



CODE OF BUSINESS CONDUCT

(For Board/Committee Members)

Introduction

Forfás Mission Statement

“To lead the development of public policy for the promotion of enterprise, science, technology and innovation in Ireland for the benefit of all by

- advising on policy to sustain competitiveness and growth and
- supporting and maintaining coherence among the development agencies, under the aegis of the Department of Enterprise, Trade and Employment.”

The Forfás Code of Business Conduct for Board and Committee Members

The Code of Practice for the Governance of State Bodies (2001) is an update and expansion of the State Body Guidelines (1992). The Board of Forfás at its meeting of the 19th February 2002 endorsed the Code of Practice for the Governance of State Bodies and agreed that it be implemented in Forfás.

In order to comply with the Code of Practice, the Chairman of the Board of Forfás is obliged to confirm to the Minister for Enterprise, Trade and Employment that a number of control functions are carried out by Forfás including the issuing of a Code of Business Conduct for Board and Committee Members and that this is being adhered to.

The Forfás Code of Business Conduct sets out in written form the agreed standards of principle and practice which inform the conduct of members of the Board of Forfás and Committees of Forfás. There is a separate document setting out a Code of Business Conduct for Employees.

The Irish National Accreditation Board (INAB) and the Irish Council for Science, Technology and Innovation (ICSTI) operate as Committees of Forfás.

Appendix A (*Annual Disclosure of Interests by Board and Committee members*) forms part of the Code of Business Conduct for Forfás Board Members and should be read in conjunction with the code.

The purpose of the Code of Business Conduct is

- To enable Forfás to provide a professional and effective service to our 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 our requirements under the Code of Practice for the Governance of State Bodies (2001)

Noting of Code of Conduct by Board & Committee Members

Each Board / Committee Member is requested to sign a Declaration of Understanding that they have read and noted the **Code of Business Conduct**. When signed, the Declaration of Understanding is to be returned to the Secretary of Forfás for record purposes.

Secretary's Office

CODE OF CONDUCT

General Principles

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

1. Integrity

Board and Committee Members should

- submit annually a declaration of interests statement in accordance with the Code of Practice for the Governance of State Bodies (See Appendix A for details)
- 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 judgement on business transactions
- ensure that purchasing activities of goods/services are conducted in accordance with best business practice
- ensure that Forfás accounts and reports accurately reflect their business performance and are not misleading or designed to be misleading
- avoid the use of the Forfás resources or time for personal gain or for the benefit of persons/organisations unconnected with Forfás or its activities.
- not acquire information or business secrets by improper means
- not use any information obtained by virtue of their position for the purpose of any dealing (direct or indirect) in shares, property or otherwise

2. Information

Board and Committee Members should

- support the provision of access by Forfás to general information relating to Forfás activities in a way that is open and that enhances its accountability to the general public
- respect the confidentiality of sensitive information held by Forfás. 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 Forfás

- 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 Acts, Freedom of Information Acts)

Note: Where queries arise in relation to the release of information under the provisions of the Freedom of Information Act, these should be directed to the Freedom of Information Officer at ext. 3073 or by e-mail to foi@forfas.ie

3. Confidentiality

Board and Committee Members 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 paragraph 5 of the Second Schedule of the Industrial Development Act, 1993 (as amended by section 47(2)(c) of the Industrial Development (Enterprise Ireland) Act, 1998)

4. Obligations

Board and Committee Members should

- fulfill all regulatory and statutory obligations imposed on Forfás
- 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 Forfás Board and/or Committee Meetings (as applicable)

5. *Loyalty*

Board and Committee Members should

- acknowledge the responsibility to be loyal to Forfás 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

6. *Fairness*

Board and Committee Members 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

7. *Work/External Environment*

Board and Committee Members should

- place highest priority on promoting and preserving the health and safety of employees
- ensure that community concerns are fully considered
- minimise any detrimental impact of the operations on the environment

8. *Responsibility*

The Chairperson of the Forfás Board and the Chairpersons of Forfás Committees should

- ensure that the Code of Business Conduct along with guidelines on disclosure of interests is circulated to all Board and Committee Members, for their retention
- provide guidance and direction on the policies and procedures of Forfás

9. Appropriate Behaviour

To ensure that Board Members, Committee Members and all staff are adequately informed on appropriate behaviour, the following specific policies and procedures are in place and available from the Human Resources Department

- Sexual Harassment
- Bullying
- Disciplinary & Grievance procedures

10. Review

The Board

- commits to review the Code as appropriate

January 2005

Appendix A

1. Disclosure of Interests by Board and Committee Members under the Code of Conduct for Board/Committee Members

In addition to the legal requirements under the statutory legislation establishing Forfás, the Companies Acts and requirements under the Ethics in Public Office Acts, the following procedures should be observed:

- i) On appointment to a Board of a State body, each member should furnish to the Secretary of the body details relating to his/her employment and all other business interests including shareholdings, professional relationships etc., which could involve a conflict of interest or could materially influence the member in relation to the performance of his/her functions as a member of the Board. Any interests of a member's family of which he/she could be expected to be reasonably aware or a person or body connected with the member which could involve a conflict of interest or could materially influence the member in the performance of his/her functions should also be disclosed. For this purpose persons and bodies connected with a member includes:
 - (a) a spouse, parent, brother, sister, child or step-child;
 - (b) a body corporate with which the member is associated;
 - (c) a person acting as the trustee of any trust, the beneficiaries of which include the member or the persons at (a) above or the body corporate at (b) above; and
 - (d) a person acting as a partner of the member or of any person or body who, by virtue of (a) - (c) above, is connected with the member.

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

- ii) Where it is relevant in any matter which arises, the member is required to indicate to the Secretary the employment and any other business interests of all persons connected with him/her, as defined at (i) above.
- iii) Boards may exercise discretion regarding the disclosure by members of minor shareholdings. As a general guideline, shareholdings valued at more than €15000 or of more than 5 per cent of the issued capital of a company should be disclosed.
- iv) If a member has a doubt as to whether this Code requires the disclosure of an interest of his/her own or of a connected person, that member should consult the Chairperson.

- v) Details of the above interests should be kept by the Secretary of the body in question in a special confidential register and should be updated on an annual basis. Changes in the interim should be notified to the Secretary as soon as possible. Only the Chairperson, Secretary and Chief Executive of the body should have access to the register.
- vi) Should a matter relating to the interests of the Chairperson arise, he/she should depute the Deputy Chairperson or another Board or Committee Member to chair the Board/Committee meeting and should absent himself/herself when the Board/Committee is deliberating or deciding on a matter in which the Chairperson, or a person or body connected with the Chairperson, has an interest.
- vii) Board or Company documents on any case which relate to any dealings with the above interests should not be made available to the member concerned prior to a decision being taken. (Such documents should be taken to include those relating to cases involving competitors to the above interests). Decisions once taken should be notified to the member.
- viii) As it is recognised that the interests of a Board or Committee Member and persons connected with him/her can change at short notice, a Board or Committee Member should, in cases where he/she receives documents relating to his/her interests or of those connected with him/her, return the documents to the Secretary at the earliest opportunity.
- ix) A Board or Committee Member should absent himself/herself when the Board/Committee is deliberating or deciding on matters in which that member (other than in his/her capacity as a member of the Board/Committee) or a person or body connected with the member has an interest. In such cases a separate record (to which the Board or Committee Member would not have access) should be maintained.
- x) Where a question arises as to whether or not a case relates to the interests of a Board or Committee Member or a person or body connected with that Board or Committee Member the Chairperson of the Board/Committee should determine the question.
- xi) Former Board/Committee Members should treat commercial information received while acting in that capacity as confidential.
- xii) The procedures set out above should also be adopted in subsidiaries of State bodies.

2. Disclosure of Interests by Board Members under the Ethics in Public Office Acts, 1995 and 2002

To comply with the provisions of the above Acts, designated Board Members are required to complete a statement of interests in January each year if they have interests to declare. There are two types of forms which are explained below:

- The statutory long form, which you should complete if you have interests to declare as specified in the Acts

or

- The short version which can be used for the purpose of a “nil” statement.

Please note that disclosure is required **only** if the interests could materially influence a board member in, or in relation to, the performance of the functions of his or her role by reason of the fact that such performance could so easily affect those interests as to substantial benefit. If there are no such interests, a statement is not legally required. However, the Public Office Commission recommends that a “nil” statement should be furnished in those circumstances.

A copy of the guidelines to the Ethics in Public Offices Acts is available from the The Secretary’s Office in Forfás.

Declaration of Understanding

Code of Business Conduct

Each Board & Committee Member should sign the following:

“I have read and noted the Forfás Code of Business Conduct for Board & Committee Members.”

Signed: _____

Date: _____

Please insert your name in block capitals below

Name: _____

NB: It is important that this Declaration of Understanding is signed and returned as early as possible to the Secretary of Forfás