



Commission for  
**Communications Regulation**

# **Code of Financial Management**

# Content

<b>Section</b>	<b>Page</b>
1 Preface .....	3
2 Update of Code of Financial Management.....	4
3 Code of Financial Management .....	5
3.1 The Commission and the Leadership Team.....	5
3.2 Commissioners' Responsibilities.....	6
3.3 Briefing for New Commissioners.....	7
3.4 Disclosure of Interest by Commissioners (Conflict of Interest).....	8
3.5 Audit and Risk Committee.....	8
3.6 Internal Audit.....	9
3.7 Departmental Oversight .....	10

# 1 Preface

1. ComReg is required under Section 33 of the Communications Regulation Act, 2002 to publish a Code of Financial Management. Section 33 of the Act states:
  - 1) The Commission shall adopt, with the approval of the Minister and the Minister for Public Expenditure and Reform, a code of financial management and shall arrange for its publication following such approval.
  - 2) The Commission shall periodically review its code of financial management and revise and republish the code as appropriate.
  - 3) The Commission shall comment in its annual report on adherence to its code of financial management.

## 2 Update of Code of Financial Management

2. The first set of guidelines on corporate governance in State bodies entitled “*State Bodies Guidelines*” was published by the Department of Finance in March 1992. The guidelines were updated in October 2001 and May 2009.
3. In August 2016 the Department of Public Expenditure and Reform published updated guidelines titled ‘Code of Practice for the Governance of State Bodies’ (the 2016 Code) to take account of governance developments, public sector reform initiatives and stakeholder consultations.
4. The Code provides a framework for the application of best practice in corporate governance by both commercial and non-commercial State bodies. State bodies are required to demonstrate their commitment to achieving the highest possible standards of corporate governance
5. The Code states that it should be read in conjunction with the legislative provisions which govern the State body. Existing legislative provisions applying to a State body on matters that are also the subject of this Code, continue to apply and for the avoidance of doubt, in the event of any conflict or inconsistency, the legislative provisions prevail.
6. The Code makes it clear that the starting point for clarity of accountabilities is the oversight agreement between the Minister/parent Department and the State body. ComReg’s oversight agreement with the Department (signed in May 2018) clearly defines its relationship with the Department.
7. This document outlines the ComReg Code of Financial Management which has been updated to reflect the 2016 Code.

## 3 Code of Financial Management

8. The Code detailed below outlines the responsibilities of the Commissioners to ensure ComReg adheres to best practice with regard to issues of Corporate Governance.

### 3.1 The Commission and the Leadership Team

9. The Commission for Communications Regulation (ComReg) was established under the 2002 Act (as amended) and consists of least one and not more than three Commissioners (S14.1). Where there is more than one Commissioner, the Minister shall appoint one of them to be the chairperson of the Commission (S16.1). Subject to the provision of the 2002 Act (as amended), the Commission may regulate its own procedure (S14.3).
10. Although the Commission does not have a Board (as set out in the 2016 Code) it is committed to the adherence to the provisions of the 2016 Code where appropriate.
11. The 2016 Code states that all aspects of the Code may not necessarily be appropriate for some smaller State bodies. Accordingly, the Code makes provision for certain requirements to be applied proportionately in certain circumstances subject to the written agreement of the relevant Minister/Parent Department. We have engaged with the Department on such matters.
12. The Commission divided into a number of main Divisions, supported by the General Counsel and Senior Economic Advisor. The structure is based on cross-functional teams operating in a multi-disciplinary environment.
13. In accordance with the provisions of the 2002 Act, the Commission has formally delegated certain of its powers and maintains a formal schedule of such delegated powers.
14. The focus of the Leadership Team is to set the policy and work programme for ComReg. The Leadership Team is made up of Commissioners, Directors of each Division, the Senior Advisor Economics, Policy and Research and the General Counsel.
15. The Leadership Team (which typically meets once per month) is a forum for strategic planning and is where priorities of the organisation are set.

## 3.2 Commissioners' Responsibilities

16. Commissioners have access to the advice and services of the Director of Corporate Services who is responsible to the Commission for ensuring that ComReg procedures are followed and that applicable rules and regulations are complied with.
17. Commissioners may take independent professional advice, if necessary, at the reasonable expense of ComReg. Any such expenditure must be approved by the Chairperson before the cost is incurred.
18. Commissioners bring an independent judgement to bear on issues of strategy, performance, resources, key appointments, and standards of conduct.
19. It is the Commissioners' duty to ensure that a balanced and understandable assessment of ComReg's position is made in presenting its annual report and accounts to the Minister.
20. The Commissioners are responsible for preparing the accounts. The Commission is responsible for keeping in accordance with good accounting practice, in such form as may be approved by the relevant Minister, and with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of all moneys received or expended by it.
21. Within 3 months of the end of each financial year, the Commission must ensure that accounts in respect of that financial year are submitted to the Comptroller and Auditor General for audit.
22. The Commission is responsible for ensuring that within 42 days of the accounts being audited by the Comptroller and Auditor that they, together with the Report of the Comptroller and Auditor General, are presented to the Minister.
23. In presenting its report the Commission is responsible for ensuring that it reports on:
  - the performance of its functions in the previous financial year,
  - its proposed work programme for the following year, with reference to progress on the strategy statement, and
  - adherence to its code of financial management.

24. The Commissioners review annually the effectiveness of ComReg's system of internal controls, including financial, operational and compliance controls and risk management.
25. The Commissioners are responsible for ensuring that the Chairperson keeps the Minister for Communications, Climate Action and Environment advised of matters arising in respect of ComReg.
26. The Commissioners are required to report that the Commission is a going concern with supporting assumptions or qualifications as necessary.
27. The Commissioners are supplied, in a timely fashion, with information which is of a suitable quality to enable them to satisfactorily discharge their duties.
28. The Commissioners are responsible for compliance with all statutory obligations applicable to ComReg. Where individual Commissioners become aware of non-compliance with any such obligation, they must immediately bring this to the attention of their fellow Commission members with a view to having the matter rectified. The matter is also to be brought to the attention of the Minister for Communications, Climate Action and Environment by the Chairperson.
29. The Commissioners have a responsibility for maintaining an appropriate relationship with the external auditors.

### **3.3 Briefing for New Commissioners**

30. Commissioners appointed under the Communications Regulation Act have duties under the Act and it is the responsibility of each Commissioner to act in conformity with the applicable provisions of that Act.
31. On appointment of new Commissioners, they are provided with the following information:
  - a formal schedule of delegated powers
  - a schedule detailing the composition of all committees and their terms of reference;
  - a statement explaining the Commissioners' responsibilities in relation to the preparation of the accounts, ComReg's system of internal control and audit and for reporting on the Commission as a going concern with supporting assumptions or qualifications as necessary;

- a statement informing the Commissioners that they have access to the advice and services of the Director of Corporate Services who is responsible to the Chairperson for ensuring that Commission procedures are followed and the applicable rules and regulations are complied with;
- code of ethics/conduct, including disclosure of Commissioners' interests;
- specific ComReg information; and
- a copy of the most up to date version of the ComReg Code of Financial Management together with any relevant circulars and/or guidance notes.

### **3.4 Disclosure of Interest by Commissioners (Conflict of Interest)**

32. ComReg observes the requirements of the Standards in Public Office Act, 2001 (as amended). All staff who hold designated positions are required to complete statements of interest in compliance with the provisions of the Act. In addition, each Commissioner, staff and others must also comply with Section 25 of the Communications Regulation Act 2002 which deals with disclosure of interests.

### **3.5 Audit and Risk Committee**

33. The Commission shall establish an Audit and Risk Committee (ARC) which shall be comprised of not more than five members, two members of the Commission and three external members with written terms of reference which deal clearly with its authority and duties.

34. The charter and terms of reference of the ARC and other ComReg committees will be reviewed by the Commission and updated as appropriate.

35. The ARC will meet at least four times a year.

36. The ARC 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 ARC is able to obtain outside professional advice and, if necessary, invite outsiders with relevant experience to attend meetings.



37. The ARC is required to have a discussion with the external auditors at least once a year, without other employees of the ComReg present, to ensure that there are no unresolved issues of concern.
38. The ARC will where appropriate comply with the guidance set out in the 2016 Code.

### **3.6 Internal Audit**

39. The Commission shall establish a properly constituted independent Internal Audit Unit in accordance with the requirements of the 2016 Code.
40. The internal audit function shall have a formal charter, including terms of reference, which has been approved by the Commission.
41. The reporting structure for internal audit shall be clear and formally documented. In the case of ComReg the Internal Audit function shall be provided by external auditors and the content of all internal audit reports should be entirely at their discretion. The auditors shall report directly to the Audit and Risk Committee and shall also have access to the Chairperson of ComReg and the Chairperson of the Audit and Risk Committee.
42. In carrying out its ongoing work the internal audit function shall include detailed testing on all specific areas covered by the charter in order to ensure that the ComReg is fully complying with all requirements and report its findings to the Audit and Risk Committee.
43. The internal audit function shall be properly resourced with the necessary skills including the ability to deal with non-financial aspects.
44. The internal audit function shall liaise frequently with the external auditors so that the potential for co-operation between the two is maximised.
45. The Audit and Risk Committee shall make the external auditors aware of the corporate governance issues outlined in this document with which ComReg is required to comply. The Audit and Risk Committee will periodically consult with the external auditors regarding the operation of the internal audit function with particular reference to the staffing of the function, the audit work programmes being applied and the testing carried out in relation to the Commission's compliance with the requirements set out in this document.
46. In planning, executing and reporting its work, the internal audit function shall ensure that value-for-money auditing receives adequate attention.

47. The internal audit function shall review compliance with procurement and disposal procedures as required by the Audit and Committee, from time to time, and report to the Audit and Risk Committee.

### **3.7 Departmental Oversight**

48. The Commission shall ensure that it has a written an oversight agreement with the Department of Communications, Climate Action & Environment which clearly define the terms of ComReg's relationship with the Department.

49. The oversight agreement will reflect the -

- legal framework of ComReg;
- the regulatory environment in which it operates
- purpose and responsibilities of ComReg;
- ComReg's level of compliance with Code; and
- arrangements for oversight, monitoring and reporting on conformity with the oversight agreement.

50. In accordance with the Department's policy on the monitoring of governance arrangements of aegis bodies, ComReg will meet regularly with the relevant areas of the Department to provide updates on governance, compliance with the Code and other relevant matters.