# DAERA CORPORATE GOVERNANCE FRAMEWORK

**Departmental Board Operating Framework**

**DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS (DAERA)**

**DEPARTMENTAL BOARD (DB)**

**DEPARTMENTAL BOARD OPERATING FRAMEWORK**

**1. INTRODUCTION**

The purpose of the 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.

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) (2017)* (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 PAO in meeting Corporate Governance responsibilities.

This framework sets out and clarifies the functions, aims, responsibilities and membership of the 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 Sustainability for the Future - DAERA’s Plan to 2050, are as follows:

**Vision**

Sustainability at the heart of a living, working, active landscape valued by everyone.

**Strategic Outcomes**

1. To enhance our food, forestry, fishery and farming sectors using efficient and environmentally sustainable models which support economic growth.
2. To protect and enhance our natural environment now and for future generations whilst advocating its value to and wellbeing for all.
3. To champion thriving rural communities that contribute to prosperity and wellbeing.
4. To be an exemplar, people focused organisation, committed to making a difference for the people we serve.

**3. DEPARTMENTAL PRINCIPAL ACCOUNTING OFFICER**

The responsibilities of the Departmental Principal Accounting Officer (PAO) are set out in the DoF publication, Managing Public Money Northern Ireland (MPMNI):

*“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 they are 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.”*

The DAERA PAO is supported in the discharging of their role and responsibilities by the Board.

**4. BOARD MEMBERSHIP**

Membership will consist of the:

* Permanent Secretary;
* Head of Central Services and Contingency Planning
* Head of Rural Affairs, Forest Service and Estate Transformation;
* Head of Food and Farming;
* Head of Veterinary Services Animal Health;
* Head of Environment, Marine and Fisheries;
* Head of the NIEA;
* Finance Director;
* Corporate Services Director;
* Senior Human Resources (HR) Business Partner (NICS HR) (DoF); and
* At least one Non-Executive Member (NEM).

The Board will be chaired by the Permanent Secretary of the Department or, in their absence, by a Board Member at Group Head level and nominated by the Permanent Secretary.

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.

In addition the Department is committed to participating in the Boardroom Apprentice Scheme by providing a placement opportunity over a twelve month period for individuals to act as an observer at Board meetings. The individuals, who wish to become board members within the public and third sectors will gain invaluable practical experience, training and support.

**5. ROLES AND RESPONSIBILITIES**

**The Board** will assist the Permanent Secretary to meet the 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 overseeing the implementation of the Department’s strategic and business plans, including its contribution to the Northern Ireland Executive’s PfG, Budget and Investment Strategy;
* Overseeing performance and risk management of the Department’s Arm’s Length Bodies (ALBs);
* 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 talent, skills, capacity and 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 Departmental assets.

**The Chair** will:

* Facilitate Board meetings;
* Ensure that systems are in place to provide Board members with accurate, timely and good quality management information to allow the Board to consider properly all matters before it;
* Ensure adherence to and comply or explain the principles 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.

**The Executive Board 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.

**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 (ARAC).

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.

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. The Board Secretariat will act as focal point for NEMs.

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).

Board members are required to notify and register with the Board Secretariat of 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 will 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.

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**

The Board will 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.

An **Audit and Risk Assurance Committee** (ARAC) will operate in accordance with the Code to support the PAO 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 and the Paying Agency Accreditation Committee (PAAC).

A **Finance Committee** will be responsible for consideringa widerange 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 financial and performance reporting. The Finance Committee will be chaired by the Senior Finance Director (Group Head of Central Services and Contingency Planning). In addition to the Chair, membership of the Finance Committee will include Departmental Group Heads, the Finance Director, the Director of Common Agricultural Policy, Economics and Statistics, the Corporate Services Director, the Deputy Finance Director and the Head of Financial Planning Branch.

The Finance Committee will be supported by the Casework Committee, with a NEM present as an observer. This sub-committee will provide greater assurance around significant expenditure decisions within DAERA as well as increase collective decision making and buy-in to projects, particularly where affordability is a significant consideration.

A **Resourcing and People 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 Resourcing and People Committee will be chaired by the Group Head of Central Services and Contingency Planning and will include Departmental Group Heads, the Finance Director, the Director of Corporate Services, the Head of Business Management Branch, the Directors of Brexit Division and Forest Service, the HR Business Partner for DAERA (NICS HR, DoF) and a representative from NICS HR Resourcing.

An **Equality and Diversity Steering Group Committee**, chaired by the Permanent Secretary. Its purpose is to ensure DAERA fulfils its equality / diversity, good relations and human rights obligations.

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 and to champion and communicate best practice to promote staff engagement within DAERA.

**HEAD OF PAYING AGENCY**

The **Paying Agency Accreditation Committee** (PAAC) is chaired by the Head of Paying Agency (HoPA). Its purpose is to ensure that DAERA continues to meet in full the European Commission regulatory requirements of an accredited Paying Agency (PA). Its membership fully reflects the range of functions across the Department in delivering and supporting the HoPA responsibilities. PAAC maintains a Risk Register. PAAC is accountable to the Department’s Delivery Committee and reports at least once annually to ARAC on its work. Reporting via ARAC ensures that the Board is aware of any issues, with HoPA reporting directly to the Board if the need arises.

**7. DECISIONS AND REPORTING**

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

* Internal allocation of running costs and programme monies. Agreement of capital projects, acquisitions and disposals above £1m. Capital Projects (over £5m) are agreed by the Casework Committee before forwarding to DoF;
* Agreement of the Risk Management Strategy, Counter Fraud Strategy and the assurance system underpinning the Departmental Governance Statement;
* Agreement of the DAERA People Strategy Action Plan; and
* An overview of the senior management structure of the Department.

**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 and /or quarterly progress reports on the Departmental Business Plan targets 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 Programme for Government Commitments;
* Forest Service Corporate and Business Plans;
* NIEA Corporate and Business Plans;
* ALBs and Loughs Agency Corporate and Business Plans;
* Reports from ARAC;
* Annual Security Report;
* Health and Safety Assurance Statement; and
* Updates from each of the Board Committees.

**8. OPERATION AND SUPPORT**

The Board 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.

Central Management Branch will provide a Board Secretariat with responsibility for ensuring compliance with Board procedures.

Papers for discussion at each Board meeting will be commissioned at least two weeks in advance, as determined by the work programme.

An Agenda and papers will be issued to Board members at least one week in advance of each meeting.

Minutes of Board meetings will be agreed at the following meeting and published on the DAERA internet site (subject to any FOI and General Data Protection Regulation (GDPR) considerations).

The Minister will be invited to meet the Board at least annually.

The Board will undertake an annual evaluation of its performance including an annual review of its Operating Framework, with independent input every three years. Every two years it will formally consider its remit, constitution and operating procedures.

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 ARAC 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.

Papers Considered by Correspondence

There may be occasions where it is necessary for Departmental Board Members to consider papers via correspondence.

This can be for a variety of reasons, including for example:

* where an urgent decision is needed, between normal scheduled meetings;
* where meetings have been cancelled or rescheduled, to prevent future meetings being overwhelmed; or
* where a paper is a routine update and does not require formal discussion or consideration at Board level.

Where a Business Area wishes to submit a paper to be considered by correspondence, they should contact the DB Secretariat to confirm that this process would be appropriate for the topic / circumstances. A test of whether the paper relates to a new and untested initiative will be applied, as all such papers should be subject to discussion at a formal Board meeting. No paper can be submitted to the DB Secretariat without the agreement of the appropriate DB Member.

Papers to be circulated for consideration by correspondence can be submitted at any time.

The paper will be circulated by the Secretariat to DB Members under cover of an email which will highlight the action required from Members.

Members will be given one calendar week to respond. A reminder will be sent to any Members who have not responded by the deadline. Should responses remain outstanding after that extended period, it will be recorded that the Member did not provide a comment.

A quorum of responses (7) will be required before a paper is progressed for formal consideration by the Board Chair. Responses should be copied to all Members to ensure they are sighted on all points being raised.

On receipt of the required quorum of responses, the DB Secretariat will collate responses into a single document which is submitted to Chair, for their consideration alongside the correspondence paper itself.

Where there are questions raised in the comments, DB Secretariat will liaise with the originating DB Member to seek a response. Responses to the questions should be copied to the Member raising the question, and will then be included in the final collated document considered by the Chair.

On receipt of the Chair’s comments, all comments are provided to the originating DB Member, copied to all DB Members for information, and the process is closed. DB Secretariat will file all papers relating to the consideration of the correspondence paper in Content Manager.

**9. RELATIONSHIPS WITH ARM’S LENGTH BODIES (ALBs)**

The Board is responsible for overseeing and monitoring the performance and financial position of each of the Department’s sponsored ALBs.

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.

Representatives of 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 (FCILC) to discuss key strategic issues of mutual importance.

**10. CURRENT BOARD MEMBERSHIP**

This includes:

* Permanent Secretary;
* Head of Central Services and Contingency Planning;
* Head of Rural Affairs, Forest Service and Estate Transformation;
* Head of Food and Farming;
* Head of Veterinary Service Animal Health;
* Head of Environment, Marine and Fisheries
* Head of the NIEA;
* Finance Director;
* Corporate Services Director
* Senior HR Business Partner (NICS HR) (DoF); and
* At least one Non-Executive Member (NEM).