

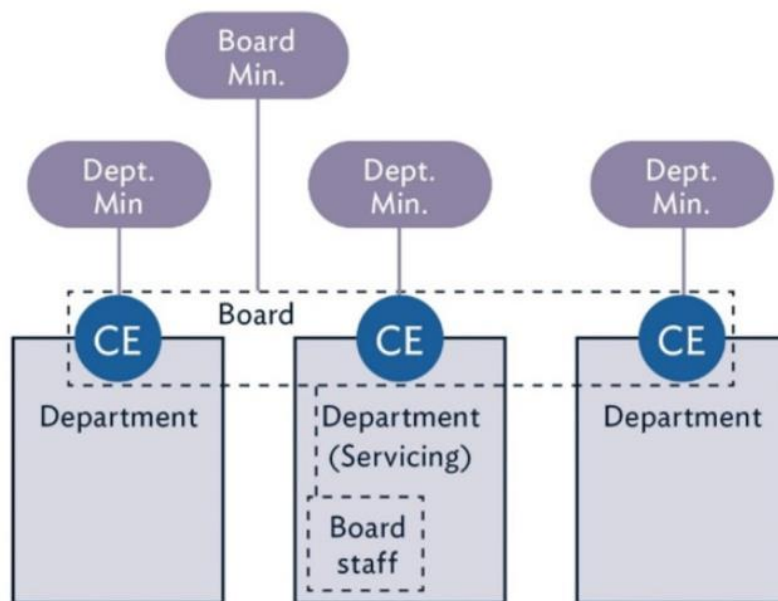


## Practical Guidance: Interdepartmental Executive Boards

Interdepartmental executive boards (IEBs) are an organisational form enabled under the Public Service Act 2020 (although they draw on characteristics and lessons from earlier non-legislative governance models). An IEB is a board of chief executives used to improve collaboration on complex issues by aligning policy, planning, and budgeting across relevant departments in relation to a specific issue or issue area. Individual agencies remain responsible for delivery in line with the IEB's priorities.

IEBs are classified as public service agencies under the Public Service Act 2020 and therefore have many of the same responsibilities under that Act as an individual public service chief executive. These include the responsibility to uphold public service principles (s 12); preserve, protect, and nurture the spirit of service to community (s 13); support the Crown in its relationships with Māori (s 14); and other general responsibilities and powers (s 27). IEBs report to a responsible minister designated by the Prime Minister. They can enter into contracts, administer appropriations, manage assets and liabilities, and employ staff. IEBs are supported by a servicing department and usually also some dedicated staff.

**Figure 1: Structure of an interdepartmental executive board**



The IEB model is an alternative to either voluntary coordination of agencies, or structural reorganisation of relevant agencies and functions into a new agency, balancing the pros and cons of each. IEBs are most appropriate for addressing important issues with high consensus around objectives (e.g. a shared government result), as these issues are most likely to warrant the specific ministerial responsibility and additional visibility, along with the cost and resource required to establish and operate an IEB. Further detail on how the IEB model was developed and when to use it is available in our [Supplementary Guidance Note](#).



This guidance functions as a first port of call for IEB members, servicing departments, and staff once the decision to establish an IEB has been made. It is organised into three sections. The first section sets out the immediate considerations for IEBs to get up and running. The second section guides an IEB through thinking about how it will deliver on its priorities and work programme. The final section sets out options available to the IEB in setting up its supporting arrangements, focusing mainly on the relationship to the servicing department.

IEBs are required to report on their performance under the Public Finance Act 1989 and meet other public accountability obligations. To help meet these obligations, this guidance should be read alongside the Treasury's guidance: [Public Finance Act: Guidance for Specified Agencies \(interdepartmental executive boards, interdepartmental ventures and departmental agencies\)](#). Questions about the financial functions and responsibilities of IEBs can be directed to [boardsandventures@treasury.govt.nz](mailto:boardsandventures@treasury.govt.nz) and more general questions about IEBs can be directed to [commission@publicservice.govt.nz](mailto:commission@publicservice.govt.nz).

## **1. Establishing and working as an IEB**

Because IEBs are Public Service agencies, establishing an IEB requires Cabinet decisions on purpose, scope of work, functions, and any appropriations the IEB might administer or use. Once Cabinet decisions have been made, the IEB is established through an Order in Council (a legislative instrument, required under section 26 of the Public Service Act 2020). The Order in Council specifies the name of the IEB, the agencies in its remit (departments with responsibilities and functions relevant to the subject matter or issue the IEB is intended to address), and the servicing department. This section outlines the initial considerations for a newly established IEB.

### **Membership of the IEB**

The membership of an IEB is determined based on the remit set by Cabinet, decided in the policy process to set up the IEB. Departments with responsibility in the subject area the IEB is intended to focus on will be listed in the Order in Council (the legislative instrument that formally establishes an IEB). The Public Service Commissioner will then select the membership of the IEB from the chief executives of agencies listed in the remit. Remit agencies who are not selected in the final membership of the IEB do not have any responsibilities or requirements for involvement in the work of that IEB. However, being included in the remit signals that the agency does have existing functions that may be relevant to the work of the IEB. Therefore, there is a general expectation that the IEB will consider how to involve non-member agencies from the wider remit (e.g. through membership in working groups or voluntary contribution of resources).

The Commissioner can also appoint independent advisors to the IEB, or the IEB can use its own advisors not appointed by the Commissioner. These advisors have no decision-making authority but may have expertise that the IEB otherwise does not have access to. They may include representatives of Crown entities or external stakeholders. These representatives are not part of the core public service and are therefore unable to be IEB members, but they may still have



delivery responsibilities relevant to the IEB's work. The remuneration of independent advisors who are not representing public sector agencies should be set in line with the Cabinet fees framework. The IEB can also invite attendees to their meetings to support specific agenda items, regardless of whether these attendees are from member or non-member agencies.

### Chair of the IEB

The chair of an IEB is designated by the Public Service Commissioner from among the members of the IEB, taking into account any matters identified by the Minister for the Public Service and the responsible minister for the IEB.

The letters of designation for chairs generally convey that they have a role in leading the IEB. This may involve acting as the main point of contact for the IEB to key stakeholders, including the responsible minister and related portfolio ministers. The role of the chair is not prescribed in legislation and therefore does not have any associated legislative requirements. New IEBs should consider and agree the specific role of their chair, alongside other key roles like a director of the unit supporting the IEB. This information can be set out in the IEB's operating procedures or servicing department agreement (discussed below).

The IEB should also consider who will act as chair when the designated chair is absent. The recommended approach is for the IEB to specify arrangements for when the chair is absent through its operating procedures (discussed further below) for example by nominating a deputy chair and providing that they take on chair responsibilities in periods of unexpected absence (i.e. when the chair is unable to attend a meeting but has not formally delegated their responsibilities). If the chair has formally delegated their substantive (chief executive) role in accordance with the Public Service Act 2020, the person who is acting for the chair in their substantive chief executive role also assumes the IEB chair role by default. Depending on the acting individual's familiarity with the IEB's work and the length of the absence, it may be more appropriate to separate the delegation of the chair role (for example, to the deputy chair for the IEB). The secretariat should talk with the servicing department's legal team to ensure delegation of the chair role has been considered and appropriately reflected in delegations policies.

### Operating procedures

One of the first tasks for the IEB should be to agree on its operating procedures. IEBs are required to publish their operating procedures on an internet site maintained by, or on behalf of, the IEB. Operating procedures will likely vary for each IEB but should set out some core matters like roles and responsibilities, and meeting processes. A draft outline of generic operating procedures for an IEB is provided, along with links to some operating procedures of existing boards.

### Secretariat support/IEB unit

The IEB is responsible for determining the kind of support they need from any secretariat or support unit and therefore for authorizing its size and scope. The IEB should consider whether they want to appoint a director to lead the work of their secretariat or support unit. Once appointed, that director would likely set up the rest of the secretariat in accordance with the IEB's specifications.



The IEB should also work through what role that director might have in representing the work of the IEB externally. For example, the director may hold a relationship with the responsible minister on behalf of the IEB, or they may manage relationships with stakeholders external to either the IEB or the public service. This could be outlined in the operating procedures.

Practically, the limits for the size and scope of the IEB's support unit may be determined by the amount of dedicated funding that the IEB has access to. There may be an expectation that the IEB resources the secretariat through secondments from member agencies. Secondments may provide positive opportunities for existing public service employees to bring cross-agency perspectives and wider systems thinking to the work of the IEB. High-level expectations around resourcing would usually be determined early in the process to establish the IEB, in discussion with the Treasury and Public Service Commission.

In appointing staff to the support unit, the IEB and/or director should consider the skills that are relevant to the core areas of the IEB's work. These might include governance skills; experience with public service accountabilities like ministerial servicing, annual reporting, and select committee processes; and subject specific skills like programme management, policy expertise and briefing writing. The ability to work across a range of activities and hold strong relationships across agencies and levels will likely be invaluable to the success of the IEB, especially in early stages where there may be more ambiguity during establishment.

The secretariat will not necessarily hold individual relationships with each of the IEB members. They are more likely to work primarily with the chair of the IEB and any DCE groups or working groups of officials at other levels. Employment arrangements for secretariat staff are discussed in the 'Employment' section later.



## 2. Supporting the IEB

The primary source of support for an interdepartmental executive board is its servicing department. The function of servicing departments within the IEB model is to gain efficiencies from established processes and infrastructure instead of creating duplication. This section outlines some of the key functions where the servicing department can provide those efficiencies and reduce the administrative burden on IEB staff.

### Servicing department

Each IEB has a servicing department that provides support, often by hosting or supplying IEB staff (the secretariat/IEB unit) and providing corporate services (e.g. IT, HR, finance, legal). Servicing departments are identified in the policy process to set up an IEB and are stated in the Order in Council that formally establishes the IEB. The IEB remains a separate agency from its servicing department and the servicing department is not responsible for the IEB's key functions.

The specific support arrangements between an IEB and its servicing department would usually be documented in an agreement. The most important arrangements to cover include support with the administration of any appropriations and meeting other financial responsibilities, legislative compliance, and information management; these are discussed in more detail below. The agreement may also outline practical matters such as arrangements for CabNet access (e.g. access provided through the servicing department). This is not an exhaustive list of matters to cover in a servicing department agreement but provides a starting point based on the experience of existing IEBs.

### Public accountability (Public Finance Act 1989)

Treasury's [\*Public Finance Act: Guidance for Specified Agencies \(interdepartmental executive boards, interdepartmental ventures and departmental agencies\)\*](#) provides full detail on accountability requirements under the Public Finance Act 1989. Some key features are noted in this section and questions can also be addressed to [boardsandventures@treasury.govt.nz](mailto:boardsandventures@treasury.govt.nz).

Like all public service agencies, IEBs are required to provide information on their strategic intentions to their responsible minister within six months of establishment (and then three-yearly), and report on progress against those strategic intentions annually. IEBs may receive a waiver for providing information on their strategic intentions from the Minister of Finance if the minister was satisfied that that information could be covered by the strategic intentions of the servicing department or other agency.

IEBs can manage assets and liabilities and administer their own appropriation.<sup>1</sup> Alternatively, an IEB's servicing department can administer the appropriation, or the IEB can use an existing appropriation of another department. Regardless of these arrangements, information about the

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<sup>1</sup> Interdepartmental executive boards are treated as departments under section 2 of the Public Finance Act 1989, and can therefore administer appropriations under section 7C.





accountability reporting for current IEBs is published on the Treasury website.<sup>2</sup> Whether an IEB should administer its own appropriation or manage assets and liabilities will depend on the size and complexity of the IEB's activities, as the associated administrative costs may exceed the benefits of separate financial management and reporting. Delegating the day-to-day management of the appropriation to the servicing department can mitigate extra costs involved in the IEB acting as appropriation administrator.

The Treasury can provide advice on these considerations and will also work with Te Kawa Mataaho Public Service Commission, servicing departments, and member agencies to ensure parties are aware of responsibilities and that there is the correct authority to incur expenditure. IEBs may receive a financial statements waiver from the Minister of Finance under some conditions.<sup>3</sup> In these cases, the servicing department and/or other relevant departments will report on the assets, liabilities, revenue, and expenditure of the IEB.

Regardless of specific funding arrangements, in practice, the IEB may delegate administrative tasks (such as the preparation of end-of-year performance reporting documents) to the servicing department, with involvement from the members where appropriate (e.g. signing of the statement of responsibility by all members under section 45CA of the Public Finance Act 1989).

### Legislative compliance

The IEB holds accountabilities under the Public Finance Act 1989 (see above) and the Public Service Act 2020. But in the case of most other public management legislation (e.g. Official Information Act 1982, Public Records Act 2005, Protected Disclosures [Protection of Whistleblowers] Act 2022, and Privacy Act 2020), accountabilities sit with the servicing department. However, the IEB and its staff will need to work with the servicing department to meet these accountabilities given they will need to support compliance (e.g. with record-keeping requirements) and they hold the relevant information necessary for the servicing department to discharge its responsibilities (e.g. responding to OIA requests).

The IEB has flexibility in how they choose to meet their statutory responsibilities and can delegate administrative tasks or functions and powers, either to a servicing department or the chair or director of the IEB.<sup>4</sup> The detail of these arrangements would appropriately be laid out in the IEB's operating procedures or in the servicing department agreement. Specific statutory responsibilities relating to transparency and employment are discussed elsewhere in this section. Where the IEB seeks to delegate powers conferred on them by either the Public Service Commissioner or a minister, those parties must give prior approval for the respective delegations. For other delegations, the IEB gives ultimate approval and should follow the delegations policy of their servicing department.

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<sup>2</sup> See [www.treasury.govt.nz/information-and-services/state-sector-leadership/interdepartmental-executive-boards](http://www.treasury.govt.nz/information-and-services/state-sector-leadership/interdepartmental-executive-boards).

<sup>3</sup> See sections 45AB and 41(3A) of the Public Finance Act 1989.

<sup>4</sup> Delegation of administrative tasks to the servicing department is allowed under s 27(2) of the Public Service Act 2020. Delegation of functions and powers to individuals can be made under clause 2 in Schedule 6 of the Public Service Act 2020.



## Parliamentary questions

The IEB may be required to attend select committees on request, and to help answer parliamentary questions. The appropriate approach to addressing any parliamentary questions should be worked through by the IEB and could be specified in an agreement with the servicing department. The servicing department's ministerial services team may coordinate the process of collating the required information on behalf of the IEB. If the IEB has delegated management of the day-to-day relationship with their appropriate minister to a director of their secretariat/support unit, that person will likely also have some involvement with the minister's office.

## Official Information Act request responses

The servicing department holds ultimate responsibility under the OIA for the compliance of the IEB it services. The appropriate approach to responding to Official Information Act (OIA) requests relating to the work of the IEB should be worked through between the IEB and their servicing department and then set out in the servicing department agreement. Similarly to parliamentary questions, the most pragmatic approach would be to use the servicing department's existing OIA infrastructure and maintain a connection to the IEB through the secretariat or support unit.

## Information management

The practicalities of complying with transparency legislation (OIA, public records, etc.) mean that the IEB's files and information should be kept distinct from those of the servicing department whose information management systems the IEB will most likely be using. In other words, the IEB should have separate folder structures from other business groups hosted on the servicing department's filing system. This will help the IEB and its servicing department to meet their respective responsibilities under transparency legislation.

## Risk and assurance

An IEB should consider whether and how it should receive advice on risk and assurance. The simplest approach is for risk and assurance matters relating to the IEB to be considered by the risk and assurance committee (RAC) of the servicing department. This is a more streamlined approach than the IEB engaging with individual agency RACs and would be especially appropriate where the servicing department is already handling the financial matters of interest to a RAC on the IEB's behalf. The Office of the Auditor General (OAG) may also have a role in this matter if they have a view on the audit treatment of IEBs' annual reports. Like departments, IEBs are subject to review by the ombudsman and select committees, and their annual reports are subject to audit (though may not include separate financial statements if these are included in the annual report of the servicing department).

## Branding

As IEBs must publish their operating procedures online, they will all need at least some base level of web presence. For some IEBs, a sub-page on an existing agency (e.g. servicing department) website will be sufficient. In other cases, it may be valuable for the specific work programme and



purpose of the IEB to develop a separate website and/or branding. If there are branding elements the IEB believes would be of value to them and their work, these should follow all-of-government branding guidelines.

## Employment

The IEB can appoint staff and is considered the employer of these staff, having been delegated that role by the chief executive of the servicing department, who remains the ‘employer at law.’<sup>5</sup> In practice, this means that both the servicing department and the IEB have some employment responsibilities.

- The IEB is responsible for employment matters at the individual level, such as appointments, removals, employment relationship problems, personal grievances, etc.
- The chief executive of the servicing department is responsible for other generic personnel and employment matters.

For example, the servicing department may support the IEB with consistency of employment agreement terms and conditions and job descriptions to reduce the administrative burden, although that decision would be up to the IEB. The signing out of employment documentation depends on the relevant delegations policy and who the IEB has determined will hold the delegated responsibility for employing staff.

IEBs, their servicing departments, and the staff involved should have clarity over their roles, reporting lines, and the division of any employment responsibilities and this should be documented. A practical approach should be taken to determining which staff are substantively performing the work of the IEB and for which the IEB is therefore the employer. This would include existing employees of the servicing department who are working in IEB roles (i.e. reporting to the IEB or its delegate, and/or seconded to the IEB) and new staff appointed by the IEB. All staff working for the IEB should be doing so on a formal basis. However, where it is practically necessary for staff to work for or with the IEB team on an informal basis (retaining a reporting line outside the IEB), their involvement with the IEB should be documented and reviewed regularly to assess any change in circumstances. Employees of the servicing department providing corporate support to the IEB or assisting in IEB work in addition to their substantive roles would most likely not be covered.

As noted in the section on public accountability, IEB activity may be funded via a dedicated appropriation administered by the IEB or its servicing department, which could include funding for any employees. If needed, authority for the servicing department to use the appropriation can be given under administration and use provisions in the Public Finance Act 1989. If the IEB does not have a dedicated appropriation, then employees could be funded from the appropriation used by the servicing department for servicing the IEB and/or could be secondees funded by other IEB member agencies.

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<sup>5</sup> These arrangements are set out in sections 68 and 69 of the Public Service Act 2020.





### 3. Delivering on the IEB's priorities

Interdepartmental executive boards are intended to align policy advice and coordinate work across agencies. This means the IEB needs to consider how their work programme will be delivered through member agencies and how they source the advice they need to make decisions on that work. This will involve members balancing their role on the IEB with the accountability they retain for the work of their individual agencies. This section outlines matters the IEB could consider planning delivery against their priorities. These build on the considerations from the previous section around the IEB's secretariat support, and the later section on servicing department arrangements.

Interdepartmental executive boards can take many shapes and forms. The nature of the specific IEB and its purpose will likely have a bearing on the matters in this section. For example, the Spatial Planning Reform Board was initially set up as a time limited IEB with oversight of a subcomponent of a broader project (one piece of legislation from a package of broader reforms). IEBs that have been established on a permanent basis could be regularly reviewed to ensure their purpose, scope and membership remain appropriate.

#### Involvement outside the IEB

The Commissioner selects the membership of the IEB from the agencies listed in the remit of the Order in Council that establishes the IEB. This means that there may be some agencies within the remit who are not members of the IEB (see earlier section on 'Membership of the IEB'). The IEB may need to manage these relationships, as well as possible relationships with external stakeholders engaging on specific matters.

IEBs should think about how they manage these relationships, and what the right level of involvement is for key stakeholders. This section outlines some of the more commonly used options as a starting point:

- The IEB may invite attendance (in a non-decision-making capacity) at specific meetings.
- If the IEB considers appropriate (for example in the case of other central government agencies), stakeholders may be able to have representatives present at deputy chief executive meetings, or other cross-agency working groups of officials.
- If the stakeholders are seeking more of an information sharing relationship, the IEB may wish to consider sharing relevant papers via a mailing list of interested parties, or otherwise connecting other parties with their secretariat/support unit.

#### Deputy chief executive groups

Reflecting the arrangements of an IEB at the deputy chief executive (DCE) level has proven an effective strategy for some existing IEBs. Running IEB work through the DCE level can help manage the workload of the IEB itself, working through the background and consultation of more challenging policy issues and trade-offs, and allowing the IEB to focus at the strategic and political level. DCE groups may include agencies within the remit but not on the IEB, and agencies outside the remit. Where relevant DCEs work together regularly on other matters, it may be possible to avoid duplication by using an existing DCE group to consider IEB work.



## Working groups

IEBs may also find it helpful to establish working groups of officials from across agencies and other stakeholders as appropriate. These groups may be targeted to specific work programme items, or they may be forums to progress a range of work. Where an IEB is using multiple working groups to progress different work programme items, a DCE group might play a coordinating role, ensuring alignment with IEB's purpose and goals and acting as a conduit between different elements of the work programme. The IEB's secretariat or support unit may also play a role like this, depending on their capacity and capability.

As noted above, working groups can be an effective avenue for involving relevant stakeholders, from both within and outside the public service.

## Assessing progress

Like any public service agency, IEBs need to prepare strategic intentions (unless granted a waiver – see section on accountability under the Public Finance Act above) and annual reports and it's highly likely that delivering on those priorities will require some way of assessing progress. Where the IEB administers an appropriation, they will need to report on what is achieved with that appropriation using the appropriate performance measures. The Cabinet process that establishes an IEB and makes decisions on its purpose, scope and functions may also include clear actions against which the IEB's progress could be assessed.

Alternatively, the IEB may determine priority assessment criteria for themselves. For example, the Spatial Planning Reform Board had three key indicators in their 2021/22 annual report to measure their performance against their original purpose:

- Introduction of new legislation to Parliament
- The Government has a robust, evidence-based reform rationale
- Central and local government have access to technical support and capacity

Te Puna Aonui (the IEB for the elimination of family violence and sexual violence) had several clear actions in their functions, including the development of a National Strategy and Action Plan. They intended to track and publicly report progress against the Action Plan, as well as complete an outcomes framework and a learning and monitoring system to help them measure progress. The Border Executive Board used ministerial satisfaction, a work programme around risk and improvements, and a deadline for the completion of a strategy as their measures.

Where an IEB is especially integrated into its organisational environment, it may be linked up with agencies' individual planning processes and may therefore be able to draw data to measure success from those individual agencies. The performance of the IEB as a whole also feeds into the process for individual chief executive performance reviews.

## Ministerial groupings

As noted in the [Supplementary Guidance Note](#), interdepartmental executive boards send a clear signal about the intention to take a collective approach to cross-cutting issues. While the IEB will have a single lead Minister (appropriate minister for the IEB), it may be helpful for Ministers of



departments within the remit of the IEB to also work collectively. The IEB may wish to provide advice to the lead minister on options for ensuring alignment at a ministerial level, including the possibility of a more formal ministerial grouping that reflects the IEB's membership. Such a grouping could simplify and expedite approval processes for the IEB's work and would most likely follow established processes for joint decisions between ministers.



## Appendix 1: Outline of an IEB's generic operating procedures

IEBs must publish their operating procedures on an internet site maintained by, or on behalf of, the IEB. Operating procedures are likely to vary across IEBs depending on their specific functions and purposes, but there are some core items that are likely to be included. This appendix provides a starting point for IEBs to develop their operating procedures ready for publication. It may also be helpful to refer to the published operating procedures of existing IEBs.<sup>6</sup>

1. Purpose of the IEB (with reference to the policy decisions made in its establishment process)
2. Other terms of reference matters like background context and accountabilities
3. Functions and responsibilities of roles
  - a. Members
  - b. Chair of the IEB (including arrangements for an alternative chair in case of absence, with reference to relevant delegations policies)
  - c. Servicing department, especially in relation to legislative compliance (may overlap with servicing department agreement or could simply refer to that agreement in its entirety)
  - d. Director of the IEB support unit or secretariat
  - e. The secretariat/support unit itself
4. Meeting processes
  - a. Membership
  - b. Frequency
  - c. Quorum and delegations
  - d. Agenda and minutes
  - e. Attendance of non-members
  - f. Decision-making
  - g. Resolution of conflict (the Commissioner, as employer of public service chief executives, would assist in the event of a breakdown in IEB relationships)
5. Relationships to other groups and other parts of the public service
  - a. Senior official groups or other cross-agency teams supporting the IEB
  - b. Distinction from servicing department or member agencies
  - c. Ministerial relationships
  - d. Approach to working with remit agencies not on the IEB
6. Relationships with Māori
7. Managing funding
8. Review of the operating procedures

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<sup>6</sup> For example, [www.customs.govt.nz/globalassets/documents/beb/operating-procedures-border-executive-board-31-march-2023.pdf](http://www.customs.govt.nz/globalassets/documents/beb/operating-procedures-border-executive-board-31-march-2023.pdf), [environment.govt.nz/assets/Paper-8-IEB-Operating-Procedures-for-CE-Board-100822.pdf](http://environment.govt.nz/assets/Paper-8-IEB-Operating-Procedures-for-CE-Board-100822.pdf), and [www.digital.govt.nz/dmsdocument/233~digital-executive-board-operating-procedures/html](http://www.digital.govt.nz/dmsdocument/233~digital-executive-board-operating-procedures/html).