

**MANAGEMENT STATEMENT**

**BETWEEN**

**The Department of Health, Social Services and Public Safety**

**And**

**The Northern Ireland Practice and Education Council for Nursing  
and Midwifery**

**April 2011**



Department of  
**Health, Social Services  
and Public Safety**

An Roinn  
**Sláinte, Seirbhísí Sóisialta  
agus Sábháilteachta Poiblí**

[www.dhsspsni.gov.uk](http://www.dhsspsni.gov.uk)



# **MANAGEMENT STATEMENT**

## **BETWEEN**

### **The Department of Health, Social Services and Public Safety and The Northern Ireland Practice and Education Council for Nursing and Midwifery**

**March 2011**

## **1 INTRODUCTION**

### **1.1 This Document**

- 1.1.1 This Management Statement, and its associated Financial Memorandum, have been drawn up by the Department of Health, Social Services and Public Safety (henceforth DHSSPS) in consultation with the Northern Ireland Practice and Education Council for Nursing and Midwifery (henceforth NIPEC).
- 1.1.2 This Management Statement, and its associated Financial Memorandum (APPENDIX 3) have been approved by the Minister for Health, Social Services and Public Safety and the Department of Finance and Personnel (DFP).  
The terms and conditions set out in the combined Management Statement and Financial Memorandum may be supplemented by guidelines or directions issued by the sponsor Department/Minister in respect of the exercise of any individual functions, powers and duties of the NDPB.
- 1.1.3 During the suspension of the Northern Ireland Assembly, all references to the Assembly should be taken to mean the UK Parliament at Westminster and all references to 'The Minister' should be taken to mean the relevant Direct Rule Minister with responsibility for DHSSPS.
- 1.1.4 Taken together, and subject to the legislation noted below, the Management Statement and Financial Memorandum set out the broad framework within which NIPEC will operate, in particular:
- a. NIPEC's overall aims, objectives and targets in support of DHSSPS's wider strategic aims and the outcomes and targets contained in its current Public Service Agreement (PSA);
  - b. The rules and guidelines relevant to the exercise of NIPEC's functions, duties and powers;
  - c. The conditions under which any public funds are paid to NIPEC;

- d. How NIPEC is to be held to account for its performance.
- 1.1.5 The Financial Memorandum sets out in greater detail certain aspects of the financial provisions, which NIPEC is required to observe.
- 1.1.6 The Management Statement/Financial Memorandum does not convey any legal powers or responsibilities. The documents shall be periodically reviewed by DHSSPS (see Section 8).
- 1.1.7 NIPEC or DHSSPS may propose amendments to either document at any time. Any such proposals shall be considered in the light of evolving DHSSPS policy aims, operational factors and the performance of NIPEC. The guiding principle shall be that the extent of flexibility and freedom given to NIPEC shall reflect both the quality of its internal controls and its operational needs. DHSSPS will determine what changes, if any, are to be incorporated. Requirements resulting from legislative changes will take precedence over any part of this Management Statement. Significant variations to this document will be cleared with the Department of Finance and Personnel (DFP) and the Public Service Reform Unit (PSRU), Office of the First Minister and Deputy First Minister. The definition of 'significant' will be determined by DHSSPS, in consultation with DFP and PSRU.
- 1.1.8 Any question regarding the interpretation of these two documents shall be resolved by DHSSPS after consultation with NIPEC, and, as necessary with DFP and/or OFMDFM. The MS/FM is approved by DFP Supply, and signed and dated by the sponsor Department and the NDPB's Chief Executive.
- 1.1.9 The combined document is signed and dated by the Permanent Secretary on behalf of DHSSPS and the Chief Executive on behalf of NIPEC. It should be copied to PSRU for information.
- 1.1.10 Copies of these documents and any subsequent substantive amendments will be placed in the library of the Northern Ireland Assembly (henceforth the Assembly). The document will also be placed on DHSSPS's and NIPEC's web sites.

## **1.2 Founding Legislation: Status of the Body**

- 1.2.1 NIPEC was established with effect from 7 October 2002 under the powers of Section 2(1) of the Health and Personal Social Services Act (Northern Ireland) 2002. NIPEC does not carry out its functions on behalf of the Crown.

## **1.3 Classification**

- 1.3.1 For policy/administrative purposes, NIPEC is classified as an executive non-Departmental public body (NDPB).
- 1.3.2 For national accounts purposes NIPEC is classified to the central government sector.
- 1.3.3 References to NIPEC include (where they exist), all its subsidiaries and joint ventures that are classified to the public sector for national accounts purposes. If such a subsidiary

or joint venture is created, there shall be a document setting out the arrangements between it and NIPEC.

#### **1.4 The Duties And Powers Of NIPEC**

- (a) Article 2 of the Health and Personal Social Services Act (Northern Ireland) 2002 sets out the duties of NIPEC, which are reproduced in full at Appendix 1.

## **2 AIM AND OBJECTIVES**

### **2.1 Overall Aim**

- 2.1.1 Within the founding legislation, the Minister has approved the following overall aim for NIPEC:

*The Northern Ireland Practice and Education Council for Nursing and Midwifery (NIPEC) aims to improve the quality of health and care by supporting the practice, education and performance of nurses and midwives.*

### **2.2 Key Objectives, Targets and Performance Measures**

- 2.2.1 DHSSPS determines NIPEC's performance framework in the light of its wider strategic aims and current PSA objectives and targets.

- 2.2.2 DHSSPS has approved the following key objectives and targets for NIPEC, which are set out in the Corporate Strategy and Business Plan:

- Provide strategic leadership to support nursing and midwifery practice and education developments
- Promote effective nursing and midwifery practice
- Contribute to improving patient and client care through leading regional developments in collaboration with key stakeholders
- Ensure organisational compliance with corporate governance and accountability

### **2.3 Performance Measurement**

The following methodologies will be used to assess progress against these objectives by providing a basis for establishing the key performance targets:

- i. Annual accountability meetings with, and arranged by DHSSPS;
- ii. Annual audit conducted by the Northern Ireland Audit Office;
- iii. Occasional inspections arranged by DHSSPS.
- iv. Quarterly meetings with the Chief Executive arranged by DHSSPS.

### **3 RESPONSIBILITIES AND ACCOUNTABILITIES**

#### **3.1 The Minister of Health, Social Services and Public Safety**

3.1.1 The Minister is accountable to the Northern Ireland Assembly for the activities and performance of NIPEC. The Minister's responsibilities include:

- Keeping the Northern Ireland Assembly informed about NIPEC's performance;
- Agreeing the amount of grant in aid to be paid to NIPEC, and securing Assembly approval;
- Carrying out responsibilities specified in the founding legislation including appointments to NIPEC, including its Chairman, and laying of the annual report and accounts before the Assembly.

#### **3.2 The Accounting Officer of the Department of Health, Social Services and Public Safety**

3.2.1 The Permanent Secretary of the Department of Health, Social Services and Public Safety is appointed by the Department of Finance and Personnel (henceforth DFP) as DHSSPS's Accounting Officer. DHSSPS Accounting Officer is accountable to the Assembly for the issue of any grant-in-aid to NIPEC. The Accounting Officer designates the Chief Executive as NIPEC's Accountable Officer and may withdraw the accountable officer designation if he believes that the incumbent is no longer suitable for the role.

3.2.2 In particular the DHSSPS Accounting Officer shall ensure that:

- NIPEC's strategic aims and objectives support DHSSPS's wider strategic aims and current PSA objectives and targets;
- The financial and other management controls applied by DHSSPS to NIPEC are appropriate and sufficient to safeguard public funds and for ensuring that NIPEC's compliance with those controls is effectively monitored. ("public funds" include not only funds granted to NIPEC by the Assembly but also any other funds falling within its stewardship).
- The internal controls applied by NIPEC conform to the requirements of regularity, propriety and good financial management;
- Any grant-in-aid to NIPEC is within the ambit and the amount of the Request for Resources and that Assembly authority has been sought and given.

3.2.3 The responsibilities of DHSSPS Accounting Officer are set out in more detail in Chapter 3 of Managing Public Money Northern Ireland (MPMNI).

### 3.3 The Sponsoring Team in the DHSSPS

3.3.1 Within DHSSPS, the Education and Training Unit within the Human Resources Directorate is the sponsoring team for NIPEC. The Team is the primary source of advice to the Minister on the discharge of Ministerial responsibilities in respect of NIPEC, and the primary point of contact for NIPEC itself within DHSSPS on policy issues. The sponsoring team shall carry out its duties under the management of a senior officer, who shall have primary responsibility within the team for overseeing the activities of the NDPB.

3.3.2 The Education and Training Unit shall advise the Minister on:

- objectives and targets for NIPEC in the light of DHSSPS's strategic aims and current PSA targets;
- an appropriate budget for NIPEC in the light of DHSSPS's overall public expenditure priorities;
- how well NIPEC is achieving its strategic objectives and whether it is delivering value for money.

3.3.3 In support of the DHSSPS Accounting Officer, the Education and Training Unit shall:

- monitor NIPEC's activities on a continuing basis through an adequate and timely flow of information on performance, budgeting, control and risk management, including NIPEC's Statement on Internal Control;
- address in a timely manner any significant problems arising in the Council, whether financial or otherwise, making such interventions in the affairs of the Council as DHSSPS judges necessary;
- periodically carry out a risk assessment of NIPEC's activities to inform DHSSPS's oversight of NIPEC; strengthen these arrangements if necessary; and amend the *Management Statement* and/or *Financial Memorandum* accordingly. The risk assessment shall take into account the nature of NIPEC's activities; the public monies at stake; its corporate governance arrangements; its financial performance; internal and external auditors' reports; and any other relevant matters;
- inform NIPEC of relevant Government policy in a timely manner; if necessary, advise on the interpretation of that policy and issue specific guidance to NIPEC as necessary;
- bring concerns about the activities of NIPEC to the attention of the full DHSSPS Board and require explanations and assurances from NIPEC that appropriate action to address those concerns has been taken.

### **3.4 The Chairman of NIPEC**

- 3.4.1 The Chairman of NIPEC is appointed by the Minister, usually for a period of up to four years (The Northern Ireland Practice and Education Council for Nursing and Midwifery (Appointment and Procedure Regulations) (Northern Ireland) 2002 SR 2002 No 386 refer.) The appointment is made in line with the Code of Practice issued by the Commissioner for Public Appointments.
- 3.4.2 The Chairman of NIPEC is accountable to the Minister through DHSSPS Accounting Officer for ensuring that NIPEC's policies are compatible with those of DHSSPS and for probity in the conduct of NIPEC's affairs. The Chairman shares with other NIPEC members the corporate responsibilities set out in paragraph 3.5.2.
- 3.4.3 The Chairman has a special responsibility for providing effective strategic leadership on the following matters in particular:
- i. formulating NIPEC's strategy for discharging its statutory duties;
  - ii. ensuring that NIPEC, in reaching decisions, takes proper account of guidance provided by the Minister or DHSSPS;
  - iii. encouraging high standards of propriety;
  - iv. promoting the efficient and effective use of staff and other resources;
  - v. ensuring that NIPEC meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and where appropriate, the views of individual NIPEC members;
  - vi. advising DHSSPS on the needs of NIPEC when vacancies arise, with a view to ensuring a proper balance of professional, non-professional and financial expertise.
  - vii. representing the views of NIPEC to the general public; and
  - viii. providing an assessment of performance of individual NIPEC members.
- 3.4.4 The Chairman should ensure that all members of NIPEC, when taking up office, are briefed on the terms of their appointment and on their duties, rights and responsibilities and receive appropriate induction training. The Chairman shall ensure that a Code of Practice for Members is in place, based on the Cabinet Office publication "Guidance on Codes of Practice for Board Members of Public Bodies" (February 2000). The Code shall commit the Chairman and the other NIPEC members to the Nolan seven principles of public life (available at [www.public-standards.gov.uk](http://www.public-standards.gov.uk)), and shall include a requirement for a comprehensive and publicly available register of Members' interests. The register should also be copied to the Education and Training Unit.
- 3.4.5 Communications between NIPEC and the Minister shall normally be through the Chairman. The Chairman shall ensure that the other NIPEC members are kept informed of such communications.



### **3.5 THE COUNCIL**

- 3.5.1 Members of the Council are appointed for periods of different duration not exceeding 4 years (The Northern Ireland Practice and Education Council for Nursing and Midwifery (Appointment and Procedures) Regulations (Northern Ireland) 2002 SR 2002 No 386 refers). The Council comprises a Chair, a Chief Executive and members up to a maximum of 16 in total (60% of non-executive members must be registered nurses or midwives and 40% not registered nurses or midwives). DHSSPS Chief Nursing Officer shall be an ex-officio member of the Council.
- 3.5.2 Council members have corporate responsibility for ensuring that NIPEC complies with any statutory or administrative requirements for the use of public funds and fulfils the aims and objectives set by the Minister and for promoting the efficient and effective use of staff and other resources. Other important responsibilities of Council members are to:
- i. ensure that high standards of corporate governance are observed at all times, including using NIPEC's internal audit committee to address the key financial and other risks facing NIPEC;
  - ii. ensure that DHSSPS is kept informed of any changes which are likely to impact on the strategic direction of NIPEC or on the attainability of its targets, and determine the steps needed to deal with such changes;
  - iii. ensure that the Council receives and reviews regular financial information concerning its management; is informed in a timely manner about any concerns about its activities; and to provide positive assurance to DHSSPS that appropriate action has been taken on such concerns;
  - iv. establish the overall strategic direction of the organisation within the policy and resources framework agreed with DHSSPS;
  - v. ensure that NIPEC's performance fully meets its aims and objectives as efficiently and effectively as possible;
  - vi. ensure that NIPEC operates within the limits of its statutory authority and any delegated authority agreed with DHSSPS, and in accordance with any other conditions relating to the use of public funds;
  - vii. ensure that, in reaching decisions, the Council has taken into account any guidance issued by DHSSPS and any other relevant organisations, such as the Equality Commission or the Human Rights Commission.
  - viii. in the development of significant new policies, the Council should ensure that it consults with DHSSPS and other relevant organisations as is considered appropriate.
  - ix. appoint the Chief Executive and, in consultation with DHSSPS, set performance objectives remuneration terms linked to these objectives for that post which give due weight to the proper management and use of public monies. The appointment of the Chief executive is approved by the Minister.

Council members shall act in accordance with their wider responsibilities to:

- comply at all times with the code of practice adopted by NIPEC and with the rules relating to the use of public funds and to conflicts of interest as set out in the Financial Memorandum;
- not misuse information gained in the course of their public service for personal gain or for political advantage, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations; and to declare publicly any private interests that may be perceived to conflict with their public duties;
- comply with rules on the acceptance of gifts and hospitality, and of business appointments as set out in the Financial Memorandum; and
- act in good faith and in the best interests of NIPEC.
- DHSSPS shall have access to all Council meeting minutes.

3.5.3 A list of matters, which are delegated by DHSSPS for the Council's decision, should be maintained by NIPEC.

3.5.4 Members of the Council (including the Chairman) must not give the Chief Executive instructions which conflict with the latter's duties as NIPEC's Accounting Officer.

### **3.6 The Chief Executive**

3.6.1 The Chief Executive is appointed, by the DHSSPS Principal Accounting Officer, as the Accountable Officer for NIPEC.

3.6.2 As NIPEC's Accountable Officer, the Chief Executive is personally responsible for propriety and regularity in the management of the public funds for which he has charge, and for the day-to-day operations and management of NIPEC.

3.6.3 The Chief Executive is responsible for promoting the efficient and effective use of staff and other resources.

3.6.4 As NIPEC's Accountable Officer, the Chief Executive shall, in particular:

#### ***on planning and monitoring -***

- establish, in agreement with DHSSPS, NIPEC's corporate and business plans in support of DHSSPS's wider strategic aim(s) and current PSA objectives and targets;

- inform DHSSPS of NIPEC's progress in helping to achieve DHSSPS's policy objectives and in demonstrating how resources are being used to achieve those objectives;
- ensure that timely forecasts and monitoring information on performance and finance are provided to DHSSPS; that DHSSPS is notified promptly if overspends or underspends are likely and that corrective action is taken, as approved by DHSSPS; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to DHSSPS in a timely fashion;

***on advising the Council -***

- advise the Council on the discharge of its responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time by DFP, or DHSSPS;
- advise the Council on its performance and finance compared with its aim(s) and objectives;
- ensure that financial considerations are taken fully into account by the Council at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed appropriately;
- take action as set out in paragraphs 15-18 of the NDPB Accountable Officer Memorandum if the Council, or its Chairman, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration or efficiency or effectiveness;

***on managing risk and resources -***

- ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensure that an effective system of programme and project management and contract management is maintained;
- ensure that all public funds made available to NIPEC (including any approved income or other receipts) are used for the purpose intended by the Assembly, and that such moneys, together with NIPEC's assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that adequate internal management and financial controls are maintained by NIPEC, including effective measures against fraud and theft;
- maintain a comprehensive system of internal delegated authorities that are notified to all staff, together with a system for regularly reviewing compliance with these delegations;

- ensure that effective personnel management policies are maintained;

***on accounting for NIPEC's activities -***

- sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Minister, DHSSPS or DFP;
- sign a Statement of Accountable Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Statement on Internal Control regarding NIPEC's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about NIPEC are established and made widely known within NIPEC;
- act in accordance with the terms of this document and with the instructions and relevant guidance in MPMNI and other instructions and guidance issued from time to time by the sponsor Department, and DFP; in particular Chapter 3 of MPMNI , the DFP document *The Responsibilities of an NDPB Accounting Officer* and the Treasury document *Regularity and Propriety*, both of which the Chief Executive shall receive on appointment. The attached *Financial Memorandum* refers to other key guidance;
- give evidence, normally with the Accounting Officer of DHSSPS, if summoned before the Public Accounts Committee on the use and stewardship of public funds by NIPEC;
- ensure that an Equality Scheme is in place and reviewed and that new policies are equality impact assessed as required by the Equality Commission;
- ensure that New Targeting Social Need (New TSN) is taken into account;
- ensure that the requirements of the Data Protection Act 1998 are complied with;  
and
- ensure that the requirements of the Freedom of Information Act 2000 are complied with.
- Ensure that Lifetime Opportunities is taken into account.

***as Consolidation Officer -***

- For the purposes of Whole of Government Accounts, the Chief Executive of NIPEC is normally appointed by DFP as NIPEC's Consolidation Officer.

- As NIPEC’s Consolidation Officer, the Chief Executive shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of NIPEC; for arranging for its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DFP.
- As Consolidation Officer, the Chief Executive shall comply with the requirements of the NDPB Consolidation Officer Memorandum as issued by DFP and shall, in particular:
  - ensure that NIPEC has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process;
  - prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions [“Dear Consolidation Officer” (DCO) and “Dear Consolidation Manager” (DCM) letters] issued by DFP on the form, manner and timetable for the delivery of such information.

3.6.4 The Chief Executive may delegate the day-to-day administration of these accounting officer responsibilities to other employees in NIPEC. However, she shall not assign absolutely to any other person any of the responsibilities set out in this document.

3.6.5 The Chief Executive is the Principal Officer for the purpose of handling of cases involving the Northern Ireland Commissioner for Complaints (the Ombudsman). The Principal Officer is responsible for informing the Permanent Secretary of DHSSPS about any complaints accepted by the Ombudsman for investigation, and their outcome, including NIPEC’s response to any recommendations from the Ombudsman.

### **3.7 Customer Service**

3.7.1 Nine standards of public service, as detailed in **Appendix 2** to this document, have come into effect across the Northern Ireland Civil Service and its satellite bodies. NIPEC should set its own targets, subject to DHSSPS approval, within the bounds of those standards.

### **3.8 Relationships**

3.8.1 Relationships between NIPEC, the Minister and DHSSPS are governed by the “arm’s length” principle, wherein the primary role of the Minister is to set NIPEC’s legal, and financial, policy and performance framework, including appointments to NIPEC and the structure of its funding and management. Within this framework, it is the role of NIPEC to determine its policy and activities, in keeping with its statutory responsibilities and the requirements of the Northern Ireland Executive policy. DHSSPS has the right of access to carry out any examination of the internal financial control systems as may be required to enable DHSSPS’s Accounting Officer to discharge his/her responsibilities in a proper manner.

## **4 PLANNING**

### **4.1 The Corporate Plan**

- 4.1.1 NIPEC will submit annually to DHSSPS a Corporate Plan covering the next three years. NIPEC will agree with DHSSPS the issues to be addressed in the plan and the timetable for its preparation. The timetable should enable the Plan to inform the PES process.
- 4.1.2 The Plan will reflect NIPEC's statutory duties and, within those duties, the priorities set from time to time by DHSSPS. In particular, the Plan shall demonstrate how NIPEC contributes to the achievement of DHSSPS's strategic aims and PSA objectives and targets. DFP reserves the right to ask to see and agree NIPEC's corporate plan.
- 4.1.3 The Corporate Plan will set out:
- i. NIPEC's key objectives and associated key performance targets for the next three years and its strategy for achieving these objectives;
  - ii. a review of NIPEC's performance in the preceding financial year, together with comparable outturns for the previous 3 years, and an estimate of performance in the current year;
  - iii. alternative scenarios to take account of factors which may significantly affect the execution of the plan, but which cannot be accurately forecast;
  - iv. a forecast of expenditure and income taking account of guidance on resource assumptions and policies provided by DHSSPS at the beginning of the planning round. These forecasts should represent NIPEC's best estimate of its available income, including any grant or grant-in-aid and other expenditure within NIPEC's provision within Total Managed Expenditure;
  - v. additional forecasts derived from alternative forward scenarios and estimates and the impact of these on the achievement of NIPEC's objectives;
  - vi. wherever possible, external comparators for bench marking NIPEC's performance.
  - vii. other matters as agreed between DHSSPS and NIPEC.
- 4.1.4 The main elements of the Plan – including the key performance targets – will be agreed between DHSSPS and NIPEC in the light of DHSSPS's decisions on policy and resources taken in the context of the Government's wider policy and spending priorities and decisions. In reaching annual decisions on NIPEC's rolling corporate plan and in monitoring progress, DHSSPS shall aim to give NIPEC greater planning certainty by observing the normal end year flexibility (EYF) principles.

### **4.2 The Business Plan**

- 4.2.1 The first year of the Corporate Plan, amplified as necessary, will form the Annual Business Plan, and will be agreed with DHSSPS. The Business Plan will include key targets and performance measures for the year immediately ahead, together with

NIPEC's internal management targets and performance measures linked to budgeting information.

4.2.2 The Corporate and Business Plans shall be published and also made available on the Internet. A summary version shall be made available to staff.

4.2.3 DFP reserves the right to ask to see and agree the NDPB's annual business plan.

4.2.4 Corporate and business plans will be formally approved by Senior sponsor.

### **4.3 DHSSPS Monitoring of NIPEC's Performance against Key Targets**

4.3.1 NIPEC shall operate management information and accounting systems which enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in its agreed corporate and business plans.

4.3.2 NIPEC's performance against key targets will be reported to DHSSPS on a quarterly basis. Overall performance will be formally reviewed twice yearly by officials of the DHSSPS. Senior officials of DHSSPS will meet NIPEC formally on a regular basis to discuss NIPEC's performance, its current and future activities and any policy developments relevant to these activities.

4.3.3 NIPEC's performance against key targets will be reported in NIPEC's Annual Report and Accounts (see Section 6.1.1 - 4).

4.3.4 NIPEC shall inform DHSSPS promptly of changes in external conditions which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives set out in the Corporate or Business Plans.

4.3.5 DHSSPS will review the NIPEC's terms of reference for internal audit service provision. NIPEC shall notify DHSSPS of any subsequent changes to internal audit's terms of reference.

4.3.6 DHSSPS will review the NIPEC's audit committee terms of reference. NIPEC shall notify DHSSPS of any subsequent changes to the audit committee's terms of reference.

4.3.7 DHSSPS will review the NIPEC's Anti Fraud Policy and Fraud Response Plan. NIPEC shall notify DHSSPS of any subsequent changes to the policy or response plan.

## **5 BUDGETING AND MONITORING ARRANGEMENTS**

5.1 NIPEC's budgeting procedures shall be as set out in the Financial Memorandum (see APPENDIX 3).

### **5.2 Internal Audit**

5.2.1 NIPEC shall establish and maintain arrangements for internal audit in accordance with circular DAO (DFP) 3/02, the Treasury's Government Internal Audit Standards (GIAS) and DAO (DFP) 25/02 *Internal Audit Arrangements between a Sponsoring Department and its Non-Departmental Public Bodies (NDPBs)*.

5.2.2 NIPEC shall consult DHSSPS to ensure that the latter is satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving the appointment are in accordance with GIAS and relevant DFP guidance.

5.2.3 NIPEC shall set up an independent audit committee as a committee of its Board, in accordance with the Cabinet Office's *Guidance on Codes of Practice for Public Bodies* (FD (DFP) 03/06 refers) and in line with the Audit Committee Handbook DAO (DFP) 07/07.

5.2.4 The Council shall arrange for periodic quality reviews of its internal audit in accordance with the GIAS. DHSSPS shall consider whether it can rely on these reviews to provide assurance on the quality of internal audit. However, DHSSPS reserves a right of access to carry out independent reviews of internal audit in NIPEC.

5.2.5 DHSSPS Internal Audit Service shall also have a right of access to all documents prepared by NIPEC's internal auditor, including where the service is contracted out. The audit strategy, periodic audit plans and annual audit report, including NIPEC's Head of Internal Audit's opinion on risk management, control and governance shall be forwarded as soon as possible to the Education and Training Unit who shall consult the Head of Internal Audit as appropriate.

5.2.6 NIPEC shall report immediately to DHSSPS all frauds (proven or suspected), including attempted fraud. DHSSPS shall then report the frauds immediately to DFP and the C&AG. In addition NIPEC shall forward to DHSSPS the annual fraud return, commissioned by DFP, on fraud and theft suffered by NIPEC; notify any changes to internal audit's terms of reference, the audit committee's terms of reference or NIPEC's Fraud Policy and Fraud Response Plan.

### **5.3 Additional Departmental Access to NIPEC**

5.3.1 In addition to the right of access referred to above, DHSSPS shall, in exceptional circumstances as deemed appropriate by the Departmental Accounting Officer, have a right of access to all NIPEC's records and personnel.



## **6. EXTERNAL ACCOUNTABILITY**

### **6.1 The annual report and accounts**

- 6.1.1 After the end of each financial year NIPEC shall publish as a single document an annual report of its activities together with its audited annual accounts. The report shall also cover the activities of any corporate bodies under the control of NIPEC. The report shall be submitted to DHSSPS in accordance with annual deadlines determined by DHSSPS to meet government reporting and accounting requirements.
- 6.1.2 The report and accounts shall comply with the Financial Reporting Manual (FReM), issued by DFP. The accounts shall be prepared in accordance with any relevant statutes and the specific Accounts Direction issued by DHSSPS.
- 6.1.3 The report and accounts will be prepared in line with FREM and shall outline NIPEC's main activities and performance during the previous financial year and set out in summary form NIPEC's forward plans. Information on performance against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit conducted by NIAO.
- 6.1.4 The report and accounts shall be laid before the Assembly and made available, in accordance with the guidance on the procedures for presenting and laying the combined annual report and accounts as prescribed in the relevant FD letter issued by DFP.
- 6.1.5 Due to the potential accounting and budgetary implications, any changes to accounting policies or significant estimation techniques underpinning the preparation of annual accounts, requires the prior written approval of DHSSPS.

### **6.2 External audit**

- 6.2.1 The Comptroller and Auditor General (C&AG) audits NIPEC's annual accounts and passes the accounts to DHSSPS who shall lay them before the Assembly. For the purpose of audit the C&AG has a statutory right of access to relevant documents as provided for in Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.
- 6.2.2 The C&AG has agreed to liaise with NIPEC on who - the NIAO or a commercial auditor – shall undertake the actual audit on his behalf. The decision rests with the C&AG.
- 6.2.3 The C&AG has agreed to share with DHSSPS information identified during the audit process and the audit report (together with any other outputs) at the end of the audit. This shall apply, in particular, to issues which impact on DHSSPS's responsibilities in relation to financial systems within NIPEC. The C&AG will also, where asked, consider providing DHSSPS and other relevant bodies with Regulatory Compliance Reports and other similar reports which DHSSPS may request at the commencement of the audit and which are compatible with the independent auditor's role.

### **6.3 Value For Money (VFM) examinations**

- 6.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which NIPEC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003. When making payment of a grant, or drawing up a contract, NIPEC should ensure that it includes a clause which makes the grant or contract conditional upon the recipient or contractor providing access to the C&AG in relation to documents relevant to the transaction. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

## **7. STAFF MANAGEMENT**

### **7.1 General**

7.1.1 Within the arrangements approved by DHSSPS NIPEC will have responsibility for the recruitment, retention and motivation of its staff.

7.1.2 NIPEC will ensure that:

- i. Its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- ii. the level and structure of its staffing, including grading and numbers of staff, is appropriate to its functions and the requirements of efficiency, effectiveness and economy;
- iii. the performance of staff at all levels is satisfactorily appraised and the performance measurement systems are periodically reviewed, and if necessary, revised;
- iv. its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve NIPEC's objectives;
- v. proper consultation with staff takes place;
- vi. adequate grievance and disciplinary procedures are in place which comply with the Code of Practice on Disciplinary and Grievance Procedures published by the Labour Relations Agency;
- vii. a code of conduct for staff is in place based on Annex 5A of Public Bodies: A Guide for NI Departments (available at [www.afmdni.gov.uk](http://www.afmdni.gov.uk)).
- viii. procedures consistent with the Public Interest (NI) Order 2003 are in place and communicated to staff.

## **8. REVIEWING THE ROLE OF NIPEC**

- 8.1 DHSSPS will conduct a Financial Management and Policy Review of NIPEC at least every five years or at such other intervals as DHSSPS may determine. The next review of NIPEC will take place in the financial year 2011/12. Such reviews will be in two stages:
- The initial stage of the review will focus on whether NIPEC continues to be required and whether NDPB status is appropriate.
  - If it is decided that NIPEC should continue, the second stage of the review will focus on the efficiency and effectiveness with which NIPEC carries out its activities; its financial and other management systems; and the efficiency and effectiveness of DHSSPS procedures for monitoring NIPEC's activities.
- 8.2 The NDPB shall provide DHSSPS with full details of all agreements where the NDPB or its successors have a right to share in the financial gains of developers. It should also pass to DHSSPS details of any other forms of claw back due to the NDPB.

**Dr A McCORMICK**

**PERMANENT SECRETARY**

**DATE:**

**On behalf of the Department of Health Social  
Services and Public Safety**

**Mrs M. DEVLIN**

**ACTING CHIEF EXECUTIVE**

**DATE:**

**On behalf of the Northern Ireland Practice  
and Education Council for Nursing and  
Midwifery**

**The Health and Social Services Act (Northern Ireland) 2002**

**Article 2**

**Duties of NIPEC**

- 2-** (1) There shall be a body corporate know as the Northern Ireland Practice and Education Council for Nursing and Midwifery (referred to in this Act as “the Council”)
- (2) It is the duty of the Council to Promote-
- (a) high standards of practice among nurses and midwives;
  - (b) high standards in the education and training of nurses and midwives; and
  - (c) the professional development of nurses and midwives.
- (3) Without prejudice to the generality of subsection (2) the Council may -
- (a) provide guidance on the best practice for nurses and midwives; and
  - (b) provide advice and information on matters relating to nursing and midwifery.
- (4) The Council shall, in the exercise of its functions, act-
- (a) in accordance with any directions given to it by DHSSPS; and
  - (b) under the general guidance of DHSSPS.

## APPENDIX 2

NIPEC should apply the Nine Standards of Customer Service, which apply across the Northern Ireland Civil Service, its Agencies and NDPBs. The Nine Standards of Customer Service are:

### **Standard 1 Publishing service standards**

NIPEC will publish a set of customer service standards setting out the level of service its customers can expect. The standards should be challenging, relevant, measurable and meaningful and should be publicised widely. Performance against the standards should be made available to customers.

### **Standard 2 Informing the Customer**

NIPEC will provide clear and straightforward information about its services and those of related service providers in a variety of ways, including the Internet. The information will include one or more telephone enquiry numbers, text phone numbers and email addresses and should be timely, updated regularly, and easily accessible, of professional quality and in plain language. Where NIPEC requires particular actions or information from customers or otherwise considers customers have certain responsibilities, it should explicitly state this.

### **Standard 3 Service Accessibility**

NIPEC will make its services accessible to its customers by doing everything reasonably possible to make its services available to everyone including people with special needs and those whose first language is not English. Where it is necessary for customers to attend NIPEC premises, NIPEC should ensure that its premises are clean, comfortable and welcoming.

### **Standard 4 Consulting with customers**

NIPEC will consult with and will involve customers and potential customers about how its services will be delivered. It will consult in a variety of ways and use their views to improve the services provided. The results of consultation should be reported to customers together with plans for service improvement.

### **Standard 5 Polite and Helpful Staff**

NIPEC will ensure that staff are polite and helpful and that appropriate training in customer care is provided. Staff must be identifiable and should normally wear name badges when dealing with the public.

### **Standard 6 Seeing Callers**

NIPEC will ensure that callers are seen without undue delay by setting a target for seeing callers with and without appointments. Callers should be informed of any likely delays. Procedures should be put in place to ensure that queuing systems are fair and flexible and that, where appropriate, waiting time information is provided.

### **Standard 7 Answering telephone calls**

NIPEC will ensure that telephone calls are answered quickly. The name of the organisation and that of the person answering the call should be given and the person answering the call should be able to deal with the enquiry or transfer the caller to a person who can do so.

### **Standard 8 Answering letters, faxes and emails**

NIPEC will set targets for ensuring that letters, faxes and emails are answered quickly and clearly. Responses will include the name and address of the organisation and contact details. If it is likely to take more than 10 working days to respond, an acknowledgement will be sent within two working days, which will give a target date for the full response. All correspondence, whether letter, fax or email should be clear and presentable.

### **Standard 9 Having a complaints procedure**

NIPEC will have a complaints procedure – or procedures – for services provided which should include its policy on redress. They should be publicised through a variety of means, including on the Internet and should be clear and straightforward with an option for independent review. NIPEC will set and report on targets for dealing with complaints.

**FINANCIAL MEMORANDUM**

**BETWEEN**

**The Department of Health, Social Services and Public Safety**

**And**

**Northern Ireland Practice and Education Council for  
Nursing and Midwifery**

**March 2011**



# FINANCIAL MEMORANDUM

## BETWEEN

**The Department of Health, Social Services and Public Safety  
And  
The Northern Ireland Practice and Education Council for  
Nursing and Midwifery**

### Agreement of Terms

The Financial Memorandum, revised in March 2011, sets out the strategic control framework within which NIPEC is required to operate, including the conditions under which government funds are provided, according to the guidance in DAO (DFP) 04/03 and to the general principle enshrined in Annex 5.1 of *Managing Public Money Northern Ireland*. It aims to achieve prudent and effective management of resources by NIPEC, combined with a reasonable degree of day-to-day freedom for the Authority to manage its operations.

The Memorandum has been drawn up by DHSSPS, in consultation with NIPEC, who agree to conduct their finances within the conditions contained therein. The contents of the Memorandum have been approved by the Department of Finance and Personnel.

### SIGNED

---

**Andrew McCormick (Dr)**

On behalf of the Department  
of Health, Social Services and Public Safety

---

**Mrs Maura Devlin**

**Acting Chief Executive**  
(on behalf of NIPEC)

## FINANCIAL MEMORANDUM

### BETWEEN

THE DEPARTMENT OF HEALTH, SOCIAL SERVICES & PUBLIC SAFETY  
AND  
THE NORTHERN IRELAND PRACTICE AND EDUCATION COUNCIL FOR  
NURSING AND MIDWIFERY

## **1 INTRODUCTION**

### **1.1 This Document**

- 1.1.1 This Financial Memorandum supplements the Management Statement. It sets out in greater detail certain aspects of the financial framework within which NIPEC is required to operate. The Memorandum must therefore be read in conjunction with the Management Statement.
- 1.1.2 The terms and conditions set out in the combined Management Statement and Financial Memorandum may be supplemented by guidelines or directions issued by DHSSPS/ Minister in respect of the exercise of any individual functions, powers and duties of NIPEC.
- 1.1.3 NIPEC must satisfy the conditions and requirements set out in this memorandum and in the Management Statement, together with such other conditions as DHSSPS/Minister may from time to time impose in order to be entitled to grant in aid.

## **2 NIPEC'S INCOME**

### **2.1 Grant-in-Aid**

- 2.1.1 NIPEC is funded:
  - (a) by grant-in-aid under DHSSPS Estimate;
  - (b) by fees and charges.
- 2.1.2 DHSSPS will notify NIPEC, normally not later than February in the previous financial year, of the amount of grant-in-aid which DHSSPS has allocated to it for the forthcoming financial year.
- 2.1.3 NIPEC shall comply with any general procedures, including guidance in DAO(DFP) 04/03 and the general principle enshrined in Annex 5.1 of

Managing Public Money NI, laid down for the allocation of and accounting for grant-in-aid.

- 2.1.4 (a) The grant-in-aid system by which NIPEC is funded is cash limited. Under this system, amounts can be drawn to finance payments made during the year which are properly chargeable against the grant-in-aid provided that in total the cash limit is not exceeded.
- (b) The grant-in-aid will be paid in monthly instalments on the basis of a written application showing evidence of need. This application shall certify that the conditions applying to the use of grant-in-aid have been observed to date and that further grant-in-aid is now required for purposes appropriate to NIPEC's functions.
- (c) Applications to draw down grant-in-aid should be signed by the Chief Executive or by a person notified by her to DHSSPS as authorised to sign on her behalf. The signed application should certify that the grant-in-aid is required now for purposes appropriate to the statutory functions of NIPEC, as approved by DHSSPS.
- (d) NIPEC shall not draw down grant-in-aid in excess of immediate requirements. Cash balances during the year shall be held at the minimum consistent with the efficient operation of the functions of NIPEC. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, DHSSPS will make available in the next financial year (subject to approval by the Assembly of the relevant Estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as creditors.
- (e) Any grant-in-aid not paid to NIPEC by DHSSPS by the end of the financial year will not be available for use by NIPEC in the year following. NIPEC shall not, except with the prior approval of DHSSPS, carry over grant-in-aid from one financial year to the next. DHSSPS will aim, with the approval of DFP, to allow NIPEC to carry over from one financial year to the next, any grant-in-aid not spent due to slippage.
- (f) NIPEC must notify DHSSPS immediately in writing if it becomes apparent at any time, that an overspend of estimated expenditure for the year is probable. Similarly NIPEC shall notify DHSSPS if an underspend of grant-in-aid is probable.

## **2.2 Resource and Cash Limit Control**

2.2.1 NIPEC is required by statutory provisions not to exceed its cash and resource limits. Resource limits are initially set annually by DHSSPS, but can vary in-year.

NIPEC will:

- (a) prepare and agree annual balanced budgets, which meet all probity, value for money and effectiveness requirements;
- (b) agree Annual Service and Business Plans for approval by DHSSPS;
- (c) provide monthly reports in the form required by DHSSPS;
- (d) ensure money drawn from DHSSPS against financing requirement arising from the resource limit is required for approved expenditure only, and is drawn down only at the time of need; and
- (e) be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable NIPEC to fulfil its statutory responsibility not to exceed its Annual Revenue and Capital Resources Limits.

## **2.3 Fees and Charges**

2.3.1 NIPEC will endeavour to maximise receipts from sources other than the NI Consolidated Fund, subject to the Treasury's Fees and Charges Guide. If in any financial year receipts realised or expected to be realised are less than estimated, NIPEC shall make a corresponding reduction in its gross expenditure. If revenue or capital receipts realised or expected to be realised are greater than estimated, NIPEC should use those receipts against its expenditure and reduce the amount of Grant-in-Aid required accordingly.

2.3.2 Fees and charges for services provided by NIPEC shall be determined in accordance with HM Treasury's guidance as published in Chapter 6 of MPMNI, and the Freedom of Information Act 2000 and associated regulations covering fees.

## **2.4 Proceeds From Sales of Assets.**

2.4.1 NIPEC shall dispose of those assets that are surplus to its requirements. Assets should be sold for best price, taking into account any costs of sale. Assets shall be sold by auction or competitive tender (unless otherwise agreed by DHSSPS) and in accordance with the principals in MPMNI.

2.4.2 Subject to any special directions given by DHSSPS, NIPEC is authorised to dispose of by sale or otherwise any articles up to a value of £1,000 of any description, provided that;

- (a) NIPEC is satisfied that the articles are spent, redundant or surplus to requirements, and
- (b) other than at a public auction, no article shall pass into the possession of any member of staff of NIPEC or member of the Council without approval of DHSSPS.

2.4.3 All receipts derived from the sale of assets (including grant financed assets, see below) must be declared to DHSSPS, which will consult with DFP on the appropriate treatment.

## **2.5 Receipts from sale of goods or services**

2.5.1 Receipts from the sale of goods and services (including certain licences where there is a significant degree of service to the individual applicant), rent of land, and dividends are classified as negative public expenditure in National Accounts and are therefore normally offset against the DEL (i.e. they provide additional spending power). If a body wishes to retain a receipt or utilise an increase in the level of receipts, it must gain the prior approval of DHSSPS.

2.5.2 If there is any doubt about the correct classification of a receipt, NIPEC shall consult DHSSPS, which may consult DFP as necessary.

## **2.6 Gifts and bequests received**

2.6.1 NIPEC is free to retain any gifts, bequests or similar donations subject to paragraph 2.6.2. These will be capitalised on receipt and must be notified to DHSSPS.

2.6.2 NIPEC must keep a written record of gifts, bequests and donations received and of their estimated value and whether (and how) they are disposed of, or retained. Before accepting a gift, bequest or similar donation, NIPEC shall consider if there are any costs associated in doing so or any conflicts arising. NIPEC shall not accept a gift, bequest or similar donation if there are conditions attached to its acceptance that would be inconsistent with NIPEC's function.

## **2.7 Fines and taxes as receipts**

2.7.1 Most fines and taxes (including levies and some licences) are treated as such in National Accounts and are not termed as negative public expenditure receipts. These fines and taxes do not provide additional DEL spending power and should be surrendered to DHSSPS.

## **2.8 Interest earned**

- 2.8.1 Any interest earned by NIPEC on its assets shall be given the same budgeting treatment as the cost of capital charge on the assets.
- 2.8.2 Under resource budgeting rules, the cost of capital charge and any interest receipts on most DEL financed assets score as resource DEL.
- 2.8.3 Interest earned on cash balances cannot necessarily be retained by NIPEC. Depending on the budgeting treatment of this receipt, and its impact on NIPEC's cash requirement, it may lead to commensurate reduction of grant-in-aid or be required to be surrendered to the NI Consolidated Fund via the DHSSPS. If the receipts are used to finance additional expenditure by NIPEC, DHSSPS will need to ensure it has the necessary budget cover.

## **2.9 Unforecast changes in in-year income**

- 2.9.1 If the negative DEL income realised or expected to be realised in-year is less than estimated, NIPEC shall, unless otherwise agreed with DHSSPS, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded. (NOTE: For example, if NIPEC is allocated £100 resource DEL provision by DHSSPS and expects to receive £10 of negative DEL income, it may plan to spend a total of £110. If income (on an accruals basis) turns out to be only £5, NIPEC will need to reduce its expenditure to £105 to avoid breaching its budget. If NIPEC still spends £110 DHSSPS will need to find £5 of savings from elsewhere within its total DEL to offset this overspend.)

If the negative DEL income realised, or expected to be realised, in the year is more than estimated, NIPEC may apply to DHSSPS to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. DHSSPS shall consider such applications, taking account of competing demands for resources, and will consult with DFP in relation to any significant amounts. If an application is refused, any grant-in-aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the NI Consolidated Fund via DHSSPS.

## **2.10 Build-up and draw-down of deposits**

- 2.10.1 NIPEC shall comply with the rules that any DEL expenditure financed by the draw-down of deposits counts within DEL and that the build-up of deposits may represent a saving to DEL (if the related receipts are negative DEL in the relevant budgets). NIPEC shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

## **2.11 Other Receipts**

2.11.1 NIPEC should ensure that effective control is maintained, and records kept, of receipts from other sources (e.g. provision of fire certificates, reports etc).

## **3. NIPEC'S EXPENDITURE – GENERAL PRINCIPLES**

### **3.1 Expenditure Not Proposed in the Budget**

3.1.1 NIPEC shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside NIPEC's delegations or which is not provided for in NIPEC's annual budget as approved by DHSSPS.

### **3.2 Economic Appraisal**

3.2.1 NIPEC is required to comply with the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, including European Union (EU) funds, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:

- involve capital or current spending, or both;
- are large or small;
- are above or below delegated limits (see Annex 1)

3.2.2 Business cases must be submitted to DHSSPS in support of expenditure above the delegated limits set out in Annex 1. DHSSPS may also from time to time request sight of the appraisals for projects below these limits.

3.2.3 The Chief Executive should ensure that the guidelines are being complied with. Information and regular evaluation should be maintained on the project from inception to completion in a form which can be submitted to DHSSPS, if required, and which conform to requirements for audit and value-for-money scrutiny.

3.2.4 Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal.

General guidance on economic appraisal that apply to NDPBs can be found in:

- DFP's on-line guide *The Northern Ireland Guide to Expenditure Appraisal and Evaluation* ("NIGEAE", 2009). See <http://www.dfpni.gov.uk/eag>
- The HM Treasury Guide, *The Green Book: Appraisal and Evaluation in Central Government* (2003).

See paragraph 5.1.1 on Capital Expenditure

### **3.3 Value for Money**

- 3.3.1 NIPEC shall not enter into any contracts for procurement of works, equipment, goods or services without ensuring that full regard has been paid to value for money considerations, including quality (in terms of fitness for purpose) and delivery against price, and where appropriate, that it has complied with the EC Supplies Directive and the GATT Agreement on Competitive Tendering. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

### **3.4 Competition**

- 3.4.1 Contracts shall be awarded on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
- 3.4.2 Single tender action is the process where a contract is awarded to an economic operator (i.e. supplier, contractor) without competition. In light of their exceptional nature. All Single Tender Actions should be subject to Departmental Accounting Officer approval. It is advisable that NIPEC seek an assurance from CPD/CoPE, or their legal adviser, to provide assurance for the Accounting Officer that the use of single tender action is legitimate in a particular case. Further information is published in Procurement Guidance Note 02/10 on the 'Award of Contracts without a Competition'. [www.cpdni.gov.uk/index/guidance-for-purchasers/guidance-notes.htm](http://www.cpdni.gov.uk/index/guidance-for-purchasers/guidance-notes.htm)
- 3.4.3 The NDPB shall send to DHSSPS after each financial year a report for that year explaining any contracts above £5,000 in which competitive tendering was not employed.



### **3.5 Procurement**

- 3.5.1 [For those bodies covered by the NI Procurement Policy] NIPEC's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002. NIPEC's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed May 2009); Procurement Guidance Notes; and any other guidelines or guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. NIPEC's procurement activity should be carried out by means of a Service Level Agreement with CPD or another recognised Centre of Procurement Expertise (CoPE) – this should ensure compliance with relevant UK, EU and international procurement rules.
- 3.5.2 Periodic reviews of NIPEC's procurement activity should be undertaken. The results of any such review will be shared with DHSSPS.
- 3.5.3 The Centres of Procurement Expertise for NIPEC are the Regional Supplies Service, Central Services Agency, and the Central Procurement Directorate. This list is not exhaustive, and NIPEC may use the services of UK wide Centres of Procurement Excellence

### **3.6 Prudence**

- 3.6.1 NIPEC shall take all reasonable steps to appraise the financial standing of any firm or other body with whom it intends to enter into a contract and its capacity to deliver the contract.

### **3.7 Timeliness In Paying Bills**

- 3.7.1 NIPEC shall collect receipts and pay all matured and properly authorised invoices in accordance with Annexe 4.5 and 4.6 of Managing Public Money Northern Ireland and any guidance issued by DFP or DHSSPS.
- 3.7.2 The payment for goods and/or services before receipt shall be made only in exceptional circumstances. Where advance payment is made, the agreed internal control processes for all other payments shall apply. The following list includes some appropriate instances. However, any payment for items/circumstances which do not appear below must have the prior written approval of the Director of Finance and Performance (or a delegated officer) before payment can be made. This approval must be retained for audit

inspection. These payments must come within the normal terms of business, and NIPEC must establish, maintain and provide evidence that appropriate safeguards are in place to ensure that the service is received to a satisfactory standard.

- (a) Annual subscriptions for books or periodicals
- (b) Annual maintenance charges under contract
- (c) Annual or quarterly utility charges (phone, water etc.)
- (d) Annual leasing charges under contract
- (e) Charges for training and professional courses
- (f) Annual insurance premiums
- (g) Cash with order under £250.00

For payments in advance in respect of goods or services, the delivery of which traverses accounting periods, appropriate accounting entries (prepayments, debtors) must be included in the financial records and accounts.

### **3.8 Novel, Contentious or Repercussive Proposals**

3.8.1 NIPEC shall obtain the prior approval of DHSSPS and DFP as follows:

- (a) before incurring expenditure on any project (including grant schemes) which is considered novel, unusual or contentious, potentially repercussive, or which has significant cost implications;
- (b) before making any changes to policy or practice which have wide financial implications, or which may affect the future level of the resources required; and
- (c) before making any significant changes in the operation of funding of initiatives or particular schemes previously approved by the DHSSPS.

3.8.2 NIPEC shall not, without prior DHSSPS approval, enter into any undertaking to incur any expenditure outside the remit of NIPEC.

## **4 EXPENDITURE ON STAFF**

## **4.1 Staff Costs**

- 4.1.1 The number of staff appointed by NIPEC will be subject to a staffing ceiling approved by the DHSSPS. The ceiling may be varied from time to time to reflect changes in the scale of NIPEC's operations or functions. In such cases the new ceiling together with the associated pay and related costs will be reflected in the administration costs total.
- 4.1.2 NIPEC shall submit to the DHSSPS on an annual basis a statement of its approved establishment and staff in post by rank.
- 4.1.3 Subject to its delegated limits of authority, NIPEC will ensure that the creation of any new/additional posts does not incur future commitments which may exceed its ability to pay for them.
- 4.1.4 Within the approved ceilings NIPEC may create and re-grade posts, but specific DHSSPS approval is required for the following:
  - (a) any proposal to create a new post, or to re-grade a post, at a level which is not already represented in the staff structure;
  - (b) any proposal to re-grade a post which is the only one at that particular grade within the staff structure;
  - (c) any proposal to re-grade all posts at a particular grade.
- 4.1.5 All proposals involving the creation of new or additional posts above approved ceilings, or a substantive change of duties among existing posts above this level, require prior DHSSPS approval.
- 4.1.6 The Chief Executive should ensure that staffing is reviewed at least every three years, or more often if necessary, to confirm that levels and costs are appropriate.
- 4.1.7 Payments shall be made to NIPEC members in respect of travelling expenses, fees or other allowances in accordance with the relevant Determinations issued by DHSSPS, which DHSSPS may, from time to time, amend.
- 4.1.8 Employees of NIPEC, whether on permanent or temporary contract, will be subject to levels of remuneration, and terms and conditions of service (including Superannuation) as approved by DHSSPS; NIPEC has no delegated power to amend these terms and conditions.

- 4.1.9 Annual pay increases of NDPB staff must be in accordance with the annual FD letter on Pay Remit Approval Process and Guidance issued by DFP. Therefore, all proposed pay awards must have prior approval of DHSSPS and the Minister for Finance before implementation.

## **4.2 Pension Costs**

- 4.2.1 Current terms and conditions for staff of the NDPB are those set out in its Employee Handbook. The NDPB shall provide DHSSPS and DFP with a copy of the Handbook and subsequent amendments. NIPEC's employees shall normally be eligible for a pension provided by the HPSS Superannuation Scheme.
- 4.2.2 Staff may opt out of the occupational pension scheme provided by NIPEC. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall be limited to the national insurance rebate level.
- 4.2.3 Any proposal by NIPEC to move from the existing pension arrangements, or to pay any redundancy, or compensation for loss of office requires the approval of DHSSPS and DFP.

## **5 EXPENDITURE OTHER THAN ON STAFF**

### **5.1 Capital Expenditure**

- 5.1.1 Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis. Expenditure to be capitalised shall include the:
- (a) acquisition, reclamation or laying out of land;
  - (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and
  - (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.
- 5.1.2 Proposals for large-scale individual capital projects or acquisitions will normally be considered within NIPEC's corporate and business planning process. Subject to paragraph 5.1.4, applications for approval within the corporate/business plan by DHSSPS and, DFP if necessary, shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the Board. Regular reports on the progress of projects shall be submitted to DHSSPS.

- 5.1.3 Approval of the corporate/business plan does not obviate NIPEC's responsibility to abide by the economic appraisal process.
- 5.1.4 Within its approved overall resources limit NIPEC shall, as indicated in the attached annex on delegations, have delegated authority to spend up to £10,000 on any individual capital project or acquisition. Beyond that delegated limit, DHSSPS's and where necessary, DFP's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

## **5.2 Transfer of Funds**

- 5.2.1 Unless financial provision is subject to specific DHSSPS or DFP controls (e.g. where provision is ring-fenced for specific purposes) or delegated limits, transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need DHSSPS approval. The one exception to this is that, due to HM Treasury controls, any movement into, or out, of depreciation and impairments within the resource budget will require DHSSPS and possibly DFP approval. *[NOTE: Under resource budgeting rules, transfers from capital to resource budgets are not allowed.]*

## **5.3 Borrowing, Guarantees or Indemnities**

- 5.3.1 NIPEC shall not, without the prior written consent of the DHSSPS (and, where necessary, DFP), borrow money (including prearranged overdraft facilities), lend money, charge any asset or security, give any guarantees or indemnities, letters of comfort, or make any other contingent liability (as defined in Annex 5.5 of MPMNI), whether or not in the legally binding form.

## **5.4 Grants or loans by NIPEC (if applicable)**

- 5.4.1 All grants or loan schemes proposed by NIPEC, and the terms and conditions under which such grant or loan is made, must be approved by DHSSPS and where necessary DFP before any payments are issued. If grants or loans are to be made under a continuing scheme, statutory authority will be requested.
- 5.4.2 The terms and conditions of such grant or loan shall include the requirement on the recipient organisation to prepare accounts, and to ensure that its books and records in relation to the grant or loan are readily available to NIPEC, DHSSPS and Comptroller and Auditor General (see also 5.12.2).

## **5.5 Write-offs, Losses and Other Special Payments**

- 5.5.1 (a) NIPEC shall have delegated authority to make special payments and write off losses within the limits specified in DAO(DFP) 06/05 and in Circular HSS (F) 38/98, and supplemental updates, an extract of which is included in Annex 1. Losses shall not be written off until all reasonable attempts to make a recovery have been made and proved unsuccessful.
- (b) NIPEC shall obtain the prior written approval of DHSSPS and where necessary DFP for all write-offs and special payments beyond those limits and for all cases where fraud is proven or suspected (even where the sum involved is within the delegated limit); and for the assigning of the delegation in whole or part to any other body.
- (c) NIPEC shall keep a record of all losses of cash, equipment and, stores, and abandoned claims and shall notify DHSSPS of write-offs and ex-gratia payments made or sanctioned during the previous 12 months and disclose these in its Statement of Accounts.
- (d) NIPEC may authorise ex-gratia payments within the set limits of delegation. DHSSPS approval must be obtained for all payments in excess of the delegated authority in line with DAO(DFP) 06/05 and Circular HSS (F) 38/98.
- (e) NIPEC shall maintain a Losses and Compensation Register which details the nature, gross amount and cause of each loss, the action taken, total recoveries, and where appropriate the date of write-off. At the end of each financial year NIPEC shall submit to DHSSPS a statement of the annual losses incurred and special payments made in line with Annex 4.10, MPMNI.

## **5.6 Gifts, Hospitality, Awards**

- 5.6.1 NIPEC should maintain a policy in line with DHSSPS guidance on the provision and receipt of hospitality, to which all staff must adhere. If in doubt, any queries on the provision or receipt of hospitality should be referred to the DHSSPS for advice.
- 5.6.2 Public money should not be used to provide for gifts to members of staff. This shall also apply to members of the Council.

- 5.6.3 Gifts by management to staff are subject to the requirements of DAO (DFP) 05/03.

## **5.7 Leasing**

- 5.7.1 Prior DHSSPS approval is required for all property and finance leases. NIPEC must have capital DEL provision for finance leases and other transactions that are, in substance, a form of borrowing.
- 5.7.2 Before entering any lease NIPEC must demonstrate that the lease offers better value for money than purchase.

## **5.8 Public Private Partnerships**

- 5.8.1 NIPEC should seek opportunities to enter into public/private partnerships where this is better value for money than conventional procurement.
- 5.8.2 In such cases NIPEC should be aware of the need to consult DHSSPS in cases where different cash flow projections may result in delegated spending authority being breached.
- 5.8.3 Any partnership controlled by NIPEC shall be treated as part of NIPEC and consolidated with it (subject to any particular treatment required by the FReM). Where judgement over the level of control is difficult, DHSSPS will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment).

## **5.9 Subsidiary Companies and Joint Ventures**

- 5.9.1 NIPEC shall not establish subsidiary companies or joint ventures without the express approval of DHSSPS and DFP. In judging such proposals DHSSPS will have regard to the DHSSPS's wider strategic aim[s] objective and current Public Service Agreement.
- 5.9.2 For public expenditure accounts purposes any subsidiary company or joint venture controlled or owned by NIPEC shall be consolidated with it in accordance with FReM, subject to any particular treatment required by FReM. Where the judgement over the level of control is difficult, DHSSPS will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with DHSSPS and DFP, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this *Management Statement and Financial Memorandum*, and to the further provisions set out in supporting documentation.

## 5.10 Use of consultants

5.10.1 The NDPB shall adhere to the guidance issued by DFP, as well as any produced by DHSSPS in relation to the Use of Consultants. Please see the delegated limits set out in Appendix A.

5.10.2 The NDPB will provide DHSSPS with an annual statement on the status of all consultancies completed and/or started in each financial year.

**5.10.3 Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.**

## 5.11 Financial Control Systems

5.11.1 NIPEC shall maintain to the satisfaction of DHSSPS an appropriate financial control system taking account of guidance issued by DHSSPS. It should also comply with all relevant guidance/instructions as issued periodically. NIPEC should:

- ensure the existence of safeguards against fraud and theft,
- keep within delegated limits,
- have regard to MPMNI and to FReM, as amended periodically.

## 5.12 Risk Management/Fraud

5.12.1 NIPEC shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: A Strategic Overview* (“*The Orange Book*”) issued under cover of DAO(DFP) 15/05 and DAO(DFP) 07/06.

5.12.2 NIPEC shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract or which it intends to give grant or grant-in-aid.

5.12.3 NIPEC shall take all reasonable steps to ensure it has adequate safeguards from incidents of fraud and theft. In cases of suspected theft, fraud or misappropriation NIPEC will provide immediate notification in line with HSS (F) 38/98 Supplement 1 and any subsequent amendments, HSS(F) 38/05 and any subsequent amendments, DAO(DFP) 24/2003, DAO (DFP) 15/04 and DAO (DFP)04/06 (issued undercover of HSS(F) 24/03, HSS(F) 44/0 4 and HSS(F)26/06 respectively).



5.12.4 All cases of attempted suspected or proven fraud shall be reported to DHSSPS and other relevant authorities (see section 5.2 in the Management Statement) as soon as they are discovered, irrespective of the amount involved.

### **5.13 Commercial Insurance**

5.13.1 NIPEC shall not take out any insurance without the prior approval of DHSSPS and, where appropriate, DFP, other than third party insurance required by the Road Traffic (NI) Order 1981 (as amended) and any other insurance which is a statutory obligation or which is permitted under Annex 4.5 of MPNI.

5.13.2 DHSSPS shall have a written agreement with NIPEC about the circumstances in which, in the case of a major loss or third-party claim, an appropriate addition to budget out of DHSSPS's funds and/or adjustment to NIPEC's targets shall be considered. DHSSPS will liaise with DFP Supply where required in such cases.

5.13.3 A Certificate of Exemption for Employer's Liability Insurance has been issued to NIPEC.

### **5.14 Payment/Credit Cards**

5.14.1 NIPEC, in consultation with DHSSPS, shall ensure that procedures on the issue of payment cards (inc credit cards) are in place. Reference should be made to DAO (DFP) 24/02 and HSS(F) 11/2003. No payment/credit cards should be issued without the prior written approval of the Accountable Officer.

### **5.15 Financial Investments**

5.15.1 NIPEC shall not make any investments in traded financial instruments without the prior written approval of DHSSPS, and where appropriate DFP, nor shall it build up cash balances or net assets in excess of what is required for operational purposes. *[Unless specifically provided for:]* Funds held in bank accounts or as financial investments may be a factor for consideration when grant-in aid is determined. Equity shares in ventures which further the objectives of NIPEC shall equally be subject to DHSSPS and DFP approval unless covered by a specific delegation.

### **5.16 Unconventional Financing**

5.16.1 NIPEC shall not enter into any unconventional financing arrangements.

## **6. BUDGETING PROCEDURES**

### **6.1 Setting the Annual Budget**

6.1.2 In advance of each 3-Year Public Expenditure Planning Round, and following an assessment, by the DHSSPS, of NIPEC's own forward projects, DHSSPS will send to NIPEC:

- (a) a formal statement of any funding provision by DHSSPS, in light of competing priorities across DHSSPS, and
- (b) a statement of any change in policies affecting NIPEC.

6.1.3 NIPEC's Business Plan will take account of its approved funding provision and any other forecast receipts. It will also include, on both a cash and accruals basis, a budget of estimated payments and receipts, along with a profile of expected expenditure and of drawdown of DHSSPS funding and/or other income during the year.

6.1.4 Any Grant-in-Aid provided by DHSSPS for the year in question will be voted in DHSSPS's Estimate and will be subject to Assembly control. These elements will form part of the approved business plan for the year in question (section 4.2 of the management statement).

### **6.2 General Conditions for Spending Authority**

6.2.1 Once NIPEC's budget has been approved by DHSSPS [and subject to any restrictions imposed by Statute/the Minister/this MSFM], NIPEC shall have authority to incur expenditure approved in the budget without further reference to DHSSPS, on the following conditions:

- NIPEC shall comply with the delegations set out in Annex 1 of this document. These delegations shall not be altered without the prior agreement of DHSSPS and DFP;
- NIPEC shall comply with the conditions set out in paragraph 3.8 above regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in NIPEC's budget shall not remove the need to seek formal DHSSPS (and, where necessary, DFP) approval where such proposed expenditure is above the delegated limits as set out in Annex 1, or is for new schemes not previously agreed; and

- NIPEC shall provide DHSSPS with such information about its operations, performance, individual projects or other expenditure as DHSSPS may reasonably require (see paragraph 6.3 below).
- NIPEC shall comply with NI Procurement Policy and carry out procurement via CPD or another recognised CoPE.

### **6.3 Providing Monitoring Information to the DHSSPS**

6.3.1 NIPEC shall provide DHSSPS with, as minimum, information on a monthly basis which will enable the satisfactory monitoring by DHSSPS of:

- NIPEC’s cash management;
- its draw-down of any grant-in-aid;
- the expenditure for that month;
- forecast outturn by resource headings; and
- other data required for the DFP Outturn and Forecast Outturn Return

## **7 BANKING: CASH MANAGEMENT**

7.1 The Chief Executive is responsible for ensuring that the banking arrangements are carried out efficiently, economically and effectively and in accordance with the requirements of annex 5.7 of MPMNI and the guidance in the Treasury document “Departmental Banking: A Manual for Government Departments”. He/she should ensure that:

- (a) the banking arrangements are suitably structured and represent the best value for money;
- (b) sufficient information about banking arrangements is supplied to DHSSPS’s Accounting Officer to enable the latter to fulfil his own responsibilities;
- (c) the banking arrangements are subject to review and approval by DHSSPS at least every two years, with a comprehensive review to competitive tendering at least every 3-5 years to ensure the best terms are received;
- (d) NIPEC maintains effective controls over the preparation and authorisation of payments;

- (e) NIPEC's banking arrangements are kept separate and distinct from those of any other person, NDPB or organisation, and
- (f) adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

## **8. ASSET MANAGEMENT**

### **8.1. Register of Assets**

- 8.1.1 NIPEC shall maintain an accurate and up to date register of stocks, stores and assets.

### **8.2 Recovery of Grant – Financed Assets**

- 8.2.1 Where NIPEC has financed expenditure on capital assets by third parties, NIPEC should make appropriate arrangements to ensure that assets are not disposed of without NIPEC's prior consent.
- 8.2.2 NIPEC shall therefore ensure that such repayment conditions are sufficient to secure the repayment of the NI Consolidated Fund's due share of the proceeds of the sale, in order that funds may be surrendered to DHSSPS.
- 8.2.3 NIPEC shall ensure that if the assets created by grants made by NIPEC cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to NIPEC for surrender to DHSSPS. The amount recoverable shall be calculated by reference to the best possible value of the asset and in proportion to the NI Consolidated Fund's original investment(s) in the asset.

## **9 RETENTION OF DOCUMENTATION**

- 9.1 The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction of DHSSPS.
- 9.2 NIPEC will agree with DHSSPS a record management strategy, identifying the resources needed to ensure that records of all types (administrative and operational) are:
  - (a) properly controlled
  - (b) readily accessible and available for use, and eventually
  - (c) archived or otherwise disposed of.
- 9.3 Documents held by NIPEC without prescribed retention times shall only be destroyed at the express instigation of the Chief Executive. Records shall be

maintained of documents so destroyed.

## **10 COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE**

10.1 NIPEC shall comply with the instructions or guidance set out in:

- (a) Managing Public Money Northern Ireland (MPMNI);
- (b) *Government Internal Audit Standards*, issued by DFP;
- (c) Relevant DFP Dear Accounting Officer and Finance Director letters;
- (d) The Treasury guidance document *Regularity, Propriety and Value for Money*;
- (e) Recommendations made by the UK or Northern Ireland Public Accounts Committees or other Assembly authority which have been accepted by the Government and which are relevant to NIPEC.
- (f) The *Consolidation Officer Letter of Appointment*, issued by DFP;
- (g) Other relevant instructions and guidance issued by the central DHSSPS (DFP/OFMDFM) including Procurement Board and CPD Guidance;
- (h) Specific instructions and guidance issued by DHSSPS;
- (i) Recommendations made by the Public Accounts Committee, or by other Assembly authority, which have been accepted by the government and which are relevant to the NDPB.

10.2 NIPEC shall keep accounts of all monies received and of all monies paid out by it. As proceedings to recover monies must generally be made within six years of money becoming due, NIPEC, in line with DHSSPS guidance, shall retain financial and other records.

10.3 NIPEC shall provide DHSSPS with such information about the organisation, operational and financial control of its affairs as it may request periodically.

## **11. REVIEW OF FINANCIAL MEMORANDUM**

11.1 DHSSPS shall in writing resolve any questions arising from the interpretation of any statement in this Memorandum after consultation with NIPEC.

- 11.2 This Financial Memorandum will be formally reviewed in March 2015. It will normally be formally reviewed every four years subsequent to this, or following a review of NIPEC's functions as provided for in Section 8 of the Management Statement.
- 11.3 In consultation with NIPEC, DHSSPS may, with the consent of the Department of Finance and Personnel, from time to time amend, revoke or add to any of the terms of this Memorandum. The Department of Finance and Personnel will be consulted on any significant variation proposed to the Management Statement and Financial Memorandum.

**DELEGATED EXPENDITURE LIMITS**

**General**

These delegated expenditure limits have been agreed by DHSSPS and the Department of Finance and Personnel.

**1. PURCHASING ALL GOODS AND SERVICES**

**Table 1 Delegated Authority for the Purchase of Goods and Services**  
(All costs exclude VAT)

<b><u>THRESHOLDS</u></b>	<b><u>NUMBER/TYPE OF TENDER REQUIRED</u></b>	<b><u>AUTHORISATION</u></b>
Up to £2,000	A single order for goods, services or materials may be placed without seeking quotations.	Head of Corporate Services
> £2,000 - £30,000	4 Tenders	The Chief Executive
> £30,000 – EU Thresholds	Publicly advertised tender competition (Newspapers / Website)	The Chief Executive

**Economic Appraisal**

The principles of economic appraisal should be applied in all cases where expenditure is proposed, whether the proposal involves capital or current expenditure, or both.

The effort put into economic appraisal should be commensurate with the size or importance of the needs or resources under consideration. However, NIPEC should

undertake a comprehensive business case of all projects involving expenditure of £250,000 and over.

*Where the minimum number of quotation/tenders is not obtained*

For any purchase where the minimum number of quotations/tenders is not obtained, the purchase may proceed if the accountable officer is satisfied that every attempt has been made to obtain competitive offers and that value for money will be achieved. In these cases, the accountable officer should complete a report and records of all correspondence should be retained on file including any justification given and/or approvals obtained.

**2. DELEGATED LIMITS FOR EXPENDITURE PROJECTS (excluding IT projects)**

The Chief Executive may authorise capital expenditure on discreet capital projects of up to £10,000. Capital projects over this amount require the approval of DHSSPS, and may be subject to quality assurance by the Department of Finance and Personnel if requested.

Any novel and/or potentially contentious projects, regardless of the amount of expenditure, require the approvals of DHSSPS and DFP.

**3. DISPOSAL OF SURPLUS EQUIPMENT**

See paragraph 2.4

**4. LEASE AND RENTAL AGREEMENTS**

See paragraph 5.7

**5. APPROVAL OF INFORMATION TECHNOLOGY PROJECTS**

The appraisal of Information Technology (IT) projects should include the staffing and other resource implications.

The principles of appraisal, evaluation and management apply equally to proposals supported by information communication technology (ICT) as to all other areas of public expenditure. ICT-enabled projects should be appraised and evaluated according to the general guidance in the Northern Ireland Guide to Expenditure



Appraisal and Evaluation (*NIGEAE*) and managed using the new *Successful Delivery (NI)* guidance which was issued in June 2009.

*The purchase of IT equipment and systems should be in line with the guidance on Procedures and Principles for Application of Best Practice in Programme/Project Management (PPM), (available at [www.dfpni.gov.uk/successful-delivery](http://www.dfpni.gov.uk/successful-delivery)) and be subject to competitive tendering unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the project, and in line with the Procurement Control Limits in Table 1. Delegated authority for each IT project is set out in Table 2.*

**Table 2      Delegation Arrangements for Information Technology Projects, Systems And Equipment**  
(All costs exclude VAT)

<b>THRESHOLDS</b>	<b>AUTHORISATION</b>
Up to £10,000	The Chief Executive
£10,000 - £50,000	The Chief Executive with prior approval from DHSSPS
Projects over £50,000	The Chief Executive with prior approval from DHSSPS and DFP

## **6.      ENGAGEMENT OF CONSULTANTS**

### **General**

NIPEC has delegated authority to appoint consultants for a **single contract** up to a **total** cost of £20,000, subject to HSS(F) 20/06 and any subsequent guidance as may be issued by DFP or DHSSPS. All Single Tender Actions require Departmental Accounting Officer approval.

NIPEC will provide DHSSPS with an annual statement on the status of all consultancies completed and/or started in each financial year.

Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

### **Economic appraisal**

A full business case should be prepared for all consultancy assignments expected to exceed £10,000. A proportionate business case should be prepared for all assignments below this threshold. (All assignments expected to exceed £50,000 will also be subject to Ministerial approval, and those expected to exceed £75,000 will be subject to both Ministerial and DFP approval).

## **7. LOSSES AND SPECIAL PAYMENTS**

### **DELEGATED LIMITS TO HSS BODIES/NON-DEPARTMENTAL PUBLIC BODIES TO WRITE-OFF LOSSES AND AUTHORISE SPECIAL PAYMENTS**

#### **LIMITS OF AUTHORITY (PER CASE)**

The Chief Executive with prior approval from DHSSPS, will have the authority to write off losses and make special payments up to:

	<b>£</b>
<b>Losses</b>	
1. Cash losses due to:-	
a. theft, fraud, arson (whether proved or suspected), neglect of duty or gross carelessness.	5,000
b. overpayments of salaries, wages, fees and other allowances.	5,000
c. other causes, including unvouched or incompletely vouched payments, overpayments other than those included under (b); loss by fire (other than arson); physical cash losses and losses of stamps, or similar cash equivalents.	5,000
2. Fruitless payments (including payments in respect of abandoned capital schemes).	5,000
3. Bad debts and claims abandoned due to:-	
a. Road Traffic Order claims	5,000

b.	Others	5,000
4.	Losses, etc of Equipment and Property in stores and in use due to:-	
a.	incidents of the service (as a result of fire, flood etc motor vehicle accidents, damage to vehicles)	10,000
b.	theft, fraud or arson (whether proved or suspected), neglect of duty or gross carelessness	
i.	bedding and linen	10,000
ii.	other equipment and property	10,000
c.	discrepancies and unexplained issues	
i.	bedding and linen	10,000
ii.	other equipment and property	10,000
d.	malicious damage (see Note below)	
e.	other causes	10,000

**Special Payments**

5.	Compensation payments where written legal advice is that NIPEC should not fight a court action because it is unlikely that it would win .	Up to £1000 per case
6.	Ex-gratia payments:-	
a.	extra-contractual payments to contractor.	NIL
b.	for personal injury claims involving negligence where legal advice obtained and relevant guidance has been applied (see Note below).	5,000 including plaintiff's costs
c.	other payments (including Personal Injury not covered at 'c' above) (see Note below).	5,000
d.	maladministration where there was <u>no</u> financial loss by claimant.	NIL

Item 4d All cases which result in repair work costing more than

£2,000 should be notified to DHSSPS.

7. Extra-statutory payments.

NIL

Details of all losses and special payments should be recorded in a Losses and Special Payments Register, which will be available to auditors. The Register should be kept up-to-date and should show evidence of the approval by the Chief Executive and DHSSPS, where appropriate.

For all cases outside these limits, the approval of DHSSPS and, where appropriate, the Department of Finance and Personnel, is necessary before any write-off or special payment can be actioned.

Where total losses exceed £10,000 in any financial year, an explanatory note should be included in the NIPEC's accounts.

Details of all losses and special payments should be recorded in a Losses and Special Payments Register, which will be available to auditors. The Register should be kept up-to-date and should show evidence of the approval by the Chief Executive] for amounts below the delegated limit, and DHSSPS, where appropriate.