

Board Operating Framework

DEPARTMENTAL BOARD (DB)

BOARD OPERATING FRAMEWORK

1. INTRODUCTION

- 1.1 The purpose of the Departmental Board is to co-ordinate and to monitor the work of the Department. The Board will operate as a collegiate forum under the leadership of the Permanent Secretary to manage the running of the Department. It will ensure that the appropriate strategic planning processes are in place to provide the Minister with high quality policy advice and to secure the delivery of Ministerial policy decisions and effective operational management of their implementation. The Board will also act in an advisory and consultative capacity, offering guidance when sought, as well as scrutinising and challenging Departmental policies and performance, with a view to the long-term health of the Department.
- 1.2 It will support the delivery of effective Corporate Governance and operate within the DoF guidelines on *Corporate Governance in Central Government Departments: Code of Good Practice (NI) (2013)* (the Code). The Board will take an objective long-term view of the business of the Department, leading its strategic planning process and assisting the Permanent Secretary as Principal Accounting Officer in meeting Corporate Governance responsibilities.
- 1.3 This framework sets out and clarifies the functions, aims, responsibilities and membership of the DAERA Departmental Board. The Board Secretariat will ensure all new Board members are issued with a copy of this document.

2. DAERA'S VISION AND STRATEGIC GOALS

The Department's Vision and Strategic Goals which are set out in the DAERA Strategic Plan 2016-2020, are as follows:-

Vision

A Living, Working, Active, Landscape valued by everyone.

Strategic Outcomes

1. Sustainable agri-food, fisheries, forestry and industrial sectors.
2. A clean, healthy environment, benefiting people, nature and the economy.
3. A thriving rural economy, contributing to prosperity and wellbeing.
4. A well led, high performing organisation focused on outcomes

3. DEPARTMENTAL PRINCIPAL ACCOUNTING OFFICER

- 3.1 The responsibilities of the Departmental Principal Accounting Officer (PAO) are set out in the Department of Finance and Personnel publication "Managing Public Money Northern Ireland":

"Formally, the PAO is someone who may be called to account in the Northern Ireland Assembly for the stewardship of the resources within the Department's control... Acting within the authority of the Minister to whom he is responsible, the PAO should ensure that the organisation and any subsidiary to it or organisation sponsored by it, operates effectively and to a high standard of probity... The organisation is also required to have explicit arrangements for its internal governance, complemented by appropriate accountability."

- 3.2 The DAERA PAO is supported in the discharging of their role and responsibilities by the Departmental Board (DB).

4. BOARD MEMBERSHIP

- 4.1 Membership will consist of the:
- Permanent Secretary;
 - Group Head of Corporate Services, Rural Affairs and Forest Service (Senior Finance Director);

Group Head of Food and Farming;
Group Head of Environment, Marine and Fisheries;
Group Head of Veterinary Services and Animal Health;
Finance Director;
Corporate Services Director;
Strategic HR Business Partner (NICS HR) and
at least one Non-Executive Member (NEM).

4.2 DB will be chaired by the Permanent Secretary of the Department, or, in their absence, by a Board Member nominated by the Permanent Secretary.

4.3 All new members will receive appropriate induction in the Board's responsibilities and procedures. The Board Secretariat will prepare an induction pack and programme for new members. The pack for NEMs will contain details of the Department and the Government environment as a whole.

5. ROLES AND RESPONSIBILITIES

5.1 **The Board** will assist the Permanent Secretary to meet the Secretary's corporate governance responsibilities for the Department by discharging the following roles:

- providing strategic clarity for the Department, including its mission, vision, values and strategic objectives and oversee the implementation of the Department's strategic and business plans including its contribution to the NI Executive's Programme for Government, Budget and Investment Strategy;
- overseeing performance and risk management of the Department's Arms Length Bodies (ALB);
- ensuring sound financial management is in place and scrutinising the allocation of financial and human resources to achieve strategic objectives;
- ensuring clear, consistent, comparable performance information is used to drive improvements; and monitoring and steering performance against plans;
- setting the Department's appetite for risk and ensuring transparent, prudent and effective controls are in place to manage risk;
- ensuring the Department has the capability to plan and to deliver to meet current and future needs; and
- taking responsibility for propriety, regularity and value for money of public finances and safeguarding the Department assets.

5.2 **The Chair will:**

- facilitate Board meetings;
- ensure that systems are in place to provide Board members with accurate and timely information of good quality to allow the Board to consider properly all matters before it;
- ensure adherence to and comply or explain principle set out in the Corporate Governance Code; and
- ensure that a Board effectiveness review is performed annually with independent input at least every three years, and that results are acted upon.

5.3 **DB Executive Members will:**

- notify the Board of any matters that threaten the regularity, propriety or value-for-money with which the Department carries out its business; and
- notify the Board of any significant issues which may impact on the Department's leadership, medium-term capability and significant risks to delivery of policy, along with mitigating actions taken.

5.4 **NEMs will:**

- use their experience to challenge and support the Board, acting corporately and not simply reflecting their own functions;
- ensure that the Board obtains and considers all appropriate information; and
- form an Audit and Risk Assurance Committee.

5.5 The overall membership and composition of the Board will be reviewed as part of an annual evaluation. Other staff or individuals may attend the Board on occasion, by invitation, as deputies, observers or to present a paper.

5.6 The Permanent Secretary is responsible for the appointment of DAERA Board members. Appraisal of members' performance will be carried out through the Performance Management system or in the case of NEMs through an annual performance appraisal interview with the Permanent Secretary. The selection of NEMs will be ratified by the Board as a whole. The NEMs will be appointed for an initial period of 3 years which may be extended by further defined periods by agreement. The maximum total term of appointment is six years. Board Secretariat will act as focal point for NEMs.

5.7 Members should attend Board meetings and committee meetings regularly, attend events when required and contribute to discussions. Decisions should be taken both corporately and objectively, acting in the public interest and in keeping with the Seven Principles of Public Life (the Nolan Principles).

5.8 Board members shall be required to notify and register with the Board Secretariat any issues on which they might have a conflict of interest. This information will be placed on the DAERA Internet site and updated annually. The Chair shall require members to declare any issues on which they might have a conflict of interest at the beginning of each meeting. The Board as a whole should consider how matters on which a member may have a conflict of interest will be handled.

5.9 Where members have concerns about the running of the Department or a proposed action which cannot be resolved, they should ensure that these are recorded in the minutes.

6. BOARD COMMITTEES

- 6.1 The Board shall establish committees to oversee and/or provide advice to the Board on specific areas of work. The chairmanship and terms of reference of such committees will be agreed by the Board.
- 6.2 An **Audit and Risk Assurance Committee** (ARAC) will operate in accordance with the Code to support the Principal Accounting Officer in their responsibilities for issues of risk control and governance. ARAC will be chaired by an NEM, with at least one member having recent and relevant financial experience. ARAC will be supported by the Counter Fraud Forum.
- 6.3 A **Finance Committee** will be responsible for considering a wide range of strategic financial issues. These will include developing detailed proposals in respect of Spending Reviews and monitoring rounds; the monitoring of savings plans and monitoring value for money through the development of improved financial and performance reporting. The Finance Committee will be chaired by the Senior Finance Director (Group Head of Corporate Services, Rural Affairs and Forest Service). In addition to the Chair, membership of the Finance Committee will include Departmental Group Heads, the Finance Director, the Director of CAP Policy, Economics and Statistics, Corporate Services Director and the Head of Financial Planning Branch.
- 6.4 A **Resourcing Committee** will be responsible for considering DAERA strategic workforce planning including how best to manage priority resourcing requirements at a Departmental level against the backdrop of reduced resources and affordability. The Committee will be responsible for providing assurance to the Permanent Secretary that the Department is operating within its affordable staffing limit and will apply a corporate approach to ensure that staff resources have been effectively allocated across the organisation. The Committee will be chaired by the Group Head of Corporate Services, Rural Affairs and Forest Service and will include Departmental Group Heads, the Finance Director, Director of Corporate Services, Head of Business Management Branch, Directors of Brexit Division and Forest Service, the HR Business Partner for DAERA and a representative from NICS HR Resourcing.
- 6.5 A **Casework Committee**, chaired by Senior Finance Director with Finance Director in attendance. The purpose of the Committee is to provide greater assurance to the

Accounting Officer and Departmental Board around significant expenditure decisions made within DAERA. It will increase collective decision making and buy-in to projects, particularly where affordability is a significant consideration.

- 6.6 An **Equality Steering Group Committee**, chaired by the Permanent Secretary. Its purpose is to ensure DAERA fulfils its equality/diversity, good relations and human rights obligations.
- 6.7 A **Leadership and Engagement Committee**, chaired by the Permanent Secretary. Its purpose is to build leadership capacity and promote the benefits of engaged, cohesive teams, to oversee and steer measures which will increase the DAERA Employee Engagement Index (EEI) and to champion and communicate best practice to promote staff engagement within DAERA
- 6.8 A **Strategy Committee**, chaired jointly by Food and Farming and Environment, Marine and Fisheries Group Heads. The Committee has a key role to play in the development and scrutiny of strategy proposals within the Department. It provides strategic challenge for the Department, including the oversight of strategic policies and strategies being developed. This will promote consistency and coherence between strategies and will provide the Department Board with assurances regarding the appropriateness of the Department's key strategy documents and proposals.
- 6.9 A **Delivery Committee**, chaired by the Group Head of Corporate Services, Rural Affairs and Forest Service will promote consistency of approach to Risk and to Business Planning and will provide the Departmental Board with assurances regarding the management of risks and performance against business plans. Delivery Committee will be supported by the Paying Agency Accreditation Committee (See Para 6.11 for Head of Paying Agency).
- 6.10 An **Arms Length Body Committee**, chaired by the Finance Director. Its role is to ensure that there is a coherent and strategic approach across DAERA in the management of ALBs.

HEAD OF PAYING AGENCY

- 6.11 The Paying Agency Accreditation Committee (PAAC) is chaired by the Head of the Paying Agency (PA). Its purpose is to ensure that DAERA continues to meet in full the European Commission regulatory requirements of an accredited PA. Its membership fully reflects the

range of functions across the Department in delivering and supporting the PA responsibilities. PAAC maintains a Risk Register that is reported to the Delivery Committee through the year. PAAC is accountable to the Department's ARAC Committee and reports at least once annually to ARAC on its work. Reporting via ARAC will ensure the Board is aware of any issues, with HoPA reporting direct to the Board if the need arises.

7. DECISIONS AND REPORTING

7.1 **The Board** will agree, annually, a formal schedule of matters reserved for Board decision, i.e. those which should not be delegated within the Department. Currently, these are:-

- the Department's budget submissions and monitoring round submissions to DoF;
- internal allocation of running costs and programme monies;
- agreement of capital projects, acquisitions and disposals above £1m;
- agreement of the Risk Management Strategy, Counter Fraud Strategy and the assurance system underpinning the Departmental Governance Statement;
- an overview of the senior management structure of the Department.

7.2 **The Board** will agree, annually, a work programme, including standing items for consideration monthly, quarterly or as appropriate. These will include:

- monthly management accounting information;
- monthly progress on the Business Plan and Corporate Risks;
- monthly and / or quarterly reports on human resource issues, including succession planning, staff numbers and managing attendance;
- disclosure of all Ministerial Directions;
- progress in relation to PfG Commitments;
- progress in relation to Departmental Business Plan targets;
- Forest Service Corporate and Business Plans;
- Northern Ireland Environment Agency (NIEA) Corporate and Business Plans;
- Arms Length Bodies and Loughs Agency Corporate and Business Plans;
- quarterly finance updates from Agri-food and Biosciences Institute;
- reports from the Audit and Risk Assurance Committee;
- Annual Security Report; and
- Health and Safety Assurance Statement

8. OPERATION AND SUPPORT

- 8.1 DB will meet at least 10 times per year. Meetings will normally be held on the last Wednesday of each month. Meetings are not open to the public.
- 8.2 Central Management Branch will provide a Board secretariat with responsibility for ensuring compliance with Board procedures.
- 8.3 Papers for discussion at each Board meeting will be commissioned at least two weeks in advance, as determined by the work programme.
- 8.4 An Agenda and papers will be issued to Board members at least one week in advance of each meeting.
- 8.5 Minutes of Board meetings will be agreed at the following meeting and published on the DAERA internet site (subject to any Freedom of Information considerations).
- 8.6 The Minister will be invited to meet the Board at least annually.
- 8.7 DB will undertake an annual evaluation of its performance. Every two years it will formally consider its remit, constitution and operating procedures. This evaluation will include a review (and update) of this document.
- 8.8 The Department will report annually on how the Board operated, including a high level statement of which types of decision are to be taken by the Board and which may be delegated. The report will also cover the work of the audit committee and any other associated committees. It should include details of the overall arrangements in place for promoting sound working relationships with the Department's ALBs. This report will form part of the material accompanying the annual report and resource accounts.

9. RELATIONSHIPS WITH ARMS LENGTH BODIES (ALBs)

- 9.1 The Board is responsible for overseeing and monitoring the performance and financial position of each of the Department's sponsored ALBs.
- 9.2 The Board will have oversight of the working relationships, performance and risk management of its ALBs, ensuring that an appropriate framework has been established with necessary communication and control mechanisms in place. The Board will ensure that any under performance in ALBs is followed up appropriately.
- 9.3 The Board will meet, at least annually, with the Boards of Executive ALBs and the Loughs Agency of the Foyle, Carlingford and Irish Lights Commission.

CURRENT BOARD MEMBERSHIP

Permanent Secretary (Chair)	Denis McMahon
Group Head, Corporate Services, Rural Affairs and Forest Service	Fiona McCandless
Group Head, Environment, Marine and Fisheries	David Small
Group Head, Food and Farming	Norman Fulton
Group Head Veterinary Service and Animal Health	Robert Huey
Finance Director	David Reid
Corporate Services Director	Brian Doherty
Strategic HR Business Partner (NICS HR) (DoF)	Gail Downey
Non-Executive Member	Sharon McCue
Non-Executive Member	Bernadette Stuart