



SCIENCE FOUNDATION IRELAND

“Research for Ireland’s Future”

SFI CODE OF BUSINESS CONDUCT FOR SFI BOARD MEMBERS

*As approved by the SFI Board and the SFI Audit Committee at their meetings 6.09 on
14 December 2009*

“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

SFI Mission Statement

SFI will build and strengthen scientific and engineering research and its infrastructure in the areas of greatest strategic value to Ireland's long-term competitiveness and development.

The SFI 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 SFI Board, at its meeting on 13 July 2009 was formally notified of the revised Code of Practice. The Board formally adopted the new Code on that day. On 5 October 2009 the SFI Board approved the SFI analysis of the Code, current compliance and the actions required to be implemented by December 2009 to ensure overall compliance.

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

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

All the attached appendices form part of the Code of Business Conduct for SFI Board Members and should be read in conjunction with the Code.

The purpose of the code is

- To enable SFI 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).

GENERAL PRINCIPLES

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

Integrity

Directors should

- Submit annually a declaration of interests statement in accordance with the Revised 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 SFI accounts and reports accurately reflect their business performance and are not misleading or designed to be misleading;
- Avoid the use of the SFI resources or time for personal gain or for the benefit of persons/organisations unconnected with SFI 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 SFI 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 SFI to general information relating to SFI activities in a way that is open and that enhances its accountability to the general public;
- Respect the confidentiality of sensitive information held by SFI. 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 SFI.
- 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 2001).

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, Ms Lisa Murphy on 6073037 or by e-mail to lisa.murphy@sfi.ie

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 17 of the Industrial Development (Science Foundation Ireland) Act 2003.
- Ensure that 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 SFI;
- 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 SFI 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 employment and/or 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 SFI 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

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;
- Minimise any detrimental impact of the operations on the environment.

Responsibility

The Chairperson of the SFI 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 same;
- Prepare an explanatory booklet providing practical guidance and direction on such areas as gifts and entertainment and on other ethical consideration which arise routinely.

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 SFI:

- Sexual Harassment;
- Bullying;
- Disciplinary & Grievance procedures;
- Protection of Dignity at Work Policy;
- SFI Good Faith Reporting Policy.

Review

The Board commits to review the Code as appropriate.

Noting of the Code of Conduct by Board Members

Each Board 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 the Board.

Declaration of Understanding

Code of Business Conduct

Each Director should sign the following:

“I hereby confirm that having received this Code of Business Conduct, I have read and understood its contents and will comply fully with the provisions contained in this document including appendices.”

Signed: _____

Date: _____

Please inset 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 Mr Donal Keane, Secretary to the SFI Board.

APPENDIX A

Disclosure of Interests by Directors

In addition to the requirements under the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 the following procedures should be observed:

- i) On appointment, each Board member should furnish to the Secretary of the body details relating to his/her employment and all other business or professional interests including shareholdings, directorships, professional relationships etc., that 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.
- ii) 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 should include:

- (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.

Similarly, 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 directorship.

- iii) Where it is relevant to any matter which arises for the State body, the member should be required to indicate to the Secretary the employment and any other business interests of all persons connected with him/her, as defined at (i) and (ii).
- iv) Boards may exercise discretion regarding the disclosure by members of minor shareholdings. As a general guideline, shareholdings valued at more than €15,000 or of more than 5 per cent of the issued capital of a company should be disclosed.
- v) 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.
- vi) Details of interests disclosed should be kept by the Secretary to the Board 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 by members. Only the Chairperson, Secretary and Chief Executive of the body should have access to the register.

- vii) Where a matter relating to the interests of the Chairperson arises, he/she should depute the Deputy Chairperson or another Director to chair the Board meeting and should absent himself/herself when the Board is deliberating or deciding on a matter in which the Chairperson or a person or body connected with the Chairperson has an interest.
- viii) Board or State body documents on any deliberations regarding 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 this Board member to the above interests). Decisions once taken should be notified to the member.
- ix) As it is recognised that the interests of a Director and persons connected with him/her can change at short notice, a Director 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.
- x) A Director should absent himself/herself when the Board is deliberating or deciding on matters in which that member (other than in his/her capacity as a member of the Board) or a person or body connected with the member has an interest. In such cases a separate record (to which the Director would not have access) should be maintained.
- xi) Where a question arises as to whether or not a case relates to the interests of a Director or a person or body connected with that Director, the Chairperson of the Board should determine the question.
- xii) Former Directors should treat commercial information received while acting in that capacity as confidential.
- xiii) Directors should not retain documentation obtained during their terms as Director and should return such documentation to the Secretary or otherwise indicate to the Secretary that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former Directors require access to Board papers from the time of their term on the Board, this can be facilitated by the Board Secretary.
- xiv) The procedures set out above should also be adopted in subsidiaries of State bodies.

ETHICS IN PUBLIC OFFICE ACTS, 1995 AND 2002

To comply with the provisions of the above Acts, designated directors are required to complete a statement of interests 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 Act
or
- The short version which can be used for the purpose of a “nil” statement.

**DISCLOSURES REQUIRED UNDER THE GOVERNMENT
GUIDELINES FOR STATE BODIES**

NAME:

ADDRESS:

APPOINTED TO BOARD ON:

CURRENT EMPLOYMENT:

DIRECTORSHIPS

CURRENT DIRECTORSHIPS	APPOINTMENT	CREATION

OTHER BUSINESS INTERESTS (E.G. PROFESSIONAL RELATIONSHIPS, CONSULTANCIES)

SHAREHOLDINGS (EXCLUDING THOSE VALUED AT NOT MORE THAN €15,000 OR OF NOT MORE THAN 5% OF THE ISSUED SHARE CAPITAL)

LAND HOLDINGS (WHERE MATERIAL)

INTERESTS OF A MEMBER'S FAMILY OR A PERSON OR BODY CONNECTED WITH THE MEMBER ♦ WHICH COULD INVOLVE A CONTINUING CONFLICT OF INTEREST:

SIGNED: _____

DATE: _____

♦ *Persons or bodies shall include, (a) spouse, parent, brother, sister, child or step-child; (b) a corporate body with which the member is associated; (c) a person acting as the trustee of any trust, the beneficiaries or which include the member or the persons at (a) above or the body corporate at (b) above; a person acting as a partner or any person who, by virtue of (a) – (c) above, is connected with the member.*