



IAASA

Irish Auditing & Accounting
Supervisory Authority

Code of Conduct for Board Members

Introduction

This Code of Business Conduct (hereinafter referred to as the ‘Code’) applies to all members of the Board of the Irish Auditing & Accounting Supervisory Authority (hereinafter referred to as ‘the Authority’). In addition, this Code applies to all members of any Committee established by the Board, including any professional and other advisers appointed by the Board to such Committee pursuant to section 937 of the Companies Act 2014 (“the Act”) (hereinafter referred to collectively as “section 937 advisers”) except for certain provisions which are specifically disapplied herein. For the purposes of this Code, the term “members of the Board” includes all advisers appointed by the Board to such Committees except where indicated otherwise.

The Code, which was formally adopted by the Board in February 2006¹, sets out in written form the standards of principle and practice which govern the conduct of members of the Board of the Authority. Appendix 1 (*Annual Disclosure of Interests by Board Members*) forms part of this Code and should be read in conjunction therewith.

There is a separate document setting out a Code of Business Conduct for the Authority’s Employees.

The purpose of the Code is to:

- establish an agreed set of ethical principles for members of the Board;
- prevent the development or acceptance of unethical practices;
- promote and maintain confidence and trust in members of the Board; and
- satisfy the relevant requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Finance.

The Code underscores the Authority’s commitment to the highest standards of business conduct and has been prepared to assist Board members in understanding their duties, rights and obligations. The Code is binding and requires that each member of the Board be familiar with it.

Members of the Board are reminded that the nature of service on a Statutory Board such as the Authority requires a high degree of integrity, independence and good faith on their part. While it is recognised that members of the Board have responsibilities to their nominating organisations/constituencies, their overriding responsibility as directors is to act in accordance with the relevant legislation and to act in, and protect and promote, the best interests of the Authority. Inevitably,

¹ Statutory references updated following the commencement of the Companies Act 2014, and the Data Protection Act 2018

this will from time to time require individual members to adopt and agree to positions that may be at variance with the views of their constituencies. Public confidence in the Authority requires that all members of the Board be seen at all times to be above reproach in the area of actual or potential conflict of interest situations.

While it is not possible for a set of rules or guidelines to provide for all situations which may arise, members are expected to ensure that all their activities as directors are governed by the ethical standards reflected in this document.

Acknowledgement by Directors of their obligations under this Code

Each Board member is required to sign a Declaration of Understanding acknowledging that they have read the Code and understand its provisions and the obligations arising thereunder. When signed, the Declaration of Understanding is to be returned to the Secretary for record purposes.

Signed:

**Karen Erwin
Chairperson**

**Jane Meehan
Secretary**

CODE OF BUSINESS CONDUCT FOR MEMBERS OF THE BOARD OF THE AUTHORITY

General Principles

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

Integrity

Board members must be, and be seen to be, objective and should adhere to the highest standards of professional integrity. Specifically, Board members should:

- disclose all outside employment and business interests in conflict, or in potential conflict, with the business of the Authority;
- refrain from giving or receiving corporate gifts, hospitality, preferential treatment or benefits which might affect, or appear to affect, the ability of the donor or recipient to exercise independent judgement on business transactions and draw only official remuneration in respect of official activities;
- not participate in discussions or decisions involving conflicts of interest whether or not such conflicts have previously been disclosed;
- execute procurement functions reserved to the Board in accordance with public procurement requirements;
- be objective and take decisions on the business of the Authority solely on their merit;
- avoid the use of the Authority's resources or time for personal gain or for the benefit of persons or organisations unconnected with the Authority or its activities;
- not acquire information or business secrets by improper means;
- ensure that the Authority's accounts and reports accurately reflect its business performance and are not misleading or designed to be misleading;
- not use any information obtained by virtue of their positions as members of the Board of the Authority for the purpose of any dealing (direct or indirect) in shares, property or otherwise;

- represent, when acting as directors, the best interests of the Authority rather than sectional interests despite the fact that Board members may have been appointed by specific interest groups and to ensure that Board members do not withhold from the Board any material relevant to matters for decision-making;
- submit annually a Declaration of Interests Statement in accordance with the Code of Practice for the Governance of State Bodies (except section 27 advisers); and
- ensure that the Declaration of Interests Statement is filed with the Secretary and that this declaration is updated in accordance with the provisions of Appendix 1 (except section 27 advisers).

Confidentiality of Information

Board members operate under a statutory duty of confidentiality, as provided for by section 940 of the Act. Members of the Board, including past members, should not, therefore, disclose any confidential information obtained by the Authority:

- other than in circumstances provided for by the Act; and
- in any event, without the prior consent of the Board.

The foregoing provisions apply equally to meetings of the Board. In circumstances where a member of the Board wishes to discuss a particular matter of relevance to the business of the Authority, or to deliberations of the Board, with his/her nominating body/constituency, the matter should be brought to the attention of the Board. In such circumstances the Board will discuss the matter and determine whether, and if so to what extent, it is appropriate for disclosure to be made and under what conditions. Where such circumstances arise between scheduled meetings of the Board, the affected member of the Board should discuss the matter with the Chairperson.

Nothing in the foregoing provisions shall operate to inhibit the normal consultative process on general policy or other issues which members of the Board may consider necessary as part of their representative roles.

Disclosure of Information

Notwithstanding the foregoing, the Board has a duty to be as open as possible about its decisions and actions, giving reasons for decisions and restricting information only when the law prohibits disclosure. The Board should:

- subject to compliance with the relevant statutory confidentiality provisions which apply to members of Board of the Authority, support the provision of access by the Authority to general information relating to the Authority's activities in a way that is open and enhances its accountability to the general public;
- respect the confidentiality of sensitive information held by the Authority, including material such as:
 - (a) commercially sensitive information (including, but not limited to, future plans or details of major organisational or other changes such as restructuring);
 - (b) personal information; and
 - (c) information received in confidence by the Authority;
- protect against the disclosure of restricted or confidential information; and
- comply with relevant statutory provisions including, where applicable, the Act, the Data Protection Acts 1988 and 2018, the Official Secrets Act 1963, the Ethics in Public Office Act 1995 and, in the event of their becoming applicable, the Freedom of Information Act 1997, as amended².

Members' Obligations

Every Board member should seek to ensure that all regulatory and statutory obligations imposed on the Authority are fulfilled. These obligations include:

- compliance with relevant provisions of the Companies Acts including, *inter alia*, those relating to the maintenance of books of account, preparation of financial statements and maintenance of statutory registers;
- compliance with relevant legislation, including tax law, prompt payments legislation and health & safety legislation;
- compliance with detailed tendering and purchasing procedures, as well as complying with prescribed levels of authority for sanctioning any relevant expenditure;

² At the time of approval of this Code, the Authority has not been designated as a 'Public Body' for the purposes of the Freedom of Information Act 1997.

- introducing controls to prevent and detect fraud, including adequate controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel;
- using reasonable endeavours to attend all Board meetings and meetings of Committees on which they serve;
- adhering to any procedures adopted by the Board with respect to post-membership employment, appointment and/or consultancy of Board members by the private sector; and
- ensure insofar as possible that any business venture or transaction which is at variance with legal or regulatory requirements or which might be associated or regarded as supportive of illegal or criminal activities are not entered into on behalf of the Board.

Loyalty

Loyalty means being faithful to the Authority and its clients and includes:

- being fully committed in all of the Authority's business activities;
- protecting the good name of the Authority; and
- acknowledging the duty of all to conform to highest standards of business ethics.

Fairness

Board members have a responsibility to ensure:

- compliance with employment equality and equal status legislation;
- fairness in all business dealings;
- commitment to valuing clients and colleagues;
- that clients and colleagues are treated equally and not in an unfair manner; and
- that the dignity of clients and colleagues is respected.

Work/External Environment

With respect to the work and external environment, Board members should:

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

Responsibility

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

- ensure that the Code, along with guidelines on disclosure of interests, is circulated to all Board and Committee members, for their retention; and
- provide guidance and direction regarding the policies and procedures of the Authority.

Review

The Board undertakes to review the Code as appropriate.



Directors' Acknowledgement of the Provisions of the Authority's Code of Business Conduct for Board Members

I have read, and understand, the Code of Business Conduct for IAASA Board Members and agree to be bound by the principles set out therein.

Signed: _____

Date: _____

APPENDIX 1

Procedures for disclosure of interests by Board members of the Authority

- (i) On appointment to the Board of the Authority, each member is required to furnish to the Secretary of the Authority 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 shall include:
- (a) his/her spouse, parent, brother, sister, child or step-child;
 - (b) a body corporate with which s/he 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; or
 - (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 of above of which he/she becomes aware during the course of his/her directorship

- (ii) Where it is relevant in any matter which arises, s/he should be required to indicate to the Secretary the employment and any other business interests of all persons concerned with him/her, as defined at (i) above.

- (iii) The Board may exercise discretion regarding the disclosure by members of minor share-holdings. In this context, a holding valued at more than €15,000 in the shares of a company or of more than 5 per cent of the issued capital of a company is not to be considered minor.
- (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, s/he should consult the Chairperson.
- (v) Details of the above interests shall be kept by the Secretary of the Authority in a special confidential Register 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 Chief Executive of the Authority have access to the Register, subject to any legal requirements.
- (vi) Should a matter relating to the interests of the Chairperson arise, he/she shall depute to the Deputy Chairperson or another director to chair the meeting and should absent him/herself when the Board is deliberating or deciding on a matter in which the Chairperson has an interest.
- (vii) Board documents on any case which relate to 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.
- (vii) As it is recognised that the interests of a member and persons connected with him/her can change at short notice, a member should, in cases where s/he receives documents relating to his/her interests or of those connected with him/her, return the documents to the Secretary of the Authority at the earliest opportunity.

- (viii) A member should absent him/herself when the Board is deliberating or deciding on matters in which s/he (other than in his/her capacity as a member of the Board) or a person or body connected with him/her has an interest. In such cases, a separate record (to which the 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 member or a person or body connected with him/her, the Chairperson of the Board shall determine the question and his/her decision shall be final.

- (xi) Former members of the Board should treat commercial information received while acting in that capacity as confidential.

- (xii) It is not possible for a set of rules or guidelines to provide for all situations which may arise. Board members will bear in mind, therefore, that it is primarily their responsibility to ensure that all of their activities, whether covered specifically or otherwise in this document, are governed by the ethical considerations implicit in these procedures.

Procedures for Disclosure of Interests of Members of the IAASA Board

Guidance Notes on Completion of Form

These Notes should be read in conjunction with the Code of Business Conduct for Members of IAASA and any other guidance for members as appropriate. The completed form should be forwarded to the Secretary of the Authority in an envelope marked 'Confidential'.

1. **Employment** - Please give details relating to your employment(s).

2. **Employment of persons connected with member** - Please give relevant details of employments of any person with whom you are connected (see below), which could involve a conflict of interest for you as a member of the Board of the Authority or could materially influence you in relation to the performance of your functions as a member of the Board.

3. **Other Business Interests** - Please list all of your other business interests, together with those of any person or body with which you are connected (see below), which could involve a conflict of interest for you as a member of the Board of the Authority or could materially influence you in relation to the performance of your functions as a member of the Board . These interests include shareholdings, professional relationships etc., other than minor shareholdings. In this context a holding valued at more than €15,000 in the shares of a company or of more than 5% of the issued capital of a company is not considered to be minor.

Persons and Bodies Connected with the Member

For the purposes of 2 and 3 above, persons and bodies connected with a member of the Board member shall include:

- (a) his/her spouse, parent, brother, sister, child or step-child;
- (b) a body corporate with which s/he 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;

- (d) a person acting as a partner of the member or of any person who, by virtue of (a) to (c) above, is connected with the member.

PRIVATE AND CONFIDENTIAL

Disclosure of Interests by Members of IAASA

Please complete and return to:

**The Secretary,
Irish Auditing & Accounting Supervisory Authority,
Willow House,
Millennium Park,
Naas,
Co. Kildare.**

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| <p><i>Name</i></p> <hr/> |
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| <p><i>Employment</i> (See Note 1)</p> |
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| <p><i>Employment of Persons Connected with Member</i> (See Note 2)</p> |
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Other Business Interests (See Note 3)

Please continue on separate sheet if necessary

Signature: _____ ***Date:*** _____