

TRANSCRIPT OF ONE QUESTION PODCAST

EPISODE:	1
TITLE:	<i>As a Secretary to a public sector Board, how can I prepare myself and my Board for an external evaluation under the Code of Practice for the Governance of State Bodies?</i>
DESCRIPTION:	Public sector Boards in Ireland are externally reviewed every 3 years. In this episode, we explain what the stages of that process look like and provide some advice to the Secretary on preparing for external evaluation and on following through on its outcomes.

Will Francis ([00:02](#)):

Welcome to the One Question Podcast, from O'BRIEN / Governance Design. I'm Will Francis, and in each episode, I'll be asking Trish, O'Brien a different question about corporate governance. Trish is a consultant with two decades of senior public and private sector experience. Her company provides governance consultancy for government departments, regulatory bodies, and charities of all sizes. She also conducts research in governance and completed a doctorate in this area. This episode, the question is: As a secretary to a public sector Board, how can I prepare myself and my Board for an external evaluation under the Code of Practice for the Governance of State Bodies? Hi Trish.

Trish O'Brien ([00:42](#)):

Hi, Will. How are you doing?

Will ([00:43](#)):

I'm very good, thanks. So before we get into the detail of board evaluations, can you say something on what corporate governance is about?

Trish ([00:50](#)):

It's about accountability. It's about transparency. It's about financial honesty, and it also focuses on ensuring that organisations are sustainable. So they're going to exist into the future.

Will ([01:02](#)):

So corporate governance, isn't just a checklist of things to do?

Trish ([01:06](#)):

Well. I mean, you can approach it as a checklist. You could just ensure, I suppose, that everything that's required is in place. Like, you know, that you've got a corporate plan that you've got financial policies and procedures that you've got your risk management frameworks and your committee terms of reference. And, you know, you can have all of these things without necessarily trying to connect them up. But, I think to do that is to treat corporate governance as if it's something running in parallel with the business of the organisation. So to me, effective corporate governance is really about making those

connections, joining up information, asking the right questions, and making sure not only that decisions aren't being made, but that the source of those decisions is clear to parties inside and outside the organisation.

Will ([01:51](#)):

So in terms of board evaluations, what role are they playing in good corporate governance practice today?

Trish ([01:57](#)):

Well, we do a lot of work with the public sector in Ireland and that's our experience. That's where we came from originally. Public sector organisations are generally established through legislation. They're overseen by boards that are made up of people external to the organisation. And a public sector board has really significant and growing responsibilities. So they have to make sure that they're working within the legislation that established them, which is one side of their work. And then they also have a lot of corporate governance responsibilities. So they work with the executive of the organisation that's the CEO and the staff, and they decide what areas of responsibility they want to delegate to staff and what areas they want to continue to oversee directly. And either way they remain responsible for the organisation and for its governance. So on the corporate governance side of things, the board's responsibilities have been set out by the Department of Public Expenditure and Reform. And it's in a document called the Code of Practice for the Governance of State Bodies that was published in 2016. It's more detailed and comprehensive than any of the guidance that would've gone before. So one of the requirements in the Code is that a board should conduct an internal evaluation of itself and of its committees every year, and that's to see how well it's working and to check that it's aligned with the Code of Practice, and also that it should be externally evaluated every three years.

Will ([03:21](#)):

Okay. So can you give us a sense of what's in the Code of Practice?

Trish ([03:26](#)):

So the Code addresses nine sections, that includes things like the role of the board, the chairperson, and the board members, and each section has principles and it has what they call these code provisions. So if I just give you one short example of how the code is structured. There's a section called Role of the Board, and under that, there's a principle that relates to the division of responsibility. And the principle is that there should be a clear separation between those who are responsible for leading the organisation, which is the board, and those who are managing the organisation, that's the staff led by the CEO. So the purpose is to ensure that there's a separation of duties and that no person has control over both aspects of the organisation. So that's the principle in that particular section of the Code. And then the Code provides more detail about how to ensure that division of responsibility. And it says that in most cases, the chairperson and the CEO shouldn't be the same person and their individual responsibilities should be established, set out in writing, and agreed by the board.

Will ([04:31](#)):

So the Code goes through a number of areas of relevance to how boards work and explains how a given area should be treated in a public sector organisation by identifying principles and attaching Code provisions to those principles. Is that right?

Trish (04:46):

Exactly. And it's these principles and provisions that a board is evaluating itself against, and it does that on a yearly basis, and against which an external evaluation is required to be conducted every three years. So we're looking at those principles and provisions, boards look at them themselves on an annual basis. And then the external evaluation is looking at the same thing, but from a different perspective.

Will (05:10):

Okay. So within a public sector organisation who is responsible for making sure that the Code is actually being implemented

Trish (05:18):

Well, ultimately it's the board itself, the board is responsible, but they're very reliant on good corporate governance advice and guidance from the organisation itself. And primarily that's going to come from the secretary to the board.

Will (05:31):

So the Code obviously requires that an external evaluation of the board is done, but what are the advantages of that to the public body?

Trish (05:39):

We think that one important advantage of an external board evaluation is that it's objective. That's, that's what you get from, the external aspect of it. And, you know, if we put that into, clear terms, I suppose, [the external evaluation] reviews and reinforces the board's own evaluation. So the board has been doing these self-evaluations every year. When you have somebody coming in and doing an external evaluation, it's really reinforcing and reconfirming, or otherwise, how the board has been seeing itself. When you're doing an external evaluation, you're also looking at their governance systems and documentation, and the systems that are supporting the board and its committees, and you're confirming that that's comprehensive. So there's a little bit of a gap analysis going on, which the organisation can benefit from. It also identifies themes arising. So, you know, we look for board and committee members opinions, on what's working well and what needs to be enhanced.

Trish (06:40):

And, and we can, we can see themes and sometimes again, as an external party, um, that's easier to do. And then at the end of the process, it results in recommendations for improvements for the board and its committees. So it gives it a plan in terms of the next stage of its development. But while it is an objective exercise, and we think that's really important, one thing we really feel from our experience of doing these external evaluations is that it should be designed collaboratively. And we don't think that that in any way impacts on the integrity or the independence of the process, or of its outcomes. So one thing just to emphasise, I suppose, one thing we'd encourage a secretary to a board to do is to talk to the chair about what the organisation would like to learn more about through this external evaluation.

Will (07:29):

Okay. So can you give me an example of what an organisation might want to know more about through an evaluation?

Trish (07:35):

All right. So if we take a simple example, the process of external evaluation will ask about whether board and committee members are attending meetings. A very important aspect of good corporate governance is that people are there and, you know, organisations sometimes find that maybe board and committee members become sort of less, consistent in their attendance. They become a little bit infrequent in turning up and they may want to know why that's happening, what's behind that. So when an external evaluator comes in, they're going to be able to see that trend. They'll look at the board minutes and the committee minutes, and they'll be able to see the fact that people are coming in and out, but why not raise that with the evaluator at the outset so that the evaluation can actively try to uncover the problem and propose maybe some useful actions, which would be genuinely helpful to the organisation?

Will (08:30):

Great. Thanks. Okay. So let's have some quick Q and A, so we can get into some more detail on how these external evaluations are done. Who asks you to do an external evaluation? Is it a government department or the public body themselves?

Trish (08:45):

Well, the public body will normally invite consultancy companies like ours to tender, to conduct an external evaluation. And often that's organised, or at least initiated, through the secretary to the board

Will (08:58):

How long do these evaluations normally take?

Trish (09:00):

Well, it normally actually takes a couple of months, and it's not that you're working with the organisation all of that time, but you need to provide time to review documentation. You've got to allow board and committee members to respond to things like questionnaires. We need time to talk to board members and then you have a report to write and agree. So, you know, it can normally take at least two months from beginning to end.

Will (09:30):

Do you have to be an expert in what the organisation does to carry one out?

Trish (09:34):

Well, because we're former public servants ourselves, the company knows quite a lot about how the public sector operates and the relationship between government departments and agencies, and that's really transferable knowledge. And it helps us hugely when we're working with public sector organisations. So beyond that, you know, we don't need to have an in depth knowledge of the organisation from the outset. Although, you know, we really do learn a lot from actually undertaking the evaluation. And then I suppose, you know, the principles of good governance are expected to be in evidence across all organisations, regardless of what they do. And an external evaluation is really, it's trying to establish whether the corporate governance systems and structures are able to support the organisation in achieving its objectives, whatever they may be.

Will ([10:22](#)):

And is there a fixed process for carrying out an evaluation?

Trish ([10:27](#)):

Well, there, isn't a specified way of doing one and evaluators will take different approaches, but really, I think anyone conducting an external evaluation, they're going to look at board and committee terms of reference, they look at minutes of meetings, they look at previous evaluations that were done by the organisation themselves, they will most likely survey board and committee members, and they'll engage with them to try and validate the outcomes of those surveys. And that could be done perhaps through meetings with individual members or sometimes through a workshop with the board itself.

Will ([11:00](#)):

And how do you handle confidentiality issues?

Trish ([11:04](#)):

Yeah, confidentiality is a big thing. Sometimes we're asked to sign confidentiality agreements in advance, but, you know, regardless we always confirm our commitment to confidentiality when we're responding to tenders and it's, it's a cornerstone of what we do. It's just absolutely essential.

Will ([11:22](#)):

And so you say that there isn't like a fixed way of doing an external evaluation, but if you had an enquiry from the secretary to a board, how would you describe the process to them?

Trish ([11:33](#)):

Maybe the best way to describe it is that there are a few types of activities involved when you're doing an external evaluation. One of them is meetings. You know, we, we certainly would have, right at the beginning, we'd have preparatory meetings with the secretary to the board because they play such a crucial role. We would look to meet with the chair of the board. We'd often meet also with the CEO of the organisation. I think it's important to see things from the executive perspective also. Um, and often also we would do a briefing with the board members prior to the evaluation itself. So that's kind of the meetings, the interaction at the outset. There's then, you know, we're, we're trying to understand as much as we possibly can about the organisation and about its corporate governance system.

Trish ([12:18](#)):

So the second category I think, is just requests for information. We would look for quite a lot of documentation, whether it's policies, procedures, minutes, previous outcomes, the self-evaluations, you know, certainly we'd be going through all of that. We'd often also give a checklist to the board secretary, and the purpose of that is for them to confirm or otherwise that certain policies and procedures that are referenced in the Code of Practice, that they're actually in place. So that's, that's one of the things we do as well, just trying to confirm and assure that those things are there. So if we take meetings and we take requests for information, we then are looking for views certainly of what's working and otherwise. So we would often do an online questionnaire to the board members, the same with the audit and risk committee members and then other committees also.

Trish ([13:12](#)):

So we're trying to collect views of their impressions of how things are. And generally that would be a combination of closed questions where they have a scale of satisfaction about certain things, but also open ended responses. So we can get more of an insight into their answers. There's then an analysis stage where we will be analyzing the outcomes of those questionnaires. We have a certain amount of information from that, but then we have to confirm our findings. There will always be certain things that we need to clarify afterwards. So having, you know, analysed the documentation analysed the views of the board and the committee members, we need to then confirm our findings. And we would clarify certain things with the secretary to the board, we would have some follow-up discussion with the chair of the board and chairs of the committees.

Trish ([14:08](#)):

One thing that we find very helpful actually is to do a workshop with the board on the outcomes of their questionnaires, because people will answer things in the same way, but for different reasons. And that isn't always clear. So, workshops with the board members really help to get behind their answers. And so when we've gone through those stages we can then feel confident that we're in a position whereby we can develop a report, and that we can recommend improvement actions that are genuinely appropriate and accurate in terms of that organisation.

Will ([14:41](#)):

It's really interesting to hear the details of the process, but I'm curious which part of it is the most challenging to execute for you?

Trish ([14:52](#)):

I think probably in the early stages. You know, we're very keen to understand the organisation itself because every organization is different. The dynamics between the board and the executive are different and you know, where I said, we don't need to be experts in what the business is and we don't, but we do try to build up our expertise in that because you can't really make recommendations for improvement, unless you understand how the organisation functions. Um, so I think those, those early stages of trying to understand that are probably the most challenging. But then as you go through all the stages, through the meetings, through the document analysis, working with the board and the committee members, hearing their responses and teasing that through with them, all of that is just, it's like layers of the onion. You know, you just, as, as you go through it, you understand more and more, and then by the time you get to the report, you do feel confident that, and this is the most important thing about it, I think is that you're recommending things to the organisation that are absolutely relevant and will actually help them to improve over the next period.

Will ([16:06](#)):

So that's, that's what makes it a satisfying process for you is that you see that it actually, it creates real change?

Trish ([16:15](#)):

Genuinely. And my partner, Claire Byrne, who works on the external evaluations with me, you know, fundamentally we both feel that if you're doing this, you have to be, and it's a cliched term, but you have to be adding value. And I think you really do.

Will ([16:32](#)):

Where do you think you guys add the most value in this process?

Trish ([16:36](#)):

Well, I think one thing that we can contribute I suppose, is the experience that we have of working with a number of different organisations. So we're seeing practice in different places, which puts us in quite a privileged position, I think. And when we're then working with an organisation, we're able to maybe draw on other examples that might actually work in their context, but which they may not necessarily be aware of.

Will ([17:01](#)):

Okay. So you've concluded the report. What happens to it then?

Trish ([17:05](#)):

Well, the board will review the report and we need to go through a stage where we're happy that they're happy with the report and understand where it's coming from and that they accept and agree with its outcomes. So assuming that that all happens, and generally it does because of the kind of collaborative process that we undertake, the board would then develop an improvement action plan. And it's up to the organisation's board, with the help of the secretary, to develop that plan and to prioritise actions within it. So there could be seven or eight things that need to be done and they'll need to decide the prioritisation of that, and, you know, hopefully our report will have helped them in terms of that prioritisation. They also need to appoint staff to implement it. And they're all the things that the board has to make sure of. When you agree the plan itself and have it in place it needs to be overseen in terms of its implementation. And that's also the responsibility of the board with the support to the secretary, making sure that that plan is staying on the agenda.

Will ([18:26](#)):

But where does the report live and how do you make sure that it's easily accessible by the right people?

Trish ([18:32](#)):

In terms of the report being a living and breathing report then, part of that comes from it being a valuable report. And you know, in fairness, reports get developed in other contexts, which are very good, but they do get shelved, I think the thing that helps these external evaluation reports live is that there is kind of a handover between the external evaluation and the internal evaluation that's coming the next year. And there needs to be sort of a natural continuity between those, the thing that connects them is really this quality improvement plan, which is taking the substance of what the report is saying and its transferring that into some actions that have to happen. The board is then overseeing those actions and then when it gets to its own annual self evaluation it's checking in with that to see whether those actions have been fulfilled.

Trish ([19:29](#)):

And actually when you get to the point, and we're not chronologically at the stage yet because this Code of Practice only came out in 2016, but one would expect that handover that will be happening over time between this external evaluation happening every three years and the internal evaluation that happens on an annual basis leading in then again to another external evaluation. I think that helps to make sure

that the process is a live process and that we don't end up with a report that's kind of accepted at the time, but doesn't actually lead anywhere.

Will ([20:01](#)):

Yes, indeed. That is incredibly important. So to finish, if you were to highlight three things for the secretary to the board who might be listening to this and is about to organise an external evaluation, what would they be?

Trish ([20:14](#)):

Okay. Three things. I think the first one will be about briefing the board. I think this is really important because you know, board members come in and they come out, they have busy agendas, they hear about an external evaluation and they may feel that it's not particularly relevant or important to them. So I think really it's important to brief the board properly, brief them more than once. I think if the secretary can work with the chair in terms of doing that so that there's a sense of enthusiasm if you like about the external evaluation, or as close as you can get to that internally, I think that's very important. So I think briefing the board will be the first thing. The second thing I think then is again, related to getting the organisation engaged with this idea of external evaluation.

Trish ([21:03](#)):

And I think if the secretary could encourage the board, and in particular the chair, to try and think about what they want to discover through the evaluation. So what is it that they can achieve through this? What would they like to learn more about? And I think if they can think about it from that perspective, it helps them to really engage with the process. And then I think probably the third thing is just a very practical thing. Just to take some pressure off because the secretary is really going to be the party that the consultant is going to all the time. So, I think, you know, getting some documentation in order would be a good idea, things that you're likely to be asked for when the evaluation starts. So things like board and committee minutes, corporate governance, policies and procedures, the current strategy, annual plans, the risk register, things like that. For some organisations that might be very easily accessible and all in the same place, for others, that might be a little bit of work in putting that together.

Trish ([22:06](#)):

So just some preparation in advance, I think maybe take some of the burden away from it and that allows you then to engage on the more important aspects of the evaluation.

Will ([22:14](#)):

It's brief the board properly. It's encourage the board, get them to think about what they really want to find out here and then start gathering that documentation and getting it in order in preparation.

Trish ([22:27](#)):

Exactly. Yeah.

Will ([22:28](#)):

Great. Thanks. That's very, very insightful. Thanks Trish.

Trish ([22:32](#)):

That's great, Will, thank you very much.

Will ([22:34](#)):

So having looked at external review as a process in episode one, we'll go on to break down some of the areas that are typically looked at during a review. So in episode two, our question for discussion will be: As a secretary to the board, how can I best support board members when they join the board, through induction, and afterwards through professional development. I hope you'll join us and don't forget, you can find out more and access resources, templates, and the One Question Guides at www.obriengd.ie. Thanks for listening.