



What is an Interdepartmental Executive Board?

Description

An interdepartmental executive board is a board of public service chief executives¹. It is a new model of public service agency², designed to draw together chief executives to deal with complex issues that have impacts and policy levers that sit across a wide range of portfolio areas. These complex issues cannot be solved by one single agency.

This model brings together chief executives of affected or contributing departments to work collectively. The board of chief executives aligns strategic policy, planning and budgeting around the shared issues within the remit of each of the chief executives' agencies. Responsibility for delivery activities that contribute to the board's priorities would remain with individual departments. A Minister designated by the Prime Minister is assigned responsibility for the board. Members of the board are jointly responsible to that Minister for the board's functions (this relationship could be managed by the Chair of the board). This is similar to how a Crown Entity board operates.

Interdepartmental executive boards have the ability to enter into contracts, and would be able to administer appropriations. The board can employ staff, who would be hosted by a servicing department which could also carry out administrative and reporting activities under delegation from the board.

¹ It may also include the Chief of the Defence Force and Commissioner of Police

² All public service agencies (departments listed in Schedule 2 Part 1, departmental agencies, interdepartmental executive boards and interdepartmental ventures) form part of the legal Crown, and operate under lawful instruction from Ministers. They are distinct from other government entities that are outside the legal Crown and operate at arms-length from ministerial control, such as Crown entities.

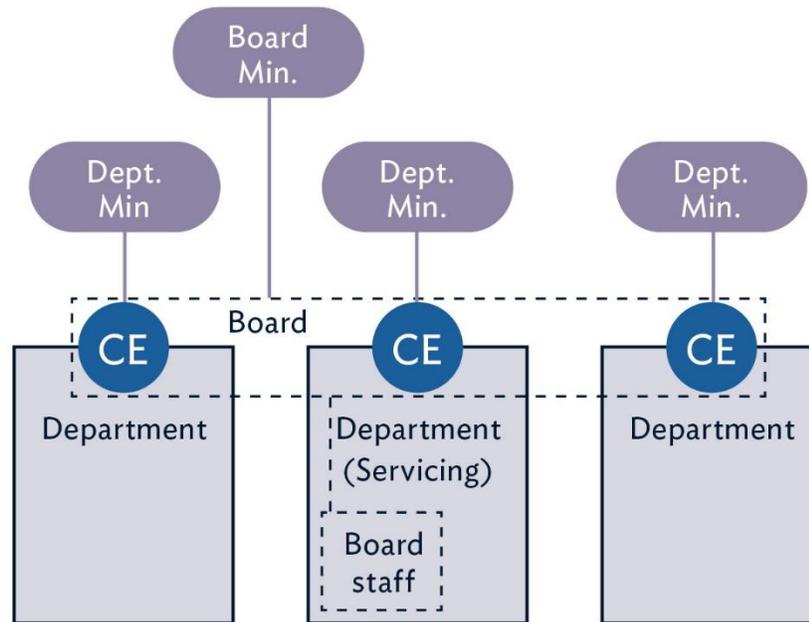


Figure 1. Structure of an Interdepartmental Executive Board

Background and objectives

In response to difficulties with cross agency working on complex problems, Te Kawa Mataaho Public Service Commission (State Services Commission at the time) designed a [System Design Toolkit](#) which demonstrates a spectrum of models for dealing with problems that cross agency borders (e.g. Social Wellbeing). These models range from voluntary coordination at the soft end, to structural reorganisation (i.e. mergers) at the hard end.

In the middle are models which involve groups of public service chief executives working together on a shared problem. These groups have existed as vehicles for cross-agency collaboration for some time, with varying degrees of formality and collective decision-making authority. They have varied on a spectrum from coordination of approaches, to more intensive formal collaboration. The goal of these types of groups is to work collaboratively through aligning strategic policy, planning and budgeting around shared goals or cross-cutting issues, without changing accountability for delivery activities.

Early board models improved information flows between agencies but suffered from many of the common problems of cross-agency activity in the New Zealand context, including agency prioritisation of vertical accountabilities to Ministers, patch-protection and lack of commitment. The



relatively large size of the boards also resulted in lack-of-ownership issues, with chief executives feeling little individual responsibility for problems in a group of, in some cases, more than 10 agencies.

The Specific Purpose Board model was developed as part of the 2012 Better Public Services reforms to address problems with voluntary collaboration board models and was intended as a Cabinet mandated mechanism for joint chief executive responsibility for specific cross-cutting policy issues. However, this model does not allow the board to employ staff, administer appropriations or enter into contracts. The interdepartmental executive board builds on this model to lock in resourcing and responsibility where it is necessary to hardwire these commitments.

When might an Interdepartmental Executive Board be used?

The key uses of the model are to align strategy and planning activities for a group of agencies operating in overlapping policy areas, or to harness the capabilities of individual departments to collectively plan for, and make funding decisions on, a specific cross-cutting problem or priority. In these instances, responsibility for delivery activities that contribute to the board's priorities would remain with individual departments.

The interdepartmental executive board would work best where:

- two or more groups of functions or activities depend on each other to deliver a common objective or result (e.g. complex interrelated policy areas, such as health and housing)
- the number of participating agencies is moderate (e.g. two to eight)
- consensus about the objective is high (e.g. around a shared Government result)
- voluntary solutions have proven insufficient to resolve trade-offs between agency interest and shared interests
- the problem is large or important enough to warrant the additional priority, cost and time
- the problem is large or important enough to warrant having a Minister assigned
- chief executives are willing to be jointly responsible for the problem.

When wouldn't this model be useful?

Interdepartmental executive boards should be applied selectively and only where there is potential for significant benefits from strengthened joint governance. Because establishing such a board requires formal establishment by order-in-council (as with a department), it is not suited to circumstances where:



- voluntary solutions have not yet been tested (these may prove sufficient means of collaboration, in which case an interdepartmental executive board is unnecessary)
- the policy and strategic context for the board is in a state of flux or unclear (there may be uncertainty over which departments should be included in the board's remit, and which department is to act as the servicing department)
- the focus is on delivering services (in this case, an interdepartmental venture may be more appropriate)
- the issue is system-wide (there would be too many agencies involved)
- the objective is not a priority (the cost and Ministerial involvement would be difficult to justify)
- the policy areas are straightforward or not interrelated enough to benefit from a dedicated board.

As expressed above, other models for cross-agency work on shared problems also exist – more information on these models can be found in the System Design Toolkit. This includes the Specific Purpose Board – another form of chief executive board which is Cabinet mandated, rather than established through legislation (i.e. the Social Wellbeing Board). These models should be considered during the organisational form policy process.

How an Interdepartmental Executive Board works

Role of the board

An interdepartmental executive board operates in a similar manner to a chief executive of a department, in regard to day to day operations and performance of its functions. Decisions could be delegated to a director where appropriate.

Not all chief executives of agencies within the remit of the board will be members of the board. This means the board will need to ensure that its work programme is coordinated across other agencies within its remit and their chief executives.

The board reports directly to the board's Minister, and the members of the board are jointly responsible to that Minister for the board's functions and any joint resources it controls. In practice, the board may decide that the day-to-day relationship with the Minister is managed by a particular individual (e.g. the chair of the board or the director).

Chief executives on the board also retain their usual responsibilities and reporting lines to their individual ministers. The dual relationships will be managed by the chief executives on the board, who



will work together to provide joined up advice to the Minister of the board, and carry out delivery through their own departments, for which they will be responsible to the appropriate Minister for that department. The chief executives on the board will also be responsible for briefing their individual Ministers on the work of the board and any implications for their department.

Servicing department

To achieve the board's objectives, they will likely need dedicated resource that can provide coordination across the various departmental policy areas and support the board to develop coherent strategic advice that balances various sector perspectives and trade-offs. The board can employ staff to a dedicated unit (similar to a secretariat) to support the board's functions. The board can appoint a director to lead the work of this unit.

This unit is supported by a servicing department, which may be one of the agencies listed within the board's remit. The board can also delegate administrative tasks (such as financial and annual reporting) to the servicing department, to reduce the administrative burden on board staff.

Responsibility for employees

An interdepartmental executive board is able to appoint and employ staff and has responsibility for individual personnel matters in respect of employees of the board (e.g. appointment, transfer and personal grievances). These responsibilities are delegated in legislation to the board from the servicing department which remains the legal employer. This means that the chief executive of the servicing department remains responsible for ensuring that legal obligations to staff are met (e.g. health and safety). The servicing department would likely support the board with administrative aspects of employment.

Independent advisors

The Public Service Commissioner may appoint one or more independent advisors (who are not public service chief executives) to the board. Independent advisors would have no decision-making authority on that board. Independent advisors can be used to include those who cannot sit on the board as they are not part of the public service (e.g. iwi or Crown entities). An independent advisor could also be placed on the board to provide technical expertise that does not otherwise exist within the board.

Ministerial relationships

The key objective of an interdepartmental executive board is to take a collective approach to issues that span department and portfolio boundaries. The expectation is that Ministers of the departments within the remit of the board would also work collectively, such as jointly approving policies that have implications for the operation of individual departments. This would work in the same way as joint decisions between Ministers are currently taken.



Financial management and reporting

An interdepartmental executive board can either administer its own appropriation or use appropriations administered by another department – this does not have to be the servicing department, but would most likely be a department within the remit of the board. If the board administers its own appropriation, it would be responsible to the appropriation Minister for what is achieved with that appropriation, yet in practice may delegate the administrative tasks (such as the preparation of end-of-year performance reporting documents) to the servicing department (refer to the [Treasury website](#) for detailed information about the responsibilities of an appropriation administrator.)

The board is responsible for ensuring that it complies with the reporting requirements under the Public Finance Act 1989. An interdepartmental executive board is required to provide its responsible Minister with information on its strategic intentions (unless this requirement is waived by the Minister of Finance). A board is also required to prepare annual reports for each financial year. Again, the preparation of these reporting documents could be delegated to the servicing department, who would prepare separate strategic intentions and annual reports for the board (with involvement from the board where appropriate – for example, the signing of the statement of responsibility under section 45CA).

If the interdepartmental executive board manages assets and liabilities it will need to include financial statements in its annual report, unless this requirement is waived by the Minister of Finance. A waiver may be granted to the board only if the Minister of Finance considers the functions and operations of the board and the materiality of the assets, liabilities, expenditure, and revenue of the board does not justify the preparation of separate financial statements.

Establishing an Interdepartmental Executive Board

Consultation

Te Kawa Mataaho Public Service Commission and the Treasury must be consulted about any proposal that might lead to the establishment of an interdepartmental executive board.

Cabinet decision

Prior to establishing an interdepartmental executive board, Cabinet decisions on the purpose of the board, scope of work, functions and any appropriations the board will administer, are required – as with any proposal to establish a new entity.



Order in Council

Once policy decisions have been made by Cabinet, an order in council is required to establish the interdepartmental executive board (as is also required for a department or departmental agency). It must state:

- the name of the interdepartmental executive board
- the departments with responsibilities in the subject-matter area in which the board will work (the remit)
- the department that will be the servicing department of the board.

Board composition

The chief executive members of the board are designated by the Public Service Commissioner from the chief executives of departments within the board's remit (which will be listed in the Order-in-Council). The board need not include all of those chief executives. The Commissioner must also designate one of the members as the chairperson of the board. Before selecting board members or designating the chairperson, the Commissioner must invite the Minister of State Services and the Minister for the board to identify any matters the Commissioner must take into account.

The Commissioner may also appoint independent advisors to the board.

Operating procedures

The interdepartmental executive board is required to develop operating procedures, which must be published online. These will set out the working arrangements between the board members, and will likely vary for each board. They may include aspects such as responsibilities of the chair, how many make up a quorum, when the board meets, any rules on delegating attendance, how agendas are established, and how decisions are made. These procedures must include provision for the Commissioner to assist in the resolution of conflict if there is a breakdown of relationships.