

Transcript of One Question Podcast – Climate Governance 3: Implementation at Board level

[Will] (0:00 - 0:42)

Welcome to the One Question Podcast from O'BRIEN / Governance Design, who specialise in corporate governance for the public and not-for-profit sectors. I'm Will Francis, and for this mini-series of three podcasts, I ask Trish O'Brien a series of questions on the topic of climate governance in the public sector. For the third and final podcast of this series, the question is, what initial steps can be taken to integrate climate governance into the responsibilities of public sector Boards?

So far in these podcasts on climate governance, we've talked about the documentation relevant to public sector obligations in this area, and you then provided us with a framework of statements to assist in thinking this through at Board level. So, Trish, what comes next?

[Trish] (0:42 - 1:11)

Thanks, Will. So, for the third podcast, I'd like to talk a bit more about implementation, which is the practical use of what we're proposing here. In integrating climate governance into the Board, we're also implementing climate management at executive level - those two things are always correlated. Whatever the Board is looking at has an impact in terms of the executive. So, we might talk that through a bit, and also just look at resources available to support those processes.

[Will] (1:11 - 1:20)

Great. That would be good. So, let's get into the detail.

What would you advise a public sector body that's in the earlier stages of thinking about this subject?

[Trish] (1:20 - 5:22)

I think the most important thing about making progress in this area is to build up an approach incrementally, to not feel that everything needs to be known all at once. Because it is, as we've said already, it is a relatively complex area, particularly depending on the type of public sector body, how big it is, etc. So, I think that's one thing, not to get overwhelmed by it and to take it step by step. I also think that it's essential that the Board and the executive work together on building their understanding of the subject matter and teasing out its application in the context of the organisation.

Because otherwise, we just have demands coming from a Board, and we have an executive trying to meet those demands. It can actually sometimes become a bit of a tick box exercise, oddly, and I think the subject matter is too important for that to happen. So, I think some collaborative working together and building understanding is important.

So, we talked in the second podcast about a framework of statements. It's a fairly simple device. Now, we'd just like to talk about maybe how to use it. And I'd recommend using that framework of statements we talked about. Or, you might have another tool that you want

to use, of course, but we'll talk about this framework of statements in terms of this implementation. So, first of all, I think as a potential approach, the secretary to the Board could initiate a discussion with the chair. Or, maybe it would be the other way around, on the utility of that framework and how it could be amended for the purposes of that specific Board and that specific organisation.

So, I think an initial discussion there between the secretary and the chair would be great. Maybe those initial thoughts then could be shared with the rest of the Board: gather their thoughts and input in an exploratory way, without sort of landing them with it, saying this is what you need to satisfy yourself about. Get them to engage with it, get them to think about it. They may have additional statements, additional things that they would like to be satisfied about, and they could amend that framework of statements for their own purposes. Then, perhaps, the Board could maybe, you know, supported by the Secretary of the Board, maybe task a small executive group, a few people, to engage with the framework and maybe propose to the Board how it would potentially provide assurances regarding those statements.

So, what I mean by that is that they might take these statements that the Board has confirmed that it wants responses to, that it wants to be able to satisfy itself about. Maybe the executive could tease through each of those statements and see what would they need to do in order to satisfy the Board about that particular thing. What are the actions that would be required by the executive?

So, maybe that executive group could then report back to the Board and connect its analysis with the framework statements. You know, and seeing that, the Board actually seeing that analysis would help it, it would help the Audit and Risk Committee, it would help the senior executive. It would put them in a position whereby they can maybe understand, if and where substantial resourcing is going to be needed to fulfill climate obligations and where actions can be progressed within the current resources. So, the outcomes of that engagement would ideally be leading to an action plan.

And that action plan, it should be overseen by a senior executive. Yes, they'll delegate operational responsibility to probably a senior manager, and there will probably be an implementation group. And the Climate Action Strategy, it makes reference to that, and I'm going to come back to that in a moment, as to how the implementation group might be formed and some of its responsibilities.

Part of that action plan, I think, has to be agreed reporting to the Board. It might be via a committee established by the Board, or it might be direct. But either way, the Board has to be kept regularly informed about progress as it's building up its own expertise and knowledge in this area.

[Will] (5:22 - 5:31)

So, there's potentially a Climate Action slash Implementation Group established at executive level and a committee established by the Board. How would they work?

[Trish] (5:32 - 5:49)

Well, if we take the executive group first. The Climate Action Strategy we've spoken about in the previous podcast, that advocates that public sector bodies establish what it calls a

Green Team. And the quote from that document, it says that it should be properly resourced and that it reports to senior management on a regular and defined basis.

[Will] (5:49 - 5:53)

And what about forming a committee of the Board to focus on climate governance?

[Trish] (5:54 - 7:09)

We've seen some Boards who have established committees to look at climate matters. And that's of course reasonable. It's probably necessary.

A committee can also be good because its members can bring together staff members with Board members, and it can co-opt some external expertise. So, that's all good. Other models we've seen are where climate governance are added to an existing committee, which is another way of doing it.

We've also seen where it's been integrated across more than one committee. And, you know, that also obviously has benefits because it acknowledges that climate actions are cross-functional and that the oversight of the Board needs to be in the context of that integration. I think maybe the issue, regardless of the model chosen, is ensuring that, you know, what you don't want is to have climate governance become a specialist subject that is someone else's responsibility. And where there's no expectation that all Board members are proficient in all areas, they need to be informed and they need to be engaged. So, routinely bringing, you know, climate governance into the Board's line of sight, I think that's very important.

[Will] (7:10 - 7:16)

Yeah. And what about Board members? Do they need support and upskilling when it comes to climate governance?

[Trish] (7:17 - 8:54)

I think so. We talked in the second podcast about climate governance being integrated into the Code of Practice. We know that's going to happen. We don't know when it's going to happen. And we've advocated that Boards just move forward, that they continue to progress regardless. But, you know, it is important that this does feature in the Code of Practice sooner rather than later because its presence within that will influence the skills that are sought when the government is appointing Board members via the Public Appointments Service. I think that's very important. And it will also, once it goes into that Code of Practice, it will become a standard part of external evaluation. At the moment, it isn't.

But regardless, as we say, of when that happens, I think all Board members will need some knowledge in this area in the same way that all Board members should be able to engage with the financial reports. And again, you know, that doesn't mean that they need to be experts, but they do need to be engaged enough to ask pertinent questions and they need to be able to seek assurances.

And one approach that can be helpful, just to mention, is to identify Board members, maybe, who have an interest in climate issues and they want to know more. You know, they could be supported with some short interventions, online seminars, for example. And their

role can then be to lead the discussion and the questioning at Board meetings. And in doing that, they can provide maybe a route, an example, for other Board members to enter into that discussion.

[Will] (8:54 - 8:59)

And what about resources to support public sector bodies as they progress with their work in this area?

[Trish] (9:00 - 10:42)

Yeah, there are certainly resources out there. From a public sector perspective, I think the resources of the EPA and the SEAI are particularly important. The SEAI has a really interesting resource. It's called the Public Sector Partnership Programme. And that can provide tailored advisory supports for some public bodies. So I think that could be a very interesting thing to look into.

And then the EPA has a lot of relevant documentation, including on this whole issue of green public procurement. That's a really big area for public sector bodies. That's quite a complex one. But, you know, it absolutely has to feature as part of climate governance responsibilities. I mean, it should be an area that a Board is wanting assurances in and wants to be satisfied about. And it kind of goes back to what we were talking about, I think it was in the first podcast, when we said about the public sector leading by example.

Because essentially, it's a big purchaser. And one of the ways it can impact and influence organisations is through its supply chain. So that guidance from the EPA on that whole area, I think that that's really important.

So there are supports out there and there are resources. I think I'd recommend, though, again, just because it's a big area, I think the internal thinking first is useful. Assessing where you think you're at, what the Board needs to satisfy itself about, what the staff and executive would need to do to sort of meet that threshold, as it were, and then looking at the gaps, and trying to address those with the resources that are available.

[Will] (10:43 - 10:49)

Yes, sounds good. So that's it for this series of three podcasts. Are we going to do more on this topic?

[Trish] (10:49 - 11:32)

Well, there's a lot of subtopics that could be explored in detail. I think what we'll do now is we're going to monitor maybe what's needed by Boards and have more conversations around that. We'll be speaking with clients.

We'd also really love to engage with anybody who's listening to these podcasts, and if they have thoughts in terms of further support that would be helpful. If we can provide that through podcasts, we absolutely will, or perhaps through short published resources. We'll make that judgment call based on maybe some feedback that we're getting back.

But, you know, I think the most important thing is that we very much want to stay involved in this area, and we're really glad to have taken some steps into the discussion.

[Will] (11:33 - 11:37)

Yes, it's been great. It's been very interesting. Thanks so much, Trish.

[Trish] (11:37 - 11:38)

Great. Thank you very much, Will.

[Will] (11:38 - 11:54)

So that concludes our mini-series of three podcasts on climate governance in the public sector. I hope you found them useful. And don't forget, you can find out more and access other podcasts, resources, templates, and One Question Guides at obriengd.ie. Thanks for listening.