

CPANI

The Commissioner
for Public Appointments
Northern Ireland

“Guardian of the Public Appointment Process”

Audit Report 2015/2016

Appointment of two Members to the Strategic Investment Board

Office of the First Minister and deputy First Minister

June 2016

Introduction

- 1.01 A competition to appoint two members to the Strategic Investment Board (SIB) was selected for audit as part of the 2016/17 audit programme of the Commissioner for Public Appointments for Northern Ireland (CPA NI). This competition was administered by the Office of the First Minister and deputy First Minister (the Department).
- 1.02 The audit was conducted under the Commissioner for Public Appointments (Northern Ireland) Order 1995 (as amended) and was designed to assess compliance with the 'Code of Practice for Ministerial Public Appointments in Northern Ireland' (the Code), version issued February 2014.
- 1.03 The Commissioner is required, by law, to prescribe and publish the Code to regulate the process by which public appointments are made. The Code sets out principles and practices which the Commissioner requires Government Departments to adopt.
- 1.04 The role of the Commissioner is to regulate, monitor, report and advise on the way in which Ministers make appointments to the Boards of public bodies in Northern Ireland. The Commissioner's duty is to ensure that public appointments are made in ways that are open, transparent and merit-based.
- 1.05 The Commissioner is concerned about the low level of diversity that currently characterises many of our public boards. In particular very few women hold Board Chair positions and to a lesser extent they are underrepresented at member level. People with disabilities are also underrepresented and the age profile of membership of public boards is too restricted. The Commissioner is committed to working to improve this situation.
- 1.06 Responsibility for appointments rests with the relevant Minister. Northern Ireland Government Departments have the responsibility of ensuring that the principles and practices contained in the Commissioner's Code are upheld throughout every public appointment recruitment competition. They are also tasked with improving the low levels of diversity on our public boards.

Approach

- 2.01 This audit report is the result of an examination of the appointment process, from which three breaches of the Code, seven instances of 'less than best-practice' and one instance of good practice were identified.
- For each breach of the Code and each identified issue of 'less than best-practice', CPA NI has produced a recommendation which the Department must address.
 - Recommendations are summarised at the end of the report and will be followed up by CPA NI in subsequent audits for evidence of implementation by the Department.
 - Where instances of good practice are highlighted, it is hoped by CPA NI that all Departments will study these for use in their own competitions.

- 2.02 CPA NI carried out a comprehensive review of all appropriate records, as provided by the Strategic Investment Unit. All documentation provided by the Department was well organised.

Acknowledgements

- 3.01 The Commissioner would like to thank the staff from the Strategic Investment Unit for their assistance and co-operation throughout this audit.

Summary

- 4.01 The audit investigation found good work by departmental officials.
- 4.02 The Department made considerable efforts to achieve a more diverse applicant pool. It was disappointing therefore that the applicant pool had a poor gender balance at nineteen female applicants and thirty-six male applicants. Clearly the Department and the SIB need to make even greater efforts to attract more women onto the Board.
- 4.03 The audit did reveal a number of weaknesses in the appointment process and these are the subject of recommendations below.

Background

- 5.01 One member of the SIB resigned with effect from 3rd November 2014. The term of appointment of one other member was due to end on 31st October 2015.

A submission requesting approval to launch a competition to fill these two vacancies was approved by Ministers on 19th January 2015. This submission highlighted that following the member's resignation, female representation had been reduced to one member. It stated that outreach measures to address this imbalance would be included in the appointment plan.

Stage 1 – Initial Planning of recruitment competition

Consultation with the Chair of the SIB

- 6.01 The Chair of the SIB, in consultation with the Department, reviewed the skill set of the existing Board and identified the need for specific financial experience. This was reflected in the person specification for one of the posts.

Independent Assessor

- 6.02 CPA NI allocated an Independent Assessor at the outset; the Assessor was involved in all relevant stages of the selection process.

The Selection Panel

- 6.03 The selection panel consisted of a senior official from the Department who chaired the panel, the Chair of the SIB and the Independent Assessor.

Selection panel members were involved in all relevant aspects of the selection process prior to the ministerial decision.

6.04 The Department ensured that all panel members were fully trained in line with the Code.

6.05 All selection panel members signed a confidentiality statement.

Role Profile and Person Specification

6.06 The role profile and person specification were developed by the Department with input from the selection panel. These included all information required by the Code.

6.07 The role profile for both posts focused on the purpose and responsibilities of the Board as opposed to those of individual members.

Paragraph 3.5 of the Code states that the role profile *“will describe the nature, purpose and responsibilities of the role in the context of the public body concerned”*.

6.08 **Recommendation: In addition to setting out the role of the Board, it is good practice to specify the role of the individual members.**

6.09 Two member positions were available on the SIB; a general member and a financial member. Applicants were able to apply for one or both of these vacancies.

6.10 Applicants for both posts were required to meet the following four essential criteria.

- i. Senior leadership skills with experience in developing, implementing and monitoring corporate business strategies.
- ii. An understanding of the economic and social challenges facing the Executive and strategic approach to these which is being taken through the Programme for Government, the Economic Strategy and the Investment Strategy.
- iii. Experience and understanding of corporate governance.
- iv. Experience in applying interpersonal and networking skills to deliver agreed outcomes.

6.11 The person specification for the general member post stated that should short-listing be necessary, this would be done by considering the strength and quality of the evidence provided by the candidate to assess how well he/she met criterion (i). This short-listing would take account of the nature, duration and currency of the applicant’s relevant experience, to include,

“Taking account of the size, nature of the organisation, and complexity of the environment in which it operates; the length of time over which the skills and experience was used; and how recent that experience is.”

Where this form of short-listing is used the panel must be careful to ensure that it takes a broad view of the value of experience gained throughout different sectors.

- 6.12 The person specification indicated that if further short-listing was necessary, it would be carried out by considering the strength and quality of the evidence to assess how each applicant met criterion (ii).
- 6.13 Applicants for the finance member post had to meet one additional financial criterion.
- v. Recent and relevant experience of analysing financial information in order to provide advice and inform decisions and an understanding of good financial management principles.
- 6.14 The Department considered recent to be within the past five years. The decision to place this time restriction on an applicant's experience was taken in consultation with CPA NI, and with the previous Commissioner's approval.

Such an approach could be seen to exclude applicants who may have the necessary skills but who may not have had the opportunity to use them in the past five years. Therefore the use of this approach must be based on sound documented reasoning, as it was in this instance.

- 6.15 Short-listing for the financial member post would, if necessary, be carried out by considering the strength and quality of the evidence to assess how each applicant met the financial criterion.

Ministerial Authorisation and Planning

- 6.16 A submission containing the role profile, person specification and appointment plan was approved by Ministers on 22nd April 2015. Ministers requested an unranked alphabetical list of candidates suitable for appointment.
- 6.17 The final appointment plan did not contain a section on diversity. The diversity section was present in draft versions of the appointment plan but was missing in the final version issued to Ministers. This was an important omission given that the balance of the current Board was one female and five males.

It was clear that the Department was aware of the requirement to address under-representation, and recognised the need to encourage applications from a wide range of applicants. They must however ensure that the actions they propose to take are set out in the appointment plan.

- 6.18 **Breach: The Department breached paragraph 3.6b of the Code.**

Recommendation: The Department must prepare an appointment plan, which will include a section on diversity which sets out what steps (in outreach and process) will be taken to achieve the best possible spread of applicants and, ultimately, appointees.

- 6.19 Paragraph 3.6 of the Code requires Department to prepare an appointment plan, which will include,

“an indication of how applicants will be informed of the progress and outcome of their application.”

This section consisted of statements indicating that applicants would be advised whether they had progressed at each stage of the process, and that communication would be by letter or e-mail.

This is insufficient and must be developed to show how long after each stage an applicant will be updated on the progress of their application. This section of the appointment plan should also include potential measures to be taken by the Department to keep applicants informed in the event of a delay, setting out a maximum length of time applicants must wait before contact from the Department.

- 6.20 **Recommendation: The Department must prepare a comprehensive procedure for keeping applicants informed of the progress and outcome of their application.**

Stage 2 – Preparation

Information Pack and Application Form

- 7.01 The Information Pack included all the key components required by the Code.

Comprehensive guidance was provided on completing and submitting an application, and on the appointment process as a whole.

- 7.02 The guidance advised that applicants may use examples from their working or personal life, including any voluntary or community work. It also encouraged applicants to read the OFMDFM ‘Make your Mark’ publication, provided information on how to structure a response to the criteria and highlighted that it is not sufficient for an applicant to simply list job titles that they have held.

- 7.03 The Information Pack included links to pertinent further reading for applicants on the SIB investment strategy and the Programme for Government.

- 7.04 The Application Form was clear and straightforward.

- 7.05 Applicants were asked when addressing all criteria to illustrate their experience by way of practical example(s) including dates and length of experience.

The financial criterion asked for evidence of recent experience, with recent considered to be in the past five years. It is unclear why applicants were asked to provide dates and length of experience for all the criteria.

Paragraph 3.21 of the Code states that Application Forms should ask only what is truly required.

7.06 **Recommendation: In future competitions the requirement to provide dates demonstrating the length of experience should be removed, unless this is truly required.**

7.07 Applicants were asked to complete an equal opportunities monitoring form. Completion of the form was voluntary.

Stage 3 - Encouraging Applications

8.01 The competition was launched on 27th April 2015.

The vacancy was advertised in the Belfast Telegraph, the Irish News and the Newsletter. The press advertisement recognised that women, people with a disability, ethnic minorities and young people were under-represented on public bodies and welcomed application from members of these groups.

It was posted on the websites of CPA NI, the Department, NI Direct and NI Jobs, it also featured on the departmental facebook and twitter accounts, as well as the SIB twitter account.

A selection of organisations were asked to place a copy of the advertisement on their websites, these included organisations representative of groups under-represented on public bodies.

An email highlighting the vacancies issued to a wide range of under-represented groups.

Stage 4 – Selection

Processing Applications

9.01 The closing date for applications was 22nd May 2015. Fifty-five applications were received, comprising of nineteen female applicants and thirty-six male applicants.

This was a disappointing result in terms of the number of female applicants. The Department must consider additional outreach options in order to attract more applications from under-represented groups particularly from women, in future competitions.

9.02 The processing of applications was well handled by the administrative team who had in place clear and comprehensive procedures.

9.03 The procedure in place for the handling of late applications was comprehensive and well thought out. In the event this was not required.

Sift and short-listing

9.04 Selection panel members attended a sift meeting on 28th May 2015. Anonymous copies of all Application Forms were provided to the selection panel prior to this.

- 9.05 Selection panel members noted any applicants potentially known to them.
- 9.06 A word limit was in place for each criterion. As stated in the Application Form any text beyond the allocated number of words was redacted from the Application Forms issued to the panel.
- 9.07 Each member of the selection panel individually assessed the applications, and allocated a score against each criterion, along with comments. A consensus panel score was agreed. The panel completed an agreed panel criteria assessment booklet.
- 9.08 Notes on the sift meeting were taken by the competition secretary.
- 9.09 A total of eight candidates, five female and three male, were invited for interview. One candidate dropped out of the process prior to interview.
- 9.10 Upon completion of the sift exercise, selection panel members were provided with the names of the successful candidates, and asked to declare any conflicts of interest.

Five of the candidates were known to at least one of the panel members. Selection panel members completed a confirmation of independence form listing any of the candidates known to them, in what capacity and for how long.

No conflicts were declared.

- 9.11 A letter to those applicants who did not pass the sift exercise was issued on 1st June 2015. The letter listed the criteria the applicant failed and provided contact details should the applicant have any queries about the selection process or should they wish to contest the decision.
- 9.12 Five requests for reassessment were received. The anonymous Application Forms were reissued to the selection panel who were asked to reassess individually. Had any variation from the original decision occurred, the panel had agreed that a collective reassessment would take place. This was not required.
- 9.13 Six requests for feedback were received. These were dealt with in a timely manner. Feedback was prepared by the competition secretary based on all notes from the sift. This was cleared by the Chair before being issued to the applicant.
- 9.14 One applicant went on to submit a complaint about the decision not to invite him for interview and the overall appointment process. The Department stated in it's response that it was the role of the Independent Assessor to ensure that the public appointments process is correctly followed by the Department. This is both inaccurate and misleading.

Paragraph 1.6 of the Code states

“Northern Ireland Government Departments have the responsibility of ensuring that the principles and practices contained in the Commissioner’s Code are upheld throughout every public appointment recruitment competition.”

Paragraph 3.7 of the Code requires the participation of an Independent Assessor but sets out that this does not remove the Departmental responsibility cited in paragraph 1.6.

9.15 **Recommendation: The Department must provide accurate information to candidates regarding the role of the CPA NI Independent Assessor in the process.**

Interview

9.16 A letter inviting candidates to interview was issued on 1st June 2015.

9.17 Interviews took place on 15th and 22nd June 2015.

9.18 Candidates were questioned on the four essential criteria, as well as the financial criterion if appropriate. A pass mark of three out of five was in place for all criteria.

9.19 The selection panel agreed that candidates would be given seven minutes per question. There is no evidence that interview times were recorded.

9.20 **Recommendation: It is good practice for accurate times for the interview to be recorded. This will ensure a consistent record is retained demonstrating equal and fair treatment for all candidates.**

9.21 Each panel member completed an individual interview assessment booklet for each candidate, to record the evidence against each criterion. An individual panel member score was recorded.

9.22 All candidates were asked to identify any conflicts of interest and were questioned on integrity issues. Candidate responses were recorded on the individual interview assessment booklet.

9.23 Paragraph 3.38b of the Code states that,

“The selection panel must determine whether each applicant is aware of the standards of behaviour required of public appointees and can demonstrate his or her understanding of the issue.”

Candidates were not questioned on the standards of public life. This omission constitutes a breach of the Code.

- 9.24 **Breach: The Department breached paragraph 3.38b of the Code.**
- Recommendation: The Department must ensure that the selection panel determine whether each applicant is aware of the standards of behaviour required of public appointees and can demonstrate his or her understanding of the issue.**
- 9.25 A summary sheet recording an agreed panel score was completed and signed by all panel members. This sheet contained space for "Comment if required" against each criterion. The panel's approach to this important aspect of the process was inconsistent in that the selection panel did not record comments on this sheet for any of the criteria for three of the seven candidates. Detailed comments for every candidate were recorded on the individual panel members' interview assessment booklets.
- 9.26 **Recommendation: The panel must ensure that it adopt consistent record keeping for all candidates. Summary comments should be provided for each candidate in addition to numeric scores against the criteria.**
- 9.27 At interview, three candidates were found to be suitable for appointment to both posts, in addition one candidate was found to be suitable for appointment to the general member post only. Of these four candidates, two were female and two were male.
- 9.28 Those candidates found suitable for appointment were informed of the decision in a letter issued 25th June 2015.
- 9.29 Those candidates found unsuitable for appointment were informed of the decision in a letter issued 25th June 2015. The letter provided details on how to request feedback on the interview.
- 9.30 Two requests for feedback were received. Feedback was provided in a letter from the Chair of the selection panel. The feedback was meaningful and specific to the candidate's examples. The letter also offered candidates the opportunity to speak with the panel Chair if they wished to discuss the issues further. This willingness to provide useful and non-generic feedback is commended by CPA NI.

Applicant Summary

- 9.31 Applicant summaries were prepared by the Department and agreed by the selection panel. Each applicant summary provided background information taken from the candidate's Application Form, it also included details of any potential conflicts of interest raised by candidates at interview.

The applicant summaries also utilised the findings of the selection panel at interview. The information included here rigidly followed the generic descriptor based on scores one to five set out in the interview scoring framework. The applicant summary would have benefitted from more individualised comments

based on the evidence presented by the applicant.

- 9.32 **Recommendation: In future competitions the Department should aim to reflect a more individualised assessment in the applicant summary based on the evidence presented by the candidate at interview, in addition to any generic comments reflecting the descriptors set out in the interview scoring framework.**

- 9.33 The applicant summaries were submitted to the Ministers in an alphabetical list on 17th July 2015.

Ministerial Decision

- 9.34 On 27th July 2015 the Ministers selected two candidates for appointment; one as the finance member and one as a general member. One female and one male.

- 9.35 The Department was unable to provide any record of the reasons for the Ministers' decision. This is a breach of paragraph 3.44 of the Code which requires the Ministerial Decision, and the reasons for the decision, to be recorded and retained as part of the audit trail.

- 9.36 **Breach: The Department breached paragraph 3.44 of the Code.**

Recommendation: The Department must ensure that the Ministers' decision on which applicants are to be appointed is recorded and retained as part of the audit trail. The reasons for the decision must also be recorded.

- 9.37 The unsuccessful candidates were informed of the decision by letter dated 6th August 2015.

- 9.38 The two successful candidates were informed of the decision by letter dated 30th July 2015. The letter requested that they complete a political activity form, provide an update on any conflicts of interest or integrity issues which may have arisen and list any current public appointments held.

- 9.39 A formal letter of appointment issued to the successful candidates on 1st September 2015.

Announcing the Appointment

- 9.40 The Department announced the appointments in a press release which fulfilled the requirements of the Code.

Summary of Recommendations

- 10.01 In addition to setting out the role of the Board, it is good practice to specify the role of the individual members.
- 10.02 The Department must prepare an appointment plan, which will include a section on

diversity which sets out what steps (in outreach and process) will be taken to achieve the best possible spread of applicants and, ultimately, appointees.

- 10.03 The Department must prepare a comprehensive procedure for keeping applicants informed of the progress and outcome of their application.
- 10.04 In future competitions the requirement to provide dates demonstrating the length of experience should be removed, unless this is truly required.
- 10.05 The Department must provide accurate information to candidates regarding the role of the CPA NI Independent Assessor in the process.
- 10.06 It is good practice for accurate times for the interview to be recorded. This will ensure a consistent record is retained demonstrating equal and fair treatment for all candidates.
- 10.07 The Department must ensure that the selection panel determine whether each applicant is aware of the standards of behaviour required of public appointees and can demonstrate his or her understanding of the issue.
- 10.08 The panel must ensure that it adopt consistent record keeping for all candidates. Summary comments should be provided for each candidate in addition to numeric scores against the criteria.
- 10.09 In future competitions the Department should aim to reflect a more individualised assessment in the applicant summary based on the evidence presented by the candidate at interview, in addition to any generic comments reflecting the descriptors set out in the interview scoring framework.
- 10.10 The Department must ensure that the Ministers' decision on which applicants are to be appointed is recorded and retained as part of the audit trail. The reasons for the decision must also be recorded.