new Children's Hospital and two satellite centres has a robust Risk Management Programme. This focuses on identifying all project related

³⁰ Refer to section 7.1 and 7.2 of the 'Code of Practice for the Governance of State Bodies 2016'

risks, which are grouped according to the individual project work streams, and mitigating actions identified. A project risk register is maintained and there is a quarterly risk review of the project which is attended by the NDFA, HSE and all project leads. The project lead for each work stream reviews the risk register ahead of the review and updates the register as required. At the risk review, all significant risks are identified, and a report is issued to all parties identifying the key issues. Significant risks are highlighted which must be brought to the attention of the Board.

A separate report on risks which are specific to the Board and its members is prepared for consideration by Board members, following submission through the Audit and Risk Committee.

Please see section on the decision making requirements of the Board in relation to Internal Controls and Risk Management.

8. RELATIONS WITH THE OIREACHTAS, MINISTER AND DOH ³¹

The Board operates under the aegis of the DOH and is committed to participation in ongoing dialogue with the DOH and the Minister based on a shared understanding of the Board's objectives and the actions through which it seeks to realise such objectives.

8.1 S.I. No 246 of 2007 (as amended)

The statutory basis of the Board is set out in S.I. No 246 of 2007 (as amended), which requires the Board:

- to plan, design, build, furnish and equip a national paediatric hospital in accordance with a brief approved by the Executive with the prior consent of the Minister (and subject to any subsequent variations to this brief as may be determined by the Executive in consultation with the Board, and with the prior consent of the Minister)
- to keep the Minister and the Executive informed of progress and provide such information relating to the discharge of its functions as may be requested by the Minister or the Executive

It is intended that in due course that the following activities and duties will be transferred to the Children's Hospital Group although currently this remains within the remit of S.I. No. 246 of 2007.

- to prepare plans, in consultation with the relevant hospitals, for the transfer of services from relevant hospitals to the Children's Hospital of Ireland
- to prepare, in consultation with the relevant hospitals, a human resource strategy for the transfer to the Children's Hospital of Ireland
- consult with the relevant hospitals, educational and training institutions, research institutions and charitable organisations (as appropriate) in the planning, designing, building, furnishing and equipping of the Children's Hospital of Ireland with educational and training facilities, research facilities, accommodation and facilities for the families of patients attending the Children's Hospital of Ireland
- to arrange for consultation over the course of the development of the Children's Hospital of Ireland with the relevant hospitals and any other body or person the Board considers appropriate

³¹ Refer to section 8 of the 'Code of Practice for the Governance of State Bodies 2016

8.2 Oversight role³²

- The Board shall co-operate with the DOH in relation to ensure that there are robust and effective governance arrangements in place (including the development of an oversight agreement with the DOH).
- The Board shall confirm compliance with the requirements of the Code of Practice for the Governance of State Bodies 2016 or where certain elements of the said code are not complied with in full, reach written agreement with the Minister on the extent to which the compliance requirement might be suitably adapted.
- The Board should note the agreement reached in its annual report and explain whether the requirements are to be phased-in over a longer period of time, or otherwise varied in some way.
- The Board should comply with all such reasonable requests for information / evidence from the DOH to demonstrate the Board's compliance with the Code of Practice for the Governance of State Bodies 2016.

8.3 Performance Delivery Agreement³³

- The Board has agreed a business case agreement ("**Business Case Agreement**") with the DOH and shall report to the Minister on progress against the targets stated in the Business Case Agreement.
- The Board shall ensure that the vision of the Business Case Agreement is communicated to all employees and such that employees have a clear understanding of their role in assisting the Board in achieving its objectives stated in the Business Case Agreement.

8.4 Periodic Critical Review³⁴

The Board shall cooperate with the DOH in relation to the DOH's periodic critical review of the Board by the DOH's Working Group (to be held not later than every 5 years).

8.5 Procedures for Procurement³⁵

- The Board shall ensure that the requirement for public procurement are adhered to and the Board are fully conversant with the current value thresholds for the application of EU and national procurement rules.
- The Board shall ensure that an instruction from the HSE in relation to the progression of phase B is received prior to progression of phase B procurement.
- The Board shall ensure that legally compliant procurement policies and procedures have been developed and published to all staff. One of the purposes of the Board's internal control is to detect non-compliance with procurement procedures.
- The Board shall arrange for a contracts database /listing for all contracts/payments in excess of €25,000 with monitoring systems in place to flag non-competitive procurement and instances of non-competitive

³² Refer to section 8.1, 8.2, 8.4 and 8.6 of the 'Code of Practice for the Governance of State Bodies 2016

³³ Refer to section 8.8 of the 'Code of Practice for the Governance of State Bodies 2016

³⁴ Refer to section 8.14 and 8.15 of the 'Code of Practice for the Governance of State Bodies 2016

³⁵ Refer to section 8.16 to 8.21 of the 'Code of Practice for the Governance of State Bodies 2016

procurement to be reported in the 40.02 register and the Chairperson's comprehensive report to the Minister.

- The Board shall develop and implement a corporate procurement plan³⁶ which sets out practical and strategic aims, objectives for improved procurement outcomes and appropriate measures to achieve these aims.
- The Chairperson shall affirm adherence to the relevant procurement policy and procedures and the development and implementation of the corporate procurement plan in the comprehensive report to the Minister.

8.6 Property Acquisition and Disposal of Surplus Property³⁷

- **Ministerial approval:** The Chairperson should seek the approval of (i) the Minister and (ii) the Minister for Public Expenditure and Reform in advance of any material acquisition or disposal of land, buildings or other material assets proposed by a State body. This also includes long term leases or purchase of right to use (rather than own) an asset.
- **Circulars:** In addition to Article 21 of S.I. No 246 of 2007 all acquisitions, disposals or proposals to share property should be conducted in accordance with current Department of Public Expenditure and Reform circulars and guidelines as follows: (i) Circular 11/15: Protocols for the Transfer and Sharing of State Property Assets (ii) Circular 17/2016: Policy for Property Acquisition and for Disposal of Surplus Property and (iii) Circular 02/16: Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service.
- **Independent Valuation:** Where land or property is being considered for acquisition an independent valuation must be obtained from professional property valuation surveyors before any decision is taken by the Board to purchase or sell lands.
- **Listing of parties to transaction:** All parties to land and property transactions should be clearly reported to the Board when transactions are being considered. Any Board resolution related to the purchase of land or property should state the party or parties the asset is being purchased from.
- **Options by Others to Purchase:** Where a third party developer has obtained an option to purchase land and is selling this option to a State body, any profit margin, where it can be determined, being charged by the developer should be reported to the Board.
- **Board Resolutions:** Any Board resolutions regarding the purchase or sale of an asset should state the price the asset has been purchased or sold for.
- **Transparency:** Purchase of land or property should be conducted in as transparent a manner as possible without compromising the negotiating position of the State body.
- **Legal matters:** A full due diligence report should be prepared for land or property that are being considered for acquisition. A staff member should be nominated to have responsibility for the acquisition, management and sale of land or property and the nominated staff member shall ensure that the commercial and technical aspects of the transaction are fully addressed. This staff member should report directly to the CEO regarding property issues. There should be a planned follow up with the solicitors involved to ensure that the title to any land or property acquired are

³⁶ The Office of Government Procurement Policy framework.

³⁷ Refer to section 8.22 and 8.23 of the 'Code of Practice for the Governance of State Bodies 2016'

properly registered with the Property Registration Authority. All land and property should be recorded on the online State Property Register managed by the Office of Public Works.

- **Review:** The Board shall follow up with its solicitors to ensure that any undertakings, obligations and other matters are completed following the acquisition or sale of land or property and instigate periodic reviews with their solicitors, (and any internal staff dealing with property management) to audit the current status of title registration, way leave agreements, leases, bonds, planning permissions and any other matters which affect their property portfolios.

8.7 Capital Investment Appraisal and the Public Spending Code³⁸

- The Board should ensure that robust and effective systems and procedures are in place to ensure compliance (as appropriate) with the relevant principles, requirements and guidelines of the Public Spending Code.
- The Board shall facilitate the establishment of a Steering Committee to carry out Value for Money & Policy Reviews and Appraisals.
- The Chairperson should confirm in the annual report that the Board is adhering to the relevant aspects of the Public Spending Code.

9. REMUNERATION AND EXPENSES³⁹

Remuneration and allowances for expenses, if any, are payable by the Board out of project budget to members of the Board and the members of committees of the Board, in accordance with Article 12 of S.I. No 246 of 2007 and the Code of Governance for State Bodies 2016 and its associated document on Remuneration and Superannuation.

The Minister for Health, with the consent of the Minister for Finance, has sanctioned the payment of fees to those members of the Board who do not receive a salary from the public purse. In accordance with a Government decision, the rate of payment to members of State boards is related to the salary level of the relevant Project Director.

The Board ensures that the fees paid are at the rates authorised by the Minister.

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

10. REPORTS AND ACCOUNTS OF STATE BODIES⁴⁰

The Board has a duty to ensure that a balanced, true, fair and understandable assessment of the Board's position is made when preparing the annual report and accounts and when submitting these to the Minister. The annual report should confirm the Board's compliance, or otherwise, with relevant tax laws.

The Board shall keep all proper and usual accounts of all moneys received or expended by the Board including an income and expenditure account and balance sheet and, in particular, shall keep all such special accounts as the Minister may from time to time require.

³⁸ Refer to section 8.25 to 8.26 of the 'Code of Practice for the Governance of State Bodies 2016'

³⁹ Refer to section 9 of the 'Code of Practice for the Governance of State Bodies 2016'

⁴⁰ Refer to sections 1.4 – 1.8 Business and Financial Reporting Requirements 'Code of Practice for the Governance of State Bodies 2016'

The Board has established procedures for maintaining an appropriate relationship with the Comptroller and Auditor General.

The following requirements should be adhered to:

- i) The Board should prepare the Annual Financial Statement within three months of the end of the previous year for submission to the Comptroller and Auditor General for its audit;
- ii) The Board should furnish to the Department of Health and the Department of Finance, not later than the end of the eighth month of the financial year, interim unaudited accounts for the first half of the year;
- iii) Draft unaudited accounts should be furnished to the Department of Health and the Department of Finance not later than two months after the end of the relevant financial year; and
- iv) The Board should publish (or if publication is not required, submit to the Government) its annual report and accounts not later than one month following completion of the audit of the accounts by the Comptroller and Auditor General and six months from the end of the financial year end.
- v) The Board should publish in their Reports details of fees paid to each Board Member, the expenses paid to the Board, broken down by category, and the salary of the Project Director.

The Internal Financial Controls are reviewed every January/February before the commencement of the external audit by the Finance Officer and the findings presented to the Audit and Risk Committee. The Chairperson's statement in the report to the Minister regarding the system of internal financial control is included in the annual report. This statement should be reviewed by the external auditors to confirm that it reflects the Board's compliance and is consistent with the information of which they are aware from their audit work.

Where the audit has been unavoidably delayed and fulfilling the requirements for filing of the annual report would cause unjustifiable difficulties for the Board, the relevant deadline can be extended, as an exceptional measure, subject to the consent of the Minister.

Annual reports should also be published on the website.

11. THE CODE OF BUSINESS CONDUCT

- The Code of Business Conduct sets out behaviour by which it requires the Executive and Board members to conduct its duties and is in accordance with the Ethical Principles outlined.
- The Board, while not a body incorporated under the Companies Act 2014, is committed to maintaining equivalent standards regarding the responsibility of directors to act in conformity with the applicable provisions of this Act, and as required under the terms of the Code of Practice for the Governance of State Bodies 2016.
- The Code of Business Conduct is adopted by the Board and a copy of the Code of Business Conduct shall be given to all staff members and shall be published on the Board's website.
- The Chairperson shall report to the Minister and affirm that the Codes of Business Conduct are in place and will also report on compliance in relation to same.

12. CODE OF PRACTICE REPORTS

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

- **Project Plan⁴¹**

The Board was established by Statutory Instrument S.I. No 246 of 2007 for a specific purpose to plan, design, build, furnish, equip and commission the new national paediatric hospital.

The Design Brief for the new design in respect of St James's Hospital will act as the project plan and is being prepared to be submitted to the Minister for approval.

Implementation of the Design Brief by management is supported through an annual or more regular planning and budgeting cycle. The Board approves the annual planning and budget and formally considers an evaluation of performance by reference to the plan and budget on an annual basis and reflects this, as appropriate, in the annual report.

A project plan update where applicable will be prepared at least annually including an Expenditure Plan.

- **Progress Reports**

In accordance with Article 8 of S.I. No 246 of 2007, the Board shall keep the Minister and the HSE informed of progress and provide such information relating to the discharge of its functions as may be requested by the Minister or the HSE. Progress reports are to be included in the Board's Annual Report on project development.

- **Code of Governance**

This Code of Governance Manual once approved by the Board will be submitted to the Minister/Department of Health/HSE.

- **Annual Report & Accounts⁴²**

The Board shall submit the Annual Report to the Minister not later than 21 days after adopting it.

The accounts of the Board shall be submitted to the Comptroller and Auditor General for audit as soon as practical and not later than 6 months after the end of the financial year to which the accounts relate and the audit of accounts shall be carried out by Comptroller and Auditor General.

3) PROTECTED DISCLOSURES ACT 2014⁴³

The Protected Disclosures Act 2014 (the "**2014 Act**") enables workers to raise a concern regarding potential wrongdoing in the workplace by the introduction of safeguards to ensure that workers can make protected disclosures without fear of penalisation or threat of less favourable treatment, discrimination or disadvantage.

The 2014 Act requires every public body to: (a) establish and maintain procedures for: (i) the making of disclosures by workers (and former workers) and (ii) dealing with such disclosures and (b) to provide written information relating to these procedures to workers. The 2014 Act provides a number of means by which a protected disclosure can be made (internal, regulatory and external).

⁴¹ Refer to section 1.7 and 1.8 of the 'Code of Practice for the Governance of State Bodies 2016

⁴² Refer to section 1.12, 1.13 and Section 6 of the 'Code of Practice for the Governance of State Bodies 2016'

⁴³ Refer to section 1.14 of the 'Code of Practice for the Governance of State Bodies 2016

The Board is fully committed to the promotion of an environment for addressing concerns relating to a potential wrongdoing in the workplace and to provide the necessary support for workers that raise protected disclosures (as defined in the 2014 Act).

The Board has adopted a Protected Disclosures Policy which has been circulated to all staff and publishes a report annually (not later than 30 June in each year) in accordance with section 22 of the 2014 Act.

The Protected Disclosures Policy is available on our website (www.newchildrenshospital.ie).

4) CODE OF BUSINESS CONDUCT

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1. INTRODUCTION

1.1 General

The Board has adopted the Code of Practice for the Governance of State Bodies 2016, which was an update of the previous 2009 code. The Board is committed to maintaining the highest standards of Corporate Governance best practice and compliance will be monitored on an on-going basis. The Project Director together with the Financial Officer and Medical Director are responsible for ensuring that Board decisions on procedures and controls are implemented and that relevant legislation, regulations and guidelines are complied with.

In discharging its functions, the Board has appointed a Project Director and Executive Staff. These executives will together with other support staff appointed by the Board represent the management team. The Board will discharge its functions through this management team and through external consultants and contractors who will be appointed under public tendering arrangements.

This document sets out guidelines as to how this will be achieved. Guidelines are formulated to reflect obligations falling on Board and the Executive in their discharge of public duties.

It is the responsibility of:

- Board members
- Project Director/Board Secretary/Finance Officer

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

1.2 Scope

This Code of Business Conduct (the “**Code**”) covers the Board, Board Committees, the Executive Team and such Project Staff as appointed from time to time.

1.3 Contractual Arrangements

The Code will be reviewed annually to determine how best to reflect the nature of the contractual relationships which derive from the engagement of external firms/consortia.

1.4 Ethics and Standards

The provisions of the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 are being implemented. The Board has implemented the updated Ethics in Public Office Acts Regulations (SI No.15 of 2010), the Ethics in Public Office (Prescribed Public bodies, Designated Directorships of Public bodies and Designated Positions in Public Bodies) Regulations 2004 (as amended, including by SI No 15 of 2010 and the Ethics in Public Office (Prescribed Public Bodies, Designated Positions in Public Bodies)(Amendment) Regulations 2013 (SI No 271 of 2013)).

1.5 Board Mission Statement

The Board Mission is to plan, design, build, furnish and equip a national paediatric hospital in accordance with a brief approved by the HSE with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the HSE in consultation with the Board, and with the prior consent of the Minister.

1.6 The Purpose of the Code is:

- To enable Board to provide a professional and effective service to its stakeholders
- To outline responsibilities and roles of key parties paying particular attention to that of the Board, Chairperson and Project Director
- To establish an agreed set of ethical principles
- To promote and maintain confidence and trust
- To prevent development or acceptance of unethical practices
- To ensure a strong and effective system of internal control is maintained
- To meet publicly declared standards and comply with legal requirements
- To show the maximum degree of public accountability to its stakeholders
- To meet the requirements under the Code of Practice for the Governance of State Bodies 2016.

2. CODE OF BUSINESS CONDUCT

Board Members, Committee Members, Executive Management and Staff should observe the highest standards of honesty and integrity. To ensure this, they should adhere to the following principles:

2.1 Integrity

- submit annually, where there is an interest to be declared, a declaration of interests statement in accordance with the requirements of the Ethics in Public Offices Acts 1995 and 2001 (available on the MinutePad). Further details are set out in Section 4 General.
- exclude themselves from discussions or decisions involving conflicts of interest whether or not such conflicts have previously been disclosed
- ensure that Board accounts and reports accurately reflect all monies received or expended by the Board including an income and expenditure account and balance sheet and, in particular, shall keep all such special accounts as the Minister may from time to time require
- avoid the use of Board resources or time for personal gain or for the benefit of persons/organisations unconnected with the Board or its activities
- not use any information obtained by virtue of their position for personal gain
- avoid involvement in outside employment or business interests in conflict or in potential conflict with the business of the Board
- avoid giving or receiving corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect their ability to make independent judgement on business transactions
- conduct purchasing activities of goods/services in accordance with best business practice
- commit not to acquire information or business secrets by improper means
- the Board may accept gifts of money, land or other property on such trusts or conditions (if any) as may be specified by the donor. The Board may not accept a gift if the trusts or conditions attaching to it would be inconsistent with the Board's object or functions or with any obligations imposed on it by its governing legislation

- the Board may accept services provided from time to time on a philanthropic basis by individuals or organisations where there are no stated or implied conditions attaching to such services
- A person shall not, without the consent of the Board, disclose, save in accordance with law, any information obtained by him or her while performing his or her duties as Chairperson, as a member of the Board, as Project Director, as a member of staff, as a consultant or adviser to the Board, or as a member of a committee of the Board

2.2 Attraction of Benefits

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

2.3 Unjust Enrichments

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

2.4 Information

- support the provision of access by the Board to general information relating to the Board's activities in a way that is open and that enhances its accountability to the general public
- respect the confidentiality of sensitive information held by the Board. This would constitute material such as:
 - commercially sensitive information (including but not limited to future plans or details of major organisational changes) and especially on client data
 - project sensitive information
 - personal information
 - information received in confidence by the Board
- observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest
- comply with relevant statutory provisions relating to access to information, as appropriate (e.g. Data Protection Acts, Freedom of Information Acts)
- ensure that they maintain the confidentiality of all information obtained by virtue of their position

Board members, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the Board

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

2.5 Obligations

- fulfil all regulatory and statutory obligations imposed on the Board
- comply with detailed tendering and purchasing procedures as well as complying with prescribed levels of authority for sanctioning any relevant expenditure
- ensure that there are adequate controls in place to prevent fraud including controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel
- use all reasonable endeavours to ensure that they attend the NPHD Board and/or Committee meetings (as applicable)
- comply with procedures the Board has in place relating to the acceptance of positions/consultancies post employment or resignation to avoid conflicts of interest or breaches of confidentiality

2.6 Loyalty

- acknowledge the responsibility to be loyal to the Board and to be fully committed in all its business activities while mindful that the organisation itself must at all times take into account the interests of its stakeholders
- acknowledge the duty of all to conform to highest standards of business ethics
- Decisions made by the board should be fully supported and promoted by all board members

2.7 Fairness

- comply with employment equality and equal status legislation
- commit to fairness in all business dealings
- value stakeholders and treat all stakeholders equally

2.8 Work/External Environment

- place highest priority on promoting and preserving the health and safety of employees
- ensure that community concerns are fully considered
- minimise any detrimental impact of the operations on the environment
- ensure appropriate behaviour in line with best practice Human Resources management in respect of Board Members, Executive Management and staff in their dealings and interaction with each other and with individuals representing stakeholders and contracting parties. To ensure that the Board members and the Executive are adequately informed on appropriate behaviour, the Board has adopted HSE HR Policies and Guidance.

3. ANNUAL REVIEW OF CODE OF BUSINESS CONDUCT

The present Code along with guidelines on disclosure of interests is circulated to all Board and Committee Members for their retention.

The Board will review the Code on an annual basis or in the event of any change in circumstances to ensure that its scope and provisions remain relevant.

4. ETHICS IN PUBLIC OFFICE ACTS, 1995 AND 2001

4.1 Disclosure of personal interests

Holders of designated directorships and positions of employment in public bodies prescribed for purposes of the Ethics in Public Office Acts, 1995 and 2001 (or otherwise noted below) are required to furnish annual and, where a proximate conflict of interests exists, ad hoc statements of registrable interests to the Standards Commission and to the 'relevant authority for the position' (see below).

Board Members and the Chairperson are Designated Directorships for the purposes of these requirements. The form to be completed for Designated Directorships **by Board Members** and the **Chairperson** is located on the MinutePad.

The Chief Executive Officer is noted as a Designated Position of Employment and as such this should be completed by the Project Director. All other positions of employment where the maximum salary is greater than that of a Principal Officer from 1 July 2013 should also complete a form. In addition the holders of the role of Acting Design Director, Acting Commercial Director and Acting Shared Services Director shall also complete a form. The **form to be completed for Designated Positions of Employment by the persons identified in this paragraph** is located on the MinutePad.

- Reporting Arrangements
 - Chairperson provides statement to Project Director
 - Board members provide statements to Chairperson
 - Project Director provides statements to Chairperson
 - Nominated positions of employment (for NPHDB this is any employee with a salary over that of a Principal Officer (€87,258)) with effect from 1 July 2013 provide statements to Project Director
 - Acting Design Director, Acting Commercial Director and Acting Shared Services Director provide statements to Project Director
 - All statements are provided to the Standards Commission⁴⁴

Note:

Interest takes into account any interest held by spouse or civil partner, child or child of spouse where the office holder has knowledge of the interest and the interest could materially influence the office holder's performance in his/her function.

- Annual statements should cover the period from 1 Jan to 31 December or from date of appointment if appointed during the year.
- Annual statements should be furnished not later than 31 January in the following year.

⁴⁴ This is an independent body established by the Standards in Public Office Act 2001. It has functions including supervising the disclosure of interests.

4.2 Summary of matters to be declared

- Occupational income in excess of €2,600.00 per annum other than from designated person's current position within the organisation;
- Shareholding worth in excess of €13,000.00 or shareholdings of more than 5% of the issued capital of a company held at any time during the Statement period;
- Directorships or shadow directorships of any company;
- Interests in land (excluding designated person's private home) exceeding €13,000.00 including contracts and options to purchase;
- Travel, accommodation, meals, etc., supplied to you free of charge or at a reduced price (subject to some exceptions e.g. the performance of the functions of the person as a holder of a designated directorship);
- Other remunerated positions held as a political or public affairs lobbyist, consultant or advisor;
- Public service contracts for values exceeding €6,500.00 (cumulative);
- Gifts, property and services with commercial value exceeding €650.00 (excluding gifts for purely personal reasons);
- Contracts with the State;
- Other interests which a person may wish to declare; and
- It is the duty of each Board member to declare to the Secretary any matter relating to him or her that is required to be included on the Register.

4.3 Senior office holders – additional requirements

Every position of employment in any public body in respect of which the maximum salary is not less than the maximum salary of a Principal Officer in the Civil Service is automatically prescribed as a "designated person" under the Act.

- For the Board, the position of Project Director, Finance Officer and Medical Director will be nominated positions given their seniority and scope of activity.
- There is also a requirement for senior officer holders to furnish Tax Clearance Certificates (issued by the Revenue within nine months before or after date of appointment). There will be a similar requirement for senior office holders of any reconstituted board.
- This will apply to Project Director, Finance Officer and Medical Director.
- This requirement does not apply to members of the Board as these are not senior office holders within the meaning of the Act.

4.4 Performance of a Function – General Principle

- Requirement for person covered by the legislation to take specific actions where he/she has to carry out a function and has actual knowledge that he/she or a connected person has a material interest in a matter to which this function relates.
- Action required by individual:
 - Furnish a written statement of facts to the other directors of the body.
 - Do not perform function unless there are compelling reasons to do so.

- If required to do so, furnish a written statement of such compelling reasons before or, if that is not possible, as soon as possible after such performance.
- Director must furnish that statement to the other directors of the body and to Standards Commission.

4.5 Specific “Disclosure of Interest” Requirements under Sections 19 of Statutory Instrument 246 (SI 246 of 2007) which established the Board

Extract from SI 246 states how potential conflict of interest situations are to be addressed by those persons, including Board members, covered by that paragraph:

Disclosure of Interests.

19. *(1) Where the Chairperson, any other member of the Board, a member of a committee appointed under article 13, the Chief Officer, a consultant, adviser or other person engaged by the Board, has a beneficial interest in, or material to, any matter which falls to be considered by the Board or a committee of the Board, he or she shall comply with the following requirements –*
- (a) he or she shall disclose to the Board through the Chairperson, or in the case of the Chairperson directly to the Board, the nature of his or her interest in advance of any consideration of the matter;*
- (b) he or she shall neither influence nor seek to influence a decision in relation to the matter;*
- (c) he or she shall take no part in any consideration of the matter by the Board or the committee, save to such extent as the Chairperson, or where the Chairperson has such an interest a majority of the Board, may permit.*
- (2) Where a disclosure is made under article 19(1) to the Board, particulars of the disclosure shall be recorded in the minutes of the meeting concerned.*
- (3) Where a question arises as to whether or not a course of conduct, if pursued by a person, would be a failure by him or her to comply with article 19(1), the question shall be determined by the Board and particulars of the determination shall be recorded at the meeting concerned.*

It should be noted that reference here to the Chief Officer should be taken to mean the Project Director.

5) STANDING ORDERS TO REGULATE THE PROCEDURES AND BUSINESS OF THE BOARD

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1. INTRODUCTION

These Standing Orders are made by the National Paediatric Hospital Development Board for the regulation of the proceedings of meetings. They are made under Article 10(6) of S.I. No 246 of 2007 which requires the Board to regulate, by standing orders, the procedures and business of the Board.

2. DEFINITIONS

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

"S.I. No 246 of 2007", Statutory Instrument No 246 of 2007, establishing the National Paediatric Hospital Development Board

"Agenda", the matter specified in the invitation to attend a meeting for transaction at that meeting.

"The Board", the National Paediatric Hospital Development Board established under S.I. No 246 of 2007, appointed by the Minister.

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

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

"Project Director", the person appointed as Project Director by the Board, with the approval of the Minister, who is carrying on and managing the administration and business of the Board.

"Committees", committees of the Board appointed as set out in Article 13 of S.I. No 246 of 2007.

"Minister", the Minister for Health.

"Secretary", the person appointed by the Board to act as secretary to the Board for the purposes specified in these standing orders.

3. GENERAL PRINCIPLES

The Board has adopted the following principles.

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

- 3.4** Board members (other than those who disagreed with a decision) may be nominated to explain and articulate specific decisions.

4. MEETINGS

- 4.1** Meetings of the Board should take place as are necessary for the performance of its functions but in any case not less than six times annually. Board meetings are normally held on the first week of every month. Relevant materials are distributed to Board members in advance of the meeting so that members have the opportunity to review the material.
- 4.2** The Board shall hold such and so many meetings as may be necessary for the performance of its functions. The meeting will be held at such times and at such places within the State as the Board from time to time decides. Should circumstances arise which in the opinion of the Chairperson, would make it inconvenient for a large number of members to attend a meeting he or she may direct that the meeting be deferred to a later date to be fixed by him or her.
- 4.3** The quorum for a meeting of the Board shall be five members. If, after the expiration of thirty minutes after the time for which a meeting has been summoned, a quorum shall not be present, the business will stand postponed to the next meeting, unless there is reasonable explanation for the delay of those members.
- 4.4** The attendance of each Board Member at Board meetings is reported in the Annual Report.
- 4.5** A Board member is not counted in the quorum on an item in respect of which he or she is not entitled to take a decision.
- 4.6** The Chairperson of the Board shall preside at all meetings of the Board at which he or she is present and in the absence of the Chairperson, the Vice-Chairperson shall preside at the meeting. If the Chairperson of the Board is not present, or the Vice Chairperson is not present, or the office of the Chairperson is vacant, the members of the Board who are present shall elect one of their number to preside at the meeting.
- 4.7** Each member of the Board present at a meeting of the Board shall have a vote.
- 4.8** Every question at a meeting of the Board shall be determined by a majority of the votes of the members present and voting on the question and, in the case of an equal division of votes, the Chairperson or other member presiding at the meeting shall have a second or casting vote. Decisions of the Board shall be recorded in the minutes.
- 4.9** Meetings may be held via teleconference for the purpose of holding urgent discussions on issues arising. Board members must undertake to ensure privacy during such calls.
- 4.10** The Chairperson may at any reasonable time call a meeting of the Board.
- 4.11** If the Chairperson refuses to call a meeting of the Board after a requisition for the purpose, signed by no fewer than three members of the Board, has been presented to the Chairperson; or if the Chairperson, without refusing to do so, does not, within seven days of the presentation of a requisition, call a meeting of the Board, any three members of the Board may call a meeting of the Board.
- 4.12** The meetings of the Board will be held in private.

- 4.13** Papers may be tabled at a Board meeting with the Chairperson's permission (or, in his or her absence, the permission of the Vice Chairperson).
- 4.14** The position of Vice Chairperson may be filled by rotation for a period not exceeding 12 months.
- 4.15** The procedure for obtaining Board approval between Board meetings is set out in Section 7 below.

5. ORDER OF BUSINESS

Agenda

- 5.1** Declarations of Interest Chairperson
- 5.2** Meeting Administration
- Minutes of the last meeting Chairperson
 - Matters arising from the minutes Chairperson
- 5.3** SI Remit: To plan, design, build, furnish and equip a national children's hospital in accordance with a brief approved by the HSE with the prior consent of the Minister
- Project Director Report and Board Issues List Project Director
 - Financial Report Finance Officer
- 5.4** Board Matters
- Update on meeting with relevant information Project Director
- 5.5** AOB
- At a special meeting of the Board, only business specified in the notice convening that meeting will be transacted at that meeting.

It is intended that the following functions shall be transferred to the Children's Hospital Group pursuant to a change to the statutory instrument, although currently this remains as noted within S.I. No. 246 of 2007.

SI Remit: In consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital.

Update on meeting with relevant information

SI Remit: In consultation with the relevant hospitals, prepare a human resource strategy for the transfer to the hospital.

Update on meeting with relevant information

SI Remit: explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the hospital, and foster the philanthropic interests that already exist in relation to the provision of paediatric services.

Update on meeting with relevant information

6. CONFLICT OF INTEREST

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

7. PROCEDURE FOR OBTAINING BOARD APPROVAL

Between Board Meetings

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

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

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

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

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

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

These procedures for taking decisions between meetings of the Board do not interfere with the rights of the Chairperson or Board members to call a meeting of the Board as set out under Article 10(8) of S.I. No 246 of 2007

8. MINUTES OF MEETINGS

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

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

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

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

9. DEPUTATIONS

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

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

10. REVIEW AND SUSPENSION OF STANDING ORDERS

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

11. DELEGATIONS

- The Board may delegate the discharge of a function but the exercise of a delegated power should be in accordance with policies agreed by the Board.
- The Board delegates to the Project Director, the discharge of all functions of the Board other than: any matter reserved to the Board any matter delegated to a Committee of the Board.
- The Board may make delegations or vary, revoke or add to existing delegations.
- Any delegation made by the Board may be limited or made subject to any condition. For example, the Board may delegate a function only for a limited period of time or for a particular matter. The nature and scope of new delegations will be recorded in the minutes.
- The Board may itself discharge a function even though it has delegated the discharge of that function.
- There is delegated from the Board to each committee of the Board the discharge of those functions, which fall within their respective terms of reference, other than any matter reserved to the Board. The Board may instruct the Executive, or a Committee, as to how to exercise a delegated authority.
- Unless the Board imposes a condition to the contrary, a Committee of the Board may delegate the discharge of a function delegated to it.
- The Board authorises the Project Director to sign contracts or other documents on behalf of the Board and to delegate this authority to one or more Board employees.

12. COMMITTEES

The Board may establish standing Committees and ad hoc Committees to assist and advise the Board in relation to the carrying on of its day-to-day functions, or to furnish advice on particular aspects of its functions. The Board Chairperson will

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

The Committees appointed by the Board will in the transaction of their business comply with any directions which the Board may give from time to time either in general or for individual committees, and any expenditure incurred by any Committee shall be subject to prior consent of the Board.

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

The Board may dissolve a Committee established.

13. CODE(S) OF CONDUCT

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

14. REVIEWING THE BOARD'S PERFORMANCE

The Board will review its own performance and that of its Committees annually.

15. CONFIDENTIALITY

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

16. ISSUE OF STATEMENTS ON BEHALF OF THE BOARD

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

17. GENERAL

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

18. COMMENCEMENT

This document brings together policies and procedures of the Board previously approved and adopted which have been in use to date. The purpose of this Code of Governance Manual is to bring together all these documents into one consolidated reference manual which will provide easy access for Board members to all Governance related documents.

This Code of Governance Manual will be adopted and come into effect from the date of Board approval.

6) FORMAL SCHEDULE OF MATTERS FOR BOARD DECISION

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3.	MANAGERIAL FUNCTIONS	54
4.	BOARD MEMBERSHIP AND BOARD COMMITTEES	55
5.	CONTRACTS	55
6.	INTERNAL CONTROLS AND RISK MANAGEMENT	55

1. INTRODUCTION⁴⁵

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

2. MATTERS RESERVED FOR THE BOARD

Some matters are reserved for the Board only, while other matters are considered by the relevant Board Committees and then taken to the Board for ratification.

RESERVED FOR THE BOARD

STANDING ORDERS:

Matter	Responsibility	Reviewed
Project Director and Executive Report	Project Director & Executive	Monthly
Monthly Financial Accounts	FO	Monthly
Review and approval of all new contracts over €100k ex VAT	Project Director	Monthly
Review of Key Project Deliverables	Project Director	Quarterly (last month of quarter)

Other matters reserved for the Board

- Corporate governance arrangements
- Approval of annual budgets and corporate plans
- Delegated authority levels, treasury policy and risk management policies
- Assurance of compliance with statutory and administrative requirements in relation to the approval of the appointment, number, grading and conditions of staff including remuneration and superannuation
- Terms of reference and membership of Board committees
- Develop and update maintain vision, mission and values
- Develop and update strategy and structure
- Delegation to and monitoring of Staff
- Fulfilling responsibilities to stakeholders
- Develop and update Internal control arrangements
- Review the performance of the Board and Project Director annually in November
- Review and present the progress of the project and the annual performance of the Board with the Minister for Health

⁴⁵ Refer to section .4, 1.7 – 1.11 of the 'Code of Practice for the Governance of State Bodies 2016'

FINANCE COMMITTEE

<i>Matter</i>	<i>Responsibility</i>	<i>Reviewed</i>
• Annual Financial Plan	FO	Annually (Nov)
• All contracts over €1m on anniversaries of contract signing	Director of Project Management & Project Controls (" DPM&PC ")	Annually (Dec)
• Value for Money update	DPM&PC	Annually (Dec)
• Change Order Log	FO	Monthly

AUDIT AND RISK COMMITTEE

<i>Matter</i>	<i>Responsibility</i>	<i>Reviewed</i>
• Board Level Risks	DPM&PC	Bi-Annually
• Internal Audit Reports & Update	FO	Annually (Dec)
• C&AG Audit Report	FO	Annually (Sept / Oct)
• Annual Accounts	FO	Annually (Feb)
• Annual Report	Project Director	Annually (April)
• Code of Business Practice	FO	Annually (June)
• System of Internal Financial control	FO	Annually (Oct - Dec)

3. MANAGERIAL FUNCTIONS

3.1 Approve the annual accounts and Annual Report of the Board.

3.2 Approve any significant change in accounting policies or practices (through the Audit and Risk Committee, but referred back to the Board for final decision).

3.3 Appoint or remove the Secretary to the Board.

3.4 Discharge the Board's legislative functions.

3.5 Approve the Board's project plan and budget.

3.6 Establish a performance measurement system to assess the effectiveness/outcome of major items of expenditure, which should then be reported to the Board.

3.7 Approve the appointment and remuneration of, and succession planning of the Project Director and other members of the Executive.

3.8 Oversee the discharge by the Project Director and the executive management of the day to day business of the Board

3.9 Approve broad policy in relation to all aspects of executive remuneration.

3.10 Ensure that systems are in place to assess the performance of the Project Director.

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

4. BOARD MEMBERSHIP AND BOARD COMMITTEES

- 4.1** Appoint the chairperson and members of the Committees and approve the terms of reference of the Board Committees.
- 4.2** Approve the terms of reference and delegated authority of the Board Chairperson, Project Director, Finance Office and Medical Director where these are to exercise functions of the Board.

5. CONTRACTS

- 5.1** Approve transactions (or related programmes of transactions) not in the ordinary course of business, the value of which is in excess of €100,000 (excluding VAT).
- 5.2** Approve all transactions (within the Budget approved by the Board) that are in the ordinary course of business, and whose value exceeds €100,000 (excluding VAT). This applies to all expenditure; the total of closely related transactions; and both business as usual and project related transactions.
- 5.3** Approve all property leases of whatever value.
- 5.4** Approve terms of contracts entered into with any corporation, company, local authority or person for the purpose of the discharge of its functions.

6. INTERNAL CONTROLS AND RISK MANAGEMENT

- 6.1** Ensure maintenance of a sound system of internal controls – including financial, operational and compliance controls, and risk management processes.
- 6.2** Confirm annually to the Minister that the Board has a system of internal financial control in place.
- 6.3** Monitor the effectiveness of the Board's risk management processes and systems, to ensure the effective identification, monitoring and control of external risks, and identification of opportunities, to support the Board's statutory objectives. (Committees of the Board take their recommendations to the Board for final decision).
- 6.4** Approve statements for inclusion in the Annual Report concerning internal controls and risk management including the annual Financial Review (Audit and Risk Committee and refer back to the Board for final decision.)
- 6.5** Within three months of the end of the financial year, undertake an annual assessment of the effectiveness of internal control and risk management processes (including financial, operational and compliance controls and risk management systems) to include review of:
 - (i) changes since the last review in the nature and extent of significant risks and the ability of the Board to respond effectively to changes in its business and external environment;
 - (ii) the scope and quality of management's ongoing monitoring of risks and the Board's system of internal control;
 - (iii) the extent and frequency of the communication of the results of the monitoring to the Board;
 - (iv) the incidence of significant control failings or weaknesses that have been identified at any time during the period and the extent to which they have

resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on financial performance or condition;

(v) the effectiveness of the public reporting process,

and conclude on the extent to which controls are adequate, and operating and outline any actions required to address any deficiencies as a result of the review.

6.6 Undertake annually a formal and rigorous review of its own performance, that of its committees and individual members

6.7 Monthly review of the potential implications of any legal action being taken against the Board.

The internal controls and risk management requirements are monitored and reviewed through the following:

- annual external audit carried out by the Comptroller and Auditor General
- the internal audit carried out by the Board's auditors
- regular process audits carried out by the Project Team
- the independent preparation of monthly accounts for the Board, which are reviewed and approved by the FO, and subsequently presented by the FO at the Board meetings
- regular review of all Board policies and procedures, updated as required and presented to the Board for approval

7) COMMITTEES OF THE BOARD

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3.	ESTABLISHED COMMITTEES	58
4.	TERMS OF REFERENCE FOR COMMITTEES OF THE BOARD	59

1. INTRODUCTION

- 1.1** The Board refers to the National Paediatric Hospital Development Board, appointed by the Minister for Health, under Statutory Instrument No 246 of 2007.
- 1.2** Committee(s) refers to any Committee(s) appointed by the Board, in accordance with its standing orders.

2. GENERAL RULES APPLYING TO COMMITTEES

- 2.1** Committee members, including the Committee chair, are appointed by the Board for an initial period of one year, which is regularly reviewed and the Board may dissolve a committee established
- 2.2** The terms of reference for Committees are agreed and can be amended by the Board
- 2.3** Committee chairs will report on progress to the Board as agreed with the Board Chairperson.
- 2.4** Committees shall meet according to what is determined in their terms of reference.
- 2.5** Committees may invite other Board members and procure or seek the advice and support from individuals or bodies outside of the Committee or Board membership.
- 2.6** The Board may appoint persons to a Committee who are not members of the Board but have special knowledge and experience related to the purpose of the committee.
- 2.7** Any disclosure of interests by any member of the Committee must be discussed with, and reported to, the Chairperson of the Board.
- 2.8** A quorum for a Committee meeting shall be determined by the Committee on the commencement of its activities.
- 2.9** Any member or members of the Committee may at any time be removed by the Board and another or other persons appointed.
- 2.10** The Project Director or other designated person working on behalf of the Board will attend the committee meetings, unless considered inappropriate by the Chair of the Committee.

3. ESTABLISHED COMMITTEES & WORKING GROUPS

The following is a list of sub-committees which have been formed by the Board to support the work of the Board:

- Dublin 8 Urban Regeneration Joint Working Group
- Organisation and Recruitment Sub-Committee
- Audit & Risk Sub-Committee
- Procurement Sub-Committee
- Healthcare Technology Sub-Committee
- Design Sub-Committee
- Finance Sub-Committee
- Communications Working Group

- Works Liaison
- Construction Sub-Committee

4. TERMS OF REFERENCE FOR COMMITTEES OF THE BOARD⁴⁶

The terms of reference for each committee and working group of the Board are available for download from the MinutePad.

⁴⁶ Refer to Section 7.12 and the Audit and Risk Committee Associated Code document of the 'Code of Practice for the Governance of State Bodies 2016'

8) POLICY & PROCEDURE FOR DEALING WITH CONFLICTS OF INTEREST

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7.	PROCEDURE FOR DEALING WITH CONFLICTS OF INTEREST	63
8.	MANAGING POTENTIAL OR ACTUAL CONFLICT OF INTEREST	64

1. INTRODUCTION⁴⁷

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

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

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

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

The requirements under the Ethics in Public Office Acts 1995 and 2001 (Public Servants) and their application to the Board are set out on pages 41 to 44.

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

It is designed to:

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

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

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

⁴⁷ Refer to 1.11, 5.4-5.5, 5.8 of the 'Code of Practice for the Governance of State Bodies 2016'

2. SCOPE

This policy applies to Board members, and the Executive as appropriate.

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

3. OBJECTIVES OF THE POLICY

The objectives of this policy are to:

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

Adhering to the principle that Board members should not make a personal profit as a result of their membership of the Board, other than the remuneration determined by the Minister for Health (Article 20 of S.I. No 246 of 2007).

4. DISCLOSURE OF INTERESTS/AVOIDANCE OF CONFLICT OF INTEREST

To avoid conflicts of interest and the possibility of unjust enrichments each Board member furnishes to the Secretary of the Board details of his or her employment and all other business or professional interests including share holdings which could involve a conflict of interest or could materially influence the member in relation to his or her functions as a member of the Board. [Such information should be provided on appointment and annually thereafter.](#)

Interests of family and other connected persons or bodies of which he or she could be expected to be reasonably aware are also to be declared. This information is held in a Register of Board Member Interests.

Similarly, each member should furnish to the Secretary details of business interests on the lines above of which he or she becomes aware during the course of his or her term as a member of the Board.

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

As it is recognised that the interests of a Board member and persons connected with him/her can change at short notice, a Board member should, in cases where he/she

receives documents relating to his interests or of those connected with him/her, return the documents to the Secretary to the Board at the earliest opportunity.

5. REGISTER OF INTERESTS

- 5.1** The Secretary to the Board shall maintain a register to be known as the Register of Board Members' Registrable Interests (the "Register") in accordance with the provisions of the Ethics in Public Office Acts, 1995 and 2001.
- 5.2** The Register shall be confidential and shall be updated on an annual basis. Changes in the interim should be notified to the Secretary as soon as possible. Only the Chairperson, Secretary and Project Director shall have access to the Register.
- 5.3** The purpose of the Register is to ensure transparency in relation to any interests of Board members – or of their spouses, civil partners, parents, siblings or children or other connected persons or bodies corporate as set out in Department of Finance Code of Practice for the Governance of State Bodies as may be amended from time to time.
- 5.4** The Register must contain, in relation to each Board member, details of any of the matters to be declared (as outlined on pages 41 – 44), held or carried on by that Board member or any persons or bodies connected with a Board member as more particularly set out in the Second Schedule of the Ethics in Public Office Act, 1995.
- 5.5** The Project Director, Finance Officer and Medical Director are required to complete a register of interests in line with the above.
- 5.6** If in doubt refer to Guidelines on Compliance with the Provision of the Ethics in Public Office Acts 1995 and 2001.
- 5.7** If a Board member is in doubt as to whether a particular matter should be declared, he or she should declare it, and the Secretary (in consultation with the Chairperson if appropriate) shall decide whether it is a matter that is required to be included on the Register.
- 5.8** A Board member shall make a signed declaration of his or her interest for the purposes of the Register immediately on taking up appointment as a Board member, and shall subsequently declare any new matter that is required to be included on the Register as soon as possible after it arises and annually thereafter.
- 5.9** Board members may be required at any time to confirm to the Secretary to the Board that their current entries on the Register are accurate and up to date, and the Secretary shall ask them to do so at least once in each year.

6. BOARD MEETINGS

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

7. PROCEDURE FOR DEALING WITH CONFLICTS OF INTEREST

Given the diversity of the functions of the Board, and the calibre of the Board members and the Executive employed by it, it is essential that an effective and robust policy and procedure exists to manage the actual or potential conflict of interest for any Board member or employee of the Board. This procedure outlines the steps that the Board will undertake if, and when, situations arise where there is,

or has the potential to be, a conflict of interest for a Board member or member of the Executive.

8. MANAGING POTENTIAL OR ACTUAL CONFLICT OF INTEREST

- 8.1** Before any item is discussed at a Board meeting, each Board member must disclose any conflict of interest that he or she believes may arise in relation to that item. If a Board member is in doubt as to whether a particular matter amounts to a conflict of interest and should be disclosed, he or she should disclose it.
- 8.2** When a matter arises which might involve a conflict of interest the Project Director is required to inform the Chairperson. Similarly any potential conflict of interest by the Finance Officer and Medical Director is to be notified to the Project Director.
- 8.3** The Chairperson (or, in his or her absence the Vice Chairperson) in his or her discretion will decide whether any matter disclosed by a Board member (other than the Chairperson or in his or her absence, the Vice Chairperson), amounts to a conflict of interest that should prevent that Board member from participating in the discussion of the relevant item.
- 8.4** The Vice-Chairperson or in his or her absence, Board members will elect a chair from amongst their numbers, and decide whether any matter disclosed by the Chairperson amounts to a conflict of interest that should preclude the Chairperson from participating in the discussion at the relevant item, should the Vice-Chairperson be chairing the meeting, the Board members by taking a vote will decide.
- 8.5** The decisions as to whether to disclose any matter and whether that matter amounts to a conflict of interest should be made having regard to the terms, and the spirit and purpose, of the policy for conflicts of interest.
- 8.6** Board documents on any deliberations regarding interests should not be made available to the member concerned prior to a decision being taken. Decisions once taken should be notified to the member.
- 8.7** Where the Chairperson decides that any Board member does have a conflict of interest in relation to any item that Board member may not participate in any discussion relating to that item or in any vote taken in relation to it. If requested to do so by the Chairperson the Board member must also absent himself or herself from any discussion of the item. In such cases a separate record (to which the Director would not have access) should be maintained.
- 8.8** In the event that a Board member, an Executive or committee member receives any written paper in relation to any matter on which he or she believes that a conflict of interest may arise, they must disclose that conflict of interest to the Chairperson, or Project Director as appropriate, at the earliest opportunity.
- 8.9** A Board member, an Executive or committee member should not retain documentation obtained during their terms, and should return such documentation to the Secretary or otherwise indicate to the Secretary that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former members require access to Board papers from the time of their term, this can be facilitated by the Board Secretary.
- 8.10** Should a Board member (or Executive) receive an approach from a member of the public or organisation to intervene on their behalf and exert influence for the purpose of gaining advantage in accessing a service or any benefit, it is Board policy that no such intervention should be taken.

- 8.11** The Board, or a committee, may at any time discontinue an investigation into a Board members' interests if it comes of the view that the complaint concerned is frivolous or vexatious.

9) CHARTER FOR THE INTERNAL AUDIT FUNCTION

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1. INTERNAL AUDIT FUNCTION⁴⁸

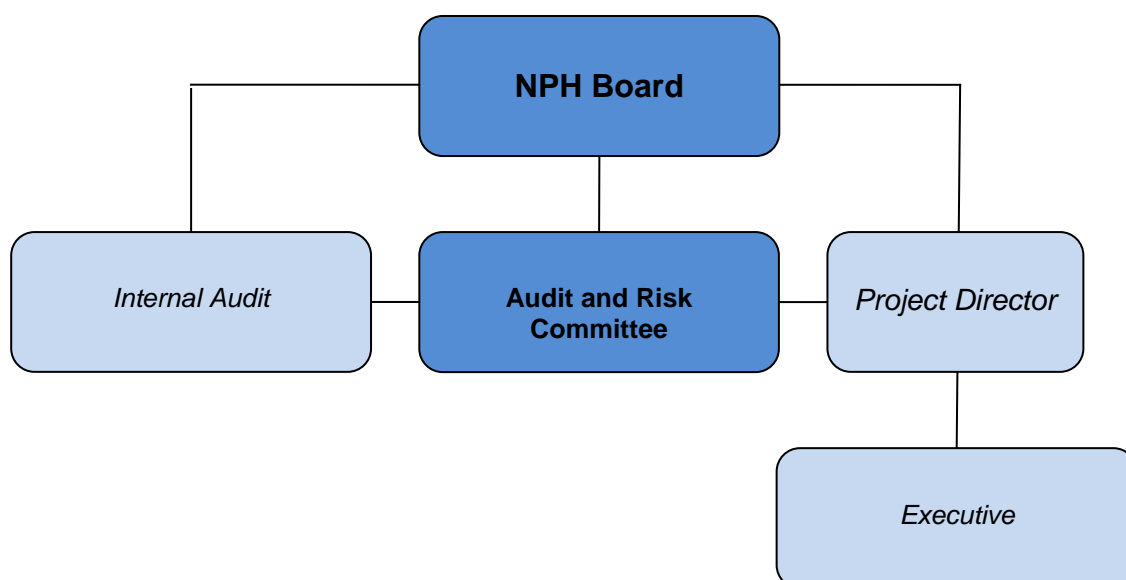
This document outlines the charter for the internal audit function for the Board and the Board's policy to support and develop this function.

2. MISSION

The role of internal audit is:

"To provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes" (The Institute of Internal Auditors)

3. WHERE INTERNAL AUDIT FITS IN THE NPH ORGANISATION



4. OBJECTIVES OF INTERNAL AUDIT

- To provide assurance on the adequacy of control within the Board's internal control systems and activities: that is, to comment on and recommend changes to the systems and activities; to follow up the implementation of agreed actions; and to bring deficiencies therein to the notice of the operating management and ultimately the Audit and Risk Committee.
- To facilitate the Board in the corporate governance reporting process
- To ensure that the Board is fully complying with all requirements and report its findings to the Audit and Risk Committee
- To be properly resourced with the necessary skills including the ability to deal with non-financial aspects

⁴⁸ Refer to Section 7.7 – 7.11 of the 'Code of Practice for the Governance of State Bodies 2016'

- To carry out such audit, investigation and review work as may be requested by the Audit and Risk Committee.
- To liaise with the Comptroller & Auditor General (C&AG) to ensure that efficient and effective audit coverage is achieved and that the potential for co-operation between the two is maximised.
- The Audit and Risk Committee should make the C&AG aware of the corporate governance issues outlined in the "Code". The Audit and Risk Committee should periodically consult with the C&AG regarding the operation of the internal audit function with particular reference to the staffing of the function, the audit work programmes being applied and the testing carried out in relation to the body's compliance with the requirements set out in the "Code".
- To review and advise management on cost effective controls for new systems activities.
- To highlight opportunities to reduce costs through greater economy and efficiency within systems and activities
- To carry out a programme of Value for Money (VFM) audits as appropriate
- To review compliance with procurement and disposal procedures as required by the Audit and Risk Committee, from time to time, and report to the Audit and Risk Committee.

5. SCOPE OF WORK

Audit work will cover all systems and activities in all departments and the 2 locations of the Children's Hospital of Ireland (NPHDB), both currently existing and under development. Work will be prioritised according to risk, the judgement of Internal Audit Services Provider, requests from Executive Team and the direction of the Audit and Risk Committee.

In carrying out its on-going work, the internal audit function should include detailed testing on all specific areas covered by the charter in order to ensure that the State body is fully complying with all requirements and report its findings to the Audit and Risk Committee.

The internal audit function should be properly resourced with the necessary skills including the ability to deal with non-financial aspects.

6. INDEPENDENCE

The Internal Audit Services Provider has an administrative reporting relationship to the Project Director and a functional reporting relationship to the Audit and Risk Committee.

The Internal Audit Services Provider reports directly to the Chairperson of the Audit and Risk Committee and shall have right of direct access to the Project Director of the Board. The Internal Audit Services Provider will have no executive or managerial responsibilities except those relating to the internal audit function and has no authority over, or responsibility for, the activities audited.

Members of Executive Team shall not amend internal audit reports nor cause them to be amended before they are presented to the Chairperson of the Audit and Risk Committee.

The Executive Team will be afforded the opportunity of responding to audit findings.

7. ACCESS

The Internal Audit Services Provider shall have free and unfettered access to all management information needed to carry out its work. A holder of highly confidential or sensitive information is entitled to allow access to the Internal Audit Services Provider Manager alone.

The Internal Audit Services Provider shall have full right of access to all Board members (including the Project Director), employees, contractors, suppliers, customers, and External Internal Auditors, all of whom will be required to co-operate fully with the Internal Audit Services Provider.

8. PRINCIPAL DUTIES AND RESPONSIBILITIES INTERNAL AUDIT SERVICES PROVIDER

- Determines, plans, and supervises the work of auditing professionals and other employees in the performance of internal audits.
- Confers with the Executive and the Audit and Risk Committee of the Board on policies, programmes, and activities of the Internal Audit Services Provider; makes recommendations regarding specific areas of responsibility.
- Develops and updates audit programs and checklists; plans and monitors audit work schedules; develops and recommends implementation of forms, systems, and procedures to carry out responsibilities and accomplish goals of the Internal Audit Services Provider
- Ensures that any accounting standards specified by the Minister are met and audit principles and policies are followed, and evaluates the adequacy and effectiveness of internal accounting procedures and operating systems and controls.
- Meets with the Executive and the Audit and Risk Committee of the Board, as necessary, to discuss audit plans and results and make recommendations to resolve audit findings requiring corrective action
- Plans, supervises, reviews, and participates in the training of Internal Audit Department personnel.
- Performs special audit-related projects as assigned by the Audit and Risk Committee.
- Performs other duties as assigned the Audit and Risk Committee.
- Agrees and periodically updates an Internal Audit Charter in consultation with the Audit and Risk Committee.

APPENDIX 1

NPHDB BOARD GOVERNANCE – OVERVIEW OF STATUTORY & LEGISLATIVE REQUIREMENTS AND GOVERNMENT APPROVED GUIDELINES

STATUTORY AND LEGISLATIVE REQUIREMENTS

- Statutory Instrument No 246 of 2007
<http://www.attorneygeneral.ie/esi/2007/B25274.pdf>
 - Health Acts 1947 – 2013
<http://www.oireachtas.ie>
 - Ethics in Public Office Acts 1995 & 2001
<http://www.irishstatutebook.ie/2001/en/act/pub/0031/index.html>
 - Ombudsman for Children Act 2002 as amended by the Ombudsman Acts 1980 to 2012
<http://www.irishstatutebook.ie/2002/en/act/pub/0022/index.html>
 - Comptroller and Auditor General (Amendment) Act, 1993
<http://www.irishstatutebook.ie/1993/en/act/pub/0008/>
 - European Communities (Late Payment in Commercial Transactions) Regulations 2012
 - <http://www.irishstatutebook.ie/eli/2012/si/580/made/en/print>Environment, Employment, Health & Safety legislation and regulations
- Check the full laws and regulations in the Acts of the Oireachtas website - <http://www.irishstatutebook.ie/home.html>

GOVERNMENT APPROVED GUIDELINES

- Framework for Corporate & Financial Governance for Agencies funded by the Department of Health & Children (April 2006)
http://www.DoH.ie/publications/pdf/framework_agencies.pdf
- Code of Practice for the Governance of State Bodies 2016
<http://govacc.per.gov.ie/files/2012/03/codepractstatebod09.pdf>
- Public Spending Code (2013)
www.publicspendingcode.per.gov.ie
- Department of Public Expenditure & Reform Circular 13/13: Public Spending Code: Expenditure Planning, Appraisal & Evaluation in the Irish Public Service – Standard Rules & Procedures
<http://circulars.gov.ie/>
- Guidelines on Compliance with the Provisions of the Ethics in Public Office Acts 1995 and 2001 – Public Servants Tenth Edition (Updated Nov 2015)

<http://www.sipo.gov.ie/en/Guidelines/Guidelines-for-Public-Servants/>

- The Role and Responsibilities of Accounting Officers (2011)
<http://govacc.per.gov.ie/files/2012/01/Accounting-Officers-Memo-2011-revision-Final-January-2012.pdf>
- Risk Management Guidance for Government Departments and Offices (2011)
<http://govacc.per.gov.ie/risk-management/>
- National Public Procurement Policy Framework (Department of Finance – April 2005)⁴⁹
<http://www.etenders.gov.ie/>
- Public Procurement Guidelines
<http://www.procurement.ie/publications>
- OECD principles of Corporate Governance (2015)⁵⁰
<http://www.oecd.org/daf/ca/oecdprinciplesofcorporategovernance.htm>
- Public Financial procedures
<http://govacc.per.gov.ie/>
- Department of Public Expenditure & Reform - Public Expenditure Policy
<http://per.gov.ie/public-expenditure-policy/>
- Protocol for the Provision of Information to Members of the Oireachtas by State Bodies under the aegis of Government Departments/Offices
DPER Circular 26/2016

⁴⁹ The EU Commission has revised the Public Procurement Directive's thresholds which will apply from 1 January 2016.

http://etenders.gov.ie/Media/Default/SiteContent/LegislationGuides/Thresholds_2016_-_2017.pdf

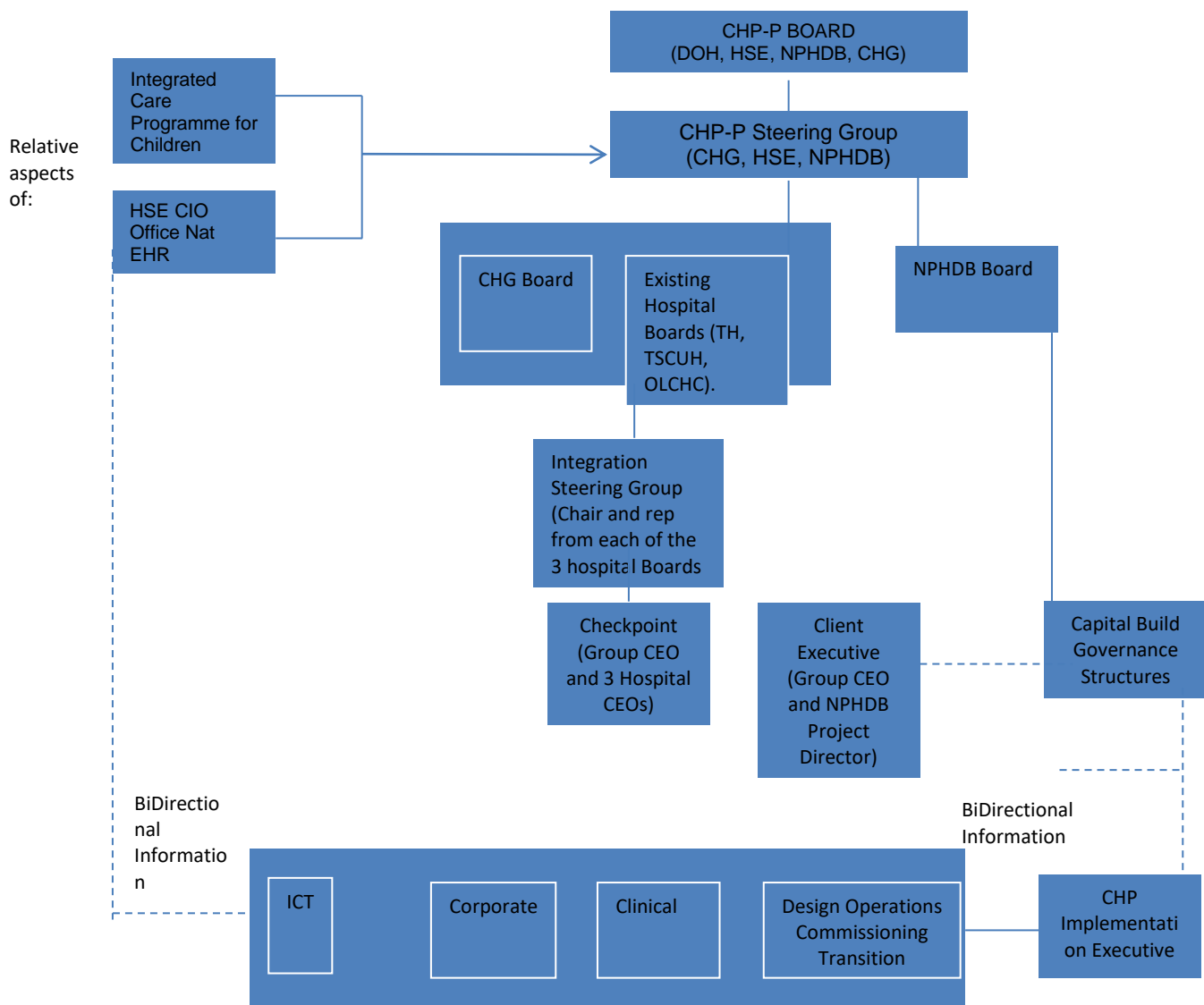
⁵⁰ Review process undertaken 2014-2015

APPENDIX 2

PROJECT GOVERNANCE

Project Structure

The Project structure is being developed and refined on an ongoing basis to support the governance and execution model for the project delivery. As the project proceeds to the implementation phase, additional interfaces /relationships will emerge; e.g. when the Operations Board for the new hospital is constituted; particularly through the commissioning and transition phases. The following chart endeavours to represent this changing dynamic.



Under the Capital Works Management Framework, there are a number of discrete project roles; these are dealt with as follows:-

Sanctioning Authority

The HSE, as the agency with responsibility for the health vote, is the **Sanctioning Authority**, has responsibility for approving in principle the capital project to be funded with public assistance, for deciding the conditions under which a project may proceed through the stages of development and ultimately for ensuring the project's delivery as approved.

Public Spending Code

In line with the new structure under the Public Spending Code, a Steering Committee is to be established to carry out Value for Money & Policy Reviews.

Previously, a Steering Group under the Department of Finance appraisal guidelines with membership from the HSE, DoH and the NDFA carried out a similar function. That group was the forum through which the then Chief Officer of the Development Board receives all approvals and sanctions required under the Statutory Instrument and it is also the group that advises the DoH, HSE and NDFA on a continuous basis with regards to the project.

These procedures will be developed further in time.

Sponsoring Agency

The **Sponsoring Agency** has overall responsibility for planning & managing the capital works element but must seek approval from the Sanctioning Authority. The Sponsoring Agency must obtain all necessary approvals from the Sanctioning Authority and ensure that the project proceeds along the lines approved by the Sanctioning Authority. It is intended that the HSE will be the Sponsoring Agency of the project.

Contracting Authority

The NPH Development Board was established by the Minister for Health by Statutory Instrument SI 246 of 2007 on May 23, 2007.

The functions of the Development Board, as outlined in the Statutory Instrument are:

- to plan, design, build, furnish and equip a National Paediatric Hospital ('the hospital') in accordance with a brief approved by the Health Services Executive ('the Executive') with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the Executive in consultation with the Development Board, and with the prior consent of the Minister;
- Do any other thing as is necessary for the performance of its functions.

Reflecting the provisions of the Capital Works Management Framework, the Development Board is fulfilling the role of the **Contracting Authority**.

It is intended that there will be a change to S.I. No. 246 of 2007 such that the following functions will be transferred from the Board to the Children's Hospital Group Board in due course which will then become the client for the project. However, at present this currently remains within the auspices of S.I. No. 246 of 2007.

- *in consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital;*
- *in consultation with the relevant hospitals, prepare a human resource strategy for the transfer of the hospitals;*
- *explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the hospital, and foster the philanthropic interests that already exist in relation to the provision of paediatric services;*

