



BOARD PRACTICE AND STANDING ORDERS

Effective from 1 April 2022

STATUTORY AUTHORITY AND CONSTITUTION

The Labour Relations Agency (the Agency) was established in 1976 as a Non-Departmental Public Body with responsibility for promoting the improvement of employment relations in Northern Ireland. The Agency is independent of Government and is funded in the form of a grant-in aid from the Department for the Economy (DfE).

The constitution of the Agency is set out in Schedule 4 to *The Industrial Relations (Northern Ireland) Order 1992* (reproduced at **Appendix 1**). It states that the Agency shall consist of a Chair and nine other Board members who are appointed by the Department on the basis of their knowledge of, and experience in, employment relations. The Board normally comprises members from employer bodies, trade unions, and others with a relevant background (e.g. a relevant academic or employment law background).

Members hold and vacate office in accordance with the terms of each appointment and are, on ceasing to hold office, eligible for re-appointment. Any member may at any time by notice in writing to the Department resign from that office. The Department may by notice addressed to a member terminate the appointment in accordance with the provisions of Schedule 4 to the 1992 Order.

Board members have corporate responsibility for ensuring that the Agency complies with any statutory or administrative requirements for the use of public funds. Members also have responsibilities in relation to:

- (a) Establishing the overall strategic direction of the Agency within the policy and resources framework agreed with the Department;
- (b) Ensuring that high standards of corporate governance are observed at all times; and,
- (c) Overseeing the delivery of planned results by monitoring the Agency's performance against agreed strategic objectives and operational targets.

The Chair and other members are paid by the Agency. Pay rates, allowances, pensions and any gratuities are determined by the Department, with the approval of the Department of Finance.

The Agency is not a servant or agent of the Crown.

When taking up office, Board members will be fully briefed on the terms of their appointment and on their duties, rights and responsibilities. This induction will cover the Agency's corporate governance and management arrangements.

Each member will receive a copy of the Agency's:

- Management Statement and Financial Memorandum;
- Code of Conduct for Board Members;
- Conflicts of Interest Policy;
- The Board Practice and Standing Orders;
- The Corporate Plan and current year's Business Plan; and,
- The most recent Annual Report and Accounts.

The Minister of the Department is answerable to the Northern Ireland Assembly for the general policies and performance of all public bodies sponsored by the Department, including the Agency. This includes the use of resources and the policy framework within which they operate. The respective roles of the Department and the Agency are set out in a Management Statement, supplemented by a Financial Memorandum specifying the terms on which the Agency receives and spends its funds.

STANDING ORDERS FOR BOARD MEETINGS

Introduction

1. These Standing Orders have been prepared to ensure the effective and efficient conduct of business at Labour Relations Agency Board meetings. The procedures also apply to committees, amended as appropriate.
2. Board members shall be bound by the Agency's Code of Conduct for Board Members and the policies pertaining to their role and function, and shall undertake training provided by the Agency in respect of their corporate governance role. Board members shall act in a professional manner in line with the Agency's values when carrying out their roles and responsibilities, and have a duty to work in the best interests of the Agency.
3. Board members shall be aware that they are bound by the provisions of legislation. Particular attention is drawn to Section 75 of the Northern Ireland Act 1998, the Freedom of Information Act 2000, and the Data Protection Act 2018.

Frequency of meetings

4. The Agency will issue an annual schedule of Board and committee meetings. Meetings may be convened in a physical location and/or by means of an (online) virtual environment making use of available telephone or videoconference facilities as required.
5. The Board will normally meet 10 times each business year (April to March). Of these, six will have primarily a governance focus and four will focus on strategic issues relating to the achievement of the Agency's vision.
6. Meetings will normally be held during office hours to demonstrate the Agency's commitment to work/life balance considerations. Reasonable adjustments (for example, to overcome the effects of disability or fulfil caring responsibilities) will be made to enable Board members to participate fully in meetings.
7. The Agency's Chair may convene additional 'special' Board meetings as deemed necessary. Such special meetings will normally be arranged during an ordinary meeting, but may be called at any time by the Chair, or if the Chair receives a request to that end from a majority of the other Board members.

8. Notwithstanding the provisions at Section 4 above, the Agency will normally hold ordinary and special Board meetings in Belfast. It will seek to hold at least one meeting each year outside Belfast, normally at the Agency's Regional Office.

Membership and attendance

9. Attendance at meetings will normally be limited to Board members, the Chief Executive and Directors, and other staff invited to attend by the Chair or Chief Executive. The Agency can invite the attendance of other persons at its meetings or parts thereof.
10. Board members are expected to attend as many meetings as is reasonably practicable. Attendance is defined as attending for more than half of the agenda items tabled for discussion at the meeting. Attendance will be recorded in the minutes of meetings and each Board member's attendance record will be published. The Agency's Chair will inform the sponsoring Department if, without good reason, a Board member is absent from three consecutive Board meetings. The contribution and performance at meetings by individual Board members will be reviewed in an annual appraisal by the Chair.
11. Board members are expected to attend meetings in person; remote attendance of individual Board members, by telephone or videoconference, will be allowed where this is not possible.

Quorum

12. A minimum of 50%+1 of Board members will be present for the meeting to be quorate.
13. A meeting may be cancelled or postponed if, after half an hour of the time appointed for the meeting to commence, a quorum is not present.

Chairing meetings

14. The Agency's Chair will normally chair Board meetings. The Vice Chair should chair the meeting in the absence of the Chair.
15. In the absence of both the Chair and Vice Chair, the meeting should be chaired by a member agreed by those members present.
16. It shall be the responsibility of the person chairing the meeting (the Chair) to:
 - Maintain order in the meeting;
 - Decide the order in which Board members and staff shall speak, ensuring that all views are fairly represented;
 - Ensure that all the agenda items are addressed in the most efficient and effective way, whilst encouraging participation;
 - Decide, where necessary, the order in which agenda items will be taken;

- Direct a Board member or other attendee to modify their behaviour or leave the meeting as appropriate if, in the opinion of the Chair, it is necessary to do so to maintain order, and;
- Adjourn the meeting if in the Chair's view this is necessary, for whatever period of time the Chair thinks is appropriate.

Agendas, minutes and papers

17. The agenda for Board meetings will be prepared at the request of the Chair. The agenda and associated papers will normally be circulated to all Board members by email, no later than five working days before the date of the meeting.
18. The written comments of any Board member unable to be present at a Board meeting will, at the request of the Board member, be circulated by the Agency to all Board members.
19. The minutes of meetings will focus on the decisions reached at meetings and not on the discussions leading to those decisions. A Board member may, at their request, have her/his dissent from a decision, and the reasons for it, recorded in the minutes.
20. The minutes of meetings will normally be circulated in draft form to all Board members no later than 10 working days after the meeting.
21. Any amendments to the draft minutes of a meeting will be proposed at the next Board meeting before the minutes are considered for adoption.
22. Once the minutes of Board meetings have been adopted they will be published on the Agency's website. Any information that is exempt under the Freedom of Information Act will be redacted from the published minutes, with an indication of the statutory exemption that is being applied.

Decision-making

23. Board decisions should have input from Board members representative of all three constituent parts of the Board as set out in Schedule 4 to The Industrial Relations (Northern Ireland) Order 1992.¹
24. The Board will strive to reach decisions by consensus.
25. The Chair will determine whether Board members from the three constituent parts of the Board have had reasonable opportunity to input to decision making. Where this is not the case, decision-making will be postponed and the status quo maintained until Board members from all three constituent parts have had reasonable opportunity to express their view on the issue.

¹ Notwithstanding the statutory provision that, "*The proceedings of the Agency shall not be invalidated by any vacancy in the membership of the Agency or by any defect in the appointment of any of its members.*" (Schedule 4(5) to the Industrial Relations Order (Northern Ireland) 1992 refers).

26. Once the Chair is satisfied that Board members from the three constituent parts of the Board have had reasonable opportunity to input to decision making, and a vote proves necessary to determine an issue, a decision shall be reached by a simple majority on a show of hands. In cases where the vote is even, the Chair shall declare that the proposition has not been carried.

Challenge

27. A ruling of the Chair shall only be challenged if a majority of the Board members who are present and voting support the challenge. The Board member offering the challenge shall speak in favour and the Chair against. No one else may speak. A challenge to the Chair's ruling shall be deemed to have been carried if more than two-thirds of those Board members present vote in favour.

Openness and transparency

28. The Board operates on the basis of openness and transparency. All papers, unless covered by an exemption under the Freedom of Information Act or the Data Protection Act, will be available for access by the public. All papers and reports prepared for the Board by Board members, staff, or its consultants and advisers, will be the property of the Agency.

Registering and declaring interests

29. The Agency will maintain a register of the interests of Board members and staff, in line with the Agency's Conflicts of Interest Policy. The register will be updated annually, although Board members and staff are obliged to notify the Agency of significant changes in their interests as soon as they occur. The register of the interests of Board members and the Chief Executive and Directors will be published on the Agency's website.
30. The Chair will check for potential significant conflicts of interest at the start of every meeting. The outcome of this will be recorded in the minutes of that meeting. If a matter arises in which a Board member or any other person present at the meeting has a significant conflict interest, that interest will be declared and recorded in the minutes of the meeting. Normally, the person in question will take no part in the discussion of that matter and, where appropriate, will leave the room (or discussion).
31. In the event of the Chair having a significant conflict of interest with an item under discussion, the role of chair will be reassigned for the duration of that discussion to the Vice Chair (or, in their absence, another Board member).
32. A significant conflict of interest is:
 - a) Where a Board member or any other person present at the meeting has a financial interest in a matter; or,

- b) Where a Board member or any other person present at the meeting has a non-financial interest in a matter in which a member of the public, with knowledge of the relevant facts, might reasonably regard the interest as so significant that it is likely to prejudice discussion or decision-making.

Committees and working groups of the Board

- 33. The Board can decide to establish Board sub-committees or, where appropriate, working groups, to further the purposes of the Agency. It is obliged to establish an Audit and Risk Assurance Committee (ARAC) – the terms of reference for the ARAC are at **Appendix 2**.
- 34. The terms of reference of each Board sub-committee will be approved by the Board. As at 1 April 2022, there is one other Board sub-committee: the Finance and Personnel Committee – the terms of reference for which are included at **Appendix 3**.
- 35. The Agency can invite persons who are not Board members to attend committees and working groups as appropriate.
- 36. The Chair of each sub-committee will, after each meeting, provide a written report of the key issues discussed to the next Board meeting.

Making, altering and suspending Standing Orders

- 37. These Standing Orders and any alteration or amendment to them will require the agreement of at least three-quarters of the total cohort of Board members.
- 38. Any Standing Order may be suspended by agreement of at least two-thirds of the Board members present.

Interpreting Standing Orders

- 39. The Chair's ruling on the interpretation of the Standing Orders will prevail unless s/he is overruled at the meeting by at least two-thirds of the Board members present.
- 40. In the event of any situation arising not being covered by the Standing Orders, then the Chair shall rule on the procedure to be adopted. Such ruling shall be subject to the approval of at least two-thirds of the Board members present.

Review

- 41. These Standing Orders and the terms of references for committee will be reviewed as and when required, and by no later than a period of three years from the agreement of this document (i.e. **by 31 March 2025**).

THE INDUSTRIAL RELATIONS (NORTHERN IRELAND) ORDER 1992

SCHEDULE 4

THE LABOUR RELATIONS AGENCY

Part I: The Constitution of the Agency

1. The Agency shall be a body corporate to which section 19 of the Interpretation Act (Northern Ireland) 1954 shall apply.
2. The Agency shall consist of the following persons appointed by the Head of the Department, namely:
 - (a) a chairman; and
 - (b) 9 other members of whom:
 - (i) 3 shall be appointed after consultation with such organisations or associations of organisations representative of employers as appear to the Head of the Department to be appropriate;
 - (ii) 3 shall be appointed after consultation with such organisations or associations of organisations representative of employees as appear to the Head of the Department to be appropriate; and
 - (iii) 3 shall be appointed as appears to the Head of the Department to be appropriate.
3. (1) A member of the Agency shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to hold his office, be eligible for re-appointment.

(2) Any member may at any time by notice in writing to the Head of the Department resign his office.
4. The Head of the Department may, by notice in writing addressed to a member, terminate his appointment as a member of the Agency if of the opinion that he is unfit to continue in office or incapable of performing his duties as a member.
5. The proceedings of the Agency shall not be invalidated by any vacancy in the membership of the Agency or by any defect in the appointment of any of its members.

6. The Agency shall not be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown or as exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local, and its property shall not be regarded as the property of, or property held on behalf of, the Crown.

Part II: Supplementary Provisions as to the Agency

Members

7. The Agency may pay, or make such payments towards the provision of, such remuneration, allowances (including allowances for expenses), pensions or gratuities to or in respect of the chairman and other members of the Agency, or any of them, as the Department, with the approval of the Department of Finance and Personnel, may determine.
8. In Part II of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975(2) the following entry shall continue to be inserted at the appropriate place in alphabetical order:

“The Labour Relations Agency.”.

Panel of advisers

9. (1) The Agency may appoint a panel of persons, who are not members of the Agency, from whom it may from time to time select persons to assist it in the discharge of its functions.
- (2) The number of persons which the Agency may appoint under this paragraph shall be determined by the Agency with the approval of the Department and the Department of Finance and Personnel.
- (3) The Agency may pay to persons appointed under this paragraph such fees and such allowances for expenses as the Agency, with the approval of the Department and the Department of Finance and Personnel, may determine.

The seal

10. The fixing of the common seal of the Agency shall be authenticated by the signature of the chairman of the Agency or some other member thereof authorised either generally or specially by the Agency to act for that purpose.

Execution of contracts and instruments not under seal

11. Any contract or instrument which, if entered into or executed by an individual, would not require to be under seal may be entered into or executed on behalf of the Agency by any person generally or specially authorised by the Agency to act for that purpose and any document purporting to be such a contract or instrument shall be deemed to be such a contract or instrument until the contrary is proved.

Staff

12. The number of persons employed by the Agency and the terms and conditions of employment of such persons shall be determined by the Agency, with the approval of the Department and the Department of Finance and Personnel.
13. The Agency may, in the case of such persons employed by it as may be determined by the Agency with the approval of the Department and the Department of Finance and Personnel, pay to or in respect of them such pensions or gratuities, or provide and maintain for them such pension schemes (whether contributory or not) or contributory or other pension arrangements as may be so determined.

Financial provision

14. For the purpose of enabling the Agency to carry out its functions, the Department shall pay to the Agency such sums as the Department may, with the approval of the Department of Finance and Personnel, determine.

Accounts and audit

15. (1) The Agency shall keep proper accounts, in such form as may be approved by the Department, and proper records in relation to the accounts.

(2) The Agency shall prepare in respect of each financial year a statement of accounts, in particular showing separately any sums disbursed to or on behalf of the Certification Officer in consequence of this Order, in such form as the Department, with the approval of the Department of Finance and Personnel, may direct.

(3) The accounts of the Agency shall be audited by auditors appointed by the Agency with the approval of the Department and shall be vouched to the satisfaction of such auditors.

- (4) The Agency shall, at such time in each year as the Department may direct, transmit copies of the annual statement of accounts, certified by the auditors, to the Department and to the Comptroller and Auditor General for Northern Ireland.
- (5) The Comptroller and Auditor General shall examine a copy of each annual statement of accounts and shall make a report thereon and shall send copies of that report to the Department and may in connection with such examination examine any accounts kept by the Agency and any records relating thereto.

Reports

16. (1) The Agency shall, as soon as possible within a period of three months after the end of each financial year, make to the Head of the Department a report, in such form and containing such information as the Department may direct, on the performance of its functions during that financial year.
- (2) The Head of the Department shall lay before the Assembly a copy of each report made to him under this paragraph together with a copy of each annual statement of accounts transmitted to the Department under paragraph 15(4) and of the report made by the Comptroller and Auditor General thereon under paragraph 15(5).

AUDIT AND RISK ASSURANCE COMMITTEE

TERMS OF REFERENCE

Constitution

The Accounting Officer/Board has established an Audit and Risk Assurance Committee as a Committee of the Board to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Accounting Officer's and Board's assurance needs and reviewing the reliability and integrity of these assurances.

Membership

The members of the Committee are non-executive Board members.

As at April 2022, the members of the Committee are:

- Deirdre Fitzpatrick (Chair)
- Clare Duffield
- Kevin McCabe
- Michelle McGinley
- Daire Murphy; and,
- Lee Wilson.

The Committee will be provided with a secretariat function by the Chair/Chief Executive's Office.

Reporting

The Committee will formally report to the Accounting Officer and Board after each meeting.

The Committee will provide the Accounting Officer and Board with an annual report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

Responsibilities

The Committee will advise the Accounting Officer and Board on:

- The strategic processes for risk, control and governance and the Governance Statement;
- The accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the External Auditors;
- The planned activity and results of both Internal and External Audit;
- Adequacy of management response to issues identified by audit activity, including External Audit's management letter;
- Assurances relating to the management of risk and corporate governance requirements for the organisation;
- Proposals for tendering for Internal Audit services; and,
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; and

The Committee will also periodically review its own effectiveness and report the results of that review to the Board.

Rights

The Committee may:

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and
- Procure specialist ad hoc advice at the expense of the organisation, subject to budgets agreed by the Accounting Officer/Board.

Access

The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit and Risk Assurance Committee.

Meetings

The Committee will meet at least four times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.

A minimum of three members of the Committee will be present for the meeting to be deemed quorate.

Committee meetings will normally be attended by the Accounting Officer, the Director of Corporate Services, a representative of Internal Audit, a representative of External Audit, and a representative of the sponsoring Department.

The Committee may ask any other staff to attend to assist it with its discussions on any particular matter.

The Committee may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

The Accounting Officer or Board may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

Information requirements

At least five working days before each meeting, the Committee will be provided with:

- A report summarising any significant changes to the organisation's strategic risks and a copy of the strategic/corporate Risk Register;
- A progress report from Internal Audit summarising:
 - Work performed (and a comparison with work planned);
 - Key issues emerging from the work of internal audit;
 - Management response to audit recommendations;
 - Changes to the agreed Internal Audit plan; and
 - Any resourcing issues affecting the delivery of the objectives of Internal Audit;
- A progress report (written/verbal) from the External Audit representative summarising work done and emerging findings (this may include, where relevant to the organisation, aspects of the wider work carried out by the NIAO, for example, Value for Money reports and good practice findings);
- Any management assurance reports; and
- Reports on the management of major incidents, "near misses" and lessons learned.

As and when appropriate, the Committee will also be provided with:

- Proposals for the terms of reference of Internal Audit/the Internal Audit charter;
- The Internal Audit strategy;
- Internal Audit's Annual Opinion and Report;
- Quality assessment reports on the Internal Audit function;
- The draft accounts of the organisation;
- The draft Governance Statement;
- A report on any changes to accounting policies;
- External Audit's management letter;
- A report on any proposals to tender for audit functions;
- A report on co-operation between Internal and External Audit; and
- The organisation's Risk Management strategy.

The above list suggests minimum requirements for the inputs which should be provided to the Committee. In some cases more may be provided. For instance, it might be agreed that Committee members should be provided with a copy of the report of every Internal Audit assignment, or with copies of management Stewardship Reports (or equivalents) if these are used in the organisation.

FINANCE AND PERSONNEL COMMITTEE

TERMS OF REFERENCE

Constitution

The Board hereby resolves to establish a sub-committee of the Board to be known as the Finance and Personnel Committee.

Membership and Attendance at Meetings

The members of the Committee are non-executive Board members.

As at April 2022, the members of the Committee are:

- Geraldine Alexander (Chair)
- Michelle McGinley
- John Taylor; and,
- Lee Wilson.

A minimum of three members of the Committee will be present for the meeting to be deemed quorate.

The Committee will be provided with a secretariat function by the Chair/Chief Executive's Office.

Frequency of Meetings

The Committee shall meet no less than three times in each financial year, with additional meetings as and when required. The meeting dates shall be determined by the Committee.

The agenda and papers for meetings will be sent to Committee members no later than five working days before each meeting.

The Secretary to the Committee will circulate draft minutes to members no later than 10 working days after meetings.

Reporting

The Committee will formally report to the Board after each meeting.

Authority

The Committee is an advisory body with no executive powers. It is authorised by the Board to receive reports on and consider any activity within its terms of reference. Requests for work and reports to the Committee shall be channelled through the Chief Executive.

Duties

The specific duties of the Committee shall be:

- To consider and report to the Board on planning for and the management of Agency resources e.g. financial, staffing and accommodation.
- To consider and report to the Board on policy and strategic matters relating to the Agency's finances and personnel.
- To monitor, in line with the Agency's annual business plan, the financial performance of the Agency.
- To monitor, in line with the annual business plan, staffing, equality and organisational development matters.
- To monitor the evaluation of the Agency's services in respect of performance and quality.
- To undertake such duties as determined by agreed Agency employment policies and procedures e.g. Discipline and Grievance Procedures.
- To consider a report from the Agency's Chair on the annual performance appraisal of the Chief Executive.
- To undertake such other duties as may, from time to time, be determined and delegated by the Board.

In relation to the above duties, the Committee will receive reports, advice and recommendations from the Chief Executive.