

Corporate Governance Framework

Department of Transport, Tourism and Sport

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Contents

Foreword by Secretary General		Page 3
Introduction		Pages 4-5
Chapter One	Departmental Overview	Pages 6 -16
Chapter Two	Ministerial and Senior Management Roles and Assignment of Responsibilities	Pages 17-24
Chapter Three	Management Board and Other Governance Structures	Pages 25-33
Chapter Four	Audit, Assurance and Compliance Arrangements	Pages 34-43
Chapter Five	Bodies Under the Aegis of the Department	Pages 44-48
Appendices	Appendix 1, 2 and 3	Pages 49-79

Foreword by Secretary General

Good corporate governance is fundamental to any effective organisation, and the corporate governance arrangements of the Department of Transport, Tourism and Sport play an important role in helping us to achieve our goals and objectives.

This document sets out roles and responsibilities within the Department and the practices and procedures that we use to make sure we govern our organisation to a high standard. The Department has an overall budget allocation of €1.74 billion this year, and a multi-annual capital commitment of €10bn over 7 years, with the key aims of targeting investment in our transport network to underpin economic activity and social goals, supporting our tourism sector and promoting participation and performance in sport. How this money is spent and the quality of services it provides is critically important to all citizens. Because of this we all need governance of our public services to be of a high standard. The effectiveness with which we provide those services, and the efficiency with which public resources are utilised, are matters of considerable public interest.

The Civil Service Renewal Plan, published in October 2014, noted that a strong public service ethos and the values of honesty, impartiality and independence that underpin it, is critical to how we work. All of us as employees of the Department have an important role to play in ensuring good governance and I am confident that, with the knowledge, skills and commitment of all, we can succeed in strengthening performance and enhancing delivery of our services to the public.

It is clear that the environment in which the Department operates and the expectations of stakeholders and the public interest are evolving rapidly. In this dynamic and challenging environment, it is important that the Governance Framework should continuously develop and evolve in line with best practice and that we regularly assess our compliance with the standards set out in the document.

Graham Doyle

Introduction

Effective corporate governance is important because it provides clarity in relation to role, authority and responsibility and it supports prudent decision making with appropriate audit, assignment and compliance arrangements.

This document is set out in accordance with the Standard established by the Department of Public Expenditure and Reform (DPER) in its 2015 publication 'Corporate Governance Standard for the Civil Service'. As such it follows the five governance principles that have been established to provide overarching guidance for Departmental standards.

What is Corporate Governance?

Corporate Governance refers to the overall processes, practices and rules through which an organisation or body is managed. Good corporate governance is fundamentally important to the efficient and effective management and execution of an organisation's work. In the case of a Government Department, corporate governance also incorporates a range of legal and regulatory obligations which must be complied with in the context of ministerial and parliamentary accountability and oversight systems.

The DPER publication, 'Corporate Governance Standard for the Civil Service', details the core principles to which Departments and bodies under their aegis adhere. The implementation of the Standard across the Civil Service presents an opportunity to formally define current arrangements and seek to strengthen governance across Departments. The Standard is being implemented as a key part of Civil Service Renewal.

Governance Principles

The overarching governance principles which underpin the Corporate Governance Standard for the Civil Service and the Corporate Governance Framework for the Department of Transport, Tourism and Sport are:

- Principle 1* Good governance supports a culture and ethos which ensures behaviour with integrity, a strong commitment to ethical values, and respect for the rule of law.
- Principle 2* Good governance helps to define priorities and outcomes in terms of sustainable economic and societal benefits and to determine the policies and interventions necessary to optimise the achievement of these priorities and outcomes. It means implementing good practices in transparency, reporting, communications, audit and scrutiny to deliver effective accountability.
- Principle 3* Good governance means developing the Department's capacity, including the capability of the leadership team, management and staff.

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

Principle 5 Good governance ensures openness, effective public consultation processes and comprehensive engagement with domestic and international stakeholders.

The Purpose of this Framework

The purpose of this Corporate Governance Framework is to provide a clear and comprehensive overview of the corporate governance arrangements that exist and operate within the Department of Transport, Tourism and Sport. The arrangements detailed throughout this document represent the mechanisms put in place by the Department to ensure that good governance is embedded in the day to day working of the Department. This document brings together in one place an overview description of many distinct and interlinked processes that have been put in place over time. The Framework focuses on key areas of governance and provides a high level description of very detailed processes and functions. While it does not attempt to detail the full range of governance activity, it does give an insight into the key elements, such as risk management and public procurement, and the overall structure of governance within the Department.

Framework Status

The Department's Corporate Governance Framework will develop further over time. It will be periodically reviewed, enhanced or expanded to reflect changes in requirements or operation. The Department has committed itself to progressively strengthen and enhance its Corporate Governance Framework, drawing on good practice both within the Department and across Government, as well as external developments in governance. This document, as updated, will continue to be published on the Department's website, www.dttas.ie.

Chapter One

Departmental Overview

1.1 Chapter Objectives and Introduction

The first element of the Corporate Governance Framework for the Department of Transport, Tourism and Sport is a general overview of the Department in terms of its structures, ethos and strategy. This Chapter sets out to define the make-up of the Department in line with the first governance principle:

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

This Chapter provides the following core elements as set out in the overall Corporate Governance Standard for the Civil Service:

- A) The Mission of the Department
- B) Values, Behaviours and Culture
- C) Organisation Structures
- D) Strategic Planning, Decision Making and Performance Management
- E) Internal Communications Arrangements
- F) Engagement with External Stakeholders
- G) Review of Effectiveness of the Framework

1.2 The Mission of the Department

As a central Government Department, serving the Government and the people of Ireland, our mission is to shape the safe and sustainable development of transport, tourism, and sport, to support economic growth and social progress.

The Department is arranged into six sectoral areas which broadly reflect distinct functional units. At the same time, its mission requires co-operation and interaction between sectoral areas. The high-level goals of the sectors are set out in summary fashion below:

Aviation To maximise air transport connectivity with a safe, competitive, cost-effective and sustainable aviation sector

**Land
Transport
(Public
Transport
and Roads)** To best serve the needs of society and the economy through safe, sustainable and competitive transport networks and services

Maritime To facilitate safe and sustainable maritime transport and the delivery of emergency management services.

Tourism To support the tourism industry to grow in a sustainable way

Sport To contribute to a healthier and more active society by promoting sports participation and by supporting high performance and the provision of sport facilities.

The 6th sectoral area is the departments corporate support services. These services are key to the successful delivery of our mission and high level goals.

1.3 Values, Behaviours and Culture

The Department of Transport, Tourism and Sport at all times seeks to instil, develop and maintain values and behaviours that maximise the organisation's capacity to deliver upon its stated objectives. The Department's culture is inherent in its structures and the way it carries out its functions and delivers its services. In addition to a duty to be professional, responsive, open and accountable, the Department is firmly committed to continual reform, innovation and improvement. The primary tenets of the Department's ethos, which reflects the wider ethos of the Civil Service, are set out below:

- The Department maintains the Civil Service values of a deep-rooted public service ethos of independence, integrity, impartiality, equality, fairness and respect
- The Department supports and implements a culture of accountability, efficiency and value for money
- The Department commits to the highest standards of professionalism, leadership and rigour.

Each member of staff of the Department, as a civil servant, operates to a defined set of standards, which are laid out in legislation and Codes as follows:

- Civil Service Code of Standards and Behaviour as published by the Standards in Public Office Commission: a summary of its main features is set out in Appendix 1.
- Civil Service Regulation Acts 1956 to 2005
- Public Service Management (Recruitment and Appointments) Act 2004, as amended
- Official Secrets Act 1993 as amended by the Freedom of Information Acts 1997 and 2003
- Ethics in Public Office Act 1995
- The Personnel Code.

In addition, on appointment to the Department all new employees must sign the following documents:

1. Circular 7/1998 – Freedom of Information, official secrecy and integrity
2. Circular 26/2004 – The Civil Service Code of Standards and Behaviour
3. Conditions for Use of Departmental ICT Systems.

1.3.1 Statements of Interest

Under the Ethics in Public Office Act 1995 and 2001, Ministerial special advisers, members of the Management Board and occupiers of designated positions in the civil and wider public service are required to furnish annually a statement of any registrable interests and those of a spouse or child (or a child of a spouse) which could materially influence them in, or in relation to, the performance of their functions. Office Holders are required to furnish a statement of any additional interests (i.e. of a spouse, a child or a child of a spouse) which could materially influence them in or in relation to the performance of their functions.

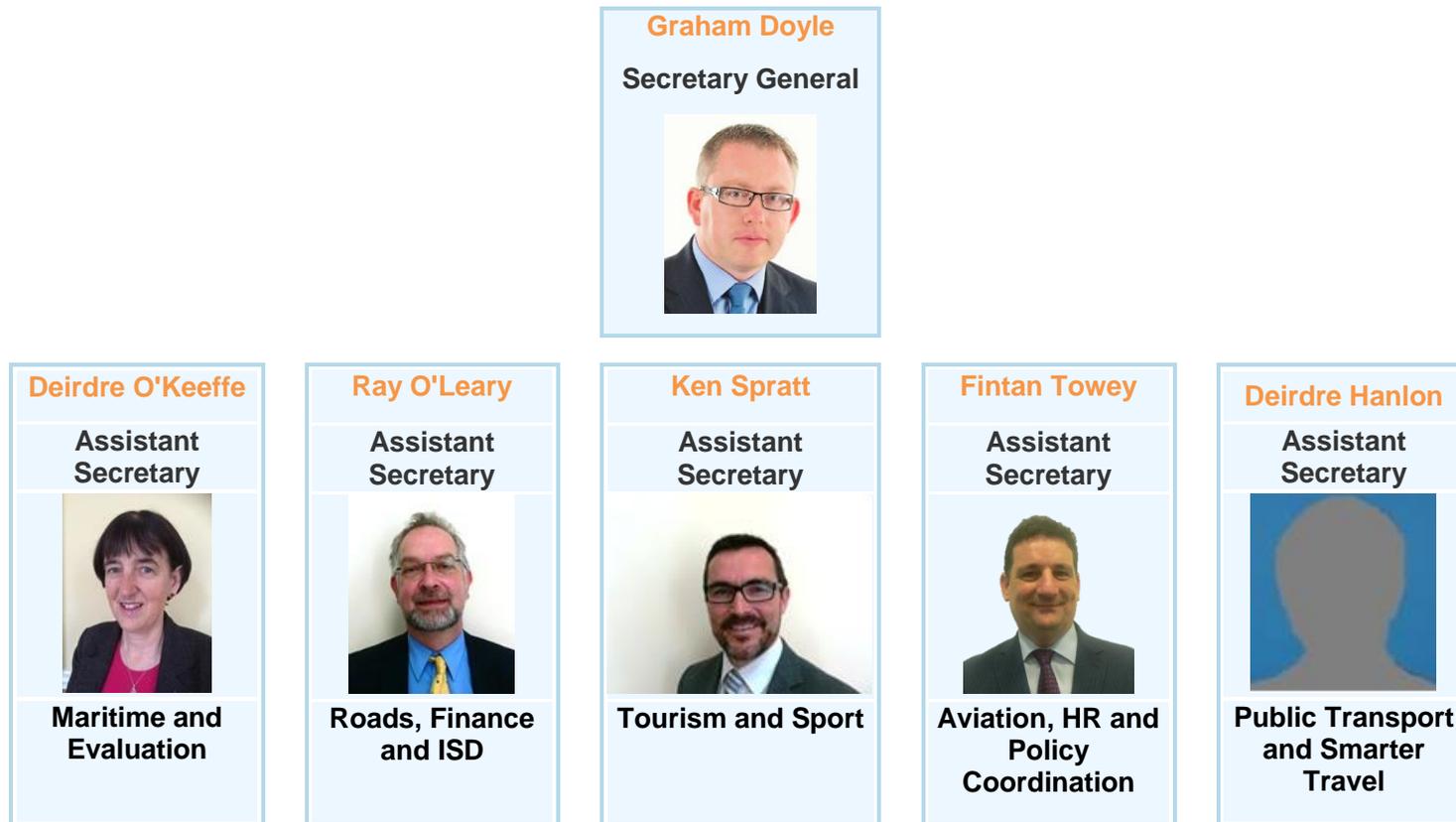
1.3.2 Protected Disclosure

The Protected Disclosures Act 2014 provides statutory protections for workers in all sectors of the economy against reprisals in circumstances where they disclose information relating to wrongdoing that has come to their attention in the workplace. All public bodies are obliged under the Act to have internal procedures in place for dealing with protected disclosures and these are notified and made available to staff within the Department.

1.4 Organisation Structures

The Departments' organisational structure is set out in Figure 1 with five separate policy/management areas headed by Assistant Secretaries who, in addition to the Secretary General, make up the Department's Management Board.

Figure 1: Department of Transport, Tourism and Sport Management Structure



1.4.1 Secretary General

The Public Service Management Act 1997 (No. 27 of 1997) sets out the responsibilities of the Secretary General of the Department.

The Secretary General has the responsibility of implementing the Department's mission and high level goals. The Secretary General acts as the Accounting Officer for the Department's expenditure. Further details of these responsibilities are outlined in Chapter 2, Section 2.3 of this document. Section 4(1) of the Public Service Management Act 1997 empowers the Secretary General to assign to other officers of the Department (or grade or grades of officer) responsibility for the performance of his or her functions.

1.4.2 Assistant Secretaries

The Assistant Secretaries are responsible for delivering the high level goals in their sectoral areas. To that end, they are required to demonstrate high levels of competence in terms of leadership, judgement, relationship management and drive. The areas of responsibility of Assistant Secretaries are outlined in Figure 1 and the sectoral high level goals are outlined in Section 1.2 of this document.

The Department published the framework of assignments of responsibilities for the Management Board and all Head of Functions in 2015 (www.whodoeswhat.gov.ie).

1.5 Strategic Planning, Decision Making and Performance Management

The focus of the Department is to provide evidence based policy advice in the areas of transport, tourism and sport in line with Government policy, to deliver programmes/projects and manage expenditure. The Department provides impartial advice to the Minister and Minister(s) of State to facilitate the effective implementation of Government policy as it relates to the Department.

The Department's internal structures, processes and culture, as detailed through this Corporate Governance Framework, facilitate the achievement of its high level goals. In terms of planning, decision making and performance management, there is a clear and coherent link between the organisation's goals, our Statement of Strategy and the individual roles of all staff. This way of working seeks to ensure that management within the Department is coherent and performance-focused.

Figure 2 – Strategic Planning and Delivery



1.5.1 Organisational Level - Statement of Strategy

The Department develops a Statement of Strategy at least once every three years in line with the Public Service Management Act 1997. Guidelines prepared by the Department of the Taoiseach require that the Statement of Strategy take account of commitments in the Programme for Government. The Department's most recent Statement of Strategy is available at this [link](#).

The Statement of Strategy is the Department's primary organisational level strategic plan setting out the Department's priorities, in line with Government policy. The Statement of Strategy provides a clear statement of our priorities for all stakeholders as well as a focus for the activities of the Department and staff. The Statement of Strategy provides the framework for more detailed planning and individual performance management across the Department.

For our stakeholders, which include those who use our services, public representatives, the sectors whose development the Department supports, colleagues across public administration and the media, the Statement of Strategy sets out the outputs and outcomes expected in return for the resources entrusted to the Department, and the indicators by which the Department can be held accountable for delivery. By making these indicators as clear as possible, we provide a basis to assess our performance regularly through the detailed updates on progress in our Annual Report and Output Statement.

For our staff, the Statement provides the high-level goals and objectives which underpin the much more detailed Business Plans for each business unit of the Department. These in turn provide the basis for the specific performance plans which set out the contribution each individual member of staff will make towards delivering the high-level goals.

1.5.2 Unit/Divisional Level - Annual Business Plans

Each Division in the Department prepares a Business Plan at the beginning of each year. The purpose of the Business Plans is to set out the key outputs that will be delivered in the year ahead. The plans encompass, in addition to high-level strategic issues, the more detailed day-to-day activities of the Department. The implementation of the actions in the Divisional Annual Business Plans is monitored on a continuous basis by line management and through the Performance Management Development System.

1.5.3 Individual Level - Performance Management

The Performance Management and Development System (PMDS) is a tool that helps all managers and staff across the Department to manage and improve performance.

PMDS encompasses the following core principles:

- Creating a clear understanding of what is expected of staff and managers through effective planning and goal setting;
- Enhancing understanding of the strategic objectives of the organisation and of individual contribution to achieving these;
- Regular reviews to ensure common understanding of and manage progress towards achieving goals; and
- Fostering career progression through continuous learning and development.

PMDS is a two-way collaborative process which encourages staff and their managers to think about, discuss and agree on what needs to be done to strengthen individual performance, the performance of the Department and the service we deliver to the public.

1.5.4 Review Process - Annual Report

An Annual Report is prepared by the Department at the end of each year as envisaged by the Public Service Management Act 1997. The Annual Report outlines the main achievements and developments during the year to advance the Department's objectives, as set out in its Statement of Strategy. The Annual Report, endorsed by the Secretary General, is published on the Department's website. The Annual Report process acts as a review mechanism for the Statement of Strategy, Business Planning and PMDS and underlines the Department's strategic planning process.

1.6 Internal Communications Arrangements

The Management Board meets weekly, with policy matters arising included as a standing item on the agenda. Regular agenda items are monthly updates to Management Board by the Finance Division, Human Resources Division and Internal Audit.

The Management Board strives to communicate its work and decisions to the staff of the Department. This is done through a “cascade system” where Management Board decisions are communicated across the Department through the wider senior management structure. Divisions meet on a regular basis to agree business plans and monitor progress against targets set.

The Department is committed to recognising its staff as key to contributing to the Department’s continuing success. A critical mechanism for daily communication and interaction with staff is the Department’s intranet – called the Hub. The Hub is accessible to all staff and acts both as a repository for key Departmental information (who we are, what we do and how we do it) and as a key tool for communicating and collaborating internally on key issues, events and sharing of corporate knowledge (e.g. calendar of events, news items, “InfoShare”).

The Hub is the portal to “WorkSmart” which is the Department’s collaboration platform. WorkSmart includes various applications which have been developed to enhance internal communication and decision-making processes electronically – including Parliamentary Questions (ePQs), Ministerial Representations (eCorrespondence) and significant policy decisions (eSubmissions). WorkSmart also provides opportunities for collaboration within and across Divisions/Sectors of the Department. For example, the Management Board has its own collaboration area (eMB) which allows for the submission of documents to the Management Board and the communication of minutes of their meetings. The Hub also links to the Department of An Taoiseach’s eCabinet system which facilitates electronic communications between the Minister, the Department and Cabinet. These systems are designed to facilitate an effective, efficient and transparent method of communication within the Department and between the Department and the Minister/Minister(s) of State.

1.7 Engagement with External Stakeholders

The Department is committed to openness and transparency in all aspects of its work. This extends from policy development to engagement with the public and stakeholders.

The Department is committed to delivering policy in as open a way as possible, consistent with the law, and to the regular and timely publication of internal technical studies, policy reviews and other relevant papers. Extensive engagement with domestic and international stakeholders, other Government Departments/Offices, think-tanks and other experts help improve the quality of the Department’s policy advice. Open policy making is substantially supported by stakeholder or public consultation processes. These help ensure that available policy choices are carefully evaluated in an informed manner. The Department’s key external stakeholders are:

- Members of the public and civil society;
- Members of the Oireachtas;
- Other Government Departments, State-owned companies and State agencies;
- Local and Regional Bodies;
- Representative and business bodies;
- The European Union, associated bodies and other international organisations.

1.7.1 Lobbying

Extensive communication with the public and the Department's stakeholders is vital and provides an important input and feedback in the policy and decision-making process. However, it is appropriate that this activity is open to public scrutiny and that there is transparency on 'who is contacting whom about what'. The Regulation of Lobbying Act 2015 came into effect on 1st September 2015¹. The purpose of the Act is to provide for a web-based Register of Lobbying to make information available to the public on the identity of those communicating with designated public officials on specific policy, legislative matters or prospective decisions. The Act also provides restrictions and conditions on the taking up of certain employments by certain designated officials for a specified period of time after leaving the Department, where a possible conflict of interest arises.

1.7.2 Customer Service

Improving how the Public Service engages with its customers and improving service design and delivery is a core part of the Public Service Reform programme. This initiative led to the development of the Quality Customer Service (QCS) Initiative. In the Civil Service, QCS Officers are part of the QCS Officers' Network. The network meets regularly, facilitated by the Reform and Delivery Office, to discuss and share best practice in customer service.

A Civil Service Customer Satisfaction Survey was conducted in 2015. The purpose of the survey was to ascertain satisfaction levels with services received, as well as more general perceptions of, and attitudes to, the Civil Service. The survey was carried out to meet a commitment in the Government's Public Service Reform Plan 2014-2016. The survey also delivers on a commitment in the Civil Service Renewal Plan. The results from the survey can be viewed at this [link](#).

The Department recently published its Customer Service Action Plan and Customer Service Charter. The Action Plan and the Charter cover the period 2017-2019.

This Action Plan sets out the steps the Department will take up to the end of 2019 to deliver on the commitments set out in the Charter. The service standards and indicators in the Customer Service Action Plan are set out in accordance with the 12 Guiding Principles of

¹ Parts 1, 2, 3 and 5

Quality Customer Service. The Action Plan and Charter are available on the [Department's website](#).

1.7.3 International Responsibilities

The Department plays an active role within, and in conjunction with, a number of international organisations to ensure that the interests of Ireland are represented in the areas of transport, tourism and sport. Given the diverse nature of the Department's policy areas there are a variety of responsibilities and requirements that are undertaken in the international arena. The organisations that the Department engages with includes but are not limited to the European Union and associated bodies, the OECD International Transport Forum, the UN's International Maritime Organisation and the International Civil Aviation Organisation. In fulfilling its international role, the Department at all times works within the rules and regulations of the relevant body and represents Ireland in line with Government policy and the Department's objectives.

Furthermore, both transport and tourism are designated areas of north/south cooperation under the Good Friday agreement. As a result, the North South Ministerial Council meets on a regular basis in both tourism and transport sectoral format requiring detailed interaction with relevant Departments in Northern Ireland.

1.8 Review of Effectiveness of the Framework

The Corporate Governance Framework will continuously evolve so that the Department can better adapt to social, political, environmental and economic changes. The Department is committed to building and sustaining a sound and effective Corporate Governance Framework: this Framework must therefore demonstrate the potential for continuous improvement and development.

The Corporate Governance Framework is being published on a web based platform. This will allow the relevant officials to maintain and keep the Corporate Governance Framework up to date and allow staff seeking guidance on procedures to explore the Framework in greater levels of detail, as appropriate to their needs.

Policy and Governance Co-ordination Division is tasked with keeping the Corporate Governance Framework and any associated guidance up to date.

The Management Board will formally review the operation of the Framework annually.

Chapter Two

Ministerial and Senior Management Roles and Assignment of Responsibilities

2.1 Chapter Objectives and Introduction

This Chapter defines the roles and responsibilities of Ministerial and Senior Management staff and is completed in line with the second governance principle:

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

This element of the Framework is set out in respect of the following core elements defined within the Civil Service Governance Standard:

- A) An overview of the roles and responsibilities of the Minister, the Minister(s) of State, and the Department's relationship with the Minister and the Minister(s) of State
- B) An overview of senior management governance roles and responsibilities, including those relating to Secretary General and Accounting Officer, Special Adviser, those who exercise a senior management role within the Department, and all staff
- C) How responsibility is assigned to officers of the Department for the performance of the functions under the Public Service Management Act 1997.

2.2 Roles and Responsibilities of Minister(s) and Minister(s) of State in Relation to the Department of Transport, Tourism and Sport

This section gives an overview of the primary roles and responsibilities of the Minister, Minister of State and special advisers as they pertain to the Department of Transport, Tourism and Sport. It also sets out the main mechanisms through which the Department interacts with these office holders.

2.2.1 Minister for Transport, Tourism and Sport

The principal legislative provisions governing the Minister's powers are the Ministers and Secretaries Acts 1924 to 2013 and the Public Service Management Act 1997. The structures of Government Departments and distribution of their business are regulated by these Acts. Under the legislation, the Minister with responsibility for each Department is designated as a 'corporation sole', and as such the person with legal responsibility for the Department's activities. This means that the Minister is ultimately responsible for Departmental policy within the overall context of Government policy.

2.2.2 Minister(s) of State

Ministers of State are appointed by the cabinet, on nomination of the Taoiseach. In accordance with the Ministers and Secretaries (Amendment) (No.2) Act 1977, the Government may delegate, by way of an Order, to a Minister of State, the majority of the powers and duties of the relevant Minister of the Government under any particular Act or any particular statutory power or duty.

2.2.3 Special Advisers

The role of the Special Adviser, as set out in Section 11 of the Public Service Management Act 1997, is to assist the Minister or the Minister of State by providing advice; monitoring, facilitating and securing the achievement of Government objectives that relate to the Department, and performing such other functions as may be directed by the Minister or the Minister of State, that do not involve the exercise of any specific powers conferred on the Minister or the Minister of State. The Special Adviser is accountable to the Minister or the Minister of State in the performance of those functions.

Special Advisers do not have a role in the day-to-day operations and administration of the Department. Special Advisers to the Minister or Minister of State are appointed to the Department for the Minister's term of office in the Department and are not part of the line management system of the Department.

2.2.4 Department's Approach to Policy Making

Policy is developed within the Department based on Government and Ministerial objectives and on the objectives set out in the Department's Statement of Strategy. The formulation and development of new policies in the transport, tourism and sports sectors is evidence based, developed in consultation with relevant stakeholders and citizens, and subject to consultation with and approval of Ministers.

The development of policy is led by the relevant sectoral areas, drawing on the skills and expertise within the sector, with support from the Department's Economic and Financial Evaluation Unit (EFEU) and, as appropriate, technical assistance from relevant bodies. The EFEU provides an analytical and research resource to support the Department and its Agencies in ensuring that policy and programme development, monitoring, and evaluation are evidence based and objectives led.

The Department also participates in the development of policy with other Departments and agencies on a range of cross-cutting issues in line with Government objectives. New policies are considered at Management Board or Ministerial Management Board level prior to adoption.

2.2.5 Department's Relationship with the Minister and the Minister(s) of State

The Department's role as stated and highlighted throughout this Corporate Governance Framework is to provide impartial professional advice to the Minister and Government on

policy and ensure the effective implementation of Government policy as it relates to the Department. A number of mechanisms are in place to ensure there are effective and appropriate communication streams and relationships to support these functions.

As detailed in Chapter 3, there is a Ministerial Management Board (MMB) which provides the opportunity for formal meetings between the Department's senior management and the Minister and Minister(s) of State. While there are frequent and routine contacts and meetings between Ministers and individual members of the Management Board on sectoral and specific matters, the MMB normally convenes once each month, with the exception of August. MMB provides a forum for the setting of strategic priorities and the reviewing and monitoring of the Department's budget, strategic priorities and sectoral issues that arise. It comprises the Minister, Ministers of State and the Management Board. The advisers to Ministers also attend, as does the Secretary to the MB and the Private Secretaries to the Minister and Secretary General. The Financial Report is a standard agenda item for every meeting and the Principal Officer of the Department's Finance Division and a number of his or her staff attend for this agenda item. Other officers may be asked to attend depending on agenda items.

2.3 Roles and Responsibilities of Senior Management in Relation to the Department of Transport, Tourism and Sport

2.3.1 Secretary General

The Secretary General is the Administrative Head of the Department, the Accounting Officer, and has overall management responsibility for the quality of advice submitted to the Minister. The Ministers and Secretaries Act 1924 and Public Sector Management Act 1997 outline the statutory responsibility of the Secretary General. Under the 1997 Act, certain duties are assigned to the Secretary General (section 4(1), 9(1) and 9(2)), including, but not limited to the duties outlined below:

- managing the business generally of the Department;
- implementing Government policies appropriate to the Department;
- monitoring Government policies that affect the Department;
- delivering outputs as determined by the Minister;
- providing policy advice to the Minister on matters within the remit of the Department;
- preparing Statements of Strategy for submission to the Minister;
- providing reports to the Minister on the implementation of the Statement of Strategy;
- ensuring proper use of resources and the provision of cost-effective public services;
- preparing an outline of how specific responsibilities are to be assigned to other officers in the Department;

- managing matters relating to appointments, performance, discipline and dismissal of civil servants below the grade of Principal or its equivalent.

The list of duties specified in the Public Service Management Act 1997, while extensive, is not necessarily exhaustive and the Secretary General may also be required, under the Act, to carry out other functions on behalf of the Minister. While the Secretary General may delegate responsibility and accountability by way of assignment (where each officer is accountable to the Secretary General), he/she retains ultimate responsibility and accountability for the actions of the Department, irrespective of the delegation of assigned responsibilities.

2.3.2 Assistant Secretaries

Assistant Secretaries lead and are responsible for the delivery of objectives in their sectoral areas, and for providing policy advice and reports to the Minister as required. Specific responsibilities are assigned to officers at Assistant Secretary level within the overall management framework for the Department and the Civil Service. On assignment at Assistant Secretary level or on assignment of new responsibilities, a letter of assignment is issued to the Assistant Secretary from the Secretary General. Included with the letter is an outline of the Assignment of Responsibility and Accountability within the Department in accordance with Sections 4 and 9 of the [Public Service Management Act, 1997](#).

2.3.3 Principal Officers

Management and key decision making in the sectoral areas of the Department are not confined to the Management Board. The Senior Management Group (members of the Management Board, Principal Officer and equivalent grades) is central to coordination of governance, leadership and management of the Department. The Senior Management Group will continue to enhance communications across the Department and will strengthen the operation of the Senior Management Forum which will meet at suitable intervals during the year to discuss key issues relating to the Department and its governance. On assignment at Principal Officer level or on assignment of new responsibilities, a letter of assignment is issued to the Principal Officer from the Secretary General. Included with the letter is an outline of the Assignment of Responsibility and Accountability within the Department in accordance with Sections 4 and 9 of the [Public Service Management Act, 1997](#).

2.3.4 Governance Role of all Departmental Staff

In addition to the particular governance roles discussed above, all staff within the Department have specific and important roles to play in ensuring good governance within the organisation. This is encompassed in the requirements of this Framework, Departmental policies, circulars and Office Notices and in adhering to the Civil Service Code of Standards and Behaviours in the performance of their duties.

2.3.5 Leadership and Organisational Capacity/Capability

Human Resources Strategy

The organisation and management of human resources is fundamental to enabling the Department address the demands it faces in fulfilling its strategic policy objectives in relation to transport, tourism and sport in Ireland. The Department's Human Resources Strategy builds on the foundation of the Civil Service Personnel Code and incorporates the Civil Service Renewal and the Public Service Reform Plans. It encompasses implementation by the Department of the Senior Public Service Leadership Development Strategy. The Human Resources Strategy aims to encompass all issues pertaining to the Department's staff and how they work. This includes strategic decisions on resources and skills that must be decided at the level of the Management Board, within the staffing budget allocated to the Department. A Workforce Framework Plan is developed every year as the basis for the development and allocation of human resources within the Department. Workforce planning focuses on capacity building and strengthening and improving performance.

Budget Management and Control

A key organisational capacity for the Department is the management and control of funding voted to it by Dáil Éireann. The core principles and rules governing budgetary management and control are set out in the Public Financial Procedures – the so-called “Blue Book”.

The annual budgetary cycle begins with the preparation by the Department of its expenditure estimates based on the guidance provided by DPER. This Estimate is agreed by Government and voted on by Dáil Éireann as part of the overall budgetary process with statutory effect provided through the annual Appropriation Act. The Department's annual Estimate sets out the broad budgetary parameters for each programme under its remit, identifying the various sub-programmes and key performance indicators and outputs for each.

As Accounting Officer, the Secretary General of the Department has a central role in the expenditure management framework. The Department's Finance Division is responsible for providing an efficient and effective financial management service for the Department, managing the relationship with the DPER on funding issues (including monthly reporting on spend), administering Departmental income and expenditure in accordance with statutory requirements and public financial procedures, and ensuring that correct monitoring and control mechanisms are in place. Each Division within the Department manages and controls its own budget in accordance with the “Blue Book” procedures. The Internal Audit Unit objectively and independently examines, evaluates and reports on the adequacy, application and effectiveness of the Department's internal control systems, including its financial control systems. Chapter 4 sets out these roles in more detail.

At the end of each financial year, the Department prepares an Appropriation Account in accordance with its statutory requirements, reporting on the outturn for the year compared with the amount provided by Dáil Éireann. This account is signed off by the Accounting Officer by 31 March and is then externally audited and certified by the Comptroller and Auditor General (usually by September).

ICT Governance and Security Strategy

The Department is committed to optimising the use of ICT to deliver a better, secure and more efficient level of service both for internal and external customers and to build on the Department's strong track record in developing IT systems to suit business needs.

All ICT related expenditure is controlled by the ICT Control Section within the Office of the Government Chief Information Officer. Departments and agencies under the remit of that Office must submit to ICT Control a Start of Year statement detailing all planned expenditure for the year. A corresponding End of Year statement is submitted detailing the actual spend in the previous year.

Internally, the principal Corporate Governance Framework for the Department's strategy is the ICT Strategy Group which sets priorities on an annual basis. The Group is chaired by the Head of Information Services Division (ISD) and comprises a cross section of Division Heads. This Group agrees the work programme for the year and monitors progress. It also approves the Start of Year statement mentioned earlier. Individual IT projects are subject to further approval by ICT Control depending on the scale and nature of the projects. ISD prepares its Annual Business Plan and reports on progress to the Management Board on a regular basis.

At programme level, there are other governance structures. The Maritime ICT Steering Group, chaired at Assistant Secretary level, oversees a specific Maritime IT programme. The Department's Hub and WorkSmart initiatives (as described in Chapter 1) are overseen by the HubSmart Group, chaired at Principal Officer level, with representatives from a number of line Divisions. The Department has an IT liaison officer network which comprises representatives of business users across the Department who meet to discuss ongoing IT issues and needs, such as training.

The maintenance of secure and resilient IT systems is key to the delivery of the Department's programmes. ISD has a Disaster Recovery Plan in place and all new systems developed in-house are subject to rigorous testing before release. Cyber security represents an ongoing risk for the Department and measures are in place to manage and mitigate this risk. There is a dedicated officer within ISD who acts as IT security officer. Security is also dealt with in internal Service Desk procedures. Finally, every end user has a responsibility for security and this is acknowledged in the Computer Usage policies that they sign. ISD

make a presentation to Management Board twice a year and security is a standing agenda item at those meetings.

Chapter Three

Management Board and Other Governance Structures

3.1 Chapter Objectives and Introduction

In this chapter we set out the primary management structures within the Department, most particularly the Management Board and senior management structures. The chapter aligns with the third governance principle within the Civil Service Governance Standards:

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

There are two core elements within this section of the Department's Framework:

- A) The purpose, role and terms of reference of management structures and arrangements in place including Management Board or committee structures, Ad-Hoc Working Groups and senior management structures; and
- B) An overview of governance arrangements that span across organisational boundaries.

3.2 Primary Management Structures and Arrangements

The Department's overall management structure is headed by its Management Board. The Management Board comprises the Department's Assistant Secretaries and is chaired by the Secretary General. The Management Board plays a key role in the Department's decision making and Corporate Governance Framework as the Department's senior management team advising the Minister and Minister(s) of State. The Terms of Reference of the Department's Management Board, including the roles and responsibilities of both the Management Board and the Ministerial Management Board of the Department, are set out below. This Chapter also sets out the procedures underpinning the work of both Boards.

3.2.1 Department's Vision and Purpose

The Civil Service Renewal Plan sets a vision for all Government Departments of providing a world-class service to the State and to the people of Ireland. The Management Board of the Department of Transport, Tourism and Sport aims to contribute to this vision through the achievement of the mission set out in the Renewal Plan by:

- offering objective and evidence-informed advice to Ministers, responding to developments and delivering Government and Ministerial objectives, while striving to achieve optimal outcomes in the long-term national interest; and
- serving citizens and stakeholders efficiently, equally and with respect, in a system that is open, transparent and accountable.

As a central Government Department, serving the Government and the people of Ireland, the Mission of the Department of Transport, Tourism and Sport is to shape the safe and sustainable development of transport, tourism, and sport, to support economic growth and

social progress. The focus of the Management Board is to work within the structures set out in this document to achieve this Mission.

3.2.2 Management Board Overview

The Management Board provides strategic leadership, vision and direction to Department staff in achieving Department goals and strategies. It supports the Minister and Secretary General in the performance of their statutory duties and is responsible for ensuring the effective and robust governance and oversight of the Department and its agencies.

Management Board members are expected to act in the best interests of the Department as a whole and work on the basis of shared participation and responsibility for the operational success of the entire Department. Decisions of the Board are generally reached by consensus but, where consensus is not possible, the Secretary General makes a decision, having taken account of the views of other members.

3.2.3 Composition of Management Board

The Management Board has six members, comprising the Secretary General and the five Assistant Secretaries of the Department. The Management Board is supported by a Secretary to the Board who is at Assistant Principal level in the Policy and Governance Coordination Division. Details of Membership of the Board and their individual responsibilities have been set out in Chapter 1, section 1.4 of this document. The Board meets every week, normally on Tuesday mornings, except during August. The Minister's Special Adviser and the Private Secretary to the Minister of State attend part of each Management Board meeting for a discussion of Ministerial, Government and Oireachtas business.

The Finance Officer and Personnel Officer attend Management Board meetings at least once a month for Management Board considerations and monitoring of financial and human resources matters. The Internal Auditor attends quarterly and the Risk Officer also attends every quarter for Management Board review of the Risk Register. The Chairman of the Audit Committee is invited once a year, or more often on request, to present the Committee's Annual Report and to respond to any issues members may raise. Other staff members may be required to attend Management Board meetings as necessary on matters relating to their individual functions. The Management Board may also invite other external participants to attend as required.

3.2.4 Role of Management Board

The Management Board is responsible for:

- Providing leadership and strategic direction to the Department and to the transport, tourism and sports sectors;

- Providing quality, coordinated and timely advice on strategic matters affecting the Department to the Minister and Ministers of State, through use of its strategic business planning process and management information tools;
- Providing appropriate leadership, judgement, oversight, management and review of the Department's strategy statements and business plans and activities, and where appropriate, of the relevant sector-wide statements and plans;
- Providing oversight of the distribution of the Department's resources, directing resources to where they are most needed, and leading innovation in how the services of the Department and sector are delivered;
- Ensuring that an appropriate Corporate Governance Framework is in place for the Department and each sector and, in particular:
 - assisting the Secretary General in discharging Accounting Officer functions
 - seeking to ensure that the Department operates within its defined boundaries to an agreed and acceptable degree of risk and a reasonable assurance that all material financial and regulatory requirements are being met
 - ensuring that effective governance and accountability arrangements are in place between the Department and its agencies and bodies; and
- Providing appropriate leadership and development support for all staff.

3.2.5 Chairperson

The Secretary General acts as the chairperson to the Management Board and is responsible for the following tasks:

- scheduling of Board meetings;
- ensuring that formal communication in relation to all matters on meeting schedules, documents, and other issues are co-ordinated by the Secretary to the Board;
- appointment of a Secretary to the Board;
- ensuring that there is a system in place to provide Board members with accurate and timely information;
- ensuring that the Management Board considers any matters that threaten the propriety or value for money considerations underpinning how the Department carries out its business;
- ensuring that the Management Board considers any significant issues that may impact on the Department's capacity, capability or significant risks to delivery on its objectives, together with details of mitigating actions proposed or taken.

3.2.6 Members of the Management Board

The role of members of the Management Board includes, but is not restricted to, the following:

- ensuring their regular attendance, thorough preparation for, and active participation at meetings of the Board;

- ensuring that their specific responsibilities arising from their individual roles as Board members are undertaken as comprehensively as possible;
- ensuring that members act as a corporate entity in providing leadership and strategic direction, and driving and overseeing the implementation of strategies;
- challenging and critically examining items under discussion by the Board;
- notifying the Board of any matters that threaten the propriety or value for money with which the Department carries out its business;
- notifying the Board of any significant issues which may impact on the Department's medium term capacity, capability or significant risks to delivery of its objectives, together with details of mitigating actions proposed or taken.

3.2.7 Review of Terms of Reference

The Management Board will review its Terms of Reference on an annual basis at the commencement of each calendar year. In reviewing its terms of reference, the Board will consider if more effective working methods and governance structures are possible taking account of developments within the Civil Service Renewal Programme and experiences within the Department or across the wider Civil and Public Service.

The Management Board will communicate its Terms of Reference to Ministers, Special Advisers and all members of staff.

3.2.8 Meetings and Agenda

As outlined earlier, meetings of the Management Board are generally held every Tuesday morning with the exception of the month of August. The Agenda is agreed between the Secretary General and the Secretary to the Management Board the week prior to the meeting. The Management Board expects that matters of significant or strategic importance, or which give rise to a significant risk, will be brought to the attention of the Board in a timely manner, through the relevant responsible member. Every Management Board member and Head of Function is free to propose an Agenda Item and open discussion is a key principle.

The following are matters that are dealt with by the Management Board:

- a) Strategy Statement;
- b) Business Planning;
- c) Operational strategies, as appropriate, to best implement Ministerial policies;
- d) Risk management for the Department;
- e) Discussion of major strategic challenges confronting the Department and strategies affecting the long term interests of the Department (including IT, financial and Human Resource allocation, Human Resources strategies);
- f) Ensuring that cross-cutting and longer term issues are fully accounted for in resource planning, policy formulation and advice;
- g) Budget allocation and performance;

- h) Ensuring effective communication throughout the organisation including dissemination of information on the role and decisions of the Management Board where appropriate, driving engagement with staff and communication with external stakeholders;
- i) Considering and debating major policy issues and wider external issues of significance;
- j) High-level consideration of significant management and investment decisions;
- k) Ensuring Strategic Human Resources and Organisational Capacity & Capability Reviews are conducted periodically;
- l) Ensuring that opportunities exist to exploit and embrace technology and innovation to transform how services are delivered; and
- m) Governance arrangements.

Standard Agenda Items for Management Board meeting include the following:

Weekly	Ministerial, Government and Oireachtas business; Policy issues arising.
Fortnightly	Early warning reports.
Monthly	Financial report, including actual spend against profile, pressures and savings arising; Human Resource matters, including staffing, reform plans and business planning; Legislative Programme (primary legislation and mandatory secondary legislation); EU Infringement Report.
Quarterly	Risk Management report; Internal Audit Reports; Programme for Government / Departmental Priorities / Statement of Strategy; Specified Project Progress Reports.
6 Monthly	Information Services Division ICT progress reports / updates.
Annually	Terms of Reference of Management Board; Department and Ministerial Priorities; Freedom of Information Report; Prompt Payment Report; Code of Practice Agency Governance Report.

In addition to the above, many individual or cross-cutting items are considered by Management Board on an ad hoc basis as they arise.

3.2.9 Management Board Papers and Other Documentation

The Department's Management Board papers are managed and stored via a dedicated electronic management system (eMB). The weekly agenda is uploaded to eMB on the Thursday evening prior to the Management Board meeting and papers for each meeting are, where possible, also uploaded to eMB on that day. Once uploaded, papers are accessible by members of the Management Board. Following each meeting, papers are automatically archived on eMB.

A copy of the Agenda is also circulated by email to other staff members attending a meeting and relevant papers on the Agenda Item "Ministerial, Government and Oireachtas business" are circulated to the Special Adviser to the Minister and to the Private Secretary one day prior to the Management Board meeting. Management Board minutes are approved by the Management Board at the next meeting and are then published on the Department's staff intranet. Once published, they are accessible by Ministers, advisers and all staff.

3.2.10 Support

The responsibilities of the Secretary to the Board are the following:

- agree Agenda and upload Agenda and papers in advance of the meeting;
- advise the Members on relevant issues and records;
- attend each meeting and record decisions and action points;
- maintain and publish minutes for all staff to access; and
- maintain electronic records of all papers considered by the Management Board.

3.2.11 Decisions/Actions Agreed

Decisions and actions will generally be reached by consensus. Where a consensus is not achieved, the Secretary General will, having consulted with other members, decide upon a course of action. Decisions/actions agreed are captured in the minutes of the meeting.

3.2.12 Committees

A number of Committees report to the Management Board including the following:

- Audit Committee
- Risk Committee.

The Audit Committee is an independent committee chaired externally. It reports to the Management Board through the Head of Internal Audit on a quarterly basis. The Chairperson of the Audit Committee is invited to attend Management Board on an annual basis. The Risk Committee is an internal sub-committee, chaired by an Assistant Secretary, and reports to the Management Board on a quarterly basis.

The Management Board may delegate consideration of certain matters to Management Board sub-Committees without diluting management responsibility.

3.2.13 Ministerial Management Board (MMB)

As outlined in Chapter 2, Section 2.2 of this document, while there are frequent and routine contacts and meetings between Ministers and individual members of the Management Board on sectoral and specific matters, the Ministerial Management Board meetings provide a formal opportunity for the setting of strategic priorities and the reviewing and monitoring of the Department's budget, strategic priorities and sectoral issues arising.

The MMB is chaired by the Minister and attended by:

- Minister(s) of State of the Department;
- Management Board members;
- Special Advisers to the Minister and Minister(s) of State;
- Private Secretaries to the Minister and Minister(s) of State;
- Private Secretary to the Secretary General;
- Secretary to the Management Board.

The MMB is also attended by

- the Finance Officer (for consideration of financial reports);
- the department's legal adviser
- Other officers of the Department as required for specified matters.

Meetings take place monthly, usually the third Thursday of the month. The routine Agenda items include:

- Monthly Financial Report;
- Sectoral issues arising;
- Any other matters Ministers wish to raise.

3.2.14 Ministerial Management Board Papers

The Agenda for each meeting is agreed between the Ministers and the Secretary General and, together with the relevant papers, circulated by email to all attendees two days prior to the meeting by the Secretary to the Ministerial Management Board.

3.3 Cross-Organisational Governance Arrangements

Within the Statement of Strategy and the Business Plans, the Department sets itself ambitious objectives across the broad spectrum of economic, fiscal, financial and international policies. As stated earlier, the Department also participates in the development of policy with other Departments and agencies on a range of cross-cutting issues in line with Government objectives. The Department is currently involved in various programmes across the Civil Service, including cross-Departmental official level groups and

Cabinet Committees. Officers of the Department also lead or participate in a number of internal and external committees or work groups that facilitate formulation of wider policy perspectives and strategies. Among such Committees/Groups are:

- Collaboration with the Department of Housing, Planning, Community and Local Government in the development of a new National Planning Framework as an integral part of transport planning and investment considerations
- Membership of the Government Emergency Planning Task Force and representation on the Emergency Planning Inter-Departmental Working Groups and the National Steering Group
- Regular liaison with the Department of Justice and Equality, an Garda Síochana and the Road Safety Authority on road safety policy and legislation requirements
- Common interests and co-ordination with the Department of Health and the Department of Education and Skills in terms of appropriate transport links, health and physical activity, and the promotion of sporting activity and active travel such as cycling and walking
- Liaison with the Department of Children and Youth Affairs in relation to the delivery of a number of Government priorities for children and families
- Regular contact with many Government Departments in relation to tourism policies and programmes, for example with the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs on cultural tourism and the National Landscape Strategy, and the Office of Public Works on the management of the natural and built heritage
- Close cooperation with the Office of Public Works who provide technical support to the Department for major sports infrastructural projects, and liaison with the Revenue Commissioners on the operation of the scheme for donations to sports capital projects
- The Department also operates with a range of committees and groups with a safety focus, for example the Irish Aeronautical and Maritime Emergency Advisory Committee which has representatives from the Department, the Naval Services, Air Corp, Fire and Emergency Planning, Irish Aviation Authority and the RNLI.

Chapter Four

Audit, Assurance and Compliance Arrangements

4.1 Chapter Objectives and Introduction

In this Chapter the current audit and assurance arrangements are defined. The Chapter details the mechanisms through which the Department ensures that risk and performance are adequately managed and that best practice processes, systems and guidelines are utilised.

The audit, assurance and compliance functions of the Department of Transport, Tourism and Sport, and its agencies, are operated in line with the fourth overarching governance principle:

Governance Principle 4 **Good governance means managing risks, and performance through robust internal control systems and effective performance management practices.**

In completing this task the Department's Corporate Governance Framework sets out the two core elements highlighted in the overall Civil Service Governance Standard:

- A) Audit and Assurance Arrangements; and
- B) Compliance Framework.

4.2 Audit and Assurance Arrangements

Within the Department of Transport, Tourism and Sport there are a number of interrelated audit and assurance arrangements which combine to formulate the overall compliance framework. This framework is set up in compliance with central guidance and ensures that the Department can carry out the function of appropriate financial management efficiently and effectively.

This section details the various elements of the framework including the role of the Accounting Officer; the role of the Audit Committee; the role of the Department's Internal Audit Unit; the role of the Department's Finance Division; procedures in terms of risk management and procurement and the annual quality assurance process. As stated earlier, this framework is founded upon central guidance, standards and requirements.

4.2.1 Accounting Officer

The Accounting Officer has a central role in the expenditure management framework. The Department of Transport, Tourism and Sport's Secretary General acts as the Accounting Officer for the expenditure of the Department. The primary functions of Accounting Officers are set out in legislation and they operate within established principles and conventions that are derived mainly from the Constitution and from the institutional and financial relationships that have been developed between the Oireachtas and the Executive over the years.

Expenditure is provided for under 'votes', with one or more votes covering the functions of each Department or Office. The primary task of the Accounting Officer is to prepare the annual Appropriation Account for the Vote (Vote 31 for Transport, Tourism and Sport) and to submit it to the Comptroller and Auditor General for audit. In completing this task the Accounting Officer has regard to guidance or requirements from DPER in relation to the content, structure and format of the Appropriation Accounts for each year².

In addition to the Appropriation Accounts, the Accounting Officer also submits a Statement of Internal Financial Control. The purpose of the Statement is to detail the measures that are undertaken to ensure that an appropriate system of financial control is in place. The Statement covers a number of sections including Financial Control Environment; Administrative Controls and Management Reporting; Significant Financial Risks; and Internal Audit and Audit Committee.

Within the Department of Transport, Tourism and Sport, the Finance Division assists in the production of both the Statement of Internal Financial Control and the Appropriation Accounts. Once signed off by the Accounting Officer (Secretary General), the Statement is sent to the Comptroller and Auditor General before 31 March each year.

In addition to the central task of preparing and approving the Appropriation Accounts, the Accounting Officer has a number of responsibilities as set out in the Public Financial Procedures Manual³:

- The safeguarding of public funds and property under his or her control.
- The regularity and propriety of all the transactions in each Appropriation Account bearing his or her signature.
- Ensuring that all relevant financial considerations are taken into account and, where necessary, brought to the attention of the Minister where they concern the preparation and implementation of policy proposals.
- Economy and efficiency in the administration of the Department. This includes ensuring that there are adequate financial management systems in place to support the proper administration of the Department in an economic and efficient way.
- The adequacy of arrangements within the Department/Office to ensure the correctness of all payments under his/her control and the prompt and efficient recovery and bringing to account of all receipts connected with the Vote, or with any fund for which the Department is responsible.
- Ensuring that DPER sanction for expenditure has been obtained and for the maintenance of a central record of both delegated and specific sanctions.

² For example, Circular 19/2015: Requirements for Appropriation Accounts 2015.
<http://circulars.gov.ie/pdf/circular/per/2015/19.pdf>

³ <http://govacc.per.gov.ie/public-financial-procedures-booklet-by-section/>

- Responsibilities for internal audit, including regularly reviewing the internal audit function to ensure there is the desired quality of assurance on the adequacy, reliability and efficiency of the Department's internal control system.
- Responsibilities in respect of grants to outside agencies, particularly in regard to the conditions of the grant, the submission of accounts and being satisfied that the accounting systems and organisational arrangements of the grantee are adequate to ensure the proper administration of the money.
- Ensuring that there is a clear framework for control (including financial reporting) and accountability for public funds in bodies operating under the aegis of the Department.

As outlined, the Accounting Officer is responsible for the overall management of expenditure within the Department. The audit, assurance and compliance framework within the Department of Transport, Tourism and Sport is set up to enable the Accounting Officer to carry out these duties. The remainder of this Chapter gives further details on the elements of this framework.

4.2.2 Audit Committee

The Department's Audit Committee (which operates under a Charter, see Appendix 3), combined with the Internal Audit Unit, comprise the Internal Audit Function. The mission of the Audit Committee is to advise (and to bring any matters of concern that arise to the attention of) the Accounting Officer and the Management Board in fulfilling their responsibilities with regard to the governance of the Department, having particular regard to the provision of assurance in relation to the adequacy and effectiveness of the systems of internal controls and risk management in place.

The Audit Committee is appointed by the Accounting Officer and consists of at least four members, of whom two are Executive Members (Assistant Secretaries/Principal Officers from the Department), and at least two are Non-Executive Members (external). The Committee's mandate is set out in its Charter which is attached at Appendix 3. In general terms, the function of the Audit Committee is one of monitoring and oversight. It is Management of the Department who are responsible for ensuring that appropriate systems (including systems of financial internal control) are in place to ensure that the activities of the Department are adequately governed.

4.2.3 Internal Audit Unit

The role of the Internal Audit Unit (IAU) within the Department is primarily to:

- Give assurance to the Audit Committee, Accounting Officer and Management Board on the adequacy, application and effectiveness of the Department's internal control system;

- Give assurance to the Head of Internal Audit of the Department of Finance on the adequacy, application and effectiveness of the internal controls system of the Department of Transport, Tourism and Sport in relation to EU Funds administered by the Department
- Assist line managers by reviewing the elements of the internal control system for which they are responsible.

The Department's IAU objectively and independently examine, evaluate and report on the adequacy, application and effectiveness of the Department's internal control systems. IAU is committed to adding value and improving the Department's operations by bringing a systematic and disciplined approach to its work in the evaluation of internal controls and management of risk associated with the achievement of the Department's strategic objectives and implementation of its functions.

While the Internal Audit Unit is responsible for appraising the adequacy, application and effectiveness of the internal control system and making recommendations for improvement as appropriate, the Unit has no direct responsibility for any of the activities or operations that it reviews, nor for the development or implementation of systems. Responsibility for internal control rests fully with line managers who must ensure that appropriate and adequate arrangements exist within their area of responsibility.

The principal responsibilities of the Internal Audit Unit include:

- Review the adequacy and effectiveness of the Department's systems of internal financial controls governing all areas of income and expenditure, capital and other projects, and provide advice and recommendations as appropriate to management
- Review and report on the management and control of major risks that would prevent the achievement of the Department's strategic objectives
- At appropriate intervals, report on whether activities are managed and controlled in a manner that is compatible with Departmental objectives and standards of administrative practice outlined in the relevant Government guidelines (including EU requirements) on procurement and capital investment
- Review the reliability and integrity of financial information and the means used to identify, measure, classify, and report such information
- Carry out value for money reviews of projects and activities
- Management and oversight of any arrangements put in place for the outsourcing of internal audit services, to ensure that the quality and quantity of work performed is of a sufficient standard
- Be available (in an advisory capacity) for the development of major systems and provide input as appropriate in respect of:
 - internal controls incorporated in new systems
 - systems testing and post implementation evaluations.

4.2.4 Finance Division

The Department's Finance Division is also a key element of the assurance framework. Its overall purpose is to provide an efficient and effective financial management service for the Department. The Division is central to the Department's relationship with DPER on funding issues. The Division also administers Departmental income and expenditure in accordance with statutory requirements and public financial procedures and ensures that correct monitoring and control mechanisms are in place.

The Unit provides a key support in a number of the other areas of the framework including the compilation of the Appropriation Accounts, management of the Department's Procedures for Internal Financial Control, administrative back up to the risk management system and Risk Officer and oversight of procurement in the Department, as well as liaising as required with the Office of Government Procurement.

The Division also implements any recommendations arising from internal audit reports. Finally, the Division provides support and expertise as necessary to support the Department in complying with the democratic process. As such it provides updates and briefing to senior management as required.

The Division is externally audited on an annual basis to ensure compliance with ISO standard 9001:2008 which covers quality standards relating to the provision of financial services, including Accounts and Management Reporting, Estimates and Budgetary Control, Payroll, Travel and Financial Controls Compliance.

4.2.5 Procedures for Internal Financial Control (PIFCo)

To support the Statement of Internal Financial Control, each Division within the Department of Transport, Tourism and Sport is required to maintain a document entitled 'Procedures for Internal Financial Control' (PIFCo). This process is managed and coordinated by the Finance Division. Each Head of Function is required to approve their PIFCo on an annual basis and to confirm that the procedures have been brought to the attention of all staff.

The PIFCo and annual approval process is critical in:

- Providing a prompt for each Division to continually review systems;
- Maintaining the necessary awareness of control environment and responsibilities among management and staff;
- Ensuring that there is an adequate audit trail for all transactions providing the basis for ensuring that all transactions are processed in a consistent manner in accordance with the controls detailed; and
- Giving the assurance to the Secretary General that procedures, including procurement procedures, are in place to support the Statement of Internal Financial Control.

This element of the assurance framework is critical in providing a coherent and appropriate standard across the various elements of the Department.

4.2.6 Risk Management

The Department of Transport, Tourism and Sport maintains and implements a Risk Management Policy which contributes to the overall compliance framework. The Risk Management Policy is a statement of commitment to the adoption, introduction and implementation of an effective enterprise wide risk management framework throughout the organisation. The document sets out the Department's policy for the management of enterprise-wide risk. There are three objectives of the policy;

1. Improve business performance by providing timely risk information allowing for efficient and effective decision making and planning;
2. Promote a more innovative, less risk averse culture in which the taking of calculated risks in pursuit of opportunities to benefit the Department is encouraged; and,
3. Provide a sound basis for integrated risk management and internal control as components of good corporate governance.

The Department's Risk Register describes the risks and sets out the controls and actions in place to mitigate against them. The Register is updated and reviewed by the Management Board on a quarterly basis. A Risk Committee, chaired at Assistant Secretary level, oversees the implementation of risk management within the Department, including reviewing the Department's risk policy, framework, processes and standards, reviewing the Department's risks, in particular those risks rated as high, providing periodic status reports, including summarised status reports on initiatives and compliance issues to the Management Board and, as appropriate, the Audit Committee. It also promotes awareness of risk management and the need to identify and manage risk effectively.

The Audit Committee maintains a current 'Risk Profile' as a basis for implementing and monitoring the risk management activities. This profile includes detail of the impact and likelihood of each risk identified, identifies the controls in place where appropriate, indicates ownership/responsibility and specifies an Action Plan for treatment. This is reviewed and updated on a quarterly basis. Progress on the risk management programme is a standing item on the Audit Committee agenda.

To help to meet their responsibilities to identify, evaluate and manage operational risks, the management team within the Department are asked by the Audit Committee to maintain:

- A divisional risk profile which details all risk information for that area;
- A risk management action plan;
- Evidence (for example updating risk management database) of regular review and monitoring of the profile and action plan.

In terms of higher level strategic risks, the Department is a member of the Risk Subgroup of the Government Task Force on Emergency Planning tasked with the identification of hazards and associated risks across four categories (Natural, Transportation, Technological and Civil). The Department also contributes to the preparation of the Government's National Risk Assessment which takes a high level strategic overview of risks (both financial and non-financial) which might have an adverse impact on Ireland's well-being across five categories (Economic, Technological, Environmental, Geo-political and Social).

4.2.7 Public Procurement

As part of the assurance framework the Department's Finance Division oversees procurement in the Department and communicates procurement policy and procedures across the Department. The Division is the key liaison point for the Office for Government Procurement (OGP) and disseminates guidance and procurement initiatives issued by the OGP within the Department. The OGP commenced operation in 2014 and is responsible for Civil Service wide procurement policy and procedures.

As part of their PIFCo (see paragraph 4.2.5), each Head of Function signs off on compliance in relation to public procurement procedures. In preparing the annual Appropriation Account, each Division reports on procurements carried out and identifies any procurements over €25,000 that were not subject to competitive tendering. As a further control measure, the Finance Division coordinates the production of a database of expenditure in particular areas which is a key tool for monitoring procurements. As a transparency measure, this database is published every six months on the Department's website.

4.2.8 Evaluation, Appraisal and Quality Assurance Process

The Economic and Financial Evaluation Unit (EFEU) supports the overall assurance framework within the Department through their work in the areas of evaluation, appraisal and completing the Quality Assurance Process. This work is carried out to ensure that the Department is in compliance with the Public Spending Code⁴ (PSC), as implemented by the Department of Transport, Tourism and Sport. The PSC is the central guidance which governs all expenditure by public bodies and the EFEU monitors compliance in addition to its role in providing economic, statistical and policy assistance within the Department.

In terms of evaluation, EFEU carry out Value for Money and Policy Reviews (VfM) and Focused Policy Assessments (FPAs) which assess the efficiency, effectiveness and rationale of expenditure programmes within the Department. While the primary purpose of the reviews is to provide expenditure and policy analysis to inform future management and policy, they also indirectly contribute to the Assurance Framework by providing a check and assessment of major areas of public expenditure. The reviews are carried out by EFEU in line

⁴ <http://publicspendingcode.per.gov.ie/>

with the methodology set out in the PSC and resultant recommendations are implemented by the wider Department and/or agencies.

EFEU also play a role in the appraisal process for investment projects. Under the PSC and the Department's Common Appraisal Framework (CAF) for transport, the Unit assesses and analyses business cases and cost benefit analyses that are carried out as part of the standard central guidelines. Where issues are identified, changes to the methodology or approach may be recommended so that a robust appraisal is carried out. As such, this assessment and oversight of expenditure and investment appraisal is a further contribution to the overall assurance framework within the Department.

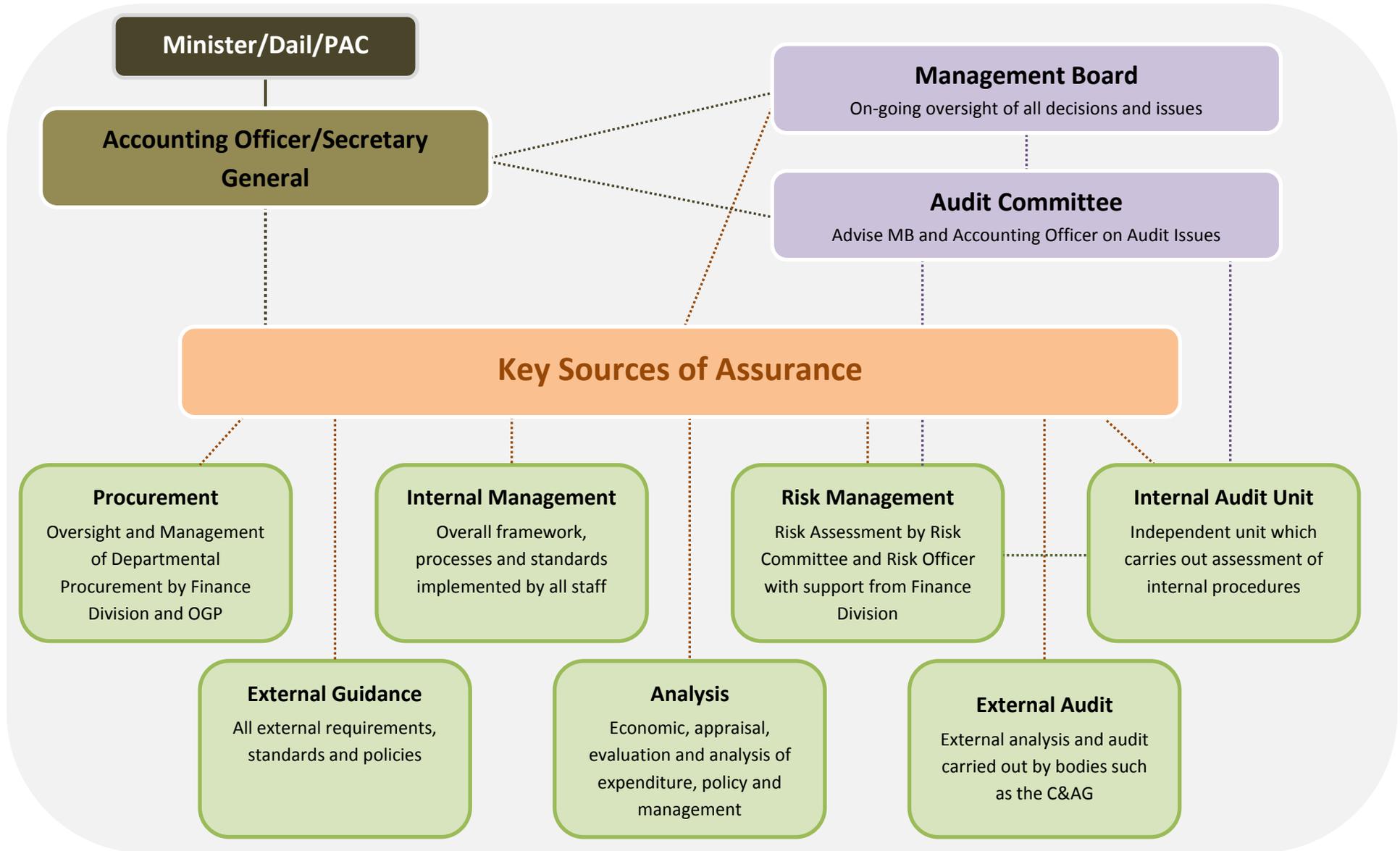
A further key input is the annual Quality Assurance Process. As part of its compliance with the PSC, the Department must undertake a Quality Assurance process to assess whether compliance is being achieved and report to DPER. EFEU complete this task for the Department and this entails a number of steps. Firstly, an inventory is compiled of all expenditure on projects and programmes above €500,000 whether they are being considered, being incurred or recently ended. Secondly, the Department and agencies under its aegis complete a self-assessment questionnaire. Thirdly, EFEU complete a number of in-depth checks on projects and programmes to assess their performance, evaluability and management in terms of Public Spending Code compliance. Finally, EFEU compile a report based on this information, submit it to DPER and publish it on the Department's website. This process provides another contribution to the overall assurances processes within the Department.

4.3 Compliance Framework

Figure 3 sets out the various strands which together create the overall Compliance Framework. As detailed earlier in this document, the Department is committed to review and, as appropriate strengthen its governance arrangements, including its Compliance Framework, having regard to the full range of responsibilities and obligations that pertain to the Department.

This Framework sets out the primary processes currently in place and will provide the basis for that further development.

Figure 3: Compliance Framework Overview



Chapter Five

Bodies under the Aegis of the Department

5.1 Chapter Objectives and Introduction

This Chapter defines the number and nature of agencies and bodies under the aegis of the Department of Transport, Tourism and Sport and provides an overview of the approach applied in the external governance and oversight of these bodies. This element of the Framework is in compliance with the fifth governance principle:

Governance Principle 5 **Good governance ensures openness, effective public consultation processes and comprehensive engagement with domestic and international stakeholders.**

5.2 Bodies under the Aegis of the Department and Governance Arrangements

All State Bodies, including the agencies under the responsibility of the Department, must serve the interests of the taxpayer, pursue value for money in their endeavours and act transparently as public bodies. A Code of Practice is in place for best practice in corporate governance by both commercial and non-commercial State bodies. All State bodies have a responsibility to implement the Code.

The relationship between Government Departments and bodies under their aegis is determined primarily by:

- The underpinning legislation establishing the body; and
- The requirements set out in the Code of Practice for the Governance of State Bodies.

Tables A and B in Appendix 2 list the bodies under the aegis of the Department of Transport, Tourism and Sport as well as the body's Accountable Person, the relevant Principal Officer in the Department, the Exchequer funding source, if applicable, and the body's governing legislation. Table A contains all commercial bodies under the aegis of the Department while Table B comprises the non-commercial bodies.

5.3 Overview of the Governance Approach

Line Divisions are the main points of contact between the Department and the bodies under its aegis, with Line Divisions having the frontline role and responsibility for oversight of the governance of these bodies. The work in the Line Divisions is in turn supported by a number of corporate Divisions and personnel including the Policy and Governance Co-Ordination Division (PGCD), the Financial Advisor, the Economic and Financial Evaluation Unit (EFEU) and also, as required, the Finance Division, the Human Resources Division, Legal Adviser and Internal Audit.

Detailed information on governance arrangements for each body under the aegis of the Department is given in Tables C (commercial) and D (non-commercial) in Appendix 2. The

specifics of work required and undertaken vary across Divisions and agencies, with significant diversity in the nature of the agencies. The arrangements for liaison and oversight of bodies generally, comprise the measures summarised below.

5.3.1 Board Appointments/CEO Remuneration

Appointments to the Boards of State Bodies by the Minister are undertaken using the procedures set by DPER and implemented through the Public Appointments Service. These procedures are implemented by Line Divisions with assistance/support provided by Policy and Governance Co-Ordination Division.

A further element of the new system established in 2011 was that persons being proposed by Ministers for appointment as Chairpersons of State Bodies/Agencies are required to make themselves available to the appropriate Oireachtas Committee to discuss the approach that they will take to their role as chairperson and their views about the future contribution of the body or Board in question.

Policy and Governance Co-Ordination Division liaise directly with agencies on matters related to CEO remuneration and contracts to ensure that Government policy in these areas is implemented.

5.3.2 Financial Reporting

Annual financial statements (audited by external auditors in the case of commercial bodies and the Comptroller and Auditor General in the case of non-commercial bodies) are received by Line Divisions for review and may be forwarded to the Department's Financial Advisor for review and observations. In practice, the financial statements for all companies are forwarded to the Financial Advisor for review. In the case of CIÉ there are additional review procedures undertaken by NewERA under a joint Memorandum of Understanding with the Department and CIÉ. In conducting the reviews, priority is given by the Financial Advisor to the commercial companies as these agencies have more financial risk areas and have AGM's that take place within weeks of receipt of the draft financial statements. Progress by the Financial Advisor through the non-commercial agency reviews is carried out using a risk based approach (informed by previous year information on the agencies and Divisional flagging of any particular issues of concern). Examination of accounts of some of the non-commercial agencies by the Financial Advisor is focussed on examination of compliance with financial aspects of the Code of Practice for the Governance of State Bodies (CoP) annual reporting requirements – such as CEO salary, director fees and disclosures.

Following the review of each body's financial statements, a report is prepared by the Financial Advisor covering agency financial performance, financial position and other key issues such as performance against plan and Key Performance Indicators. Any queries/issues to be raised with the agency are identified in the Advisor's report and if relevant, discussed with the agency concerned.

Interim accounts are received by Line Divisions and in the case of the commercial agencies are forwarded to the Financial Advisor for review. A report is prepared by the Financial Advisor covering performance to date and against plan and previous period. Any queries/issues are noted with follow up as required with the Agency concerned.

5.3.3 Corporate Reporting

Chairpersons' Annual Reports to the Minister, as required under the Code of Practice, are received by Line Divisions and reviewed by them. To assist with achieving consistency in the approach to reporting, a corporate governance checklist is used by Divisions. The checklist includes subjects such as tax compliance and clearance in addition to adherence to the Codes of Business Conduct for the directors and employees of State Bodies. The Chairperson's Annual Report and a short report on issues identified are forwarded by the Line Divisions to Policy and Governance Co-Ordination Division for review. Policy and Governance Co-Ordination Division follows up on any areas identified and submits an annual report to the Management Board on status and any issues arising. Internal Audit includes review of Governance of Agencies as part of the regular assurance work of the Department.

Interim Chairperson's reports for the commercial entities are received by the Line Divisions and checked for matters arising.

5.3.4 Planning, Shareholder Expectations/ Performance Delivery Agreements

Line Divisions receive strategic plans, corporate plans and budgets from agencies⁵. They review the documentation received and, depending on their assessment of the position, may submit the plans to the Department's Financial Advisor for review⁶. In the case of CIÉ, the analysis is undertaken by NewEra. Policies that the Minister or Department wish to have reflected in the final plan are provided to the bodies in line with the Code of Practice. Final responsibility for the content of the plan rests with the Board of the agency.

Draft Shareholder Expectation letters for commercial bodies are in the process of being finalised following engagement with DPER and will be issued to agencies following approval. These letters cover matters such as dividend expectations, key financial performance indicators and governance arrangements.

Performance Delivery Agreements/Service Level Agreements are in place for a number of non-commercial bodies in the Department. The existence and content of these agreements varies across Divisions and agencies.

⁵ The format and quality of content of the plans received in the Divisions varies across the agencies.

⁶ The level of the analysis performed in the Divisions varies dependent on a number of factors including quality of plans received, financial position of the agency, issues facing the agency and resources available in the Division.

5.3.5 Government/Oireachtas Reporting

Upon receipt and review of the annual reports and financial statements from the body, the documents are brought before Government and subsequently laid before the Oireachtas.

The Chairman and/or Chief Executive of State Bodies/Agencies are required to accept any request in writing from a Committee established by the Oireachtas to attend before it to give account for the general administration of the Body concerned.

5.3.6 Other

In cases where agencies wish to diversify, establish or acquire subsidiaries or participate in joint ventures, Ministerial approval is required. When seeking such approval the agency must provide details of the financial consequences of the proposals and, in cases of proposed acquisition or establishment of subsidiaries or participation in joint ventures, provide full business cases and other required information to the Department. Line Divisions review documentation received and, dependent on their assessment of the position, may submit the information to the Financial Advisor for review. Any queries or issues identified in the Department are followed up with the agency before any recommendations on approvals are made.

Appendices

Appendix 1 - Civil Service Code of Standards and Behaviours

The Standards in Public Office Commission (www.sipo.gov.ie) publishes the Civil Service Code of Standards and Behaviour. A summary of its main features is set out below, with the section of the guidelines that deal with each feature given in parenthesis.

Standards Underpinning Service Delivery

- Civil servants must be impartial in the performance of their duties. [Section 4]
- Civil servants are not permitted to stand for general or European elections. However, civil servants in the craft and state industrial related grades are free to engage in politics and stand for local elections. [Section 5] Further information on Civil Servants and Political Activity can be found here: Circular 09/2009: Civil Servants and Political Activity
- Civil servants must respect the constraints of the law. [Section 6]
- Under the Freedom of Information Acts 1997 to 2003, members of the public have a legal right to information held by Government Departments and other public bodies. However, the requirement under the Official Secrets Act 1963 that civil servants avoid improper disclosure of information gained in the course of their work still applies. [Section 7]
- Civil servants must maintain high standards of service in all of their dealings with the public. [Section 8]
- Civil servants who are convicted of criminal offences, or given the benefit of the Probation Act when charged with a criminal offence, must report that fact to their Personnel Officer. [Section 9]

Behaviour at Work

- Civil servants are required to attend at work as required and comply with the terms of sick leave regulations. [Section 10]
- Civil servants are required to have due regard for State resources to ensure proper, effective and efficient use of public money. [Section 11]
- Civil servants should show due respect to their colleagues including their beliefs and values. [Section 12]

Standards of Integrity

- The use of their official positions by civil servants to benefit themselves or others with whom they have personal or business ties is not allowed. Civil servants are also forbidden to seek to influence decisions on matters pertaining to their official positions other than through established procedures. [Section 13]

- Civil servants may not engage in outside business or activity which would in any way conflict with the interests of their Departments/Offices. [Section 14]
- Civil servants who occupy “designated positions” for the purposes of the Ethics Acts have certain statutory obligations in relation to disclosure of interests. These obligations are additional to any obligations imposed by the Code. [Section 15]
- Civil servants should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity. Departments are required to apply the rules contained in the Code on the receipt of gifts or to make local rules deriving from them. [Section 16]
- The same principle applies to any acceptance of hospitality. Within the general framework of guidelines set out in the Code, every care must be taken to ensure that (a) any acceptance of hospitality does not influence, or be seen to influence, the discharging of official functions [Section 17] and (b) that there are clear and appropriate standards in place which have been notified to all staff in relation to payment for work on behalf of outside bodies. [Section 18]
- Civil servants must not seek contracts with Government Departments or Offices for the supply of goods or services whether for their own benefit or for the benefit of any company with which they may have an involvement in a private capacity. [Section 19]
- Civil servants who hold “designated positions” for the purposes of the Ethics Acts shall not within twelve months of resigning or retiring from the Civil Service, accept an appointment, or particular consultancy project, where the nature and terms of such appointment could lead to a conflict of interest or the perception of such, without first obtaining the approval of the Outside Appointments Board or the Secretary General or Head of Office as appropriate. Additionally, civil servants who hold positions which are “designated positions” for the purposes of the Ethics Acts must, within twelve months of resigning or retiring, obtain the approval of the Outside Appointments Board or the Secretary General or Head of Office as appropriate before taking up any outside appointment. [Sections 20 and 21]

The Code can be found in full [here](#).

Appendix Two – Bodies Under the Aegis of the Department

Table A:

Commercial Body	Accountable Person	Principal Officer in Department liaising with Body	Exchequer Funding Source	Governing Legislation
Córas Iompair Éireann	Ms Vivienne Jupp, Chairperson	PO, Public Transport	N/A	Transport Act 1950
CIÉ subsidiary: Bus Átha Cliath/Dublin Bus	Mr Ray Coyne, CEO	PO, Public Transport	N/A (Capital and PSO funding via NTA)	Transport (Re-Organisation of CIE) Act 1986
CIÉ subsidiary: Bus Éireann	Mr Martin Nolan, CEO	PO, Public Transport	N/A (Capital and PSO funding via NTA)	Transport (Re-Organisation of CIE) Act 1986
CIÉ subsidiary: Iarnród Éireann/Irish Rail	Mr David Franks, CEO	PO, Public Transport	Capital Grants (Capital and PSO funding via NTA)	Transport (Re-Organisation of CIE) Act 1986
daa plc	Mr Kevin Toland, CEO	PO, Airports	N/A	State Airport Act 2004
Shannon Group Plc.	Mr Neil Pakey, CEO	PO, Airports	N/A	State Airports (Shannon Group) Act 2014

Irish Aviation Authority	Mr Eamonn Brennan, CEO	PO, Aviation Services	N/A	Irish Aviation Authority Act, 1993
Port of Cork Company	Mr Brendan Keating, CEO	PO, Maritime Transport	N/A	Harbours Act 1996
Dublin Port Company	Mr Eamonn O'Reilly, CEO	PO, Maritime Transport	N/A	Harbours Act 1996
Shannon Foynes Port Company	Mr Pat Keating, CEO	PO, Maritime Transport	N/A	Harbours Act 1996
Port of Waterford Company	Mr Frank Ronan, CEO	PO, Maritime Transport	N/A	Harbours Act 1996
Galway Harbour Company*	Mr Eamon Bradshaw, CEO	PO, Maritime Transport	N/A	Harbours Act 1996
Dun Laoghaire Harbour Company*	Mr Gerry Dunne, CEO	PO, Maritime Transport	N/A	Harbours Act 1996
Drogheda Port Company*	Mr Paul Fleming, CEO	PO, Maritime Transport	N/A	Harbours Act 1996
New Ross Port Company*	Captain Luke Foley, CEO	PO, Maritime Transport	N/A	Harbours Act 1996

* Under National Ports Policy these port companies are due to transfer to local authority led structures.

Table B:

Non-Commercial Body	Accountable Person	Principal Officer in Department liaising with Body	Exchequer Funding Source	Governing Legislation
Transport Infrastructure Ireland	Mr Michael Nolan, CEO	PO, Public Transport	Capital Grants, Current	Transport (Railway) Infrastructure Act 2001 Roads Act 2015
National Transport Authority	Ms Anne Graham, CEO	PO, Public Transport	Capital Grants, Current	Dublin Transport Authority Act 2008 as amended by the Public Transport Regulation Act 2009
Commission for Railway Regulation	Mr Gerald Beesley, Commissioner	PO, Public Transport	Current	Railway Safety Act 2005
Road Safety Authority	Ms Moyagh Murdock, CEO	PO, Road Safety	Current	Road Safety Authority Act 2006
Medical Bureau of Road Safety	Prof Denis Cusack, Director	PO, Road Safety	Capital Grants, Current	Road Traffic Acts 1968 –2014
Commission for Aviation Regulation	Ms Cathy Mannion, Commissioner	PO, Aviation Services	N/A	Aviation Regulation Act, 2001

Fáilte Ireland	Mr Shaun Quinn, CEO	PO, Tourism Development	Capital Grants, Current	National Tourism Development Authority Act 2003 (as amended)
Tourism Ireland Limited	Mr Niall Gibbons, CEO	PO, Tourism Marketing Policy and impact assessment	Current	Its Memorandum and Articles of Association govern its operations and it is accountable to the North South Ministerial Council (NSMC) established under the Good Friday Agreement
Sport Ireland	Mr John Treacy, CEO	PO, Sports Policy and National Sports Campus	Capital Grants, Current	Sport Ireland Act 2015
Commissioners of Irish Lights	Ms Yvonne Shields, CEO	PO, Maritime Safety Policy	Capital Grant, Current	Merchant Shipping Acts 1894, 1898, 1920, 1983, 1993 and 1997
Marine Casualty Investigation Board	Ms Cliona Cassidy, Chairperson	PO, Maritime Safety Policy	Current	Merchant Shipping (Investigation of Marine Casualties) Act 2000.

Table C:

Commercial Body	Principal Ministerial and Departmental Functions
<p style="text-align: center;">Córas Iompair Éireann Including CIÉ Subsidiaries</p>	<p><u>Government / Oireachtas Reporting</u></p> <ul style="list-style-type: none"> • Memo for Government annually following submission and review of CIÉ Annual Report and audited Accounts. • CIÉ and subsidiary companies' annual reports and audited accounts laid before Oireachtas. <p><u>Financial Reporting</u></p> <ul style="list-style-type: none"> • Interim accounts: CIÉ only interim accounts received end-August and reviewed by Division and NewERA. • Unaudited annual accounts: CIÉ only unaudited annual accounts received end-February and reviewed by Division and NewERA. • Audited Annual Report & Audited Accounts: CIÉ only annual report and audited accounts received end-[April] and reviewed by Division and NewERA. <p><u>Planning, Shareholder Expectations, Corporate Reporting</u></p> <ul style="list-style-type: none"> • Business & Strategic Plans: Strategic and Corporate Plan received in line with Code of Practice (CoP) and reviewed by Division and NewERA. • MoU in place with CIÉ which requires quarterly meetings held with Department and NewERA and progress against KPIs reviewed. • Chairperson's Annual and Interim Reports: Annual Report received shortly after submission of unaudited annual accounts, Interim Report received with interim accounts. Reports reviewed by Division in line with CoP. <p><u>Board Appointments / CEO Remuneration</u></p> <ul style="list-style-type: none"> • StateBoards.ie process in place for CIÉ and subsidiary companies. • CIÉ appointments are matter for Government and not solely Ministerial appointment. • Policy and Governance Co-ordination Division (PGCD) liaises directly with companies on CEO remuneration. <p><u>Other</u></p> <ul style="list-style-type: none"> • Ministerial consents: superannuation [sn. 40 of the Transport Act 1950 and borrowings [Transport (Córas Iompair Éireann and Subsidiary Companies Borrowings) Act 2012.

daa plc

Government / Oireachtas Reporting

- Memo for Government annually following submission and review of Annual Report and Accounts.
- Annual Report and Accounts laid before Oireachtas.

Financial Reporting

- Quarterly / Interim accounts: quarterly and interim accounts reviewed by Division and Departmental Financial Adviser (FA).
- Unaudited annual accounts: received end February and reviewed by Division and FA.
- Annual Report & Accounts: Annual report and accounts received end April and reviewed by Division and FA.

Planning, Shareholder Expectations, Corporate Reporting

- Business & Strategic Plans: Strategic Plan received in line with CoP and reviewed by Division, FA and Minister with observations submitted to Company prior to Board adoption.
- Annual budgets received and reviewed by Division and FA.
- Chairperson's Report: received shortly after submission of unaudited annual accounts and reviewed by Division in line with CoP.
- Quarterly meetings held with Company senior management to monitor progress and performance. Assistant Secretary and Company CEO attend 2 of the quarterly meetings. Department attends AGM as shareholder.
- Draft shareholder's expectation letter submitted to DPER and feedback awaited prior to issuance.

Board Appointments / CEO Remuneration

- StateBoards.ie process in place.
- PGCD liaises directly with companies on CEO remuneration.

Other

- Ministerial consents: superannuation (sn 32 of Air Navigation and Transport (Amendment) Act 1998 as amended by para. 16 of the Schedule to the State Airports Act 2004), borrowings (sn. 13 of Air Navigation and Transport (Amendment) Act 1998 as amended by para. 6 of the Schedule to the State Airports Act 2004), Subsidiaries (sn. 14 of the State Airports Act 2014).
- Ministerial power of policy direction: Sn. 38 of Air Navigation and Transport (Amendment) Act, 1998 and sn. 18 of State Airports Act 2004.

Ministerial power of policy direction: Sn. 38 of Air Navigation & Transport (Amendment) Act, 1998 and Sn. 18 of State Airports Act 2004.

Shannon Group Plc.

Government / Oireachtas Reporting

- Memo for Government annually following submission and review of Annual Report and Accounts.
- Annual Report and Accounts laid before Oireachtas.

Financial Reporting

- Quarterly/Interim accounts: quarterly and interim accounts reviewed by Division and Departmental Financial Adviser (FA).
- Unaudited annual accounts: received end February and reviewed by Division and FA.
- Annual Report & Accounts: Annual report and accounts received end-April and reviewed by Division and FA.

Planning, Shareholder Expectations, Corporate Reporting

- Business & Strategic Plans: Strategic Plan received in line with CoP and reviewed by Division, FA, and Minister, with observations submitted to Company prior to Board adoption.
- Annual budgets received and reviewed by Division.
- Quarterly meetings held with Company senior management to monitor progress and performance. Assistant Secretary and Company CEO attend 2 of the quarterly meetings. Department attends AGM as shareholder.
- Chairperson's Report: received shortly after submission of unaudited annual accounts and reviewed by Division in line with CoP.
- Draft shareholder's expectation letter submitted to D/PER and feedback awaited prior to issuance.

Board Appointments / CEO Remuneration

- StateBoards.ie process in place.
- PGCD liaises directly with companies on CEO remuneration.

Other

- Ministerial consents: superannuation (sn. 23 of State Airports (Shannon Group) Act 2014), borrowings, (sn. 13 of State Airports (Shannon Group) Act 2014), Subsidiaries (sn. 14 of State Airports (Shannon Group) Act 2014).
- Ministerial power of policy direction: Sn. 27 of State Airports (Shannon Group) Act 2014.

Irish Aviation Authority

Government / Oireachtas Reporting

- Memo for Government annually following submission and review of Annual Report and Accounts.
- Annual Report and Accounts laid before Oireachtas.

Financial Reporting

- Analysis/monitoring of monthly management accounts by Division.
- Interim six-monthly accounts: reviewed by Division and Departmental Financial Adviser (FA).
- Unaudited annual accounts received by Division.
- Annual Report & Accounts received by the end of April and reviewed by Division and FA.

Planning, Shareholder Expectations, Corporate Reporting

- Business & Strategic Plans: five-year strategic plan received annually and reviewed by Division and FA
- Quarterly meetings with Company senior management to monitor overall performance and emphasise DTTAS priority actions.
- Chairperson's Report: received in conjunction with the audited annual accounts and reviewed by Division in line with CoP.
- Draft shareholder's expectation letter submitted to D/PER and feedback awaited prior to issuance.

Board Appointments / CEO Remuneration

- StateBoards.ie process in place.
- Review of CEO objectives and subsequent performance assessment.
- PGCD liaises directly with companies on CEO remuneration.

Other

- Ministerial consents: superannuation (Sn. 41 of IAA Act 1993), borrowings [sn. 26 of IAA Act 1993], investments and formation of subsidiaries [sn. 17 of IAA Act 1993].
- Ministerial consent to alteration of Memorandum and Articles of Association (sn. 18 of IAA Act 1993).
Assessment of corporate compliance with EU legislative obligations under the Single European Sky.

Dublin Port Company

Government / Oireachtas Reporting

- Memo for Government annually following submission and review of port company Annual Report and Accounts.
- Annual Report and Accounts laid before Oireachtas.

Financial Reporting

- Interim six-monthly accounts: received by end August and reviewed by Division and Departmental Financial Adviser (FA).
- Unaudited annual accounts: received end-February and reviewed by Division and FA.
- Annual Report & Accounts: Annual report and accounts received end-April or 21 days in advance of AGM (whichever is earliest) and reviewed by Division and FA.

Planning, Shareholder Expectations, Corporate Reporting

- Business & Strategic Plans: Strategic and five year rolling Corporate Plan received annually and reviewed by Division and FA, observations submitted to company prior to Board adoption.
- Annual corporate governance meeting held along with additional meetings throughout the year, as appropriate . Dept. attends AGM as shareholder.
- Chairperson's Report: received shortly after submission of unaudited annual accounts and reviewed by Division in line with CoP.
- Tier 1 Ports only (Cork, Dublin and Shannon Foynes) Minister and Division receive monthly reports of Board meetings outlining key issues of significance which are examined by the Division to monitor performance.
- Shareholder's expectation letter to issue shortly.

Board Appointments / CEO Remuneration

- StateBoards.ie process in place.

Other

- Ministerial consents: superannuation [sns. 40 and 41 of Harbours Act 1996, as amended by sn. 43 of the

	<p>Harbours Act 2015), borrowings (sn. 23 of Harbours Act 1996 as amended by sn. 9 of the Harbours Act 1996), joint ventures, subsidiaries and diversification (sn. 14 of the CoP), investment outside harbour limits (sn. 12A of the Harbours Act 1996 as amended by sn. 5 of the Harbours Act of 2009).</p> <ul style="list-style-type: none"> • Ministerial power of policy direction: Sn. 44 of Harbours Act 1996 • Oireachtas accountability of Chair and CEO: Sn. 30A of the Harbours Act 1996 as amended by sn. 40 of Harbours Act 2015. • The Internal Audit Unit regularly conducts audit reviews of corporate governance arrangements.
Port of Cork Company	<ul style="list-style-type: none"> • AS DUBLIN PORT COMPANY
Shannon Foynes Port Company	<ul style="list-style-type: none"> • AS DUBLIN PORT COMPANY
Port of Waterford Company	<ul style="list-style-type: none"> • AS DUBLIN PORT COMPANY
Galway Harbour Company*	<ul style="list-style-type: none"> • AS DUBLIN PORT COMPANY
Dun Laoghaire Harbour Company*	<ul style="list-style-type: none"> • AS DUBLIN PORT COMPANY
Drogheda Port Company*	<ul style="list-style-type: none"> • AS DUBLIN PORT COMPANY
New Ross Port Company*	<ul style="list-style-type: none"> • AS DUBLIN PORT COMPANY

* Under National Ports Policy these port companies are due to transfer to local authorities led structures.

Table D:

Non-Commercial Body	Principal Ministerial and Departmental Functions
<p>Transport Infrastructure Ireland</p>	<p><u>Government / Oireachtas reporting</u></p> <ul style="list-style-type: none"> • C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas. <p><u>Financial Reporting</u></p> <ul style="list-style-type: none"> • Unaudited annual accounts: Unaudited annual accounts received end-February and reviewed by Division and FA. • Audited Annual Report & Accounts: C&AG audit annual report and accounts and received in Division by end March. <p><u>Planning, Corporate Reporting</u></p> <ul style="list-style-type: none"> • Business & Strategic Plans: Due to the merger of the National Roads Authority and the Railway Procurement Agency the submission of business/strategic plans was suspended in recent years. • Chairperson’s Report: received shortly after submission of unaudited annual accounts and reviewed by Division in line with Code of Practice. • Official level corporate governance meetings held every six months. • Monitoring meetings with Roads Policy and Public Transport Divisions as required. <p><u>Board Appointments / CEO remuneration</u></p> <ul style="list-style-type: none"> • StateBoards.ie process in place. • PGCD liaises directly with TII on CEO remuneration. <p><u>Other</u></p> <ul style="list-style-type: none"> • Ministerial consents: superannuation (sn. 36 of Roads Act 1993), borrowings (sn. 25 of Roads Act 1993). • Ministerial power of policy directive: sn. 66A of Roads Act 1993.

National Transport Authority

Government / Oireachtas reporting

- C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas.

Financial Reporting

- Unaudited annual accounts: Unaudited annual accounts received end-February and reviewed by Division and FA.
- Audited Annual Report & Accounts: C&AG audit annual report and accounts received in Division in line with time-frames set out in Code of Practice and reviewed by Division.

Planning, Corporate Reporting

- Business & Strategic Plans: Dept. receives a strategic plan for the NTA every three years.
- Chairperson's Report: received shortly after submission of unaudited annual accounts and reviewed by Division in line with Code of Practice.
- Monthly monitoring meetings held between NTA and all Public Transport divisions.

Board Appointments / CEO remuneration

- StateBoards.ie process in place.
- PGCD liaises directly with NTA on CEO remuneration.

Other

- Ministerial consents: superannuation (sn. 21 of Dublin Transport Authority Act 2008), borrowings (sn. 30 of Dublin Transport Authority Act 2008).
- Ministerial power to issue guidelines: sn. 27 of Dublin Transport Authority Act 2008.
- Oireachtas accountability of Chair and CEO: sn. 41(2) of Dublin Transport Authority Act 2008.

Commission for Railway Regulation

Government / Oireachtas reporting

- C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas.

Financial Reporting

- Audited Annual Report & Accounts: Audited annual report and accounts received in Division in line with time-frames set out in Code of Practice and reviewed by Division.

Planning, Corporate Reporting

- Business & Strategic Plans: Dept. receives a strategic plan for the CRR every three years.
- Chairperson's Report: received shortly after submission of unaudited annual accounts and reviewed by Division in line with Code of Practice.
- Quarterly monitoring meetings held between CRR and all Public Transport divisions.
- Memorandum of Understanding in place between CRR and Department.

Board Appointments / CEO remuneration

- StateBoards.ie process in place.
- PGCD liaises directly with the CRR on CEO remuneration.

Other

- Ministerial consents: superannuation (sn. 22 of Railway Safety Act 2005), borrowings (sn. 27 of Railway Safety Act 2005).
- Ministerial power to issue guidelines: sn. 13 of Railway Safety Act 2005
- Oireachtas accountability of Commission: sn. 31 of Railway Safety Act 2005

<p>Road Safety Authority</p>	<p><u>Government / Oireachtas reporting</u></p> <ul style="list-style-type: none"> • C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas. <p><u>Financial Reporting</u></p> <ul style="list-style-type: none"> • Annual budgets: sent to Division with targets derived from strategic plan and progress tracked and monitored over year. • Unaudited annual accounts: Unaudited annual accounts received end-February and reviewed by Division and FA. • Audited Annual Report & Accounts: Audited annual report and accounts received in Division by end of June and reviewed by Division and FA. <p><u>Planning, Corporate Reporting</u></p> <ul style="list-style-type: none"> • Business & Strategic Plans: Dept. receives a strategic plan for the RSA every 5 years. • Chairperson’s Report: received shortly after submission of annual accounts and reviewed by Division in line with Code of Practice. • Service Level Agreement in place with RSA. • Monthly governance meetings. <p><u>Board Appointments / CEO remuneration</u></p> <ul style="list-style-type: none"> • StateBoards.ie process in place. • PGCD liaises directly with the RSA on CEO remuneration. <p><u>Other</u></p> <ul style="list-style-type: none"> • Ministerial consents: superannuation (sn. 20 of Road Safety Authority Act 2006); borrowings (sn. 13 of the Road Safety Authority Act 2006); joint ventures and Subsidiaries (sn. 11 of Road Safety Authority Act 2006). • Ministerial power to issue guidelines: Sn. 9 of the Road Safety Authority Act 2006. • Oireachtas accountability of CEO: Sn. 17 of the Road Safety Authority Act 2006.
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Medical Bureau of Road Safety

Government / Oireachtas reporting

- C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas.

Financial Reporting

- Unaudited annual accounts: Unaudited annual accounts received end-February and reviewed by Division and FA.
- Annual Report and accounts: Annual report and accounts received end-June and reviewed by Division.

Planning, Corporate Reporting

- Annual budgets: sent to Division with targets derived from strategic plan and progress tracked and monitored over year.
- Strategic Plans: 5-year rolling plan
- Chairperson's Report: received shortly after submission of annual accounts and reviewed by Division in line with Code of Practice,
- Service Level Agreement in place with MBRS.
- Quarterly governance meetings.

Board Appointments / CEO remuneration

- StateBoards.ie process in place.
- PGCD liaises directly with MBRS on CEO remuneration

Other

- Ministerial power to issue guidelines: Section 38 of the Road Traffic Act 1968.

Commission for Aviation Regulation

Government / Oireachtas reporting

- C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas.
- Travellers Protection Fund Accounts audited by the C&AG, submitted to Minister and laid before Houses of the Oireachtas (sns. 13(6) and 17 (4) of the Transport (Tour Operators and Travel Agents) Act 1982).

Financial Reporting

- Unaudited annual accounts: Unaudited annual accounts received end-March and reviewed by Division and FA.
- Annual Report and accounts: Annual report and accounts received end-June and reviewed by Division and FA.
- Travellers Protection Fund Accounts received following completion of C&AG audit, reviewed by the Division and FA (sns.13(6) and 17 (4) of the Transport (Tour Operators and Travel Agents) Act 1982).

Planning, Corporate Reporting

- Strategic Plans: 5-year rolling plan
- Chairperson's Report: received shortly after submission of annual accounts and reviewed by Division in line with Code of Practice.
- Business & Strategic Plans: The Annual Report includes an outline of its Work Programme for the following year.
- Meetings held every six months.

Board Appointments / CEO remuneration

- The CAR does not have a Board.
- The Minister appoints the Commissioner for Aviation Regulation following a recommendation by the Public Appointments Service.

Other

- Ministerial consents: superannuation (sns. 20 and 21 of Aviation Regulation Act 2001), borrowings (sn. 25 of Aviation Regulation Act 2001).
- Ministerial power to issue directions: (sn. 10 of Aviation Regulation Act 2001).
- Oireachtas accountability of Commissioner: Sn. 27(3) of Aviation Regulation Act 2001.

Fáilte Ireland

Government / Oireachtas reporting

- C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas.

Financial Reporting

- Unaudited annual accounts: Draft accounts received by end-February and reviewed by Division and FA.
- Annual Report and accounts: Annual report and accounts received in line with time-frames set out in Code of Practice and reviewed by Division and FA (sns. 27 and 28 of National Tourism Development Authority Act 2003).

Planning, Corporate Reporting

- Chairperson's Report: Submitted with final (audited) annual accounts and reviewed by Division in line with CoP.
- Business & Strategic Plans: Annual business plan submitted to, and reviewed by, Division.
- Service Level Agreement in place with Fáilte Ireland.
- Quarterly liaison meetings held between Department. and Fáilte Ireland.

Board Appointments / CEO remuneration

- Chairperson and 12 ordinary members appointed by Minister in line with sn. 14 of National Tourism Development Authority Act 2003.
- StateBoards.ie process in place for board members.
- PGCD liaises directly on CEO remuneration.

Other

- Ministerial consents: superannuation (sn. 36 of National Tourism Development Authority Act 2003 –“2003 Act”); Delegation of Functions (sn. 11 of 2003 Act), Appointment of CEO (sn. 31(3) of 2003 Act).
- Ministerial consents given with the consent of the Minister for Public Expenditure and Reform: Land/Property (sn. 7(2) of 2003 Act); Companies - establishment/shares (sn. 10 of 2003 Act); Gifts (sn. 30 of 2003 Act); Staff (sn. 34 of 2003 Act).
- Ministerial powers: issuing directions (sn. 13 of 2003 Act); conferring additional functions on Authority (with consent of Minister for Public Expenditure and Reform) (sn. 9 of 2003 Act).
- Oireachtas accountability of CEO: (sns. 32 and 33 of National Tourism Development Authority Act 2003).

Tourism Ireland Limited**Government / Oireachtas reporting**

- Tourism Ireland is a North/ South body and annual accounts are formally noted by North/South Ministerial Council (NSMC).
- Following noting by NSMC accounts are laid before Oireachtas.

Financial Reporting

- Annual Report and accounts: Annual report and accounts received and reviewed by Division.
- Unaudited annual accounts: Unaudited annual accounts received by April and reviewed by Division.
- Annual Report and accounts: Annual report and accounts received by June and reviewed by Division

Planning, Corporate Reporting

- Business & Strategic Plans: Annual business plan submitted to both sponsoring Departments (North and South) and formally approved by NSMC. A corporate plan must be produced every three years for approval by sponsoring Departments (North and South) and formally approved by NSMC.
- Chairperson's Report: received shortly after submission of unaudited annual accounts and reviewed by Division in line with Code of Practice.
- Quarterly liaison meetings with updates provided on KPIs and overall performance.
- Updates also provided at NSMC Tourism sectoral meetings.

Board Appointments / CEO remuneration

- Board of Tourism Ireland appointed by NSMC following nomination of 6 members each by respective Ministers.
- Nomination of Chair and vice-chair usually rotates between north and south following completion of a term.
- PGCD liaises directly on CEO remuneration.

Other

- Staffing - Remuneration, grading, numbers subject to departmental, NSMC, DPER approval as appropriate.
- Directors fees and expenses agreed by NSMC and Finance Departments.
- Disposal of assets, fraud policy, procurement etc. covered in agreed Financial Memorandum.

Sport Ireland

Government / Oireachtas reporting

- C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas.

Financial Reporting

- Unaudited annual accounts: Unaudited annual accounts received end-February and reviewed by Division and FA.
- Annual Report and accounts: Annual report and accounts received not later than one month following completion of the audit of the accounts by the Comptroller and Auditor General and reviewed by Division

Planning, Corporate Reporting

- Strategic Plans: Strategic plan will be submitted in line with the requirements in the Sport Ireland Act 2015
- Annual budgets: provided to Division and used to track draw downs.
- Service Level Agreement to be agreed in 2016.
- Chairperson's Report: received in conjunction with the annual report and audited accounts and reviewed by Division in line with Code of Practice.
- Quarterly liaison meetings held between Division and Sport Ireland to review progress and performance.

Board Appointments / CEO remuneration

- StateBoards.ie process in place.
- PGCD liaises directly with Sport Ireland on CEO remuneration.

Other

- Ministerial consents/approvals/directions: Delegation of functions (sn. 8 of 2015 Act); CEO appointment /removal (sn. 22); Sports Campus Development (sn. 29); Dissolution of Board Committees (Schedule 1); Conferring additional functions (sn. 9); Policy directions (sn. 12); Service agreement regarding standards/tasks (sn. 18); Appointment of Chair, Board, and Chair of Committees (Schedule 1); CPO (Schedule 2).
- Ministerial consents given with consent of Minister/PER: Directions regarding consultants/advisers (sn. 10); Subsidiaries/Joint Ventures (sn. 20); Borrowing (sn. 21); Staffing (sn. 24); Superannuation (sns. 25 and 39); Land and Property (Schedule 1); Remuneration for Board Members (Schedule 1).
- Oireachtas Accountability of CEO: Section 23.

<p>Commissioners of Irish Lights</p>	<ul style="list-style-type: none"> • The Commissioners of Irish Lights (CIL) is a unique all-island body, and for historical reasons its corporate governance is carried out by the Department for Transport in London, in consultation with DTTAS. Exchequer funding is provided by DTTAS as a contribution is made towards costs of CIL's operations in Ireland <p><u>Ministerial Powers</u></p> <ul style="list-style-type: none"> • Ministerial consent for borrowings under section 6A of the Merchant Shipping (Commissioners of Irish Lights) Act 1997 • Power to make Light Dues Orders (in relation to charges on ships) under section 2 of the Merchant Shipping (Light Dues) Act 1983.
<p>Marine Casualty Investigation Board</p>	<p><u>Government / Oireachtas reporting</u></p> <ul style="list-style-type: none"> • C&AG Audited Annual Report and Accounts submitted to Minister and laid before Oireachtas. <p><u>Financial Reporting</u></p> <ul style="list-style-type: none"> • Unaudited annual accounts: Unaudited annual accounts due by end-February and reviewed by Division on receipt, and by the FA if issues are highlighted that warrant further examination. • Annual Report and accounts: Annual report and accounts due by end August and reviewed by Division. <p><u>Planning, Corporate Reporting</u></p> <ul style="list-style-type: none"> • Chairperson's Report: received with the submission of audited annual accounts and reviewed by Division in line with Code of Practice. • Quarterly liaison. <p><u>Board Appointments / CEO remuneration</u></p> <ul style="list-style-type: none"> • Minister appoints 3 members of Board, other 2 members are the Chief Surveyor and the Secretary General or his/her nominee. <p><u>Other</u></p> <ul style="list-style-type: none"> • Ministerial power to issue guidelines: Under section 22(2) of the MCIB Act, and after consultation with the Board, the Minister may make regulations under section 3 to give effect to the policies, objectives, resolutions or guidelines of a public authority concerning the investigation of marine casualties or the publication of reports into the investigation of marine casualties.

Appendix Three – Audit Committee Charter (October 2014)



**An Roinn Iompair
Turasóireachta agus Spóirt**

Department of Transport,
Tourism and Sport

Department of Transport, Tourism and Sport

Audit Committee Charter

October 2014

Contents

1.0	Mission and Function of the Audit Committee	74
2.0	Mandate	74
3.0	Authority	75
4.0	Reporting Arrangements	76
5.0	Membership	76
6.0	Conduct of Business.....	77
7.0	Attendance at meetings.....	78
8.0	Review of Charter	78
9.0	Protected Disclosures	78
10.0	Approval.....	78
Appendix 1: Audit Committee Membership Error! Bookmark not defined.		
Appendix 2: Audit Committee Procedure – Potential Conflicts of Interest Error! Bookmark not defined.		
Appendix 3: Statement of Members’ Interests – Non-Executive Members Error! Bookmark not defined.		

1.0 Mission and Function of the Audit Committee

The mission of the Audit Committee is to advise (and to bring any matters of concern that arise to the attention of) the Accounting Officer and the Management Board in fulfilling their responsibilities with regard to the governance of the Department, having particular regard to the provision of assurance in relation to adequacy and effectiveness of the systems of internal controls and risk management in place. The Audit Committee should be both independent and objective.

The function of the Audit Committee is one of monitoring and oversight. It is management of the Department who are responsible for ensuring that appropriate systems (including systems of financial internal control) are in place to ensure that the activities of the Department are adequately governed.

2.0 Mandate

The mandate of the Committee is to:

- act as another source of independent advice to the Accounting Officer;
- consider the appointment of Internal Audit staff and to advise the Accounting Officer on the suitability of staff for that function. The Audit Committee shall be informed by the Human Resources function of proposed assignment(s) of staff to, or transfer(s) from the Internal Audit Unit;
- review and approve the Department's Strategic Internal Audit Plan and the Annual Business Plan of the Internal Audit Unit, (including the annual audit plan, performance against business plan, proposed projects and administrative or training initiatives) and ensure that the Internal Audit Unit is adequately resourced and has appropriate standing within the Department;
- consider the findings of Internal Audit investigations and management's response and to assess whether appropriate action is taken to deal with key issues identified by internal and external audit;
- review the performance of contractors engaged by the Department to provide internal audit services. In this regard, the Head of Internal Audit shall make reference to the performance of contractors in his/her quarterly progress update to the Audit Committee;

- examine and monitor the implementation of the Department's risk management strategy;
- ensure that quality assurance reviews of Internal Audit Unit are carried at least once every five years in accordance with the International Standards for the Professional Practice of Internal Auditing;
- review key issues that arise from the audit of the Appropriation Account by the Office of the Comptroller and Auditor General and seek any information or explanations it considers appropriate. In addition the Committee may seek information (by way of document or oral presentation to the Committee) relating to the operation of the Finance function in the Department;

The Audit Committee does not have any role or responsibility for review or examination of the Appropriation Account of the Department prior to approval thereof by the Accounting Officer and subsequent audit by the Office of the Comptroller and Auditor General.

The Committee can also facilitate improvements in internal audit and internal control through the exchange of information between Departments/Offices and between the public and private sectors.

3.0 Authority

The Audit Committee is authorised by the Accounting Officer to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any member of staff and all members of staff are directed to co-operate with any request made by or on behalf of the Committee.

The Audit Committee, or any member thereof, is authorised by the Accounting Officer to obtain the professional advice of the Department's Financial Advisor and/or Legal Advisor, as deemed necessary. In addition the Audit Committee, should it consider it necessary, is authorised to obtain outside independent professional advice and to secure the attendance of such external consultants at Audit Committee meetings.

The Audit Committee may request that the Department organise or procure suitable training and/or development services considered appropriate for the effective operation of the Committee.

The Audit Committee is authorised to attend any workshops or briefings etc. being hosted in the Department that are relevant to its work. In addition the Committee is authorised to receive copies of any Departmental communications and/or documents (such as staff notices, circulars, reports etc.) that are relevant to its work or that may assist Committee members in developing a deeper understanding of the functioning of the Department and the broader business environment within which it operates.

4.0 Reporting Arrangements

Throughout the financial year, the Chairperson of the Audit Committee shall, whenever the Committee considers it necessary, report to the Accounting Officer as to the effectiveness of the Internal Audit Unit and on such other matters as the Committee considers appropriate. All audit reports adopted by the Committee (together with any relevant observations recorded by the Committee) will be furnished, by the IAU, to the Management Board as soon as is practicable following each meeting of the Committee. The Committee may also use this reporting channel to bring other documents or matters of interest to the attention of the Management Board. The Audit Committee shall produce an Annual Report of its activities and furnish it to the Accounting Officer no later than the 17th March of the year subsequent to the financial year to which it relates.

5.0 Membership

The Audit Committee shall be appointed by the Accounting Officer and consist of at least four members, of whom two shall be Executive Members (Assistant Secretaries/Principal Officers from this Department), and at least two Non-Executive Members (external). Details of the current membership of the Committee can be found at Appendix 1.

Executive members shall be appointed by the Accounting Officer, from time to time, taking account of the Department's operating environment. Executive members will

not be appointed for a specified term, however, it is intended that the appointment of an Executive Member will be reviewed after three years and will not extend for a period of greater than five years, save in exceptional circumstances.

Non-Executive members shall be appointed for a term of three years⁷ and may be appointed for up to two terms. Save in exceptional circumstances where it is necessary to ensure the continuing successful functioning of the Audit Committee, appointment of Non-Executive members for any period greater than two terms will not be considered.

One of the Non-Executive members will chair the Committee. The Chairperson of the Committee will be appointed by the Accounting Officer.

A quorum shall be the Chairperson and at least one other member of the Audit Committee.

Non-Executive members will complete a statement of members' interests on an annual basis (see statement at Appendix 3). Executive Members of the Audit Committee complete a statement of interests in accordance with the provisions Ethics in Public Office Acts 1995 and 2001.

Members of the Committee shall treat all information received as confidential and are bound by the provisions of Department of Finance Circular 15/1979 in regard to *Official Secrecy and Integrity*.

6.0 Conduct of Business

There shall be at least four meetings of the Audit Committee each year.

In the interval between meetings, the Audit Committee may, with the agreement of the Chairperson and at least one other member, conduct its business by means of written (including electronic) means and/or telephone; notes of telephone conversations to be kept by the Head of Internal Audit.

Any potential conflicts of interest that may arise for Committee members will be treated in accordance with the procedure set out at Appendix 2.

⁷ For Non-Executive members serving on the Committee, December 11th 2009 is the effective commencement date for this provision.

Where a Committee member dissents from the majority position of the Audit Committee, he/she should advise the Committee of his/her position and it should be recorded in the minutes.

7.0 Attendance at meetings

The Head of Internal Audit shall attend meetings of the Audit Committee, except where the Committee expressly decides otherwise in specific circumstances. The Audit Committee has the right to require members of staff of the Department to attend meetings.

An invitation shall be extended to the representative of the Comptroller and Auditor General to meet with the Audit Committee at least once a year. The Audit Committee shall meet with the representatives of the Office of the Comptroller and Auditor General at least annually without the presence of members of the Department's Internal Audit Unit.

The Audit Committee may appoint an officer of the Department of Transport, Tourism and Sport who is not a member of the Internal Audit Unit, to act as secretary to the Committee.

8.0 Review of Charter

The Audit Committee shall review this charter annually and confirm its continued application or make recommendations to the Accounting Officer for amendments considered appropriate.

9.0 Protected Disclosures

The Audit Committee will refer any protected disclosures made to them to the Head of Internal Audit who will comply with the policy of the Department regarding receipt and investigation of protected disclosures.

10.0 Approval

Approved by the Accounting Officer and the Chairperson of the Audit Committee.

Accounting Officer

Chairperson Audit Committee

