



**An Roinn Caiteachais
Phoiblí agus Athchóirithe**
Department of Public
Expenditure and Reform

Guidelines for Appointments of CEOs of Non-Commercial State Bodies

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Public Service Pay and Pensions Division

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1 Introduction

1.1 Purpose

These Guidelines have been prepared by the Senior Pay Policy section within the Department of Public Expenditure and Reform (DPER) in accordance with section 1.14 of the Remuneration and Superannuation element of the Code of Practice for the Governance of State Bodies (2016).

The aim of these Guidelines is to assist the Boards of Non-Commercial State Bodies (NCSB) and Parent Departments on the process to follow when appointing a Chief Executive Officer (CEO) of an NCSB.

It provides practical guidance on:

- The steps to be followed when seeking to appoint a CEO of a Non-Commercial State Body (NCSB);
- Seeking approval for the terms and conditions of CEO appointments;
- Terms and conditions (including remuneration) related to a CEO's appointment;
- The recruitment process;
- The CEO's contract of employment;
- The appointment of interim CEOs.

A summary process map is set out at the **Appendix**.

1.2 Application

These Guidelines apply to Non-Commercial State Bodies which are considered public service bodies.¹

These Guidelines do not apply to:

- Civil Service posts that are filled by the Top Level Appointments Committee (TLAC);
- North/South Bodies;
- State Bodies whose CEOs and staff are not deemed to be public servants.

Parent Departments may wish to adapt these Guidelines for those Bodies under their aegis not specifically encompassed by these Guidelines.

¹ Public service bodies as defined in the Financial Emergency Measures in the Public Interest (FEMPI) Acts 2009 – 2015.

2 Roles

2.1 Role of stakeholders

The following stakeholders and their roles are defined in the Code of Practice for the Governance of State Bodies (2016):

- Non-Commercial State Body;
- Board;
- Chairperson;
- Chief Executive Officer (CEO) or equivalent;
- Parent Department;

These definitions also apply for the purpose of these Guidelines.

2.2 Role of Department of Public Expenditure & Reform

In addition to those stakeholders, there are a number of different units within the Department of Public Expenditure and Reform who are involved in the CEO appointment process.

Please note that DPER will engage with the Parent Department only – any individual queries from NCSBs should be directed to their Parent Department.

Unit (Division)	Responsibilities
Relevant Vote section (Various Divisions)	1. Sanctioning filling of CEO post;
Senior Pay Policy section (Public Service Pay and Pensions Division)	1. Lead contact with Parent Departments in relation to CEO remuneration and tenure; 2. Approval for terms and conditions of CEO appointments, including remuneration and tenure; 3. Approval of CEO's contract of employment; 4. Coordination with other internal units regarding other terms and conditions (e.g. superannuation, non-pay T&Cs); 5. Leading development of template contract of employment; 6. Leading development of template Conditions of Service booklet for competitions;

<p>Public Service Pensions Policy Unit (Public Service Pay and Pensions Division)</p>	<p>1. Advising Senior Pay Policy section on superannuation and retirement terms for CEOs;</p> <p>2. Contributing to superannuation and retirement elements of template contract and Conditions of Service booklet;</p>
<p>Civil Service HR Division</p>	<p>1. Advising Senior Pay Policy section on certain non-pay terms and conditions queries, where they relate to public service-wide or Civil Service-specific agreements;</p> <p>2. Contributing to non-pay terms and conditions of service in template contract and Conditions of Service booklet, where they related to public service-wide or Civil Service-specific agreements;</p>

3 Approval process

No recruitment process should commence until the terms and conditions of the post have been approved by DPER.

3.1 Steps to be taken by the NCSB

The Board should comply with all requirements as set out by their Parent Department relating to the process to appoint (or reappoint) a CEO.²

It is a matter for each Parent Department to manage the NCSBs under its aegis, including any approval process for the appointment of CEOs, while having regard to the requirements set out in these Guidelines.

3.2 Steps to be taken by the Parent Department

The Parent Department should consider the application from the Board and then write formally to the **relevant Vote section**, DPER and copy to **Senior Pay Policy section**, DPER. The Parent Department requires:

- (a) Approval to fill the CEO post; and
- (b) Approval for the terms and conditions (including remuneration) related to the CEO post.

Any proposed changes to the terms and conditions (including remuneration) should be accompanied by a corresponding business case.

All applications should clearly include the Parent Department's assessment of the proposal and note its recommendation or otherwise.

3.3 DPER role

The **relevant Vote section** will consider and sanction the request to fill the CEO vacancy.³

The **Senior Pay Policy section** (Public Service Pay and Pensions Division) will consider the terms and conditions of the post, particularly the remuneration and tenure elements. It will also consult, as appropriate, with the relevant Vote section, the Public Service Pensions Policy unit and Civil Service HR Division in relation to the terms and conditions of the CEO post.

² For NCSBs that do not have a formal Board structure, the reference to "the Board" should be read throughout these Guidelines as "the NCSB" (or equivalent appointing authority).

³ Under the terms of the delegated sanction arrangements applying to Departments/Offices, the consent of the Department of Public Expenditure and Reform is required to fill vacancies at or above Principal Officer (Higher) level.

Senior Pay Policy section will respond to the relevant Vote section, outlining the approved terms and conditions for the post (including remuneration and tenure).

A sanction will issue from the Vote including:

- (a) Sanction to fill the CEO post; and
- (b) The Senior Pay Policy-approved terms and conditions for the CEO post.

3.4 Timelines

Parent Departments must allow an appropriate length of time for DPER to consider and, if appropriate, approve requests.

In general, Senior Pay Policy section would recommend allowing **a minimum of two weeks** for a standard request (i.e. proposing no changes to the current terms and conditions).

Where a Parent Department is supporting a change to a particular term (most importantly, remuneration), this recommended timeline would need to be extended to ensure the appropriate consultation, including requests for further information if deemed necessary, can occur prior to making a decision. In such cases, **a minimum of four weeks** is recommended.

The above recommendations relate solely to the consultation and approval period between the Parent Department and DPER. Parent Departments should ensure these timelines are taken into account when determining its own timelines with the NCSBs under its aegis.

4 Terms and Conditions of CEO appointments – General

The CEO of each Non-Commercial State Body shall hold office subject to the terms and conditions (including remuneration) as determined by the Board of the NCSB with the approval of the relevant Minister and the consent of the Minister for Public Expenditure and Reform.

The NCSB should review its establishing legislation and ensure that the terms and conditions proposed for the CEO's appointment are in accordance with that legislation.

4.1 Government Policy on Pay and Non-Pay Terms and Conditions

Section 16A of the Ministers and Secretaries (Amendment) Act 2011 (as inserted by section 12 of the FEMPI Act 2015) introduced enhanced controls in relation to terms and conditions (including remuneration) of employment agreed between public servants and their public service body employers with effect from 30 November 2015.

The Board will adhere strictly to Government policy on the remuneration of CEOs and other staff in Non-Commercial State Bodies. They must also comply fully with all requirements in respect of non-pay terms and conditions of employment, as may be approved by the relevant Parent Department and/or the Department of Public Expenditure & Reform, or as agreed under the Public Service Agreements.

4.2 One Person, One Salary

As public servants, CEOs of Non-Commercial State Bodies must comply fully with the 'One Person One Salary' principle. It is a matter for both the Board and the relevant Parent Department to ensure this principle is adhered to. This policy is outlined here.⁴

Queries from the Board should be directed to the Parent Department in the first instance. Queries from Parent Departments regarding the One Person One Salary principle may be sent to payscales@per.gov.ie.

4.3 Superannuation and Retirement

All new entrants to the public service appointed on or after 1 January 2013 are required to join the Single Public Service Pension Scheme ("Single Scheme"), which is provided for in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Details of the

⁴ <https://circulars.gov.ie/pdf/letter/per/2011/01.pdf>

Single Scheme are provided to both Members and Employers at <https://singlepensionscheme.gov.ie/>.

Different terms and conditions related to superannuation and retirement may apply to a CEO who has

- worked in a pensionable (non-Single Scheme terms) public service job in the 26 weeks prior to appointment; or
- is currently on a career break, which commenced prior to 1 January 2013; or
- is on special leave with or without pay, which commenced prior to 1 January 2013.

The superannuation and retirement terms (including minimum and, if applicable, maximum retirement age) of such individuals will be determined in the context of their public service employment history.

The Single Scheme Administration Project Team, DPER, have a number of useful “Employer Toolkits” to assist public service bodies in the recruitment of new employees. This includes whether an employee should be a member of the Single Public Service Pension Scheme or the “legacy” pension scheme operated by the body. These are available [here](#).⁵

4.4 Annual Leave

A maximum annual leave entitlement of 30 days applies for all newly recruited and/or promoted public servants, as outlined [here](#).⁶

4.5 Sick Leave

The CEO will have access to the terms of the Public Service Sick Leave Scheme. The details of this Scheme are set out in [Public Service Management \(Sick Leave\) Regulations \(SI 124 of 2014\)](#) and [Public Service Management \(Sick Leave\) \(Amendment\) Regulations 2015 SI 384 of 2015](#).

4.6 Working Hours

Under the terms of the Haddington Road Agreement (HRA), the working hours for most public servants will amount to not less than 43.25 hours (gross / inclusive of lunch breaks) or 37 hours (net / exclusive of lunch breaks) per week. Extra attendance may be required from time to time and the rate of remuneration payable covers any extra attendance liability that may arise.

⁵ <https://singlepensionscheme.gov.ie/home/for-employers/>

⁶ <https://circulars.gov.ie/pdf/letter/finance/2012/01.pdf>

4.7 Perquisites

The provision of perquisites (e.g. Performance-Related Award (PRA), company car, car allowance, private health insurance etc.) is not permitted under Government policy.

5 Remuneration

5.1 General principles

The steps outlined at Section 3 above should be followed to secure approval for remuneration terms.

No sanction will be given in respect of an offer of remuneration to the CEO unless it is in line with Government policy. This applies to the recruitment of a new CEO and to the reappointment of an incumbent.

The Government reserves the right to vary the CEO's remuneration over the terms of their contract by virtue of the application of public service pay policy. Any such variation may arise as a result of a specific review of the remuneration of CEOs and equivalent officers in Non-Commercial State Bodies, or as a result of the application of a general review of remuneration in the public service or in any other manner connected with a general revised policy on public service pay.

While matters relating to the terms and conditions of new CEOs, or changes in the terms and conditions of incumbent CEOs, are properly subject to discussion by the Board of each Non-Commercial State Body, these must be approved by the relevant Minister, with the consent of the Minister for Public Expenditure and Reform, in advance of the recruitment process commencing.

5.2 Proposing to start a CEO above the minimum of the payscale

It is Government policy that all appointments from open competitions are at the minimum of the relevant payscale.⁷

Any derogations from this policy would only be considered in exceptional circumstances and require the prior approval of the Department of Public Expenditure and Reform.

The Department's consideration of any such requests must have regard to the need to protect the integrity of the recruitment process, as outlined at Section 7 below.

⁷ <https://circulars.gov.ie/pdf/letter/finance/2012/02.pdf>

Steps to be taken by NCSB

In circumstances where the Board is of the view that a starting salary above the minimum of the scale is warranted, a request (supported by a robust business case) must be made in writing as soon as possible after the selection process to the Parent Department.

Steps to be taken by the Parent Department

If the Parent Department agrees with the Board's case, they must then seek the approval of the Senior Pay Policy section. Any such request must be underpinned by a clear business case. Senior Pay Policy section recommends any such business case must include the following information at a minimum:

- An undertaking from the Body that the preferred candidate's current earnings are in excess of the minimum of the advertised payscale and that verified evidence has been obtained to support this;
- The number of candidates deemed suitable for appointment by the interview panel;
- The specific factors (e.g. experience, qualifications above and beyond the minimum requirements for the post) that **significantly differentiate** the preferred candidate from other candidates deemed suitable for appointment;
- Whether the preferred candidate has indicated they will refuse the post if a salary above the minimum is not offered; and
- The Parent Department's recommendation of the proposal and rationale for same.

6 Tenure

6.1 Tenure – general principles

It is the policy and practice across all Departments that CEOs of Non-Commercial State Bodies, in line with senior management positions across the public service, are appointed on a fixed-term basis.

In general, CEOs are appointed for one five year fixed-term contract, unless otherwise provided for in the Body's establishing legislation.

This contract period also applies where the appointee is from within the Non-Commercial State Body.

6.2 Reappointment of incumbent CEOs

Steps to be taken by the NCSB

In exceptional circumstances, the Board may wish to reappoint a CEO. If the Board wishes to reappoint the CEO for one further and final term, they should submit a business case to their Parent Department.

Steps to be taken by the Parent Department

The Parent Department should examine this business case, having due regard to:

- The Board's assessment of the CEO's performance;
- The objective justification to retain the current CEO;
- Any legal advice obtained, if necessary;

If the Parent Department supports the Board's case, they should then follow the approval process outlined in section 3 above. For the avoidance of doubt, Parent Departments are obliged to follow this process even when proposing to reappoint the incumbent CEO on the same terms and conditions.

Any reappointment must have due regard to the obligations of employers under the Protection of Employees (Fixed-Term Work) Act 2003.

Section 8(2) of the Protection of Employees (Fixed Term Work) Act 2003 provides that where an employer proposes to renew a fixed term contract the employee must be informed in writing, at the latest by the date of renewal of the contract, of the objective ground justifying the renewal and the failure to offer a Contract of Indefinite Duration (CID). A template section 8 notice is available from Senior Pay Policy section, DPER.

While not directly applicable to CEOs of Non-Commercial State Bodies, DPER's Guidelines on Best Practice for the Recruitment and Management of Fixed-Term Employees in the Irish Civil Service may provide useful information on the Fixed-Term Work Act.⁸

⁸ <https://hr.per.gov.ie/recruitment-policy/>

7. Recruitment Process

7.1 Principles of recruitment

It is a matter for the Board, in consultation with their Parent Department, to manage the recruitment process as it sees fit. In running a competitive recruitment process, regard should be had to the CPSA Code of Practice for Appointment to Positions in the Civil Service and Public Service, if applicable.⁹ If not applicable, NCSBs should have regard to the principles of public service recruitment:

- Probity;
- Appointments made on merit;
- An appointment process in line with best practice;
- A fair appointments process applied with consistency;
- Appointments made in an open, accountable and transparent manner

7.2 Conditions of recruitment process

No recruitment process should be undertaken by the Board until the terms and conditions (including remuneration) related to the CEO's appointment have been approved by the relevant Parent Department and the Department of Public Expenditure and Reform.

Save in exceptional circumstances, and then with the agreement of the Parent Department, the CEO should be recruited by way of an open competitive process.

7.3 Candidate Information Booklet

A template Principal Conditions of Service for inclusion in the Candidate Information Booklet for the competition is available online or from the relevant Parent Department.¹⁰

Parent Departments must ensure that all terms and conditions advertised are in accordance with those terms sanctioned by the Department of Public Expenditure and Reform. DPER approval of the competition booklet is **not required**.

Particular care should be taken prior to the commencement of the competition to ensure that no unsanctioned terms are either explicitly or implicitly advertised.¹¹

In the event of the Parent Department having specific concerns or queries regarding a particular aspect of the competition booklet, Senior Pay Policy section should be consulted prior to publication. For example, Parent Departments may wish to clarify the current pay

⁹ <http://www.cpsa.ie/en/codes-of-practice/>

¹⁰ <https://govacc.per.gov.ie/governance-of-state-bodies/>

¹¹ Section 16A of the Ministers and Secretaries (Amendment) Act 2011 refers.

rate if one or more pay adjustments occur between the sanction issuing and the competition process commencing.

The Information Booklet must contain a job description and person specification which is reflective of the full range of duties, statutory and non-statutory, of the position to be filled and must reference any statutory functions of the post.

When developing a job description, a valid process must be used to determine the essential criteria.

Essential requirements must not be unnecessarily restrictive and must reflect what is necessary to perform the duties of the position.

8 Contract of Employment

8.1 Template CEO Contract

CEOs should only be employed on the basis of a signed, sanctioned contract being in place prior to the CEO taking up position. A signed, sanctioned contract being in place also ensures the NCSB complies in full with the requirements under the Terms of Employment Information) Acts 1994 – 2014.

Proposed draft contracts for employment must be approved by the relevant Parent Department and the Department of Public Expenditure and Reform, in advance of being presented to a prospective CEO for signing.

A template contract of employment, containing all the relevant terms and conditions of employment, is available online or from the relevant Parent Department.¹² This template may be revised from time to time. It is the responsibility of the relevant Parent Department to ensure the most recent template is used.

8.2 Approval process for contract

Steps to be taken by NCSB

In preparing the draft contract, the NCSB should include all details individualised to the prospective CEO, including:

- **Pension terms:** i.e. Single Scheme or the NCSB's Superannuation Scheme;
- **Retirement age:** depending on whether the CEO is a member of the Single Scheme or is a "new entrant" or not, as defined under the Public Service Superannuation (Miscellaneous Provisions) Act 2004;
- **Payscale:** if applicable, whether the Personal Pension Contribution (PPC) rate or non-Personal Pension Contribution (Non-PPC) rate applies. In general, the PPC rate will apply if the CEO is a member of the Single Scheme or is a currently serving civil or public servant recruited on or after 6 April 1995 and is required to make a personal pension contribution.

The NCSB should also review its establishing legislation to ensure any statutory requirements are outlined in the template contract. Any deviations from the template contract should be clearly highlighted and explained if necessary.

The completed draft should be forwarded to the Parent Department.

¹² <https://govacc.per.gov.ie/governance-of-state-bodies/>

Steps to be taken by Parent Department

The Parent Department should carefully review the draft contract, ensuring all provisions are consistent with the previously sanctioned terms and conditions and all sections are completed in full.

Once satisfied that the contract reflects the terms and conditions sanctioned or are in line with public service norms, they should forward to Senior Pay Policy section for approval.

Once the draft contract is approved by Senior Pay Policy, it can be forwarded to the prospective CEO for signing.

Once the approved contract has been signed by the CEO, a copy should be sent to the Parent Department and Senior Pay Policy section for their records.

8.3 Timeline

Parent Departments must allow an appropriate length of time for Senior Pay Policy section to consider and, if appropriate, approve the draft contract. **A minimum of two weeks is recommended.** Further time should be considered where a specific issue has been identified that may require consultation with other Units (e.g. superannuation and retirement terms).

9. Interim CEO

9.1 Purpose

Occasionally, an NCSB may need to appoint an **interim** CEO for a short period of time. This may follow the departure of the incumbent CEO where there is a period prior to the appointment of a new CEO (e.g. prior to the end of the incumbent’s contract term). Such appointments can ensure the continued smooth delivery of the NCSB’s work.

This section of the Guidelines provides some information on the process relating to the appointment of interim CEOs.

9.2 Appointment of Interim CEOs

In most cases, an interim CEO would be appointed as follows:

- appointment of an existing staff member within the body who would “act up” to the CEO role on an interim basis; or
- appointment of an external interim CEO;

The Board and their Parent Department are best suited to determine the most appropriate choice for their organisation with regard to the particular circumstances at that time. The Board may wish to take account of:

- The expected length of the vacancy of the CEO post;
- Whether holding a competitive process confined to certain internal staff members would be appropriate;
- Whether holding an open competitive process would be appropriate;
- The need to adhere to the public service recruitment principles outlined in section 7.1;

9.3 Approval process

For interim CEO appointments, the Board and Parent Departments are required to follow the normal approval process as outlined in Section 3 of this document.

Proposals in relation to backfilling a consequential vacancy, following an existing staff member “acting up” as interim CEO, should be addressed to the relevant Vote section in the normal way.

9.4 Terms and Conditions

The terms and conditions (including remuneration) applicable to the interim CEO **will not exceed** those received by the preceding CEO. In certain circumstances, lesser terms may be warranted.

In all cases, DPER is required to approve the terms and conditions (including remuneration) for interim CEO appointments.

In the case of an existing staff member “acting up” to the CEO role, public service policies on the payment of Higher Duties Allowances must be adhered to in full. These provide, *inter alia*, that a Higher Duties Allowance may only be payable where the acting up period exceeds 84 days’ continuous service as outlined [here](#).¹³

9.5 Length of appointment

Interim CEOs should be appointed for the minimum time required. The process to recruit a substantive CEO should commence without delay.

In the event of an interim CEO’s appointment exceeding a **period of six months**, the Parent Department should provide an update to the Senior Pay Policy section, DPER, noting the plan of action to fill the post on a substantive basis.

9.6 Contract

Existing staff member

The Board should follow the established process within the NCSB for the “acting up” of staff to higher posts. In general, a letter outlining the terms and conditions should be provided to the interim CEO, including remuneration details during the “acting up” period.

Any such letter should clearly state that the interim appointment is of specified purpose pending the appointment of the substantive CEO and that the interim CEO will have no further entitlement to remain at CEO level at that point.

DPER approval of this letter is **not required**.

External interim CEO

An external appointee should only be in place on the basis of a contract signed prior to taking up the duties of the post. This contract should be based on the Template CEO contract prepared by DPER. The contract should also include the specified purpose of the appointment, namely to act as interim CEO until the appointment of a substantive CEO.

¹³ <https://circulars.gov.ie/pdf/letter/per/2012/3.pdf>

The standard process for the approval of CEO contracts outlined in Section 8.2 of the document should be followed for external interim CEOs.

10. Other relevant information

10.1 Fees to Board Members

Section 2 of the Remuneration and Superannuation element of the Code of Practice sets out the principles and provisions relating to the payment of Board Fees. The current fees payable to Chairperson and Members of State Boards are available online [here](#).¹⁴ Queries regarding the payment of Board Fees may be sent to payscales@per.gov.ie.

10.2 Contact

If an NCSB / Board has any queries regarding the contents of these Guidelines, they should direct them to their Parent Department.

Departments with queries or comments should direct them to the relevant contacts in the Senior Pay Policy section or, failing that, to payscales@per.gov.ie with the subject title "NCSB CEO Guidelines".

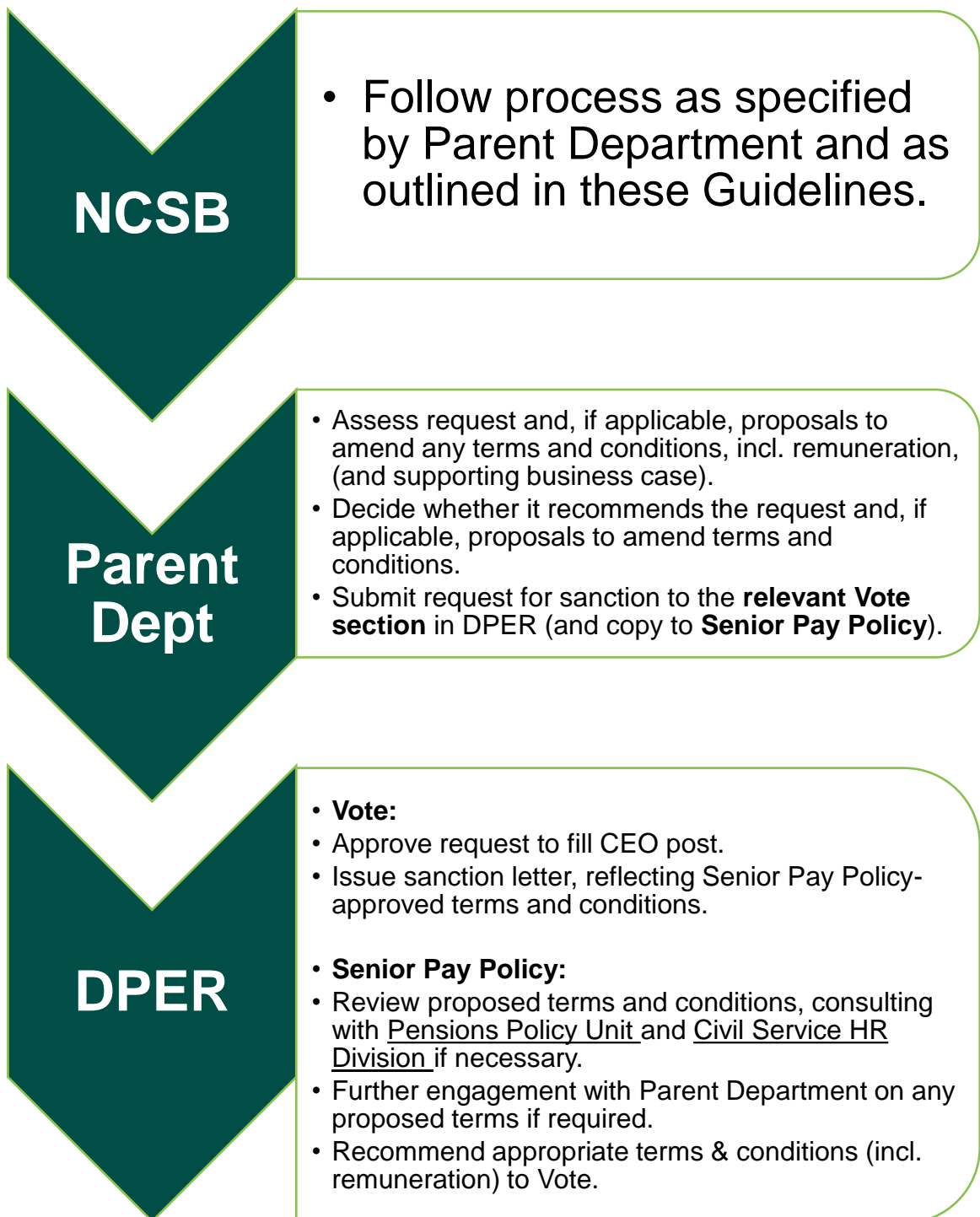
10.3 Data Protection

The Board, the NCSB and the Parent Department should have regard to their obligations under the Data Protection Acts 1988 to 2018 throughout the CEO appointment process.

¹⁴ <https://govacc.per.gov.ie/governance-of-state-bodies/>

Appendix

CEO appointments process – steps to be taken



Steps to be taken once preferred candidate for CEO post identified

