



THE PAC – Avoid and Survive

Alan Clarke
Chief Executive, Northern Ireland Tourist Board

Friday 7 September 2007
The Spires Centre, Belfast



“a catalogue of serious failures of management, corporate governance and financial control that should never have been allowed to occur to the extent that they did, for as long as they did, in any part of the public service”



“At the evidence session on this topic, we were disturbed at the extent to which the DETI Accounting Officer and his team gave the impression of defending the indefensible”



“a culture of apathy, incompetence and lack of respect for proper procedures at the top of the organisation. Aspects of this culture appeared to extend right to the heart of the Department itself”



“it seems to us that staff who raised legitimate questions about standards of propriety and financial control in the organisation were branded as troublemakers and marginalised”



“we were astonished at the poor quality of the Department’s evidence to us; this applies both to the written evidence the Department asked to be included in the C&AG’s report, and the performance of the Departmental Accounting Officer and his team at the oral evidence session”

Some Timelines

Spring 2001

Foot and Mouth Disease

September 2001

9/11

September 2001

New NITB CE takes up post

January 2002

Tourism Ireland commences
operation

April 2002

Invest NI commences operation

May 2002

PAC Hearing

October 2002

PAC report



My Career

- NITB
- Gwent County Council
- Devon Tourism
- Edinburgh Marketing/Edinburgh and Lothians Tourist Board
- Aberdeen and Grampian Tourist Board
- NITB



Topics covered

- Grant to the Malone Lodge Hotel
- Use of a corporate credit card in New York
- Excessive and inappropriate hospitality spending in New York
- Unapproved salary increases paid to Directors
- Payments to the former Chief Executive



Topics Covered

- Payments to the former Deputy Chief Executive
- Discrimination cases
- Failure to follow proper procedures in awarding print contracts
- The Chairman's conflict of interest
- Inadequate handling of staff complaints
- Departmental oversight and control failures





Issues: Pre-hearing

- Clearing the Report
- Breadth and time period of issues
- HR issues
- Relationship with NIAO
- Whistleblowing
- Preparation time/team
- Liaison with DETI
- Inconsistency of evidence
- Attitude

Issues: Hearing

- 5 hrs:20 mins
- Atmosphere
- Tactics
- Endurance
- Media/soundbites





Issues: Post Hearing

- Follow-up to hearing – time/resource
- Organisational credibility – media, public, stakeholders
- Confidence in NITB – DETI, stakeholders, NIAO
- Confidence of NITB – priorities, stakeholder expectations
- Staff morale and culture
- Period of impact



How the Tourist Board spent your money

- £234** Dinner for two at the Bellini Restaurant, New York (**£72 alcohol bill**) Guest was from a "major US airline".
- £430** Dinner at the Bellini for Society of American Travel Writers (**£215 for alcohol**)
- £200** Dinner for three at Morton's of Chicago The two guests were from a Belfast hotel
- £4,856** A reception for senior tourism industry figures at Aurora Grill, New York Bill came to approximately **£65 per person** and included three cold and three hot hors d'oeuvres and a "full premium open bar".
- £470** Lunch for four at the Hotel Bel Air, including three **£40 bottles of wine** and a **£55 tip**. Event was to mark launch of new flight from LA to Ireland.
- £220** Drinks bill at the British American Chamber at the Waldorf Astoria.
- £161** Dinner for three at the PJ Grill, London (**£68 for alcohol**)
- £74** Drinks for four at the Peninsula Bar;
- £135** Tips for porters, doormen and airline check-in staff

"I am concerned that some of this expenditure appears to be at an inappropriate level for a public body, particularly in relation to expenditure on alcohol and meals in prestige restaurants."
John Dowdall, Auditor General



Northern Ireland
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Top civil servant 'misled' cost probe

By David Gordon

UNDER-fire senior civil servant Bruce Robinson has previously been rapped for providing "misleading information" to the House of Commons on a failed industrial project.

The DETI permanent secretary is now being accused of giving "inconsistent, evasive and even misleading answers" to a recent Stormont Public Accounts Committee

hearing on the Tourist Board.

The Telegraph can reveal that the row relates to Mr Robinson's defence of the NITB on a wide range of topics, and not just to use of a credit card by a Board employee in New York.

PAC chairman Mr Billy Bell says members were "very concerned" at the quality of DETI's evidence to the May 30 hearing, which lasted a record five hours. And he

asks for a string of questions to be addressed.

A spokeswoman for Mr Robinson's Department confirmed he was now considering how to respond to the PAC correspondence.

The Westminster rebuke for Mr Robinson came two years ago during his time as IDB chief executive.

He was quizzed by the House of Commons PAC on the ill-fated bid to bring Asian textile giant

Hualon to Northern Ireland.

During the evidence session, Mr Robinson assured MPs about £1.3m spent on preparing a site for Hualon at Ballyhenry in Newtownabbey.

When asked how much of this money would be "written off" from IDB's accounts, Mr Robinson said: "We have not written off anything because the site development work is now going to be incorporated in a major

scheme for the Ballyhenry site."

When it was suggested that only £500,000 of the expenditure could be classed as general site development, Mr Robinson replied: "The other £800,000 we believe will be of use in the scheme that is now coming forward for redeveloping the Ballyhenry site."

However, in a later memorandum to the Westminster PAC, the IDB admitted that the

£800,000 "related to professional fees which were specific to the Hualon project."

In its subsequent report in May 2000, the powerful Commons committee said: "We are most dissatisfied with the provision by IDB of misleading information on the write-off of costs on the Hualon project."

"Failure to provide accurate information is unacceptable."

THE letter to Bruce Robinson from PAC chairman Billy Bell was unanimously endorsed at a meeting of the cross-party Assembly committee this week.

Issues raised in the correspondence include:
■ Credit card use by NITB's New York manager David Boyce. During an 11-month period in 2000/01, Mr Boyce spent £24,300 on expenses

PAC's concerns reiterated

with this taxpayer-funded card. DETI has given conflicting information on whether the use of this card was authorised.

■ The NITB's award of £34,000 worth of consultancy work in 2000/01 to outgoing chief executive

Ian Henderson without the work being put out to public tender.

■ The departure of NITB deputy chief executive Mark Alexander, who was bought out of his contract in December 2000 with 12 months left, receiving £84,000 from

public funds. The full reasons for this departure only emerged after detailed follow-up questions at last month's hearing.

The committee was initially told Mr Alexander's job had largely disappeared with the cre-

ation of the cross-border body Tourism Ireland. Later in the hearing, DETI confirmed that the departure was also linked to "stresses and strains" among management.

■ The involvement of NITB chairman and print company boss Roy

Baillie in an internal discussion on a brochure publishing contract. Brochuregate has also been the subject of a separate letter from the PAC to Bruce Robinson.

Despite assurances from Mr Robinson, the Assembly committee has concerns about the effectiveness of NITB procedures to prevent a conflict of interest.

Moving On

- Strategic Leadership
- Internal control processes and procedures
- Performance management
- Risk management
- Communications strategy and stakeholder engagement
- Organisational development & HR





the strategic framework at a glance

Attracting Visitors Marketing the best to promote the rest		Business Enhancement Working together to deliver our promises		Communicating Effectively 'One voice' tourism	
Programme Areas	1 Know the Visitor market intelligence <ul style="list-style-type: none"> ✓ Adapt to the changing visitor ✓ Make intelligence based investments and decisions ✓ Inform our industry and encourage customer focus 	5 Develop Signature Projects deliver international 'stand out' for Northern Ireland <ul style="list-style-type: none"> ✓ Giant's Causeway/Antrim and Causeway Coast area ✓ Titanic/(Maritime) Belfast ✓ Walled City of Derry ✓ Christian Heritage/Saint Patrick ✓ Mourmes National Park area 	9 Share Information tell others about our successes <ul style="list-style-type: none"> ✓ Proactive PR activity ✓ Celebrate and showcase success ✓ Set up opportunities and channels for information delivery 		
	2 Develop a Compelling Proposition build and maintain a strong brand identity <ul style="list-style-type: none"> ✓ Position and differentiate Northern Ireland – 'stand out' ✓ Northern Ireland brand study ✓ Tourism as the leader in influencing the perception of NI ✓ Winning themes and signature projects as brand drivers 	6 Focus on Winning Themes deliver a competitive advantage for Northern Ireland <ul style="list-style-type: none"> ✓ Short breaks ✓ Excellent events ✓ Business tourism ✓ Activity tourism ✓ Culture and heritage tourism 	10 Strengthen Effective Relationships for Delivery work together <ul style="list-style-type: none"> ✓ NITB as strategic leader for tourism in Northern Ireland ✓ Define and clarify roles and responsibilities for delivery ✓ Build confidence and trust 		
	3 Reach the Consumer our best prospects <ul style="list-style-type: none"> ✓ Three tiered approach ✓ Segmentation exercise ✓ Maximise market/product fit ✓ Personalised approach using leading edge technology 	7 Develop Internationally Competitive Businesses focus on quality <ul style="list-style-type: none"> ✓ Business audit and development programmes ✓ A selective approach to development ✓ Use NITB and Invest NI business development support 			
	4 Take Care of our Visitors – every step of the way first and lasting impressions <ul style="list-style-type: none"> ✓ Gain a competitive advantage ✓ Make it easy to get here and get around 	8 Deliver Memorable Experiences the less tangible side of tourism <ul style="list-style-type: none"> ✓ Fulfil visitor expectations ✓ Develop people and skills ✓ Business leadership programmes ✓ Go that extra mile ✓ An integrated approach 			



Big Issues

- Balancing bureaucracy with joined governance and accountability
- Good governance as foundation
- Risk
- Clarity of purpose
- Punching above our weight
- Structural issues
- Organisational culture
- Relationships

Doing Fewer Things Better



“we also welcome the steps you are taking to strengthen the quarterly assurance and risk management processes. Experience has shown that the effort and resources put into risk prevention and mitigation are less than what would be required if future remediation were required”

Stephen Quinn July 2007



Checklist for Quarterly Assurance Statement on Internal Control at NITB

This checklist covers the following:

- Business Planning;
- Business Cases (including Economic Appraisal), Post Project Evaluation and Consultancy;
- Monitoring of Expenditure;
- Procurement;
- Staff (including gifts and hospitality);
- NDPBs and Third Party Organisations;
- Internal and External Audit Reports; and
- Other Issues

Northern Ireland Tourist Board Key Business Risks Summary

EXTERNAL RISKS

Risk A: Fragmentation of tourism delivery structures is not properly addressed

Risk B: The industry is not equipped in terms of capabilities and skills to meet visitor expectations

Risk C: International stand-out of all 5 Signature Projects will not be delivered

Risk E: Management of key stakeholder relationships is not effective in influencing priorities and achieving understanding and buy-in for the delivery of tourism (SFA)

Risk F: Failure to plan for the long term sustainable development of tourism

Risk H: The marketing strategy is not effective in regaining holiday and discretionary visitors from Great Britain, Republic of Ireland and Northern Ireland
[NEW](#)

Risk I: Appropriate planning policies are not developed to ensure long term sustainable development of tourism
[NEW](#)

Risk K: The three strands of the Giant's Causeway Signature Project are not integrated effectively

Risk M: The vision (interpretation, authenticity, wider story) of Titanic Signature Project is not delivered

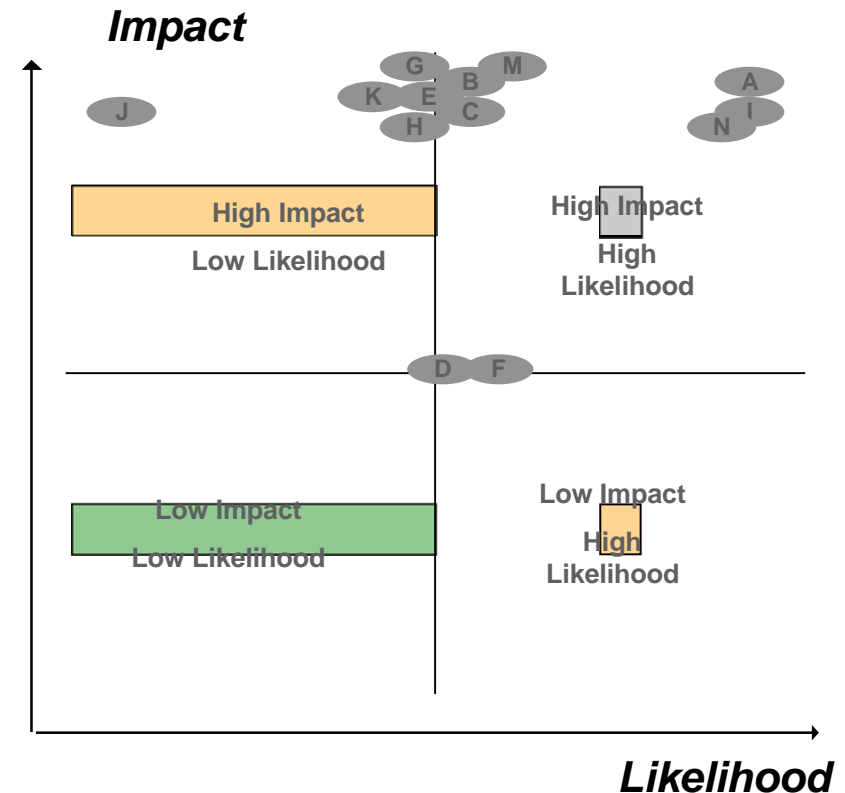
Risk N: National Park status and Signature Project vision for Mournes will not be realised
[NEW Q1](#)

INTERNAL RISKS

Risk D: Failure to plan for the impact of a major uncontrollable external crisis/catastrophe

Risk G: There is a major internal governance, process or control failure

Risk J: Resources are not properly aligned to objective or focused on delivery of outcomes
[\(Amended Q1\)](#)



Feedback from Business

- The public sector dominates the economy in NI and has a responsibility to encourage innovation and enterprise among its staff



Northern Ireland Affairs Committee

“A bureaucratic and complex picture of the division of responsibilities emerged clearly from the evidence of what is the existing accountability framework for the oversight of the Northern Ireland Tourist Board and Tourism Ireland.....

The NITB and Tourism Ireland must be allowed sufficient operational freedom to carry out their responsibilities.





We recommend that measures be taken to grant the NITB greater operational autonomy along the lines of Failte Ireland”.

March 2007



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Thank You