



CODE OF PRACTICE FOR CORPORATE GOVERNANCE

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

1. Introduction

This document sets out the Code of Practice for the Governance of the Central Applications Office (CAO).

This Code has been adopted by the Board at its meeting on 29 May 2009 and will be reviewed as appropriate.

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. In the interests of transparency and accountability, it is important that corporate governance of the CAO should operate to the highest standards applicable in the business world generally.

2. Codes of Conduct

The Code of Conduct for the Board and employees of the CAO is set out at Appendix B hereunder.

- Board members are expected to conform to the requirements of the Companies Acts
- Each CAO employee is to be given a copy of the code.
- A copy of the code will be available on the CAO website upon Board approval.
- Where relevant, each Board member should ensure his/her compliance with best ethical practice.
- The CAO will promote the standards of service and the initiatives outlined in the “Principles of Quality Customer Service for Customers and Clients”. A copy of these Principles is attached at Appendix C.

3. Internal Audit

The activities of the CAO and the associated financial procedures are organised and regulated in a transparent manner. The scale of the CAO's activities would not justify the administrative burden or cost of a full-time, on-going, internal audit process. Nonetheless, the Board recognises that there is a need for regular review of the internal control framework to comply with the Governance objectives and will establish processes to ensure that reasonable assurance is obtained on a sufficiently regular basis with regard to the operation of internal controls.

4. Procurement

Management will ensure that there is a strong focus on the procurement function and that purchasing personnel are properly conversant with relevant developments in this area.

The CAO has established robust purchasing and procurement procedures appropriate to the purchasing and procurement requirements of the CAO. These procedures are implemented on a consistent basis.

5. Disposal of Assets

The CAO is mindful of the need to safeguard its assets.

The disposal of assets of the CAO or the granting of access to property or infrastructure for commercial arrangements e.g. joint ventures with third parties, with an anticipated value at or above a threshold level of €70,000, should be by auction or competitive tendering process, other than in exceptional circumstances (such as a sale to a charitable body). The method used should be both transparent and likely to achieve a fair market-related price. In determining market value, regard should be had to accounting standards best practice in Ireland.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

If an auction or competitive tendering process takes place and the highest bid is not accepted, then specific Board approval is required before the disposal of the asset or granting of access to property or infrastructure for commercial arrangements with third parties can be completed. For reasons of transparency, such approval together with the reason why a lower bid was permitted to be accepted should be noted in the minutes of the Board.

If an auction or competitive tendering process does not take place and the agreed price is €70,000 or more, then specific Board approval is required before negotiations start and also before the disposal of the asset or granting of access to property or infrastructure for commercial joint venture arrangements with third parties can be completed.

No disposal of an asset or grant of access to property or infrastructure for commercial arrangements with third parties should be completed until the officer authorising the disposal or grant of access has certified formally that

- (i) Board approval is not necessary, with the reasons therefore, or
- (ii) Board approval, where necessary, has been obtained.

Disposal of assets to Directors, employees or their families or connected persons, should, as with all disposals, be at a fair market-related price. A record of all such disposals to such persons (to include details of the asset disposed of, price paid and name of the buyer) should be noted in a register kept for this purpose (minor disposals below a threshold approved by the Board may be omitted from the register). This register should be available for inspection, if requested, by the Board or by any Director. The Board may retain a requirement that any disposal above an approved threshold may not be made without having been formally endorsed by the Board which may impose specific restrictions with regard to any such disposal.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Details of all disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties (save for connected third parties which is dealt with above) below the threshold value of €70,000 without auction or competitive tendering process should be formally reported, with the paid price and the name of the buyer, to the Board on an annual basis.

6. Diversification and Investment Appraisal

The CAO must obtain the approval of the Board for any intended action which would extend or change significantly the nature, scope or scale of the activities in which it engages. The financial consequences of such actions, and their consistency with the existing remit of the CAO (if any), notably its statutory remit, should be set out.

The CAO complies with the Appraisal and Management of Capital Expenditure Proposals issued by the Department of Finance in 1994.

7. Directors' Remuneration

The Board of the CAO are not entitled to remuneration for their services as directors but may be paid all travelling, hotel, and other expenses properly incurred by them in connection with the business of the company. The CAO will ensure that expenses paid to Chairpersons or Directors will be consistent with rates applicable to the public sector.

8. Reporting Arrangements

The annual report and accounts of the CAO will be presented to the Board not later than 7 Months after the financial year end.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Framework Code of Best Practice for Corporate Governance in the CAO

The Board

The Board shall meet on a regular basis, retain full and effective control and monitor the executive management and performance.

The Board will have a formal schedule of matters specifically reserved to it for decision. This schedule will include the following:

- Significant acquisitions, disposals and retirement of assets of the CAO;
- Major investments and capital projects, delegated authority levels, treasury policy and risk management policies;
- Approval of terms of major contracts;
- Policy on determination of senior management remuneration;
- Approval of annual budgets and corporate plans;
- Production of annual report and accounts;
- Appointment, remuneration and assessment of performance of the General Manager;
- Significant amendments to the pension benefits of senior staff.

All Directors should have access to the advice and services of the Secretary of the company who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Any question of the removal of the Secretary should be a matter for the Board as a whole.

The Board should be supplied, in a timely fashion, with information which is of a suitable quality to enable Board members to satisfactorily discharge their duties.

The Board is responsible for compliance with all statutory obligations applicable to the company. Where individual Board members become aware of non-compliance with any such obligation, they should immediately bring this to the attention of their fellow Board members with a view to having the matter rectified.

The Board has a responsibility to establish procedures for maintaining an appropriate relationship with the external auditors.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Briefing for new Directors

Directors of companies incorporated under the Companies Acts have duties under these Acts and it is the responsibility of each Director to act in conformity with the applicable provisions of those Acts. On appointment of new Directors, the Secretary of the company should provide them with the following information:

- a formal schedule of matters reserved to the Board for decision;
- procedures for obtaining information on relevant new laws and regulations;
- procedures to be followed when, exceptionally, decisions are required between Board meetings;
- a schedule detailing the composition of all committees and their terms of reference;
- a statement explaining the Directors' responsibilities in relation to the preparation of the accounts, the system of internal control and audit and for reporting on the business as a going concern with supporting assumptions or qualifications as necessary;
- a statement informing the Directors that they have access to the advice and services of the Secretary, who is responsible to the Board for ensuring that Board procedures are followed and the applicable rules and regulations are complied with;
- code of ethics/conduct for Directors, including disclosure of Directors' interests;
- specific company information; and
- a copy of the most up to date version of the "Code of Corporate Governance".

Disclosure of Interests by Directors

Board members shall 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 materially influence the member. This extends to members of the Board member's family – a spouse, parent, brother, sister, child or step child, bodies corporate, trustees, and partners.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Audit Committee

The Board will establish an Audit Committee of at least three members, including two directors and one external member. The Audit Committee will have written terms of reference which deal clearly with its authority and duties.

Internal Audit

The scale of the CAO's activities would not justify the administrative burden or cost of a full-time, on-going, internal audit process. Nonetheless, the Board recognises that there is a need for regular review of the internal control framework to comply with the Governance objectives and will establish processes to ensure that reasonable assurance is obtained on a sufficiently regular basis with regard to the operation of the system of internal control.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Framework for Code of Business Conduct (Appendix B)

Introduction

This Code of Business Conduct was approved by the Board on 29 May 2009.

Intent and Scope

The code is designed as the accepted set of standards in which the CAO engages with all of its activities both internally and externally. It sets out the clear procedures that must be adopted by Board Members and employees in their dealings.

Objectives

The basic objective of the code is the

- Establishment of agreed sets of ethical principles;
- Promotion and maintenance of confidence and trust; and
- Prevention of development or acceptance of unethical practices.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

General Principles which Guide the Workings of the CAO are:

Integrity

- Disclosure by Board Members of outside employment/business interests in conflict with or in potential conflict with the business of the CAO;
- Management and employees are not permitted to be involved in outside employment/business interests in conflict or potential conflict without the express written permission of the Chairman;
- Avoidance of giving or receiving corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions;
- Conduct of purchasing activities of goods and services in accordance with best business practice;
- Ensuring that the CAO's accounts and reports accurately reflect their performance and are not misleading or designed to be misleading;
- Avoidance of use of the CAO's resources or time for personal gain, for the benefit of persons/organisations unconnected with the CAO save as expressly described in its remit;
- Commitment not to acquire or divulge information or business secrets by improper means.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Information

- Support by Board Members, management and employees of the CAO for the provision of access to general information relating to its activities in a way that is open and that enhances its accountability to the general public.
- Respect the confidentiality of sensitive information held by the CAO including, but not limited, to:
 - Commercially sensitive information;
 - Personal information; and
 - Information received in confidence by the CAO.
- 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.

Obligations

- Fulfil all regulatory and statutory obligations imposed on the CAO;
- Compliance with detailed 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 expenses for business travel;
- Board Members should use their reasonable endeavours to attend all Board meetings; and
- Awareness by Board Members and Staff that acceptance of directorship of/position with the CAO can give rise to the potential for conflicts of interest and to confidentiality concerns.

Loyalty

- Acknowledge the responsibility to be loyal to the CAO and fully committed to all its activities;
- Acknowledge the duty of all to conform to the highest standards of business ethics;
- The CAO is mindful of the need to be loyal and be supportive to its management and staff.

Fairness

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

- Compliance with employment, equality and equal status legislation;
- commitment to fairness in all its dealings; and
- value customers and treat all customers equally.

Work / External Environment

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

Responsibility

- Circulation of this "Code of Business Conduct" and policy documents on disclosure of interests to all Board Members, management and employees for their retention;
- Above recipients to acknowledge receipt and understanding of the documents; and
- Compliance with guidance on such areas as gifts and entertainment and other ethical considerations which arise routinely.

Review

- Commitment to review the Code as appropriate.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Principles of Quality Customer Service for Customers and Clients (Appendix C)

In their dealings with the public, the CAO will:

Quality Service Standards

Publish a statement that outlines the nature and quality of service which customers can expect and display it prominently at the point of service delivery.

Equality/Diversity

Ensure the rights to equal treatment, established by equality legislation, and accommodate diversity, so as to contribute to equality for the groups covered by the equality legislation (under the grounds of gender, marital status, family status, sexual orientation, religious belief, age, disability, race and membership of the Traveller Community).

Identify and work to eliminate barriers to access to services for people experiencing poverty and social exclusion, and for those facing geographic barriers to services.

Physical Access

Provide clean, accessible public offices that ensure privacy, comply with occupational and safety standards and, as part of this, facilitate people with disabilities and others with specific needs.

Information

Take a proactive approach in providing information that is clear, timely and accurate, is available at all points of contact and meets the requirements of people with specific needs. Ensure that the potential offered by Information Technology is fully availed of and that the information available on the web site follows best practice in web publication.

Continue the drive for simplification of rules, regulations, forms, information leaflets and procedures.

CENTRAL APPLICATIONS OFFICE

CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Timeliness and Courtesy

Deliver quality services with courtesy, sensitivity and the minimum delay, fostering a climate of mutual respect between provider and customer. Give contact names in all relevant communications to ensure ease of ongoing transactions.

Complaints

Maintain a well-publicised, accessible, transparent and simple-to-use system of dealing with complaints about the quality of service provided.

Appeals

Similarly, maintain a formalised, well-publicised, accessible, transparent and simple-to-use system of appeal/review for customers who are dissatisfied with decisions in relation to services.

Consultation and Evaluation

Provide a structured approach to meaningful consultation with, and participation by, the customer in relation to the development, delivery and review of services. Ensure meaningful evaluation of service delivery.

Choice

Provide choice, where feasible, in service delivery including payment methods, location of contact points, opening hours and delivery times. Use available and emerging technologies to ensure maximum access and choice and quality of delivery.

Official Languages Equality

Provide quality services through Irish and English.

Better Co-ordination

Foster a more co-ordinated and integrated approach to delivery of services.

Internal Customer

Ensure staff are recognised as internal customers and that they are properly supported and consulted with regard to service delivery issues