

Code of Business Conduct

Introduction

In order to comply with the Code of Practice for the Governance of State Bodies the Chairperson of the Irish Fiscal Advisory Council (IFAC) will be obliged to confirm to the Minister for Finance that a number of control functions are carried out by the IFAC including the issuing of a Code of Business Conduct for council members and employees, and that they are being adhered to.

This Code of Business Conduct sets out in writing the agreed standards of principle and practice which inform the conduct of the IFAC. It underscores the commitment of council members and employees to the highest standards of business conduct and has been prepared to assist council members and employees in understanding their duties, rights and obligations as persons connected with the IFAC. The Code is binding and requires that each member of the council and staff are familiar with it.

The purpose of the Code of Business Conduct is to:

- Establish an agreed set of ethical principles;
- Promote and maintain confidence and trust;
- Prevent the development or acceptance of unethical practices; and
- To meet requirements under the Code of Practice for the Governance of State Bodies (2009).

All members of the council and staff should observe the following general principles and procedures:

Integrity

Council members and employees shall:

- Avoid giving or receiving of corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect their own or the recipient's ability to make independent judgement on business transactions;
- Ensure that purchasing of goods/services shall be in accordance with best business practice and satisfy current EU and national procurement rules;
- Ensure that claiming of expenses is strictly appropriate to business needs and in accordance with good practice in the public sector generally;
- Ensure that accounts/reports accurately reflect expenditure and transactions, and are not misleading or designed to be misleading;
- Ensure that IFAC resources or time are not used for personal gain, for the benefit of persons/organisations unconnected with the body or its activities;
- Not acquire information or business secrets by improper means.

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Loyalty

Council members and employees shall acknowledge the responsibility to be loyal to the IFAC and fully committed in all its activities while mindful that the organisation itself must at all times take into account the interests of its stakeholders.

Fairness

Council members shall ensure that the IFAC:

- Complies with employment equality and equal status legislation;
- Is committed to fairness in all business dealings;
- Values clients/stakeholders and treats all clients/stakeholders equally.

Work/External Environment

The Council shall:

- Place highest priority on promoting and preserving the health and safety of employees;
- Ensure that community concerns are fully considered;
- Minimise any detrimental impact of the operations on the environment.

Responsibility

- This Code of Business Conduct will be circulated to all council members and staff for their retention;
- Management will provide explanation, practical guidance and direction on such areas as gifts and entertainment and other ethical considerations which may arise;
- Each council and staff member is requested to sign a Declaration of Understanding that they have read and noted the Code of Business Conduct. When signed, the Declaration of Understanding is to be returned to the Secretary of the IFAC for record purposes.

Conflicts of Interest

- Council members shall comply with the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 (Appendix A);
- Council members shall comply with the obligations outlined in Section 6 of the Code of Practice for the Governance of State Bodies (Appendix B);
- On appointment to the Council, and at any time thereafter, each member should furnish to the Secretary details relating to his/her employment and all other business interests including shareholdings, professional relationships etc., which could involve a conflict of interest or could materially influence the member in relation to the performance of his/her functions as a member of the Council.
- Employees shall avoid outside business interests in conflict or potential conflict with the business of the IFAC, and if such interests occur they must be disclosed.

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Information

Council members and employees shall:

- Ensure that they maintain the confidentiality of all information obtained by virtue of their position;
- Comply with Section 8 of the Fiscal Responsibility Act on the Prohibition on the Disclosure of Confidential Information;
- Support the provision of access by the body to general information relating to the IFAC's activities in a way that is open and enhances its accountability to the general public;
- Respect the confidentiality of sensitive information held by the IFAC. This would constitute material such as:
 - Information received in confidence;
 - Commercially sensitive information;
 - Personal information.
- Observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest;
- Comply with relevant statutory provisions (e.g. data protection legislation, the Freedom of Information Acts, 1997 and 2001).

These obligations do not cease when council membership or employment has ended. Former council or staff members should dispose of any documentation they hold relating to the business of the IFAC.

Obligations

Council members and employees shall:

- Fulfil all regulatory and statutory obligations imposed on the organisation;
- Ensure that the IFAC is compliant with tendering and purchasing procedures, as well as complying with prescribed levels of authority for sanctioning any relevant expenditure;
- Introduce controls to prevent fraud including adequate controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel;
- Conform with procedures laid down by the Council in relation to conflict of interest situations, including in regard to acceptance of positions following employment and/or engagement by a State body that may give rise to the potential for conflicts of interest and to confidentiality concerns;
- Acknowledge the duty of all to conform to highest standards of business ethics;
- Council members shall use all reasonable endeavours to attend all Council meetings.

Review

This Code will be reviewed annually by the Council.

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Appendix A: Ethics and Standards in Public Office

Obligations under the Ethics legislation

All those who hold designated directorships or occupy designated positions of employment in public bodies prescribed by regulation for the purposes of the Ethics legislation (i.e. the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001) must comply with the relevant provisions of the legislation. Compliance with the Ethics Acts is deemed to be a condition of appointment or employment.

Disclosure of Registrable Interests

The Ethics in Public Office Act 1995 provides for the disclosure of registrable interests by holders of designated directorships and occupiers of designated positions of employment in public bodies prescribed for the purposes of the Ethics legislation.

Briefly, the requirements are:

Designated Directors

Are required in each year, during any part of which they hold or held a designated directorship of a public body, prescribed by regulations made by the Minister for Finance, to prepare and furnish, in a form determined by the Minister for Finance, a statement in writing of their registrable interests, and the interests, of which a person has actual knowledge, of his or her spouse or a child of the person or of his or her spouse, which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the person, or the spouse or child, a substantial benefit. The statement must be furnished to the Standards in Public Office Commission (the Standards Commission) and to such an officer of the body as determined by the Minister for Finance. Where no registrable interest or interests exist, no statement is required.

Designated Positions of Employment

Are required in each year, during any part of which they occupy or occupied a designated position of employment in a public body, prescribed by regulations made by the Minister for Finance, to prepare and furnish, in a form determined by the Minister for Finance, a statement in writing of their registrable interests, and the interests, of which a person has actual knowledge, of his or her spouse or a child of the person or of his or her spouse, which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the person, or the spouse or child, a substantial benefit. The statement must be furnished to the relevant authority for the position as determined by the Minister for Finance. Where no registrable interest or interests exist, no statement is required.

Material Interests

The holder of a designated directorship or the occupier of a designated position of employment is required to furnish a statement of a material interest where a function falls to be performed, and where the director or the employee or a "connected person" (e.g. a relative or a business associate of the director or employee) has a material interest in a matter to which the function relates. Such a statement must be furnished to the other directors of the public body by a designated director or to the relevant authority by the occupier of a designated position of employment. The function must not be performed unless there are compelling reasons to do so. If a designated director or the occupier of a designated position of employment intends to perform the function, he or she must, either before

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doing so, or if that is not reasonably practical, as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the other directors and to the Standards in Public Office Commissions if a designated director, or to the relevant authority if an employee. This obligation applies whether or not the interest has already been disclosed in a statement of registrable interests.

Tax Clearance obligations of appointees to “senior office”

The tax clearance provisions of the Standards in Public Office Act 2001 apply to persons appointed to "senior office", i.e. to a designated position of employment or to designated directorship in a public body under the 1995 Ethics Act, in relation to which the remuneration is not less than the lowest remuneration of a Deputy Secretary General in the civil service.

All persons appointed to “senior office” must provide to the Standards in Public Office Commission not more than nine months after the date on which he or she is appointed:

- a tax clearance certificate that is in force and was issued to the person not more than nine months before, and not more than nine months after, the appointment date; or
- an application statement that was issued to the person and was made not more than nine months before, and not more than nine months after, the appointment date; and
- a statutory declaration, made by the person not more than one month before, and not more than one month after, the date of appointment, that he or she, to the best of his or her knowledge and belief, is in compliance with the obligations imposed on him or her by the Tax Acts and is not aware of any impediment to the issue of a Tax Clearance Certificate.

Investigations

Directors and employees in public bodies can be subject to an investigation by the Standards Commission, either where it considers it appropriate to do so, or following a complaint, or where there is contravention of the tax clearance requirements, and there is nothing that precludes the Standards Commission from taking into account this Code of Practice in such an investigation.

Additional information and advice

This appendix is provided for information purposes only and does not constitute a legal interpretation of the Ethics Acts. Requests for advice on compliance should be referred to the Standards in Public Office Commission. The Standards Commission publishes the "Guidelines on Compliance with the Provisions of the Ethics in Public Office Acts 1995 and 2001 - Public Servants" that provides information on the steps that public servants who are covered by the Ethics legislation need take in order to comply with the requirements of the legislation.

The designated directorships and designated positions of employment in public bodies, as prescribed for the purposes of the Ethics legislation, the forms for preparing statements of registrable interests, and details of the officers of the body and the relevant authorities to whom such statements should be furnished are also provided in the Standards Commission's "Guidelines", available for download on its website: <http://www.sipo.gov.ie>.

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Appendix B: Disclosure of Interests by Board and Committee Members under the Code of Practice for the Governance of State Bodies

In addition to the legal requirements under the Ethics in Public Office Acts, the following procedures should be observed:

- i. On appointment to a Board of a State body, each member should furnish to the Secretary of the body details relating to his/her employment and all other business interests including shareholdings, professional relationships etc., which could involve a conflict of interest or could materially influence the member in relation to the performance of his/her functions as a member of the Board.
- ii. Any interests of a member's family of which he/she could be expected to be reasonably aware or a person or body connected with the member, which could involve a conflict of interest or could materially influence the member in the performance of his/her functions should also be disclosed.

For this purpose persons and bodies connected with a member includes:

- (a) a spouse, parent, brother, sister, child or step-child;
- (b) a body corporate with which the member is associated;
- (c) a person acting as the trustee of any trust, the beneficiaries of which include the member or the persons at (a) above or the body corporate at (b) above; and
- (d) a person acting as a partner of the member or of any person or body who, by virtue of (a) - (c) above, is connected with the member.

Each member should furnish to the Secretary details of business interests on the lines above of which he/she becomes aware during the course of his/her term on the board.

- iii. Where it is relevant in any matter which arises, the member is required to indicate to the Secretary the employment and any other business interests of all persons connected with him/her, as defined at (i) above.
- iv. Boards may exercise discretion regarding the disclosure by members of minor shareholdings. As a general guideline, shareholdings valued at more than €15000 or of more than 5 per cent of the issued capital of a company should be disclosed.
- v. If a member has a doubt as to whether this Code requires the disclosure of an interest of his/her own or of a connected person, that member should consult the Chairperson.
- vi. Details of interests disclosed should be kept by the Secretary to the Board in a special confidential register and should be updated on an annual basis. Changes in the interim should be notified to the Secretary as soon as possible by members. Only the Chairperson, Secretary and Chief Executive of the body should have access to the register.
- vii. Where a matter relating to the interests of the Chairperson arises, he/she should depute the Deputy Chairperson or another Director to chair the Board meeting and should absent himself/herself when the Board is deliberating or deciding on a matter in which the Chairperson or a person or body connected with the Chairperson has an interest.

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- viii. Board or State body documents on any deliberations regarding interests should not be made available to the member concerned prior to a decision being taken. (Such documents should be taken to include those relating to cases involving competitors to this Board member to the above interests). Decisions once taken should be notified to the member.
- ix. As it is recognised that the interests of a Director and persons connected with him/her can change at short notice, a Director should, in cases where he/she receives documents relating to his/her interests or of those connected with him/her, return the documents to the Secretary at the earliest opportunity.
- x. A Director should absent himself/herself when the Board is deliberating or deciding on matters in which that member (other than in his/her capacity as a member of the Board) or a person or body connected with the member has an interest. In such cases a separate record (to which the Director would not have access) should be maintained.
- xi. Where a question arises as to whether or not a case relates to the interests of a Director or a person or body connected with that Director, the Chairperson of the Board should determine the question.
- xii. Former Directors should treat commercial information received while acting in that capacity as confidential.
- xiii. Directors should not retain documentation obtained during their terms as Director and should return such documentation to the Secretary or otherwise indicate to the Secretary that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former Directors require access to Board papers from the time of their term on the Board, this can be facilitated by the Board Secretary.
- xiv. The procedures set out above should also be adopted in subsidiaries of State bodies.