



Sustainable Energy Authority of Ireland

CODE OF GOVERNANCE FRAMEWORK

Version 2: July 2011

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Introduction

The Sustainable Energy Authority of Ireland (SEAI) is committed to operating to the highest standards of efficient and effective corporate governance.

This is particularly important given the values that drive the approach and behaviour of SEAI and the need for the Authority to subject itself to the highest standards of scrutiny.

This manual sets out the systems and processes by which the Authority directs and controls its functions and manages its business. It is intended to guide the Board (and staff, where appropriate) of the Authority in performing their duties to the highest standards of accountability, integrity and propriety.

This manual brings together the policies and procedures for corporate governance into one reference point and contains the following key documents:

- **Code of Governance**

This Code sets out the appropriate structures and procedures to ensure that the governance and accountability arrangements are robust and effective across the Authority.

- **Code of Business Conduct**

This Code sets out the guidelines for ensuring that the Authority conducts its business to the highest possible standards of integrity and ethics and reflects the obligations on staff, Board Members and individuals contracted by the Authority in carrying out their public duties.

- **Conduct of Board meetings**

The procedures adopted by the Board of the Authority for the conduct of meetings of the Board are set out.

- **Formal Schedule of Matters for Board Decision**

This Schedule outlines the matters specifically reserved to it for decision to ensure that the direction and control of the Authority is firmly managed by the Board.

- **Functions of the Board Secretary**

This sets out the functions performed by the Board Secretary.

- **Committees of the Board**

This sets out the general rules for Committees of the Board, a list of the Committees established by the Board and the membership and the Terms of Reference for those Committees.

- **Conflict of Interest Policy**

This Policy reflects the emphasis which the Authority places on the avoidance of occasions where conflicts of interest may arise and sets out principles for the management of real and potential conflicts of interest.

- **Conflict of Interest Procedure**

This procedure sets out the practical means by which a conflict of interest or potential conflict of interest situation is managed.

- **Code and Charter for the Internal Audit Function**

This sets out a formal Code and the formal charter for the internal Audit function. The Code includes an internal audit reporting structure and the Terms of Reference for the function.

- **Principles of Quality Customer Service for Customers and Clients of the Public Service.**

This document outlines these principles that are actively promoted by the Authority.

- **Organisation Chart**

This document sets out the organisation structure.

Overall it is intended that this Governance Framework will be part of the induction programme for Board members and staff and will be subject to annual review and updated as required.

Code of Governance

1. Context

In accordance with the provisions of the Sustainable Energy Act 2002 and informed by the Framework for Corporate and Financial Governance as well as the Code of Practice for the Governance of State Bodies (as revised in June 2009), this Code of Governance for the Authority was originally compiled and approved by the Board at its meeting on 2 June 2010. A copy of the Code had been forwarded to the Minister for Communications Energy and Natural Resources.

The Board has agreed to keep this Code under continuous review and to update it on an annual basis in accordance with the development of the Authority and any additional new public sector requirements.

This Code provides for appropriate structures and procedures to ensure a robust framework for the governance and accountability of the Sustainable Energy Authority of Ireland.

2. Definitions

In this Code of Governance the following expressions, unless the context otherwise requires, have the following meanings:-

'Act', the Sustainable Energy Act 2002, establishing the Sustainable Energy Authority of Ireland.

'Authority', the Sustainable Energy Authority of Ireland established under the Act.

'Board', the Board of the Authority, appointed by the Minister under the Act.

'Chief Executive Officer' or 'CEO', a person appointed to the post of Chief Executive Officer of the Authority.

'Minister' means the Minister for Communications Energy and Natural Resources

3. Introduction

The Authority is a body corporate with functions and responsibilities as set out under Section 6 of the Act. This Code of Governance sets out a corporate governance best practice framework within which the Authority wishes to operate. It includes standards of conduct and probity that the Board Members, staff members and anybody contracted by the Authority are required to observe. Members of the Board, the staff or anybody contracted by the Authority subscribe to an identified Code of Business Conduct.

The key functions of the Authority are as follows:

The Functions of the Authority as set out in Section 6 of the Sustainable Energy Act 2002 are as follows;

6.—(1) The functions of the Authority shall be—

- a) to promote and assist environmentally and economically sustainable production, supply and use of energy,

- b) to promote and assist energy efficiency and renewable sources of energy,
- c) to promote and assist the reduction of greenhouse gas emissions and transboundary air pollutants associated with the production, supply and use of energy,
- d) to promote and assist the minimising of the impact on the environment of the production, supply and use of energy,
- e) to promote and assist research, development and demonstration of technologies connected with the foregoing paragraphs of this subsection,
- f) to provide advice, information and guidance—
 - i. to the Minister and such other Ministers or bodies as the Minister may direct, and
 - ii. to energy suppliers and users,

relating to the matters specified in the foregoing paragraphs of this subsection.

- (2) The Authority shall have all such powers as are necessary for or are incidental to the performance of its functions under this Act, including—

- a) co-operating with the Central Statistics Office and acting as an agent of that Office in relation to matters related to the functions of the Authority,
- b) the compilation, extraction and dissemination of information and projections relating to energy production and use (including implications relating to the sourcing, transformation, transmission, distribution and emissions thereof),
- c) the licensing, regulation and control of activities related to the functions where directed by the Minister from time to time,
- d) the initiation, development, administration, participation in and promotion of schemes and programmes of action,
- e) the promotion of and assistance with participation in international programmes,
- f) the provision of assistance in the co-ordination of activities carried out in the State related to sustainable energy,
- g) the assessment of energy technologies and markets for the purpose of promoting best practice,
- h) encouraging the establishment and development of companies involved in the provision of services,
- i) the exchange of information with organisations outside the State and participation in international activities,
- j) representation of a Minister of the Government at meetings of international bodies where requested to do so by the Minister,

in connection with the matters referred to in *subsection (1)*.

- (3) The Authority may perform any of its functions through or by a member of its staff duly authorised by the Authority in that behalf.

- (4) The Authority shall have all such powers as are necessary for or are incidental to the performance of its functions under this Act.

4. Guiding Principles of the Authority

The Authority will observe the highest standards of probity in relation to the stewardship of public funds and the exercise of its functions; maximise value for money, through ensuring that duties are delivered in the most economical, efficient and effective way, within available resources; demonstrate adherence to the Authority's core functions in accordance with the Act. The Authority is accountable to the body public and the Minister, for its activities, its stewardship of public funds and the extent to which key performance targets and objectives have been met.

5. Structure of the Authority

5.1 Introduction

Section 10 of the Act provides that the Board is the governing body of the Authority with the power to perform the functions of the Authority. The Chief Executive Officer (CEO) is responsible to the Board for the implementation of the Board's policies. The CEO, in turn, delegates or sub-delegates functions to the Senior Management Team.

5.2 Specific duties and responsibilities of the Chairperson:

The specific duties of the Chairperson are as follows:

- representing the Authority in its dealings with the Minister in order to ensure that the Minister is advised of matters relating to the Authority
- promoting the work of the Authority
- providing effective leadership to the Board and ensuring that the Board is supplied with the relevant information which is of suitable quality to enable Board members to carry out their duties in a satisfactory and appropriate manner.
- ensuring Board members understand their respective roles and responsibilities and that the Board works effectively and efficiently
- ensuring that the Board meets regularly (normally not less than 6 times a year) and that the collective responsibility and authority of the Board is safeguarded.
- chairing the meetings and ensuring that the minutes of the meeting accurately record the decisions taken and, where appropriate, the views of individual Board members
- ensuring that all meetings of the Board are conducted in accordance with the approved procedures and the Authority's Code of Business Conduct
- confirm to the Minister for Communications Energy and Natural Resources that the Authority has complied with the Codes of Business Conduct
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Minister
- confirming annually to the Minister for Communications Energy and Natural Resources that the Authority has a system of internal financial control in place.
- establishing all relevant Board Committees. This shall include an Audit and Risk Committee, under the Chairmanship of a Board member.

5.3 Duties and Responsibilities of Board Members

The Board members (including the Chairperson) shall have collective responsibility to:

- establish the strategic direction of the Authority, within the framework laid down by the Act and the resources allocated to it
- direct, support and evaluate the CEO
- ensure that the Authority complies with all statutory and administrative requirements for the use of public funds
- fully engage in impartial and balanced consideration of all issues and ensure that the Authority has an appropriate system of internal financial control

- ensure compliance with and approve the overall risk management framework and monitor its effectiveness (this requirement can be delegated to the Audit and Risk Committee)
- contribute to any Committee of the Board
- share corporate responsibility for all Board decisions
- be objective in their work on behalf of the Authority
- ensure full compliance with Conflict of Interest Policy and Procedure and Codes of Governance and Business Conduct
- treat papers marked for non-disclosure as confidential to themselves, not discuss them with others outside the Authority, not leave them unattended and where others may obtain access to them, and dispose of them appropriately
- put in place procedures whereby employees of the Authority, may, in confidence, raise concern about possible irregularities in financial reporting or other matters and for ensuring meaningful follow up of matters raised in this way.

In addition, each Board member is individually responsible for:

- on appointment to the Board, furnishing to the Secretary to the Board, 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, complying with all aspects of this Code of Governance Framework, which includes their declaration of all relevant interests
- informing the Board, via the Chairperson, of any new appointments they accept which may impinge on, or conflict with, their duties as a Board member
- acting in good faith and in the best interests of the Authority
- not disclosing, without the consent of the Board, save in accordance with law, any information obtained by him or her while performing duties as a member of the Board, responding to any information requests made directly to him or her relating to the activities of the Authority, including referring any request to the Chairperson (or the Secretary of the Authority on his or her behalf) for appropriate processing
- not misusing information gained in the course of their public service for personal gain or political purpose

5.4 Key Duties and Reporting Responsibilities of the Board corporately

The Board shall execute the following functions:

- In a Board resolution, lay down formal procedures whereby Board Members, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the Authority.
- The Board shall have a formal schedule of matters specifically reserved to it for decision .
- The Board should have procedures to monitor and manage potential conflicts of interest of management and Board members
- The preparation and adoption of a strategic plan is a primary responsibility of the Board. Such plans should set appropriate objectives and goals and identify relevant indicators and targets against which performance can be clearly measured. In this regard the Board should adopt a statement of strategy for a period 3-5 years ahead and the implementation of the strategy by the management should be supported through the annual planning and budgeting cycle.
- The Board holds and retains overall responsibility for the discharge of the key functions specified in the Act. It shall comply with all statutory regulations and legal obligations which apply to the Authority. Where individual Board members become aware of any non-

compliance they are required to bring this to the attention of the Board with the intention of having the matter rectified. The matter shall also be brought to the attention of the Minister by the Chairperson.

- The Board is vigilant in ensuring that the Chairperson advises the Minister on any matter relevant to him/her as principal stakeholder and of any significant matter of public concern.
- The Minister is notified of any matter for his/her decision or direction as required by the Act.
- An Annual Report shall be submitted to the Minister and published. In addition the accounts shall be provided to the Minister and the Minister for Finance where applicable as required by this Code of Governance.
- The Board shall approve financial and accounting policies and supervises the production and submission of Annual Accounts. In the context of the Annual Statement of Accounts the Board shall report that the Authority is a going concern along with any assumptions or qualifications which are necessary.
- The Board shall seek all necessary information to ensure that the Annual Report to the Minister and the Annual Accounts present a balanced and understandable assessment of the Authority's position and performance.
- The Annual Accounts shall include details of fees paid to each Director, the expenses paid to the Board, broken down by category, and the salary of the CEO, payments made to the CEO under performance-related pay schemes and the total value of the CEO's superannuation benefits or any additional benefits provided.
- The Annual Accounts are audited by the Comptroller and Auditor General. The Board through its Audit and Risk Committee should have a discussion with the external auditors at least once a year, without employees of the Authority present, to ensure that there are no unresolved issues of concern.
- The Board shall approve the internal control structure of the Authority and receive periodic reports on the effectiveness of these provisions. Internal controls should be reviewed annually. The Board is required to confirm annually to the Minister for Communications Energy and Natural Resources that SEAI has a system of internal financial control in place.
- The Board should approve the annual business plan and should formally consider an evaluation of performance by reference to the plan and budget on an annual basis and reflect this, as appropriate, in the Annual Report.
- The Board shall ensure that decisions on all major items of expenditure should be aligned with medium to long term strategies so as to ensure that such expenditure is focussed on clearly defined objectives and outcomes. A performance measurement system should be put in place to assess the effectiveness/outcomes and a performance measurement system should be reported to the Board.
- The Board shall approve capital and current/revenue budgets and monitor expenditure.
- The Board shall select and appoint the CEO. The succession to the post of CEO and the recruitment procedure for the appointment, which involves public advertisement, shall be a primary concern of the Board. It shall approve the related contract of employment, including remuneration, in consultation with the Department of Communications Energy and Natural Resources and the Department of Finance and institute a process of annual performance appraisal.
- The Board shall approve procedures for the making of all senior appointments to ensure objectivity and the quality of these appointments.
- Contracts for the acquisition and disposal of major assets and all transactions (grants, procurements etc) in excess of €250,000, capital and current, shall be approved by the Board.
- The Board shall ensure that appropriate procurement procedures are implemented in accordance with relevant national and EU guidelines and regulations.

- The Board, through the CEO and senior management, shall ensure the appropriate expertise of the personnel responsible for the purchasing function of the Authority and that they are properly conversant with all developments in this area.
- The Board shall ensure that, in the event of payment of grants, subsidies and similar type payments all Tax Clearance requirements as set out in Dept. Of Finance Circular of 30 July (F48/13/87), as well as the Department of Finance Circular 22/85 relating to Public Sector Contracts, are adhered to.
- Where the Authority proposes the establishment of joint ventures, subsidiaries, or an expansion of the Authority's current remit, the Board shall be required to receive approval in relation to same from the Minister.
- The Board shall ensure that a qualified management team and a robust management structure are in place.
- The Board shall appoint Committees as it sees fit and determine their Terms of Reference.
- The Board should constantly review its own operation and seek to identify ways of improving its effectiveness.

5.5 Senior Independent Board Member

The SEAI Board at its meeting in December 2010 elected Mr John Buckley as the Senior Independent Board Member. The rationale and role for the position are as follows.

- **Rationale**
 - The role of the senior independent Board member is designed to support the process of creating an effective Board and one which is seen to be balanced and independent.
- **Appointment**
 - The senior independent Board member should be appointed by the Board. The Chair should absent himself or herself from any discussion leading to this appointment.
 - The appointment should be for not longer than 3 years but may be less if retiring by rotation and/or the maximum time limit for board membership impacts.
- **Role**
 - *An Effective Board*
 - Led by the senior independent Board member, the non-executive directors should meet without the Chairman present at least annually to appraise the Chairman's performance and on other such occasions as are deemed appropriate. The senior independent Board member may meet Board members on a one-to-one basis or alternatively in a group format.
 - *Board Balance and Independence*
 - The senior independent Board member should be available to Board members if they have concerns or wish to raise any matter with the senior independent Board member who may then decide to raise the matter with the Chairman or Board member(s) or CEO as appropriate.

5.6 Duties and Responsibilities of CEO

The CEO, appointed by the Board, is responsible for:

- reporting to the Board and presenting the Board with strategic and operational plans for its review and approval
- carrying on, managing and controlling generally, the administration and business of the Authority and is responsible to the Board for the performance of his/her functions and for the implementation of the policies of the Authority
- performing such other functions as may be assigned to him or her under the Act or as may be delegated to him or her by the Board

- supplying the Board with information (including financial information) relating to the performance of his or her functions as the Board may require
- complying with all aspects of this Code of Governance Framework, which includes his or her declaration of all relevant interests
- informing the Board, via the Chairperson, of any new appointment he or she accepts which may impinge on or conflict with, his or her duties as CEO, acting in good faith and in the best interests of the Authority
- not disclosing, without the consent of the Board, save in accordance with law, any information obtained by him or her while performing duties as CEO
- not misusing information gained in the course of his or her public service for personal gain or political purpose.

The Chief Executive shall not hold any other office or position or carry on any business, trade or profession without the consent of the Board.

5.7 Internal Audit Function

The operation of the Internal Audit function should comply with the Internal Audit Function Code and Charter which are included within the Corporate Governance Framework Documents.

5.8 Devolved Functions

The Board may delegate any of its functions to the CEO. The Chief Operations Officer (COO) and Heads of departments are individually accountable for assigned areas of delivery and control and are directly responsible to the CEO. The COO and Heads of Departments may be required to report periodically to the Board thereon at the CEO's request.

5.9 Authority, Membership and Meetings of the Board

- The Seal of the Authority shall be authenticated by the signature of the Chairperson or such other member of the Authority, authorised by the Board, to act in that behalf, and by the signature of an officer of the Authority, authorised by the Authority in that behalf.
- The Board's authority is derived from Section 10 of the Act 2002 and the appointment of the Chairperson and Board members by the Minister pursuant to the Act.
- The Board shall consist of twelve members (including the Chairperson and 11 other members including the CEO, who is an *ex officio* member).
- It is the Chairperson's duty to ensure that no individual member, or interest, has excessive influence on decision making and that all members have an equal opportunity to participate in debate and final decisions.
- Board decisions are made by consensus or, if necessary, by a majority of the members present. The voting procedure is as laid down in Section 12 (5) of the Act. Decisions of the Board shall be recorded in the minutes.
- Meetings of the Board should take place as are necessary for the performance of its functions but in any case not normally less than six times annually.

5.10 Board Secretariat

A full description of this function is set out as part of this Code of Governance Framework)

- The Board Secretary is responsible for arranging Board meetings in accordance with the normal procedures adopted by the Board, and ensuring that Board procedures are followed and applicable rules and regulations are complied with.
- Applicable rules include those laid down in the Act and any directions which may be issued by the Minister.
- All members of the Board have access to the Secretary for advice and services.
- The Secretary shall ensure induction, training and maintenance of corporate governance material and information for Board members.
- The Secretary shall co-ordinate an objective performance management process for the review of the performance of the Chairperson of the Board and the sub Committees of the Board on a regular basis.
- The Secretary will maintain a record of the Seal of the Authority. Unless and until a post of Secretary to the Board is approved, the Head of Finance and Corporate Services shall assume the functions of the Secretary

5.11 Briefing for new Board Members

- Board members shall undergo orientation through a planned induction programme to ensure that they understand their responsibilities and duties, and the Authority's functions and services, including their obligations in relation to confidentiality and to act in good faith and in the best interests of the Authority.
- The Secretary of the Board shall supply new Board members with appropriate induction material.
- All new Board members shall formally acknowledge in writing that they understand, and will comply with their responsibilities as Board members.

5.12 Disclosure of Interests

To avoid conflicts of interest and the possibility of unjust enrichment, members of the Board and staff of the Authority are required to declare/disclose personal or 'connected' interests which might conflict with those of the Authority. The regulations relating to 'disclosure' form part of the SEAI Code of Business Conduct for Board members and also staff and the Authority's Conflict of Interest procedure.

6. Reporting Processes and Guidelines

6.1 Introduction

It is the responsibility of the CEO, the Chief Operations Officer and the Heads of departments to ensure that the Board is supplied with accurate and timely information which enables it and the Chairperson to perform their respective functions under the Act and their legal obligations and responsibilities to the Minister and other stakeholders.

6.2 Performance Management

Members of the Board shall review the achievements of the Authority and the effectiveness of their individual and collective performance on an annual basis against set objectives for performance improvement.

Evaluation mechanisms of the key strategic objectives and targets of the Authority shall be utilised in accordance with the Performance Management Development System approved by the Board.

These mechanisms shall include:

- I. *financial performance;*
- II. *staff performance;*
- III. *quality, efficiency and effectiveness of the Authority's operations;*
- IV. *customer service;*
- V. *strategic objectives and milestones.*

The Board shall set performance criteria for the CEO annually, which it shall evaluate through the Remuneration Committee.

The Board shall make a report to the Minister with a progress report of an approved corporate plan for the Authority in its Annual Report and, at the request of the Minister, at other times that the Minister may specify, in accordance with Section 25 of the Act.

The Board shall seek Ministerial approval for any significant amendments to pension benefits of the CEO and staff as appropriate.

6.3 Board Committees

The Board shall establish Committees for specified purposes which can include appointees who are not members of the Board but have special knowledge and experience related to the purpose of the Committee.

The Terms of Reference of Committees shall be determined by the Board. These Committees shall act and furnish reports as directed by the Board.

Additional Committees of the Board shall, but are not limited to, include the Audit and Risk Committee and the Remuneration Committee. All Committees established by the Board shall be evaluated and reviewed by the Board on an annual basis.

A full list of the Committees, membership of the Committees, the General Rules applying to the Committees and the respective Terms of Reference are included within this Framework.

7. Internal Controls

The Board is committed to a strategy which minimises risks to all of its stakeholders through a comprehensive system of internal controls, whilst maximising potential for flexibility, innovation and best practice in delivery of its strategic objectives. The Board recognises and acknowledges its responsibility for the Authority's system of internal financial and operational control.

An effective programme of internal controls, incorporated into an overall quality system, will inform the Board in relation to significant risks for which they are responsible. Internal controls shall also assist in the development and review of the Authority's services.

The internal controls include defined performance indicators, written policies and procedures, clearly defined lines of accountability, and the delegation of authority. It makes provision for comprehensive reporting and analysis of the performance indicators on a regular basis, against approved standards and budgets, as well as compliance with legal/governmental requirements. The responsibility for the adequacy, extent and operations of these systems is delegated to the CEO.

7.1 Specific controls have been developed in relation to the following areas:

- Financial Performance (including Internal Audit)
- Corporate Services (, including human resources, facilities, equipment management, health and safety, insurance, legal, records and contract management).
- Strategy and Innovation
- Low Carbon Technologies
- Energy Demand Management
- Sustainable Energy Deployment

7.2 Specific internal control procedures are in place in relation to:

- internal audit
- risk management
- public procurement
- financial reporting

These controls are enhanced by the Board's appointed Committees including, but not limited to, the Audit and Risk Committee and Remuneration Committee.

Findings/Recommendations arising from Internal Audits carried out by the Internal Audit function are presented to the Audit and Risk Committee and reported to the Board.

8. Remuneration and Expenses

Remuneration and allowances for expenses, where applicable, are payable by the Authority out of funds at its disposal to members of the Board and the members of Committees of the Board, in accordance with Section 10 (7) of the Act.

All aspects of travel and subsistence allowances will be in accordance with the Authority's own policies and procedures which will comply with any current public sector rate guidelines as issued by the Minister for Finance.

9. The Codes of Business Conduct

The Codes of Business Conduct (separate Codes have been developed for SEAI Staff and SEAI Board members) , set out behaviour by which it requires staff and Board Members of the Authority to conduct its duties and is in accordance with the Ethical Principles outlined. These Codes reflect the principles set out in the Code of Practice for the Governance of State Bodies.

The requirements of the Companies' Acts in relation to the behaviour of Directors shall inform and apply to the members of the Board.

The Code of Business Conduct for Board members has been adopted by the Board and is published on the SEAI Website. A copy of the Code of Business Conduct for staff members is provided to each staff member and is provided to all staff members and is available in the Employee Information handbook..

The Chairperson shall report to the Minister and affirm that the Codes of Business Conduct are in place and will also report on compliance in relation to same.

10. Quality of Service

The Authority's mission is to play a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices. To achieve this, the Authority has set out a vision of making Ireland a recognised global leader in sustainable energy. A society fully engaged in the sustainable energy agenda and an economy fully exploiting the global opportunities in clean low carbon solutions.

To achieve these objectives the Board is fully committed to customer quality principles and pursues a comprehensive and continuously reviewed quality improvement programme.

A formal reporting structure is in place so that the Board receives, through the CEO and other nominated officers, regular updates on departmental activities.

In its work the Authority will be independent in the exercise of its responsibilities and in the discharge of its functions, embody a strong commitment to best international practice and achieving excellence in our work and results. The Authority maintains a creative and open stance to the support of policy, enterprise and technological innovations. SEAI will be open to the adoption of new approaches and flexible in their incorporation into the programmes and structures in pursuit of agreed objectives. The organisation will be results orientated and will transparently measure performance against goals and properly value all stakeholders.

The staff of the Authority delivers quality services with courtesy and sensitivity and with minimum delay to foster a climate of mutual respect between the Authority's clients and the staff. Where commercially feasible to do so, the Authority promotes the standards of service outlined in the Government's "Principles of Quality Customer Service for Customers and Clients of the Public Service" (1997) which accompany these Corporate Governance Documents.

11. Code of Practice Reports

The following reports are produced in the context of this Code of Governance:

Strategic Plan

A Strategic Plan must be submitted to the Minister: The current Strategic Plan for SEAI for the period 2010-2015 was launched by the Minister in March 2010.

Progress Reports

Progress reports are to be included in the Authority's Annual Report on the implementation of the approved Strategic Plan

Work Programme/Output Statement

A comprehensive Work Programme is submitted to the Minister in the context of the determination of the proposed expenditure for the coming financial year. In addition the outputs achieved for each year are demonstrated.

Code of Governance

This Code of Governance has been submitted to the Department of Communications Energy and Natural Resources.

Accounts

The Accounts of the Authority shall be submitted to the Comptroller and Auditor General for audit as soon as practicable and not later than 3 months after the end of the financial year to which the accounts relate.

Annual Report

The Authority shall prepare an Annual Report in relation to the Authority's functions not later than the 30th June each year.

Code of Business Conduct

1. Introduction

The Authority comes under the Ethics in Public Office Acts, following the signing into law by the Minister for Finance of the Ethics in Public Office Prescribed Public Bodies, Designated Directorships of and Positions in Public Bodies) Regulations 2005 (S.I. No 672 of 2005). It is from this legislation and the revised Code of Practice for the Governance of State Bodies, that this Code has been developed.

It is the objective of the Authority to ensure that the highest possible standards of integrity and ethics are maintained. This document sets out guidelines as to how this will be achieved. Guidelines are formulated to reflect obligations on Board and staff members in carrying out their public duties.

It is the responsibility of:

- *Board Members of the Authority*
- *Audit and Risk Committee and Remuneration Committee members*
- *Chief Executive/Board Secretary*
- *Chief Operations Officer and Heads of departments.*
- *All staff of the Authority*

to ensure that they are compliant with the relevant Codes of Business Conduct. A Copy of the Code of Business for SEAI Board Directors is included at Appendix 2 of this Code of Governance Framework. A Code of Business Conduct for SEAI Staff is included in the SEAI Human Recourses Handbook.

2. Conflict of Interest

This section of the Code of Governance should be read in conjunction with the Board's Conflict of Interests Policy and Procedure which form part of the Corporate Governance Framework Documents.

The Authority recognises that Board membership and employment in a public sector setting can provide potential for conflict of interest. The principal circumstances giving rise to such possibilities in the Authority's case include instances where a Board/staff member:

holds an interest directly or indirectly in groupings or enterprises which deal commercially and/or contractually with the Authority

or where a family member can influence procurement decisions and the awarding of contracts for which groupings or enterprises, with which he/she is associated directly or indirectly, are competing.

In the former case, Board members and the Chief Executive are required to declare such an interest to the Chairperson of the Board / Board Secretary. The Chairperson should make his/her declaration to the Board Secretary and staff members (other than the Chief Executive) are required to similarly declare such an interest to the Chief Executive / Board Secretary.

In the latter case, Board and staff members are required to similarly declare such an interest and step aside from the related procurement/contract review, selection and awarding process.

3. Disclosure of Interests/ Avoidance of Conflict Of Interest

To avoid conflicts of interest and the possibility of unjust enrichments each Board member furnishes to the Secretary of the Board details of his or her employment and all other business interests including share holdings ***which could involve a conflict of interest or could materially influence his or her functions as a member of the Board.*** Interests of family and other connected persons or bodies are also declared.

The Secretary maintains a confidential register of Board Members' interests which is updated annually. Only the Chairperson, Chief Executive and Secretary have access to the register. When a matter arises which may relate to interests of the Chairperson, the Senior Independent Board Member takes the Chair at the relevant Board meeting.

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 matter should also be brought to the attention of the Minister by the Chairperson.

As it is recognised that the interests of a Board member and persons connected with him/her can change at short notice, a Board member should, in cases where he/she receives documents relating to his interests or of those connected with him/her, return the documents to the Secretary to the Board at the earliest opportunity.

Documents relating to dealings where a Board member has an interest are not made available to the particular member concerned. Where such documents are received in error or otherwise, they should be returned to the Secretary. A member absents himself/herself from discussions relating to such dealings. Where a question arises as to whether or not a case relates to a Member's interests, the Chairperson adjudicates.

The Chief Executive and the Directors are required to complete a register of interests in line with the above. When a matter arises which might involve a conflict of interest the Chief Executive is required to inform the Chairperson. Similarly any potential conflict of interest by the COO, the Heads of departments or others as appropriate should be notified to the Chief Executive.

4. Attraction of Benefits

The Authority recognises that certain Board and staff members may attract benefits in cash or in kind over and above normal remuneration (for example director fees, salary, travel, subsistence) in respect of associations and activities arising purely and solely by virtue of their position in the organisation. In such cases, Board members and the Chief Executive are required to disclose such positions to the Chairperson of the Board. Staff members (other than the Chief Executive) are required to similarly disclose such positions to the Chief Executive.

5. Unjust Enrichments

The Authority recognises that having regard to the nature of their duties and responsibilities, some Board and Staff members may be exposed to the possibility of inviting and/or attracting offers of personal enrichments. Such enrichments, when established to be materially significant and/or calculated to engender or reward bias are regarded by the Authority as unjust and are prohibited.

6. Engagement in Outside Employments

The Authority recognises and acknowledges that Staff Members are required to devote their full time attention and abilities to the tasks associated with their position in the organisation. Staff members may not engage in or be connected with any outside employment, appointments, or activities unless authorised in writing to do so by Sustainable Energy Authority of Ireland. It is the responsibility of the employee to inform the Sustainable Energy Authority of Ireland of any such activities.

7. Ethical Principles

Having regard to the nature of their position, all Board and certain staff members are privy to information and material which is confidential to the organisation and its clients. All Board and relevant staff members are required to maintain confidentiality in such matters.

All Board and staff members are required to operate within these guidelines which are designed to ensure the maintenance of acceptable standards of integrity of the Authority.

Former Board and staff members are required to maintain confidentiality in regard to the business of the Board.

7.1 Work and Environment

Board and Committee members should place the highest priority on promoting and preserving the health and safety of all employees of the Authority. They should also minimise any detrimental impact of the operations of the Board on the environment.

7.2 Appropriate Behaviour

To ensure that the Board Members and all staff are adequately informed on appropriate behaviour the Authority has developed specific policies and procedures in relation to;

- Sexual harassment
- Bullying in the work place
- Disciplinary and Grievance procedures
- Whistleblowers Policy

7.3 Fairness

The Board and Committee Members should;

- Comply with employment equality and equal status legislation
- Commit to fairness of all business dealings.
- Value all Clients / Stakeholders and treat all equally.

7.4 Information

The Board and staff shall facilitate access to general information relating to the Authority in a way that is open and that enhances accountability to the general public.

The Board and staff shall maintain confidentiality concerning information of the commercial interests of the Authority and especially on client data.

The Board and staff shall ensure compliance with statutory provisions relating to information.

- Board members, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the Authority.
- The Board shall observe appropriate prior consultation procedures with third parties where, it is proposed to release sensitive information in the public interest.
- The Board shall comply with relevant statutory provisions relating to access of information (e.g. The Freedom of Information Act or the Data Protection Act)

Note: Where queries arise in relation to the release of information under the provisions of the Freedom of Information Act, these should be directed , in writing, to the Freedom of Information Officer at the Authority.

7.5 Obligations

The Board and Staff of the Authority are committed to this Code of Governance Framework adopted by the Board, and all statutory obligations.

An obligation of loyalty to the Authority is recognised together with a commitment to the highest standards of business ethics by both the Board and staff.

Board members use all reasonable endeavours to attend all Board meetings.

Board Members must ensure that there are adequate controls in place to prevent fraud including controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel. The Authority has in place procedures relating to the acceptance of positions / consultancies post employment or resignation to avoid conflicts of interest or breaches of confidentiality.

8. Review of Code of Governance Framework

This Code will be reviewed annually, ideally coinciding with the appointment of new Board members.

Procedures for the Conduct of Board meetings

1. Introduction

These Procedures are adopted by the Authority in order to regulate, the procedures and business of the Board.

2. General Principles

The Board has generally adopted the following principles:

- a) The Board operates on the principles of collective responsibility, support and respect. Normally, decisions will be taken by consensus.
- b) Board members should normally speak with one voice in public on Authority issues. If a different approach were to be followed, this would first have to be discussed by the Board. A Board member should inform the Chairperson (or the Senior Independent Board Member in the absence of the Chairperson) before making public statements relating to Authority business.
- c) All decisions will be recorded. Minority views will not normally be made public, although if a vote is necessary, the outcome of this will be recorded in the Board minutes. If a Board member resigns because of disagreement with a Board decision, he or she may state the basis for the disagreement but may not publicly disclose the view of other Board members.
- d) Board members (other than those who disagreed with a decision) may be nominated to explain and articulate specific decisions.

3. Meetings

- a) The Board normally holds around six (6) meetings in each year (at least four meetings are required under the Act) and such other meetings as may be necessary for the performance of its functions. The meetings are held at such times and at such places as the Board from time to time decides. Should circumstances arise, which in the opinion of the Chairperson, would make it inconvenient for a large number of members to attend a meeting he or she may direct that the meeting be deferred to a later date to be fixed by him or her.
- b) A Board meeting may, at any reasonable time, be convened by the Chairperson or the Senior Independent Board member in the Chairpersons absence, following discussion with the Chairperson or on request from at least three Board members.
- c) Meetings, other than the six (6) formal meetings may be held via teleconference for the purpose of holding urgent discussions on issues arising. Board members must undertake to ensure privacy during such calls.
- d) At least four clear working days before any meeting of the Board, the Board Agenda and associated meeting papers are forwarded to every member of the Board by the Secretary. A Board meeting may exceptionally be called at less than four clear workings days' notice. Such shorter notice will be valid only if ratified at the Board meeting called at short notice. Notice of a Board meeting will be given to Board members in writing (generally by email).

Failure to receive notice of a Board meeting will not invalidate that Board meeting or any business transacted at that meeting.

- e) The meetings of the Board will be held in private.
- f) Papers may be tabled at a Board meeting with the Chairperson's permission (or, in his or her absence, the permission of the Senior independent Board member).
- g) The procedure for obtaining Board approval between Board meetings is set out in Section 7 below.

4. Proceedings at Meetings

At a meeting of the Board:

- a) The Chairperson of the Board shall, if he or she is present, be Chairperson of the meeting.
- b) If the Chairperson of the Board is not present, or the office of the Chairperson is vacant, the members of the Board who are present shall choose one of their number, to be Chairperson of the meeting. In normal circumstances this is likely to be the Senior Independent Board Member
- c) The quorum of the Board shall be 5 members in accordance with the Act.
- d) A Board member is not counted in the quorum on an item in respect of which he or she has a conflict of interest or is not entitled to take a decision.

5. Decision Making

Decisions by the Board will normally be made by consensus rather than by formal vote. Failing consensus, decisions will be made by a vote when:

the Chairperson feels that there is a body of opinion among Board members at the Board meeting which disagrees with a proposal or has expressed reservations about it and no clear consensus has emerged; or

a Board member who is present requests that a vote be taken and this is supported by at least one other Board member; or the Chairperson feels that a vote is appropriate.

When a vote is taken, a decision will be by simple majority in accordance with the Act. In the case of a tied vote, the Chairperson will have a casting vote in addition to his or her original vote.

6. Conflict of Interest

Each Board member must comply with the policy and procedure for conflicts of interests, which has been approved by the Board and which are included in this Code of Governance Framework.

7. Procedure for Obtaining Board Approval

Between Board Meetings

The Chairperson shall decide when an issue is of a sufficiently urgent nature to warrant the taking of a decision by the Board by written procedure in the interval between meetings of the Board and a process has been put in place to notify the Board of any such decisions required.

The request for a decision shall be communicated to Board members by e-mail and shall:

- Be in compliance with the procedures agreed by the Board in relation to such matters regarding written procedure
- State the nature of the decision requested
- Provide information on the urgent nature of the decision
- Provide detailed information to enable the members of the Board to take the decision
- Set out a final deadline for members of the Board to seek additional information or clarification on the issue to be decided
- Set out a final deadline and procedures for members of the Board to inform the Secretary of their decisions.

In the event that any member of the Board seeks additional clarification or information on the issue to be decided, a copy of that information will be sent to all members of the Board.

A decision will be deemed to be taken by the Board when the required quorum five (5) of the members of the Board are in agreement on the issue to be decided.

The decision of the Board will be communicated by the Secretary to all members of the Board by e-mail as soon as it practicable after the decision has been taken.

Decisions taken by written procedure between meetings of the Board will be recorded in the minutes of the subsequent Board meeting.

8. Minutes of Meetings

Minutes of the proceedings of a meeting of the Board will be drawn up by the Secretary, will be verified by the Board members and will be signed by the Chairperson at the subsequent meeting.

The Secretary will record names of Board members present and absent, and apologies for absence, at a meeting of the Board in the minutes of the meeting.

In cases where a formal vote is taken the names of members voting on any question arising at a meeting of the Board will be recorded in the minutes of the proceedings of the meeting and where applicable, the record will show which member(s) voted for and against that question and which member(s) abstained.

When minutes of proceedings have been adopted and confirmed by the Board, it will not be in order for any member of the Board to question their accuracy nor seek their amendment at subsequent meetings.

9. Order of Business

The Board Agenda should address:

- Quorum and Statement of Interest requirements
- Corporate Risk Review (through Report from Audit and Risk Committee)
- Verification of Minutes of previous meeting
- Minuting of decisions taken between formal Board meetings
- Matters arising

- Chairperson's Report
- CEO Report
- Reports from the Executive (senior management)
- Consideration of Sub-Committee reports
- Any other business as set forth on the Agenda

At a special meeting of the Board, only business specified in the notice convening that meeting will be transacted at that meeting.

10. Delegations

- a) The Board may delegate the discharge of a function but the exercise of a delegated power should be in accordance with policies agreed by the Board.
- b) The Board delegates to the CEO, the discharge of all functions of the Authority other than:
 - any matter reserved to the Board
 - any matter delegated to a Committee of the Board.
- c) The Board may make delegations or vary, revoke or add to existing delegations.
- d) Any delegation made by the Board may be limited or made subject to any condition. For example, the Board may delegate a function only for a limited period of time or for a particular matter. The nature and scope of new delegations will be recorded in the minutes.
- e) The Board may itself discharge a function even though it has delegated the discharge of that function.
- f) There is delegated from the Board to each Committee of the Board the discharge of those functions, which fall within their respective Terms of Reference, other than any matter reserved to the Board. The Board may instruct Authority staff, or a Committee, as to how to exercise a delegated authority.
- g) Unless the Board imposes a condition to the contrary, a Committee of the Board may delegate the discharge of a function delegated to it.
- h) The Board authorises the CEO to sign contracts or other documents on behalf of the Authority and to delegate this authority to one or more Authority employees.

11. Committees

The Board may establish standing Committees and ad hoc Committees as appropriate.

The Board will appoint members to any Committee it establishes and may appoint persons who are not members of the Board but have special knowledge and experience related to the purpose of the Committee.

The Committees appointed by the Board will, in the transaction of their business comply with any directions which the Board may give from time to time either in general or for individual Committees.

The Board may take advice or consider recommendations from any Committee of the Board as set out in the Committee's Terms of Reference.

12. Code(s) of Conduct

Board members will comply with the Code of Business Conduct, which have been approved by the Board and are set out in this Code of Governance.

13. Reviewing the Board's Performance

The Board will review its own performance and that of its Committees in accordance with the requirements of the Code of Practice for the Governance of State Bodies.

14. Confidentiality

Reports, documents and briefings issued to members in relation to Board matters must be treated as confidential until such time as the Board has had an opportunity to discuss and make decisions on their contents, including their distribution outside the Board membership.

15. Issue of Statements on Behalf of the Board

Only the Chairperson shall issue any statement on Board matters to the press or the public on behalf of the Board. The CEO, with the agreement of the Chairperson, may also make such statements.

16. General

The Chairperson will have power to decide upon any procedural matter arising and not covered by these existing procedures.

17. Commencement

These procedures came into operation on 1 July 2010 having been adopted by the SEAI Board at its meeting on 2 June 2010 and were further reviewed by the Board on 6 July 2011.

SIGNED:

Brendan Halligan
Chairman

Prof J Owen Lewis
Chief Executive

Appendix 1

1. Introduction

“The Board is collectively responsible for promoting the success of the State Body by leading and directing the Body’s activities. It should provide strategic guidance to the State Body, and monitor the activities and effectiveness of management. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the State Body, subject to the objectives set by Government.”

(Extract from the Revised Code of Practice for the Governance of State Bodies)

In addition, Section 2 of the Revised Code, issued in June 2009, and formally adopted by the SEAI Board in July 2009, requires that, the Board “*should have a formal Schedule of Matters reserved to it for decision to ensure that the direction and control of the Body is firmly in its hands.*” It sets out a number of issues that should be included.

2. Legislative Background

Section 10 of the Sustainable Energy Act 2002, sets out the precise legal requirements for the SEAI Board, including its composition, competencies, method and terms of appointment of members and Chairperson, remuneration, retirement, cessation and resignation of members, including removal by the Minister. Sections 11, 12 and 13 set out the general provisions in relation to the Chairperson, meetings and procedures of the Board and the Committees to be established by the Board.

The overall function of the Board as set out in Sections 10(1) and 10(2) are that the Board will consist of 12 members and that the Board “*shall direct the functions of the Authority in accordance with this Act and shall satisfy itself as to the adequacy of the systems in place for that purpose and will keep under review the performance of the Authority*”

The Board is, as set out in the Code, ultimately responsible for “*compliance with all statutory obligations applicable to the State Body that may be set out in legislation governing the establishment of the body or in other legislation. The Board shall satisfy itself that all such obligations are identified and made known to it*”

Against this comprehensive legal background and in order to satisfy the requirements of the Revised Code of Practice, for the Governance of State Bodies the SEAI Board at its meeting on 2 June 2010 formally approved the Schedule of Matters Reserved for Board decision as set out at Para graph 3 below.

Overall, the Board is responsible for setting the broad policies of the Authority and delegates to management, Board Committees and Advisory Committees the responsibility for their implementation. In its own activities and in its use of Committees and Working groups, the Board operates towards achieving good corporate governance.

3. Formal Schedule of Matters for Board Decision

Introduction

It is a requirement for SEAI to have a formal schedule of matters specifically reserved to it for decision, in order to ensure that the direction and control of the Authority is specifically and demonstrably in the hands of the Board.

The following sections therefore sets out the responsibilities of the SEAI Board and some specific matters reserved for the Board.

Managerial Functions

- Ensuring that, through the arrangements in place, a balanced, true and understandable assessment of SEAI is made when preparing the Annual Report and Annual accounts.
- Approve the Annual Financial Statements and Authorising the Chairperson and one other member to sign them on behalf of the Board (usually the Chief Executive Officer or the Chairperson- Audit & Risk Committee)
- Ensuring that, through the arrangements in place, statutory obligations applicable to SEAI, as set out in the Sustainable Energy Act 2002, or in other relevant legislation are identified and complied with.
- Ensuring that, through the arrangements in place, non statutory obligations applicable to SEAI, as set out in the Code of Practice for the Governance of State Bodies, in Department of Finance Circulars and in Circulars from the Department of Communications Energy and Natural Resources etc, are complied with.
- Approve the Organisational Strategic Plan and/or Corporate Plan, the annual operating plan and Budget for SEAI.
- Approve the appointment, remuneration, assessment of performance and succession planning for, the Chief Executive Officer.
- Delegation of sufficient powers to the SEAI Management Committee and the Chief Executive Officer of SEAI, to enable the business of SEAI to be carried on effectively between Board meetings.
- Oversee the discharge by the Chief Executive Officer and the Management Committee of the day to day business of SEAI.
- Ensuring, through the arrangements in place, compliance with statutory and administrative requirements in relation to the approval of the number, grading and conditions of appointment of all staff.
- Significant amendments to the pension benefits of the CEO and staff (which require Ministerial approval).

Board Membership and Board Committees

- Establish an Audit (and Risk) Committee in accordance with the provisions of the Code of Practice for the Governance of State Bodies.
- Appoint the Chairperson , members of the Committee and approve The Terms of Reference of the Audit and Risk Committee and all other Committees established by the Board.

Contracts/ Grants/ Procurement

- Approve all transactions (within the Budget approved by the Board) whose value exceeds €250,000. This applies to both capital and current revenue items and transactions.
- Approve all property leases of whatever value.
- Approve terms of major contracts, investments and capital projects , significant acquisitions, disposals and retirement of assets of SEAI or its subsidiaries (if established)

Internal Controls and Risk Management

- Ensure maintenance of a sound system of internal controls, including financial, operational and compliance controls, and risk management processes, with appropriate reference to the Code of Practice for the Governance of State Bodies.
- Monitor the effectiveness of the SEAI risk management processes and systems, to ensure the effective identification, monitoring and control of external risks, and identification of opportunities, to support the SEAI statutory objectives. (Audit and Risk Committee and refer back to the Board for final decision).
- Undertake an annual assessment of the effectiveness of internal control and risk management processes (including financial, operational and compliance controls and risk management systems)
- Authorisation to open bank accounts
- Authorisation of signatories to attest the seal of SEAI

Miscellaneous

- Undertake, as appropriate, a formal and rigorous review of its own performance, that of its committees and individual directors.
- Take any specific decisions that the Board or SEAI management consider to be of such significance as to require to be taken by the Board.

Appendix 2 – Code of Business Conduct for SEAI Board Members

Sustainable Energy Authority of Ireland

Code of Business Conduct for SEAI Board Members

As approved by the SEAI Board on 2 June 2010.

“The Board is collectively responsible for promoting the success of the State Body by leading and directing the Body’s activities. It should provide strategic guidance to the State Body, and monitor the activities and effectiveness of management. Board members should act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the State Body, subject to the objectives set by Government”

Extract from the Revised Code of Practice for the Governance of State Bodies, 2009

Introduction

SEAI Mission Statement

To play a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices.

SEAI Vision

Making Ireland a recognised global leader in sustainable energy. A society fully engaged in the sustainable energy agenda and an economy fully exploiting the global opportunities in clean low carbon solutions.

The SEAI Code of Business Conduct

The Code of Practice for the Governance of State Bodies (2009) is a revised and updated version of the Code of Practice for the Governance of State Bodies (2001) and an expansion of the State Bodies Guidelines (1992). The SEAI Board, at its meeting in July 2009 was formally notified of the revised Code of Practice and the Board formally adopted the new Code on that day.

In order to comply with the Code of Practice, the Chairperson of the Board of SEAI is obliged to confirm to the Minister for Communications Energy and Natural Resources that a number of control functions are carried out by SEAI, including the issuing of a Code of Business Conduct for Directors and that this is being adhered to.

The SEAI Code of Business Conduct sets out in written form, the agreed standards of principle and practice which inform the conduct of the Board of SEAI. A separate document setting out a Code of Business Conduct for all SEAI employees is issued to staff members.

The purpose of the Code is

- To enable SEAI to provide a professional and effective service to its clients/stakeholders;
- To establish an agreed set of ethical principles;
- To promote and maintain confidence and trust;
- To prevent development or acceptance of unethical practices;
- To meet the requirements under the Revised Code of Practice for the Governance of State Bodies (2009).

Code of Conduct for SEAI Board Members

General Principles:

Directors should observe the highest standards of honesty and integrity. To ensure this, they should adhere to the following principles:

Integrity

Directors;

- Must disclose any outside interests that are in conflict or potential conflict with the business of SEAI in accordance with the Code of Practice for the Governance of State Bodies
- Not participate in discussions or decisions involving conflicts of interest whether or not such conflicts have previously been disclosed
- Avoid 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 judgment on business transactions
- Ensure that purchasing activities of goods/services are conducted in accordance with best business practice.
- Ensure that SEAI accounts and reports accurately reflect their business performance and are not misleading or designed to be misleading
- Avoid the use of the SEAI resources or time for personal gain or for the benefit of persons/organisations unconnected with SEAI or its activities.
- Not acquire information or business secrets by improper means through the course of their duties/work
- Not use any information obtained by virtue of their position for the purpose of any dealing (direct or indirect) in shares, property or otherwise.
- Ensure a culture of claiming expenses only as appropriate to business needs and in accordance with good practice in the public sector generally
- Avoid the use of SEAI resources or time for personal gain, for the benefit of persons/organisations unconnected with the body or its activities or for the benefit of competitors.

Information

Directors should;

- Support the provision of access by SEAI to general information relating to SEAI activities in a way that is open and that enhances its accountability to the general public.
- Respect the confidentiality of sensitive information held by SEAI. This would constitute material such as:
 - commercially sensitive information (including but not limited to future plans or details of major organisational or other changes such as restructuring)
 - personal information
 - information received in confidence by SEAI
- 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 relating to access to information (e.g. Data Protection Act, Freedom of Information Act and the Standards in Public Office Act).

Confidentiality

Directors should:

- Ensure that they maintain the confidentiality of all information obtained by virtue of their position. This principle of confidentiality of information is enshrined in Section 19 of the Sustainable Energy Act, 2002.
- Ensure they do not retain any documentation obtained during their term as Director and should return such documentation to the Secretary or otherwise indicate to the Secretary that all such documentation has been disposed of in an appropriate manner.

Obligations

Directors should:

- Fulfill all regulatory and statutory obligations imposed on SEAI
- Comply with detailed tendering and purchasing procedures as well as complying with prescribed levels of authority for sanctioning any relevant expenditure.
- Ensure that there are adequate controls in place to prevent fraud including controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel.
- Use all reasonable endeavors to ensure that they attend the SEAI Board and/or Committee Meetings (as applicable).
- Comply with conformity procedures laid down by the Board in relation to conflict of interest situations, including in regard to acceptance of positions following engagement by a State Body that may give rise to the potential for conflicts of interest and to confidentiality concerns
- Acknowledge their duty to conform to the highest standards of business ethics

Loyalty

Directors should:

- Acknowledge the responsibility to be loyal to SEAI and to be fully committed in all its business activities while mindful that the organisation itself must at all times take into account the interests of its stakeholders and
- Acknowledge the duty of all to conform to highest standards of business ethics.

Fairness

Directors should:

- Comply with employment equality and equal status legislation.
- Commit to fairness in all business dealings.
- Value clients/stakeholders and treat all clients/stakeholders equally.

Work/External Environment

Directors should

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

Responsibility

The Chairperson of the SEAI Board should

- Circulate this Code of Business Conduct along with guidelines on disclosure of interests to all Directors, Committee Members, Management and Staff for their retention.
- Provide guidance and direction on the policies and procedures.
- Ensure that the above recipients acknowledge receipt and understanding of the same
- Prepare a governance framework in order to provide practical guidance and direction to the Board of Directors.

Appropriate Behaviour

To ensure that Board Members, Committee Members and all staff are adequately informed to avoid being accused of inappropriate behaviour, the following policies and procedures are in place and available from SEAI.

- Whistle-blowing policy
- Dignity at Work policy
- Disciplinary & Grievance procedures

Professional advice

SEAI Board members may, in furtherance of their duties, take independent professional advice, if necessary, at the reasonable expense of SEAI, in accordance with agreed procedures for such action.

Review

The Board

- Commits to review the Code as appropriate.

Appendix 3 - Functions of the Board Secretary

The following list includes functions typically performed by a person retained by a State Body in the role of Board Secretary. This is not a comprehensive list and the person performing this role may have to use his or her initiative to ensure that all core functions are fulfilled.

1. Board Meetings

Facilitating the smooth operation of the SEAI formal decision making and reporting machinery, organising Board and Committee meetings, formulating meeting Agendas with the Chairperson and or the Chief Executive, collecting, organising and distributing such information, documents or other papers required for such meetings, ensuring that all meetings are minuted accurately, that such minutes are maintained and that all Board Committees are properly constituted and provided with Terms of Reference.

2. Functions of the Authority

Ensuring that the Authority operates within its functions under the Sustainable Energy Act 2002 as may be amended from time to time and also in accordance with the revised Code of Practice for Governance of State Bodies issued in June 2009.

3. Books and Registers

Maintaining such books and registers of the Authority as required under the Sustainable Energy Act 2002, the Code of Governance Framework of the Authority, the Board procedures and the Code of Practice for the Governance of State Bodies.

4. Reporting Requirements

Ensuring that the Authority submits such reports to the Minister, the Board and such other appropriate bodies as required under the Sustainable Energy Act 2002 as may be amended from time to time and the revised Code of Practice for the Governance of State Bodies.

5. Report on Accounts

Inputting, as appropriate, into the publication and distribution of the Authority's Annual Report and Accounts, in consultation with the Authority's internal and external advisors.

6. Corporate Governance

Reviewing developments in corporate governance, facilitating the proper induction of members of the Board into their role, advising and assisting the members of the Board in respect of their duties and responsibilities, and acting as a channel of communication and information for the members of the Board.

Ensure that Board members are informed as to their legal responsibilities and that they are familiar with the requirements and statutory provisions which have relevance for them in the exercise of their functions as Board members.

7. Seal of the Authority

Ensuring safe custody and proper use of the seal of the Authority.

8. Authority Offices

In consultation with the Chief Operations Officer, the Head of Finance and Corporate Services and others as appropriate, establishing and administering the offices of the Authority, attending to the receipt, co-ordination and distribution of official correspondence received by the Authority, and ensuring the provision of facilities for the public inspection of appropriate Authority documents.

9. Authority Identity

In consultation with the Chief Operations Officer, the Head of Finance and Corporate Services, ensuring that all business letters, notices and other official publications of the Authority show the name of the Authority and any other information as appropriate and that Authority nameplates are placed in a conspicuous place.

10. Induction

Ensuring appropriate induction for all Board Members in accordance with the Code of Practice for the Governance of state Bodies.

11. General Compliance

Monitoring and putting in place procedures which allow for compliance with relevant regulatory and legal requirements, particularly under the Sustainable Energy Act 2002, and the revised Code of Practice for the Governance of State Bodies, including legal requirements and retention of documents, and ensuring that procedures are in place to allow adequate historical archive to be maintained

Appendix 4- Committees of the Board

1. Introduction

- i. The Board refers to the Board of the Sustainable Energy Authority of Ireland, appointed by the then Minister for Public Enterprise under the Sustainable Energy Act 2002.
- ii. Committee(s) refers to any Committee(s) appointed by the Board, in accordance with the provisions of Section 13 of the Sustainable Energy Ireland Act 2002.

2. General Rules Applying to Committees

- i. Committee members, including the Chair, are appointed by the Board for a period which is determined by the Board.
- ii. The Terms of Reference for Committees (Constitutions) are agreed and can be amended by the Board as considered appropriate.
- iii. Committee Chairs will report on progress to the Board at each meeting of the Board.
- iv. Committees shall meet according to the provisions set out in their Terms of Reference.
- v. Committees can invite other Board members and procure or seek the advice and support from individuals or bodies outside of the Committee or Board membership, as appropriate.
- vi. The Board may appoint persons to a Committee who are not members of the Board, but have special knowledge and experience related to the purpose of the Committee.
- vii. Any disclosure of interests by any member of the Committee must be discussed with, and reported to, the Chairperson of the Board.
- viii. A quorum for a Committee meeting shall be in accordance with the Terms of Reference.
- ix. Any member or members of the Committee may at any time be removed by the Board and another or other persons appointed.
- x. The CEO or other designated officers, working on behalf of the Authority, will attend the Committee meetings, unless considered inappropriate by the Chair of the Committee.

3. Established Committees

The following is a list of Committees which have been formed by the Board to support the work of the Authority:

- Audit and Risk Committee
- Remuneration Committee

Remuneration Committee - Membership

Brendan Halligan (Chair) Chairperson of the Board

Brian T Carroll Board Member

Joe Harford Board Member

Vacancy

Audit & Risk Committee - Membership

John Buckley (Chair)	Board Member
Brian T Carroll	Board member
Sean Wyse	Board Member
Mr Connie Kelleher	BIM (external member)
1 Vacancies	

4. Terms of Reference for Sub-Committees of the Board

Audit and Risk Committee

Introduction

The Audit and Risk Committee for SEAI is an essential Sub-Committee of the Board. Its primary functions are to ensure that the Authority meets its relevant statutory functions and advise the Board on the robustness and effectiveness of the arrangements and status of the corporate governance, financial management, risk management and internal audit of the Authority.

Terms of Reference

Scope and Authority

- The purview of the Audit Committee extends to all of the operations of Sustainable Energy Ireland.
- The Committee shall have explicit authority to investigate any matters within its terms of reference, the resources which it needs to do so, and full access to information.
- The Committee shall be able to obtain outside professional advice and, if necessary, invite outsiders with relevant experience to attend meetings.
- The Audit and Risk Committee shall have discussion with external auditors at least once a year, without the Chief Executive Officer or employees of Sustainable Energy Ireland being present, to ensure that there are no unresolved issues of concern.
- The Audit and Risk Committee shall approve the appointment and termination of the Internal Auditor who shall have unrestricted access to the Chair of the Committee.

Composition

- The Audit and Risk Committee shall comprise a minimum of five members, appointed by the Board. This shall comprise of at least 4 Non Executive Board members and may include one external person with the relevant financial experience in order to fulfil the financial expertise requirements set out in the Code of Practice for the Governance of State Bodies.
- The Audit and Risk Committee Chair shall not be the Chair of the Board.
- The Secretary to the Board shall be the Secretary to the Audit and Risk Committee.
- Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods.

Responsibilities and Role

The Audit and Risk Committee has responsibility for:

- reviewing the Annual Financial Statements and other published statements and information as related to governance and financial issues on behalf of the Board;

- monitoring the relationship with the Comptroller and Auditor General, to ensure that there are no restrictions on the scope of the audit and to review the activities, findings, conclusions and recommendations of the auditor;
- reviewing the manner in which management ensures there is an adequate and effective system of internal financial, operational and compliance controls;
- reviewing and approving the processes for managing risk within SEAI;
- ensuring there are appropriate procurement procedures within SEAI;
- approving and reviewing the planned programme of work of the Internal Auditor.

The Audit and Risk Committee is responsible for advising the Board on whether an appropriate regime of internal control is in operation but not for the formulation or implementation of such a regime.

Meetings and Reporting

- The Audit and Risk Committee shall meet at least four times each year and report on its activities to the Board.
- The quorum will be three.
- The Chief Executive Officer, other executives and representatives of the Comptroller and Auditor General may be in attendance at meetings of the Audit and Risk Committee for selected agenda items at the request of the Chair.
- The Secretary to the Audit and Risk Committee shall maintain a written record of the proceedings of the Audit Committee.
- The Chair of the Audit and Risk Committee shall give an oral report on the proceedings of each Audit Committee meeting at the next meeting of the Board.
- The approved minutes of each Audit and Risk Committee meeting shall be distributed to the members of the Board.

Remuneration Committee Terms of Reference

Introduction

The Remuneration Committee has been established in order to consider and approve remuneration, where applicable and in-keeping with public sector guidance, and appointment for the post of Chief Executive Officer, and any other specific senior positions within the Authority as necessary and appropriate.

Establishment and Constitution

The Remuneration Committee is a sub-committee of the Board of Sustainable Energy Ireland, established by formal resolution and comprises at least three non-executive members of the Board appointed by the Board.

The membership will rotate between members over time on the basis of one each year after an initial two-year period. The Chair will be a permanent member of the Remuneration Committee.

Responsibilities and Role

The Remuneration Committee shall be responsible for:

- recommending to the Board the Terms and Conditions (including remuneration) upon which the Chief Executive Officer shall hold office, within the guidelines established from time to time by the Government;
- establishing appropriate performance indicators in the context of the Chief Executive's Performance Related Bonus, within the guidelines set from time to time by Government;

- recommending to the Board the payment of the Chief Executive's performance-related bonus;
- approving, following acceptance by DCENR, the Authority's Action Plan in respect of Public Sector Agreements.

Meetings and Reporting Structures

The Remuneration Committee will be chaired by the Chair of the Board.

The quorum will be two.

The Committee will meet as required and report on its activities to the Board.

The Secretary to the Board will keep a decision record of the Committee's proceedings.

Appendix 5 - Policy for Dealing with Conflicts of Interest

1. Introduction

This policy sets out principles for the management of conflicts of interest, and potential conflicts of interest, arising in relation to Board members. It is designed to:

so far as possible, prevent conflicts of interest from arising; ensure that any conflicts of interest that do arise are managed in such a way that the independence and integrity of the decisions of the Board are neither compromised nor perceived as being compromised.

While this policy expressly addresses those conflicts of interest that can be readily anticipated, it is not possible to provide a comprehensive list of all of the conflicts of interest that might arise. Therefore;

- this procedure must be interpreted with regard to its spirit and purpose;
- Board members must comply with this procedure in spirit as well as in letter; and
- if there is any doubt as to whether a matter amounts to a conflict of interest, it should be presumed to be a conflict of interest ***until a decision is made to the contrary by an appropriate person.***

2. Scope

This policy applies to Board members and staff members as appropriate.

Some parts of this policy require Board members to ensure certain conduct by, or to make declarations in relation to, their spouses, parents, siblings or children or other connected persons or bodies corporate as set out in the Act and in the revised Department of Finance Code of Practice for the Governance of State Bodies, issued in June 2009, and as may be amended from time to time.

3. Objectives of the policy

The objectives of this policy are to:

- protect the Board corporately and each Board member individually against the breach of any law, including, for example the breach of any of the provisions of the Ethics in Public Office Acts, 1995 and 2001;
- protect the Board corporately and each Board member individually against impropriety or the appearance of impropriety, including risk to its and their reputations; and
- protect the Board against any conflicts of interest that may be detrimental to the exercise of its functions;
- ensure in so far as possible that Board members make decisions free from any external influences, whether personal or financial, whilst recognising that it is precisely their position and expertise external to the Board that enables some of the Board members to make valuable contributions to its work.

while adhering to the principle that Board members should not make a personal profit as a result of their membership of the Board, other than the remuneration determined by the Minister for Communications Energy and Natural Resources.

4. Register of interests

- The Secretary to the Board shall maintain a register to be known as the register of Board Members' registrable interests (the "Register") in accordance with the provisions of the Ethics in Public Office Acts, 1995 and 2001 and in order to comply with the requirements of the Code of Practice for the Governance of State Bodies.
- The Register shall be confidential and shall be updated on an annual basis. Changes in the interim should be notified to the Secretary as soon as possible. Only the Chairperson, Secretary and CEO shall have access to the Register.
- The purpose of the Register is to ensure transparency in relation to any interests of Board members – or of their spouses, parents, siblings or children or other connected persons or bodies corporate as set out in Department of Finance Code of Practice for the Governance of State Bodies ,as may be amended from time to time.
- The Register must contain, in relation to each Board member, details of any of the following held or carried on by that Board member or any persons or bodies connected with a Board member , **where they give rise to a conflict of interest** ,as more particularly set out in the Second Schedule of the Ethics in Public Office Act, 1995:
 - Occupational income, etc., other than that as office holder or member;
 - Shares, etc.;
 - Directorships;
 - Land and buildings;
 - Gifts;
 - Supplies of property or services
 - Travel facilities, etc.;
 - Remunerated position as a lobbyist, etc.; and
 - Contracts with the State.
- It is the duty of each Board member to declare to the Secretary any matter relating to him or her that is required to be included on the Register.
- If a Board member is in doubt as to whether a particular matter should be declared, he or she should declare it, and the Secretary (in consultation with the Chairperson (if appropriate) shall decide whether it is a matter that is required to be included on the Register.
- A Board member shall make a signed declaration of his or her interest for the purposes of the Register immediately on taking up appointment as a Board member, and shall subsequently declare any new matter that is required to be included on the Register as soon as possible after it arises.
- Board members may be required at any time to confirm to the Secretary to the Board that their current entries on the Register are accurate and up to date, and the Secretary shall ask them to do so at least once in each year.

5. Board meetings

Board members must comply with the procedure for the disclosure of conflicts of interest arising at Board Meetings, as set out in this Code of Governance.

Appendix 6 - Procedure for Dealing with Conflicts of Interest

1. Introduction

Given the diversity of the functions of the Authority, and the calibre of the Board members and staff employed by it, it is essential that an effective and robust policy and procedure exists to manage the actual or potential conflict of interest for any Board member or employee of the Authority.

This procedure outlines the steps that the Authority will undertake if, and when, situations arise where there is, or has the potential to be, a conflict of interest for a Board member or senior manager of the Authority. This procedure should be considered with, and is complementary to, the Policy for Dealing with Conflicts of Interest.

2. Managing Potential or Actual Conflict of Interest

Before any item is discussed at a Board meeting, each Board member must disclose any conflict of interest that he or she believes may arise in relation to that item. If a Board member is in doubt as to whether a particular matter amounts to a conflict of interest and should be disclosed, he or she should disclose it.

The Chairperson (or, in his or her absence the Senior Independent Board Member) in his or her discretion will decide whether any matter disclosed by a Board member (other than the Chairperson or in his or her absence, the Acting Chairperson), amounts to a conflict of interest that should prevent that Board member from participating in the discussion of the relevant item.

Board members will elect an Acting Chairperson from amongst their numbers, and decide whether any matter disclosed by the Chairperson amounts to a conflict of interest that should preclude the Chairperson from participating in the discussion at the relevant item. Should the Acting Chairperson be chairing the meeting, the Board members, by taking a vote will decide.

The decisions as to whether to disclose any matter and whether that matter amounts to a conflict of interest should be made having regard to the terms, and the spirit and purpose, of the policy for conflicts of interest.

Where the Chairperson decides that any Board member does have a conflict of interest in relation to any item that Board member may not participate in any discussion relating to that item or in any vote taken in relation to it. If requested to do so by the Chairperson the Board member must also absent himself or herself from any discussion of the item.

In the event that a Board Member, Authority employee or Committee member receives any written paper in relation to any matter on which he or she believes that a conflict of interest may arise, they must disclose that conflict of interest to the Chairperson, or CEO as appropriate, at the earliest opportunity.

Should a Board Member (or staff member) receive an approach from a member of the public or organisation to intervene on their behalf and exert influence for the purpose of gaining advantage in accessing a service or any benefit, it is Board policy that no such intervention should be taken.

The Board, or a sub Committee may, at any time discontinue an investigation into a Board members interests if it takes the view that the complaint concerned is frivolous or vexatious.

Appendix 7 - Code for the Internal Audit Function

1 Introduction

This document outlines the Code within which the Authority will undertake its Internal Audit function.

2 Code for the Function

The operation of the Internal Audit function should comply with the following Code:

The Internal Audit function should have a formal charter, including Terms of Reference, which has been approved by the Board

The reporting structure for Internal Audit should be clear and formally documented. The head of the Internal Audit service, or where the Internal Audit process is outsourced on a contractual basis, the Head of Finance and Corporate Services should be a senior and experienced person and the content of all Internal Audit reports should be entirely at his/her discretion. The head of Internal Audit should report directly to the Audit and Risk Committee and should also have access to the Chairperson of the Board and the Chairperson of the Audit and Risk Committee. The head of Internal Audit should report periodically within the body to such person as the Board decides and to the Chief Executive.

In carrying out its ongoing work the Internal Audit function should include detailed testing on all specific areas covered by the charter in order to ensure that the Authority is fully complying with all requirements and report its findings to the Board Audit and Risk Committee.

The Internal Audit function should be properly resourced with the necessary skills including the ability to deal with non-financial aspects

The Internal Audit function should liaise frequently with the External Auditors so that the potential for co-operation between the two is maximised. The work carried out by these two entities can frequently be complementary and effectiveness can be increased through regular consultation. (For example, the External auditors could offer guidance on particular areas which the Internal Audit function might be reviewing. Conversely the Internal Audit function could provide the External Auditor with organisation specific expertise to assist in the evaluation of the systems being examined as part of the annual audit)

The Board Audit and Risk Committee should make the External Auditors aware of the corporate governance issues outlined in this document with which the Authority is required to comply. The Board Audit and Risk Committee should periodically consult with the External Auditors regarding the operation of the Internal Audit function with particular reference to the staffing of the function, outsourcing arrangements, the audit work programmes being applied and the testing carried out in relation to the SEAI compliance with the requirements set out in this document

In planning, executing and reporting its work, the Internal Audit function should ensure that value-for-money auditing receives adequate attention

The Internal Audit function in the Authority should review compliance with procurement and disposal procedures as required by the Board Audit and Risk Committee, from time to time, and report to the outcomes to that Committee.

3. Charter for the Internal Audit Function

This document outlines the Charter for the Internal Audit function for the Authority.

Board Policy Statement

The Board recognises the significant contribution to good governance and effective internal control made by an efficient and effective Internal Audit function. It pledges its full support to the Internal Audit function and to the Audit and Risk Committee in discharging the authorities and responsibilities contained in this Charter. Further, it respects the independence of the Audit and Risk Committee and undertakes to provide adequate, competent and skilled resources to Internal Audit to properly discharge its function.

Mission

The mission of Internal Audit is to conduct a programme of continuous review to monitor the effectiveness of the system of internal controls that provides reasonable assurance of operational efficiency, reliable financial reporting, and compliance with applicable laws and regulations.

To accomplish its mission, Internal Audit will:

- Provide value-added Internal Audit services to its customers, and
- Develop a partnership with its customers that ensure open communications, the delivery of meaningful services, and a cost efficient system of internal controls.

Scope of Activities

The scope of audit activities will be determined using appropriate risk assessment tools to ensure adequate coverage of corporate risks and exposures, and will consider the special needs of management. Specifically, Internal Audit's scope of activities is to ascertain that the processes for controlling operations, as they have been designed and represented by management, are adequate and functioning correctly to ensure that:

- Resources are adequately protected,
- Significant financial, managerial and operating information is accurate and reliable, and
- The Authority and its employees' actions are in compliance with both the underlying objectives and the detailed expression of ethical best practice, policies, standards, procedures, and applicable laws and regulations.

Independence

To provide for the independence of the internal audit function, the Head of Internal Audit reports on budgetary and administrative issues to the Head of Customer Services and functionally to the Audit Committee, with unrestricted access to the Chief Executive.

Authority

Internal Audit derives its authority from the Board through the Audit and Risk Committee and is authorised to have:

- Unrestricted access to all Sustainable Energy Ireland's functions, records, property and personnel, including those controlled by subsidiaries and associates, if any.
- Full and free access to the Audit and Risk Committee, the Head of Finance and Corporate Services, the Chief Executive, the Secretary to the Board and the Chairperson of the Board.

- Freedom to allocate resources, set frequencies, select subjects, determine scope of work and apply the techniques required to accomplish audit objectives.

To preserve its independence, Internal Audit will not assume operating responsibilities or initiate or approve accounting transactions and will remain independent of the areas it audits. Without prejudice to this objective, it may selectively review systems under development and advice on standards of control before implementation.

Management's Responsibilities

It is management's responsibility to manage risk, maintain effective controls and implement audit recommendations in an appropriate manner.

Managers will proactively interface with auditors, respond promptly to draft reports and agree actions and timescales to rectify control weaknesses identified.

Management have primary responsibility for prevention of fraud and for detecting and resolving any fraud that may occur.

Internal Audit's Role and Responsibilities

Internal Audit is an independent appraisal function established within Sustainable Energy Ireland to examine and evaluate its activities as a service to the Board and management.

It discharges its responsibilities by critically and objectively examining on a risk-focused basis:

- The reliability and integrity of the financial and operating information systems and information itself;
- The systems established to ensure compliance with objectives, policies, plans, procedures, laws, regulations and contracts; and
- The controls to ensure that risks are effectively identified and managed and that assets are accounted for and safeguarded.

Internal Audit will achieve this by:

- Developing and maintaining a strategic audit plan covering a rolling three-year period based on significant exposures to loss or failure and submitting that plan to the Audit and Risk Committee for approval;
- Considering the scope of work of and liaising with external auditors for the purpose of providing optimal audit coverage;
- Implementing the audit plans as approved, including any special projects assigned by the Audit and Risk Committee or requested by senior management;
- Reporting significant issues relating to the processes for controlling the activities of the Authority and provide information concerning such issues through to resolution;
- Monitoring and reporting to management and the Audit Committee on progress towards the implementation of agreed audit recommendations;

- Maintaining a professional audit service staffed with sufficient knowledge, experience and skills to meet the requirements of this charter;
- Evaluating and assessing controls coincident with the introduction of major changes to systems.

Internal Audit has responsibility for ensuring that confidentiality is maintained over all information and records obtained in carrying out its audits.

Internal Audit has responsibility to ensure that the audit programme and methodology take due account of the possibility of fraud.

Internal Audit is not relieved of its responsibilities in areas that are subject to review of others.

Planning and Reporting Arrangements

The Internal Auditor will:

- Develop annual audit plans, in consultation with Management, based on significant exposures identified in the strategic audit plan and submit such annual plans to the Audit and Risk Committee for approval;
- Issue quarterly reports to the Audit and Risk Committee addressing the results of audits conducted, summarising observations and recommendations made, and management responses to the audit findings;
- Final audit reports are issued to the Manager concerned, to the relevant Head of Department and to the Management Committee; and
- Monitor and report to management and the Audit and Risk Committee on progress towards the implementation of agreed audit recommendations.

Appendix 8 - Procedure for Board Members to Obtain

Independent Professional Advice

Principle

Board members may, in the furtherance of their duties, take independent professional advice, if necessary, at the reasonable expense of the Sustainable Energy Authority of Ireland.

Rationale

The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Procedure

If a Board member decides to seek independent legal advice through SEAI, she or he shall put his or her request in writing to the Secretary to the Board.

The Secretary shall notify the Chair of the Board and/or the Chair of the Audit Committee of the request and the estimated costs, and seek the approval for the procurement of the advice.

The advice supplied to the Board member shall be provided to all members of the Board. In the event that a request for advice is declined, this decision shall be notified to the full Board.

Appendix 9 - Principles of a Quality Customer Service for Customers and Clients of the Public Service (1997)

SEAI has published a statement that outlines the nature and quality of service which customers can expect and it is available on the SEAI website delivery.

In summary the SEAI commitment is that;

- We will deliver our services to all internal and external customers in a timely, effective and professional manner, and in accordance with our values.
- We will conduct our business in a fair, open and transparent manner, with appropriate regard to your privacy and confidentiality.
- We will strive for excellence in the development and delivery of programmes and services through active consultation and continuous improvement.
- We are committed to providing maximum possible access and choice in the delivery of our services, while endeavouring to accommodate particular language, diversity and physical access needs.
- We will provide accurate, authoritative and independent advice and information in a form that best suits your needs.
- We will make every effort to resolve your complaint should you be dissatisfied with the quality of service.

In order to achieve these objectives, SEAI has drafted a specific Customer Action Plan which is also available on the SEAI Website. SEAI welcomes all comments and feedback on our Customer Charter, the Action plan, or in fact any aspect of SEAI's customer service.

The Sustainable Energy Authority of Ireland also has a Code of Business Conduct to ensure that the Board members and staff of SEAI function according to a set of **agreed ethical principles**, which support the development of trust, confidence and teamwork in SEAI and promote a high performance culture.

Appendix 10 - SEAI Whistleblowers Policy

Introduction

All Board Members, staff and employees are encouraged to raise genuine concerns about possible improprieties. All concerns will be treated fairly and properly.

This policy is designed to reflect SEAI's values, as set out in Part 03 our Ways of Working Section included in the recent SEAI Strategy 2010 – 2015, to provide a transparent and confidential process for dealing with concerns, and to ensure that Board members, staff and employees can raise concerns without fear of retribution.

Principles

A Board member, member of staff or employee who discovers a breach of the policies that govern SEAI, or witnesses an act of wrongdoing within SEAI, shall be enabled to disclose this information internally without fear of reprisal.

No Board member, staff member or employee who, in good faith, reports a violation, shall not suffer harassment, retaliation or adverse employment consequences.

An individual who retaliates against someone who has reported a violation in good faith may be subject to the disciplinary procedure up to and including termination of employment.

Examples of concerns that may warrant disclosure include:

- Financial malpractice, impropriety or fraud
- Failure to comply with legal obligations or statutes
- Dangers to health, safety or the environment
- Criminal activity
- Improper conduct or unethical behaviour
- Attempts to conceal any of these

Procedure for Making a Disclosure

- Where appropriate, staff members shall report their concern in the first instance to their Head of Department. The Head of Department will report to one of the senior officers (i.e. CEO, Chairman or Chairman of the Audit and Risk Committee).
- Where the concern is of a financial nature, the general rule will be for the Head of Department to report to the Chairman of the Audit Committee.
- In the case of a complaint where the involvement of any member of the Management Team may prejudice the outcome, the allegation should be reported to the Chief Executive, where appropriate.
- Where it is felt that a complaint should be made to somebody independent of the Executive, it should be made to the Chairman of the Board or the Chairman of the Audit and Risk Committee.
- Board members will generally disclose their concerns directly to the Senior Officer whom they deem most appropriate.
- Further action will be at the discretion of the Senior Officer receiving the complaint where confidentiality is of the utmost importance.

Procedure for Investigation

- A decision will be taken by the Senior Officer (i.e. CEO, Chairman or Chairman of the Audit and Risk Committee) as to who should be appointed as Investigating Officer. The Investigating Officer should be independent of the complaint.
- The Investigating Officer should prepare a report for the Senior Officer in a reasonable timeframe. This report shall set out the background and nature of the complaint, the steps taken to investigate the complaint, the findings of the investigation, and the options available with regard to the next steps.
- The Senior Officer will consider this report and decide on the appropriate action individually or in conjunction with the other senior officers. They should ensure that they make their decision in a timely manner and take the good of the whole organisation into account when deciding on the action to be taken.
- The complainant and the alleged perpetrator should be kept informed. The identity of the alleged perpetrator and of the complainant should not be made known without his/her consent unless it is considered that not to publish the details would hinder or obstruct the completion of the investigation.
- The complainant should have a right of appeal to the Senior Independent Board Member who may authorise a new investigation.
- If deemed appropriate, the Senior Officer will bring the findings of the report by the Investigating Officer to the attention of An Garda Síochaná or any external relevant party such as the external auditors.

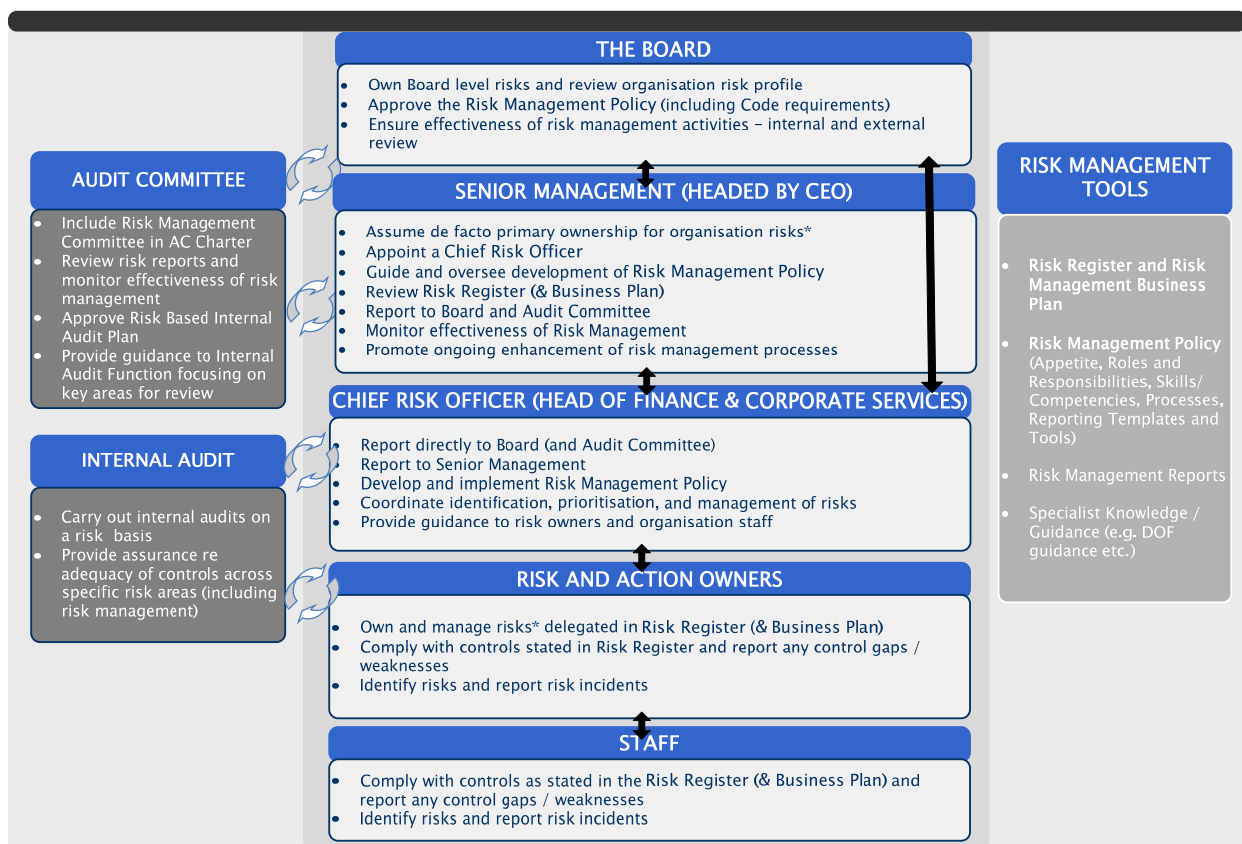
Operational guidelines for the investigating procedure shall be provided by the HR Manager.

Appendix 11 - Risk Management Framework

1.1 Overview

The management of risk should be integrated across all levels of the organisation, so that each level supports another. Risk management should be led from the top and operated on the basis of clearly-defined structures and responsibilities. It should be embedded in the normal working routines and activities of the organisation, with all staff conscious of the relevance of risk to achieving their objectives.

The diagram below presents the high level risk management framework for SEAI.



1.2 Structures and Responsibilities

The roles and responsibilities for each of the groups outlined in the framework diagram above are detailed below:

Structure	Responsibilities
The Board	<p>The Board should approve the risk management framework and monitor its effectiveness. The Board should review material risk incidents and note or approve management’s actions, as appropriate. Key elements of the Board’s oversight of risk management include:</p> <ul style="list-style-type: none"> ▪ Assume ownership of Board level risks ▪ Approve the risk management policy, set the risk appetite, and approve the risk register (& business plan) at least annually ▪ Include risk management as a standing meeting agenda item ▪ Include Risk Management Committee it in the Audit Committee charter ▪ Include risk management experience/expertise in the competencies of at least one director. Where composition of the Board does not allow for this, expert advice should be sought externally ▪ Appoint a Chief Risk Officer and provide for a direct reporting line to the Board ▪ Review management reporting on risk management, review the risk profile, monitor deviations from risk appetite, and note/approve mitigating actions as appropriate ▪ Require external review of effectiveness of risk management framework on a periodic basis.
Senior Management (headed by CEO)	<ul style="list-style-type: none"> ▪ Assume de facto primary ownership for organisation risks. Although the management of some risks may be delegated on the risk register, accountability may not be delegated ▪ Appoint a Chief Risk Officer ▪ Guide and oversee the development of the risk management policy ▪ Review the risk register (& business plan) ▪ Report to the Board and Audit Committee ▪ Monitor the effectiveness of risk management ▪ Promote the ongoing enhancement of risk management processes
Chief Risk Officer – Head of Finance and Corporate Services	<p>The Chief Risk Officer should:</p> <ul style="list-style-type: none"> ▪ Report directly to the Board (and Audit Committee) at least annually ▪ Report to Senior Management on an ongoing basis ▪ Develop and implement the risk management policy ▪ Coordinate the identification, prioritisation, and management of risks ▪ Provide ongoing guidance to risk owners regarding the identification and management of risks
Risk and Action Owners	<p>Risk and Action Owners should:</p> <ul style="list-style-type: none"> ▪ Own and manage risks delegated in the risk register (& business plan) on a day to day basis ▪ Comply with controls as stated in the organisation risk register (& business plan) and report any control gaps / weaknesses ▪ Identify risks and report risk incidents ▪ Ensure risks are identified and reported in a timely and effective manner ▪ Participate in the identification, measurement, prioritisation, and management of risks and controls ▪ Be responsible for monitoring controls and implementing actions identified

Structure	Responsibilities
	<ul style="list-style-type: none"> Have performance indicators and early warning systems which allow them to monitor progress, and any deviation from expected outcomes Report systematically and promptly to the chief risk officer any perceived new risks or failures of existing control measures
Staff	<p>Staff should:</p> <ul style="list-style-type: none"> Provide input into the identification and management of risks as required Understand their accountability for individual risks Take responsibility for carrying out control activities, reporting on control gaps / weaknesses along with any perceived changes in the risk environment as appropriate Update management regarding status of risks and controls as required

Structure	Responsibilities
Audit Committee	<p>The Audit Committee should review and agree the processes for managing risk. The Committee should have risk management as a standing agenda item at its meetings and should exchange information with the Board, Internal Audit and the Chief Risk Officer regarding the effectiveness of the risk management framework</p> <p>The Audit Committee should:</p> <ul style="list-style-type: none"> Review risk reports and monitor the effectiveness of risk management Approve the Risk Based Internal Audit Plan Provide guidance to the Internal Audit function focusing on key areas for review
Internal Audit	<p>Internal Audit should:</p> <ul style="list-style-type: none"> Provide objective assurance to the Board on the effectiveness of organisation risk management Help ensure key business risks are being managed appropriately and that the system of internal control is operating effectively

1.3 Risk Register (and Risk Management Business Plan)

The risk register (& risk management business plan) should be used as the primary tool to support the formal risk management process in the organisation. The register serves as a useful tool for the Board, CEO, and Audit & Risk Committee in the tracking and management of key risks impacting the objectives and performance of the organisation, with the risk summary dashboard providing a high level portfolio view of risks.

The register is used to record risks, the organisations appetite for risk, the risk ratings, allocate ownership of the risk to the individual or group best placed to do so, and to identify current controls in place and future actions required to manage risks.

Appendix 12 - Organisational Structure of the Authority

