

ONE



GUIDES

Making the complicated simple

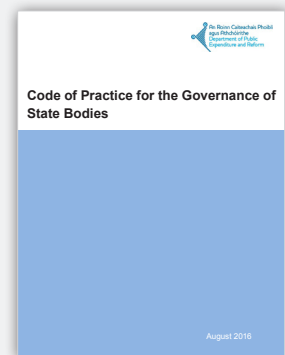
#1 BOARD SELF-ASSESSMENT
EVALUATION

The Question:

How do I Conduct a Board Self-Assessment Evaluation to comply with *The Code of Practice for the Governance of State Bodies*?

What's the purpose of this One Question Guide?

The Irish Department of Public Expenditure and Reform (DPER) published the *Code of Practice for the Governance of State Bodies* in August 2016. It is available on its website (govacc.per.gov.ie/governance-of-state-bodies). The Code applies to commercial and non-commercial State bodies and to their subsidiaries. Section 4.6 of The Code requires Boards to conduct a 'self-assessment evaluation' on an annual basis (The Code, p.25) and DPER has published a sample questionnaire for use by Board members.



This One Question Guide provides everything you need to carry out, record and follow-up on a Board self-assessment evaluation:

- » A guide to *Board Self-Assessment Evaluation* that provides a model for the entire process
- » A ready-to-use Board questionnaire that mirrors the sample questions published by DPER
- » Templates that can be used by the Secretary to record the outcomes of the self-assessment evaluation process.

Who is this One Question Guide aimed at?

This One Question Guide aims to support Board Secretaries who will normally manage the self-assessment evaluation process, in conjunction with the Chair of the Board.

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A One Question Guide to the Board Self-Assessment Evaluation Process:

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Appendices

This comprehensive One Question Guide includes a Board Self-Assessment Evaluation Questionnaire and reporting templates. These are available as individual downloads. Images are featured on pages 24 and 25.

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A Note on Symbols

This One Question Guide includes the following symbols:



The 'tip symbol' is used to indicate the availability of additional advice on an aspect of the Board Self-Assessment Evaluation process.



The 'closer look symbol' features when we are focussing on how to use the templates included with this guide to support the Board Self-Assessment Evaluation process.

CHAPTER ONE

Introduction to Board Self-Assessment Evaluation and the *Code of Practice for the Governance of State Bodies*

Purpose of this Chapter

As the requirement for Board self-assessment evaluation comes from the *Code of Practice for the Governance of State Bodies* (2016) we first look at that document. For the purposes of flow, the remainder of this text generally refers to The Code when it is talking about the *Code of Practice for the Governance of State Bodies* and shortens 'self-assessment evaluation' to Board self-evaluation.

The Code of Practice for the Governance of State Bodies

In 1992 the Irish Department of Finance published *State Bodies Guidelines*. These were the first corporate governance guidelines provided to state bodies. They were updated in 2001 and 2009. A revised *Code of Practice for the Governance of State Bodies* was published by the Department of Public Expenditure and Reform (DPER) in 2016. It is more detailed and comprehensive than the guidelines that it replaces.

The Code applies to commercial and non-commercial State bodies and to their subsidiaries. These bodies are required to confirm to their relevant Minister that they comply with The Code both in their practices and in their procedures (The Code, p.5). The Code addresses ten different areas, listed below:

1. Role of the Board
2. Role of the Chairperson
3. Role of Board Members
4. Board Effectiveness (*which includes the requirement for Board self-evaluation*)
5. Codes of Conduct, Ethics in Public Office, Additional Disclosure of Interests by Board Members and Protected Disclosures
6. Business and Financial Reporting
7. Risk Management, Internal Control, Internal Audit, and Audit and Risk Committees
8. Relations with the Oireachtas, Minister and Parent Department
9. Remuneration and Superannuation
10. Quality Customer Service

The Connection between Board Self-Assessment Evaluation and The Code

Under part 4 of The Code, Board Effectiveness, the following reference is made to Board self-evaluation:

In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, the Board should undertake an annual self-assessment evaluation of its own performance and that of its committees. An external evaluation proportionate to the size and requirements of the State body should be carried out at least every 3 years (The Code, 4.6, p. 25).

This One Question Guide focuses on the process for the Board conducting an internal self-evaluation of its performance. It emphasises the importance of the Board challenging itself to identify and document what is working, and how its performance can be improved. In doing so, the Board is also providing detailed evidence of the outcomes of self-evaluation to an external evaluator. The ready-to-use questionnaire that forms part of this Guide, and which mirrors the sample questions published by DPER*, turns the requirements of The Code into questions and asks the Board members to rate and comment upon their satisfaction against each question.

For example:

The 1.7 in brackets refers to section 1.7 of The Code which includes the statement:

The Board should have a formal schedule of matters specifically reserved for it for decision to ensure that the direction and control of the State body is firmly in its hands...

Therefore, in rating satisfaction against the questions in the self-evaluation, Board members are equally capturing the extent to which The Code has been implemented in the organisation, and where they consider attention is required. **An illustration of the first page of the questionnaire is included at the end of this chapter.**

* One departure from this format, and in order to place further focus on what is working, the questionnaire provided as part of this guide amends the question asked to Board members to *What is working / what could be done differently.*

APPENDICES

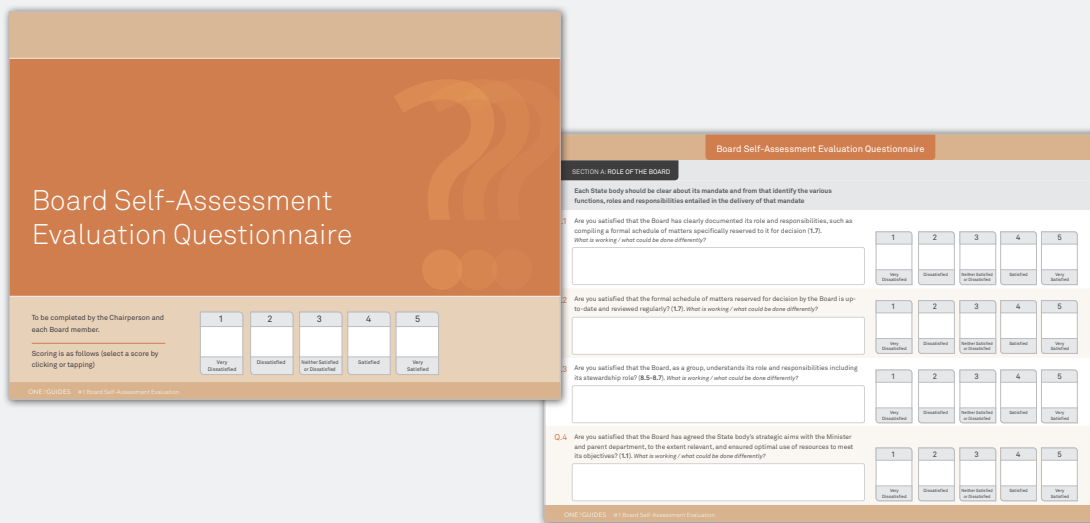
The following appendices are available for download as part of this One Question Guide

A1

Questionnaire

Board Self-Assessment Evaluation Questionnaire

A ready-to-use questionnaire that mirrors the sample questions published by the Department of Public Expenditure and Reform (DPER).

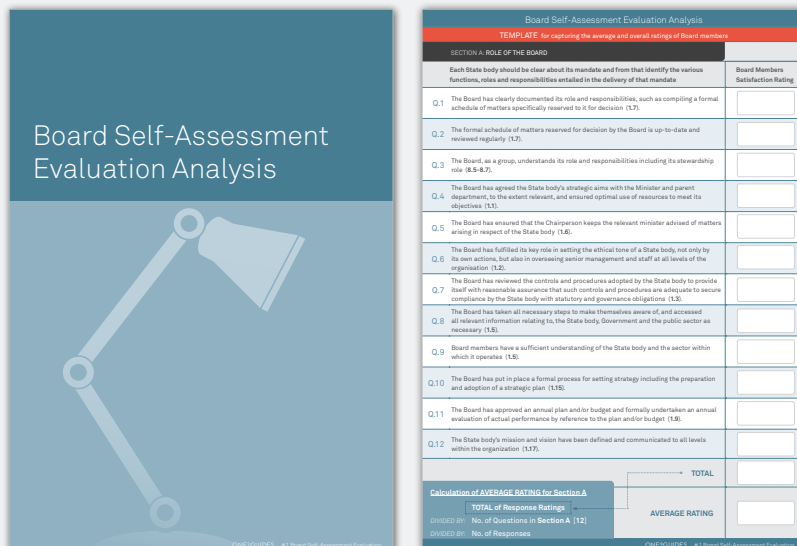


B1

Template

Board Self-Assessment Evaluation Analysis

For the Board Secretary to capture and analyse responses to the Board questionnaire.



APPENDICES

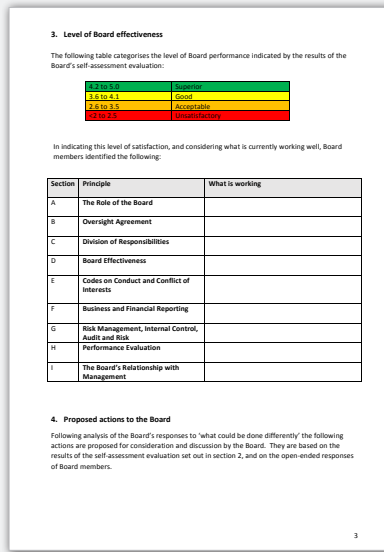
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B2

Template

Board Self-Assessment Evaluation Report

For the Board Secretary to present to the Board the average and overall responses to the Board questionnaire and to identify for the Board some potential actions arising from their feedback.

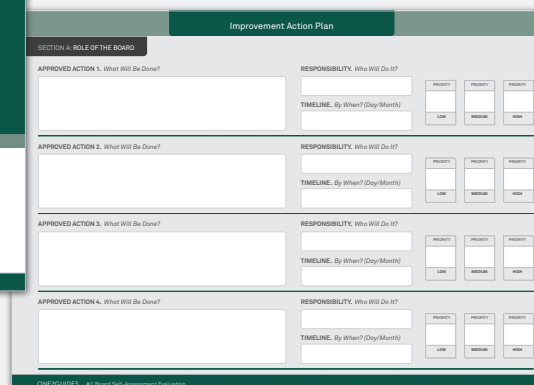
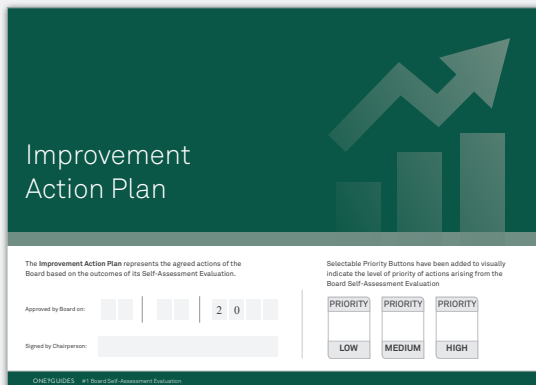


B3

Template

Improvement Action Plan

For the Board Secretary to document the actions agreed by Board members arising from the Board self-assessment evaluation process.



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