

MANAGEMENT STATEMENT

BETWEEN

The Department of Health, Social Services and Public Safety

And

Northern Ireland Medical and Dental Training Agency

April 2010



Department of
Health, Social Services
and Public Safety

Siúiné, Seirbhísí Sóisialta
agus Sábháilteachta Públí

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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 the Department) in consultation with Northern Ireland Medical and Dental Training Agency (henceforth NIMDTA).
- 1.1.2 This Management Statement, and its associated Financial Memorandum (APPENDIX 2) have been approved by the Department of Health, Social Services and Public Safety and the Department of Finance and Personnel (DFP). It should be copied to OFMDFM for information.
- 1.1.3 Taken together, and subject to the legislation noted below, the Management Statement and Financial Memorandum set out the broad framework within which NIMDTA will operate, in particular:
- a. NIMDTA's overall aims, objectives and targets in support of the Department'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 NIMDTA's functions, duties and powers;
 - c. The conditions under which any public funds are paid to NIMDTA;
 - d. How NIMDTA is to be held to account for its performance.
- 1.1.4 The Financial Memorandum sets out in greater detail certain aspects of the financial provisions, which NIMDTA is required to observe.
- 1.1.5 The Management Statement/Financial Memorandum does not convey any legal powers or responsibilities. The documents should be reviewed by the Department

at least every fourth year (see Section 8).

- 1.1.6 NIMDTA or the Department may propose amendments to either document at any time. Any such proposals shall be considered in the light of evolving departmental policy aims, operational factors and the performance of NIMDTA. The guiding principle shall be that the extent of flexibility and freedom given to NIMDTA shall reflect both the quality of its internal controls and its operational needs. The Department 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, if appropriate, the Public Service Reform Unit (PSRU), Office of the First Minister and Deputy First Minister. The definition of 'significant' will be determined by the Department, in consultation with DFP and PSRU.
- 1.1.7 Any question regarding the interpretation of these two documents shall be resolved by the Department after consultation with NIMDTA, and, as necessary with DFP and/or OFMDFM.
- 1.1.8 The combined document is signed and dated by the Permanent Secretary on behalf of the Department and the Chief Executive on behalf of NIMDTA.
- 1.1.9 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 the Department's and NIMDTA's web sites.

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

- 1.2.1 NIMDTA was originally established, as the Northern Ireland Council for Postgraduate Medical Education, in 1970, under the broad powers of section 1 of the Health Services (Northern Ireland) Act 1948. Equivalent provisions of the HPSS (NI) Order 1972 allowed for its continued existence. In April 1994 the council was reconstituted, by a "Minute of Appointment", under powers conferred by the Ministries of Northern Ireland Act (Northern Ireland) 1921 and the Northern Ireland Act 1974. This brought together its membership criteria, terms of reference, functions, financial and other responsibilities under a more defined legal basis. That "Minute of Appointment" was repealed by a revised "Minute of Appointment", which came into effect on 1 January 1996.

Following a Review of the Council in June 2002, the Council was reconstituted as a HPSS Special Agency with effect from 1 April 2004 under the powers conferred upon it by Articles 3 (1), (2), (4) and (6) of the Health and Personal Social Services (Special Agencies) (Northern Ireland) Order 1990. Statutory Rules of Northern Ireland – S.R. 2004 No 62 refers.

1.3 **Classification**

- 1.3.1 For policy/administrative purposes, NIMDTA is classified as a Special Agency.
- 1.3.2 For national accounts purposes NIMDTA is classified to the central government sector.
- 1.3.3 References to NIMDTA 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 NIMDTA.

1.4 The Duties And Powers Of NIMDTA

- 1.4.1 NIMDTA has a fundamental role in ensuring that doctors are trained to the standards set by the Postgraduate Medical Education and Training Board (PMETB) and the GMC. It has a similar role in respect of dentists satisfying the standards set by The General Dental Council. In addition, it has a role in overseeing continuing professional development for general medical and dental practitioners.
- 1.4.2 The Agency is responsible for commissioning, managing, and ensuring the delivery of postgraduate medical and dental training. This includes: recruitment, assessment, remediation, educator development, and the quality assurance of Trust and General Practice based education on behalf of PMETB. NIMDTA manages the delivery of training programmes and the progress of individuals through an educational governance framework of postgraduate specialty schools.

2 AIMS AND OBJECTIVES

2.1 Overall aim, mission statement, and corporate goals

NIMDTA's overall aim is to ensure that members of the medical and dental professions are trained to the highest achievable standard.

NIMDTA's mission statement is "Excellence in learning, ensuring outstanding patient care".

NIMDTA's corporate goals are:

- Services – to lead on the development and provision of high quality postgraduate medical and dental education and training.
- Staff – to develop a skilled and dynamic workforce to lead, manage and support the provision of high quality education and training.

- Internal processes – to continually review and develop internal processes and control arrangements with a view to ensuring effective delivery of the services provided.
- Finances – to secure sufficient resources and manage them effectively to meet our strategic objectives.

2.2 Key Objectives, Targets and Performance Measures

2.2.1 The Department determines NIMDTA's performance framework in the light of its wider strategic aims and current PSA objectives and targets.

2.2.2 The Department has approved the following key objectives and targets for NIMDTA within NIMDTA's corporate and business planning process (see Section 4):

Objectives:

- (i) To ensure structures and processes are in place to enable the standards set by regulatory bodies are met for all training programmes and trainees.
- (ii) To ensure that the requirements set out in approved curricula are delivered and assessed and the systems in place for assessing competence are fit for purpose.
- (iii) To ensure that careers information and advice is easily accessible and that support systems are in place for doctors and dentists in difficulty and for those with disabilities or special needs.
- (iv) To ensure that general medical and general dental practitioners and dental care professionals are supported in their learning and development.
- (v) To work in partnership with key stakeholders to manage the recruitment and selection of doctors and dentists in training.
- (vi) To provide assurance to the Department of Health, Social Services and Public Safety that identified weaknesses have been addressed and that controls are operational across the organisation.
- (vii) To review and develop the Agency's information systems.
- (viii) To strengthen capacity and capability within the Agency in line with its range of work and professional requirements.

- (ix) To create a culture which facilitates openness and honesty, provides a harmonious and safe working environment and supports staff through organisational change.
- (x) To ensure that the Agency achieves a break even position in the context of its business and budgetary plans.

Targets:

- (i) To demonstrate that standards on postgraduate medical and dental education as set by PMETB, GMC or GDC are met.
- (ii) To record the uptake of Continued Professional Development (CPD) activity and secure an increase where considered necessary.
- (iii) To ensure that all Foundation and specialist trainees, including those training in general medical and dental practice, are assessed and appraised using the agreed assessment tools.
- (iv) To ensure that all successful applicants are matched to individual foundation programmes and all placements filled.
- (v) To recruit into specialist training programmes in line with workforce planning requirements.

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, the Department;
- (ii) Annual audit conducted by the Northern Ireland Audit Office;
- (iii) Occasional inspections arranged by the Department.

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 NIMDTA. The Minister's responsibilities include:

- Keeping the Northern Ireland Assembly informed about NIMDTA's performance;
- Agreeing the amount of grant in aid to be paid to NIMDTA, and securing Assembly approval;
- Carrying out responsibilities specified in the founding legislation including appointments to NIMDTA, 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 the Department's Accounting Officer. The Accounting Officer is accountable to the Assembly for the issue of any grant-in-aid to NIMDTA. The Departmental Accounting Officer designates the Chief Executive as NIMDTA's Accounting Officer, and may withdraw the accounting officer designation if he believes that the incumbent is no longer suitable for the role.

3.2.2 In particular the Departmental Accounting Officer shall ensure that:

- NIMDTA's strategic aims and objectives support the Department's wider strategic aims and current PSA objectives and targets;
- The financial and other management controls applied by the Department to NIMDTA are appropriate and sufficient to safeguard public funds and for ensuring that NIMDTA's compliance with those controls is effectively monitored. ("public funds" include not only funds granted to NIMDTA by the Assembly but also any other funds falling within its stewardship).
- The internal controls applied by NIMDTA conform to the requirements of regularity, propriety and good financial management;

- Any grant-in-aid to NIMDTA 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 the Departmental Accounting Officer are set out in more detail in Chapter 3 of *Managing Public Money Northern Ireland*.

3.3 The Sponsoring Branch of the Department

3.3.1 Within the Department, Education and Training Unit, Human Resources Directorate is the sponsoring branch for NIMDTA. The Team is the primary source of advice to the Minister on the discharge of Ministerial responsibilities in respect of NIMDTA, and the primary point of contact for NIMDTA itself within the Department on policy issues.

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

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

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

- monitor NIMDTA's activities on a continuing basis through an adequate and timely flow of information on performance, budgeting, control and risk management, including NIMDTA's Statement on Internal Control;
- periodically carry out a risk assessment of NIMDTA's activities to inform the Department's oversight of NIMDTA; 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 NIMDTA'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 NIMDTA of relevant Government policy in a timely manner; if necessary, advise on the interpretation of that policy and issue specific guidance to NIMDTA as necessary;

- bring concerns about the activities of NIMDTA to the attention of the full Departmental Board and require explanations and assurances from NIMDTA that appropriate action to address those concerns has been taken.

3.4 The Chairman of NIMDTA

3.4.1 The Chairman of NIMDTA is appointed by the Minister, usually for a period of four years under Article 3 of the Northern Ireland Medical and Dental Training Agency (Establishment and Constitution) Order (Northern Ireland) 2004, the Department's Public Appointment Procedures and based on guidance issued by the Commissioner for Public Appointments for Northern Ireland.

3.4.2 The Chairman of NIMDTA is accountable to the Minister through the Departmental Accounting Officer for ensuring that NIMDTA's policies are compatible with those of the Department and for probity in the conduct of NIMDTA's affairs. The Chairman shares with other Board 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 the Board's strategy for discharging its statutory duties;
- (ii) ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Minister or the Department;
- (iii) encouraging high standards of propriety;
- (iv) ensuring that the Board 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 Board members;
- (v) advising the Minister on the needs of the Board when vacancies arise, with a view to ensuring a proper balance of professional, non-professional and financial expertise;
- (vi) representing the views of NIMDTA to the general public; and
- (vii) providing an assessment of performance of individual Board members.

3.4.4 Performance appraisal should be regular and open and should not be conducted only at the time of reappointment. Members should have an awareness that they are being appraised, the standards against which they will be appraised, and have an opportunity to contribute to and view their report.

3.4.5 The Chairman should ensure that all members of the Board, 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 Board members to the Nolan seven principles of public life (available at 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.

3.4.6 Communications between the Board and the Minister shall normally be through the Chairman. The Chairman shall ensure that the other Board members are kept informed of such communications.

3.5 **The Board of NIMDTA**

3.5.1 Members of the Board are appointed by the Minister for a period of four years under Article 3 of the Northern Ireland Medical and Dental Training Agency (Establishment and Constitution) Order (Northern Ireland) 2004 and the Department's Public Appointment Procedures, which are firmly based on guidance issued by the Commissioner for Public Appointments for Northern Ireland. The Board comprises of a Chair and 5 members (3 lay members, a medical member and a dental member).

3.5.2 Board members have corporate responsibility for ensuring that NIMDTA 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 Board members are to:

- (i) ensure that high standards of corporate governance are observed at all times, including using NIMDTA's internal audit committee to address the key financial and other risks facing NIMDTA;
- (ii) ensure that the Department is kept informed of any changes which are likely to impact on the strategic direction of NIMDTA or on the attainability of its targets, and determine the steps needed to deal with such changes;
- (iii) ensure that the Board 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 the Department 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 the Department;

- (v) ensure that NIMDTA's performance fully meets its aims and objectives as efficiently and effectively as possible;
- (vi) ensure that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds;
- (vii) ensure that, in reaching decisions, the Board has taken into account any guidance issued by the Department and any other relevant organisations, such as the Equality Commission or the Human Rights Commission.
- (viii) in the development of significant new policies, the Board should ensure that it consults with the Department and other relevant organisations as is considered appropriate.
- (ix) appoint the Chief Executive and, in consultation with the Department, set remuneration terms for that post.

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

- comply at all times with the code of practice adopted by NIMDTA and with the rules relating to the use of public funds and to conflicts of interest;
- 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 NIMDTA.

3.5.3 A list of matters, which are delegated by the Department for the Board's decision, should be maintained by the Board. The Department should have access to all Board meeting minutes.

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

3.6 The Chief Executive

- 3.6.1 The Chief Executive is appointed, by the Departmental Accounting Officer, as the Accounting Officer for NIMDTA.
- 3.6.2 As NIMDTA's Accounting 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 NIMDTA.
- 3.6.3 The Chief Executive is responsible for promoting the efficient and effective use of staff and other resources.
- 3.6.4 As NIMDTA's Accounting Officer, the Chief Executive shall, in particular:

on planning and monitoring -

- establish, in agreement with the Department, NIMDTA's corporate and business plans in support of the Department's wider strategic aim(s) and current PSA objectives and targets;
- inform the Department of NIMDTA's progress in helping to achieve the Department'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 the Department; that the Department is notified promptly if overspends or underspends are likely and that corrective action is taken, as approved by the Department; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion;

on advising the Board -

- advise the Board 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 the Department;
- advise the Board on its performance and finance compared with its aim(s) and objectives;
- ensure that financial considerations are taken fully into account by the Board 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 22-24 of the Accounting Officer Memorandum if NIMDTA, or its Chairman, is contemplating a course of

action involving a transaction which the Executive Director 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 NIMDTA (including any approved income or other receipts) are used for the purpose intended by the Assembly, and that such monies, together with NIMDTA's assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that adequate internal management and financial controls are maintained by NIMDTA, 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 NIMDTA'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, the Department or DF?
- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Statement on Internal Control regarding NIMDTA's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about NIMDTA are established and made widely known within NIMDTA;

- act in accordance with the terms of this document and with the instructions and relevant guidance in *Managing Public Money Northern Ireland* and other instructions and guidance issued from time to time by the Department and DFP; in particular, the Treasury document *Regularity and Propriety*, which the Executive Director shall receive on appointment. The attached *Financial Memorandum* refers to other key guidance;
- give evidence, normally with the Accounting Officer of the Department, if summoned before the Public Accounts Committee on the use and stewardship of public funds by NIMDTA;
- 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.

as Consolidation Officer -

- For the purposes of Whole of Government Accounts, the Chief Executive of NIMDTA is normally appointed by DFP as NIMDTA's Consolidation Officer.
- As NIMDTA's Consolidation Officer, the Chief Executive shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of NIMDTA; 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 Consolidation Officer Memorandum as issued by DFP and shall, in particular:

- ensure that NIMDTA 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 NIMDTA. However, he 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 the Department about any complaints accepted by the Ombudsman for investigation, and their outcome, including NIMDTA’s response to any recommendations from the Ombudsman.

3.7 Customer Service

3.7.1 Nine standards of public service, as detailed in **Appendix 1** to this document, have come into effect across the Northern Ireland Civil Service and its satellite bodies. NIMDTA should set its own targets, subject to Departmental approval, within the bounds of those standards.

3.8 Relationships

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

4 PLANNING

4.1 The Corporate Plan

- 4.1.1 NIMDTA will submit annually to the Department a Corporate Plan covering the next three years. NIMDTA will agree with the Department 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 NIMDTA's statutory duties and, within those duties, the priorities set from time to time by the Department. In particular, the Plan shall demonstrate how NIMDTA contributes to the achievement of the Department's strategic aims and PSA objectives and targets.
- 4.1.3 The Corporate Plan will set out:
- (i) NIMDTA's key objectives and associated key performance targets for the next three years and its strategy for achieving these objectives;
 - (ii) a review of NIMDTA'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 the Department at the beginning of the planning round. These forecasts should represent NIMDTA's best estimate of its available income, including any grant or grant-in-aid and other expenditure within NIMDTA'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 NIMDTA's objectives;
 - (vi) wherever possible, external comparators for bench marking NIMDTA's performance;
 - (vii) other matters as agreed between the Department and NIMDTA.
- 4.1.4 The main elements of the Plan – including the key performance targets – will be agreed between the Department and NIMDTA in the light of the Department'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 NIMDTA's rolling corporate plan and in monitoring progress, the Department shall aim to give NIMDTA 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 the Department. The Business Plan will include key targets and performance measures for the year immediately ahead, together with NIMDTA's internal management targets and performance measures linked to budgeting information. DFP will agree NIMDTA's business plan.

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.

4.3 Departmental Monitoring of NIMDTA's Performance against Key Targets

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

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

4.3.4 The Board shall inform the Department 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.

5 BUDGETING AND MONITORING ARRANGEMENTS

5.1 NIMDTA's budgeting procedures shall be as set out in the Financial Memorandum (see APPENDIX 2).

5.2 Internal Audit

5.2.1 NIMDTA shall establish and maintain arrangements for internal audit in accordance with the Treasury's Government Internal Audit Standards (GIAS) and any other relevant guidance issued by the Department.

5.2.2 NIMDTA shall consult with the Department to ensure that the latter is satisfied that the competence and qualifications of the Head of Internal Audit meet the requirements for the appointment of such officers in accordance with GIAS 5.2.

5.2.3 NIMDTA should maintain an Audit Committee in accordance with the Cabinet Office's "Guidance on Codes of Practice for Public Bodies" (January 1997), Appendix 2. The Department shall have access to the Audit Committee's minutes.

5.2.4 The Audit Committee will be chaired by a member of NIMDTA, other than the Chairman or Chief Executive, who has relevant financial management expertise. The Committee will consist of a minimum of three members and will meet on a regular basis. The Chief Executive, in his role as Accounting Officer, the Finance Manager and the internal audit provider will normally attend meetings of the Committee.

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

5.2.6 The Department's internal audit service shall also have a right of access to all documents prepared by NIMDTA's internal auditor, including where the service is contracted out. The audit strategy, periodic audit plans and annual audit report, including NIMDTA'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.

5.2.7 NIMDTA shall report immediately to the Department all frauds (proven or suspected), including attempted fraud. The Department shall then report the frauds immediately to DFP and the C&AG. In addition NIMDTA shall forward to the Department the annual fraud return, commissioned by DFP, on fraud and theft suffered by NIMDTA; notify any changes to internal audit's terms of reference.

the audit committee's terms of reference or NIMDTA's Fraud Policy and Fraud Response Plan.

5.3 Additional Departmental Access to NIMDTA

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

6. EXTERNAL ACCOUNTABILITY

6.1 The annual report and accounts

- 6.1.1 After the end of each financial year NIMDTA 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 NIMDTA. A draft of the report shall be submitted to the Department two weeks before the proposed publication date or as required to meet Departmental deadlines.
- 6.1.2 The report and accounts shall comply with the Financial Reporting Manual (FRM). The accounts shall be prepared in accordance with any relevant statutes and the specific Accounts Direction issued by the Department.
- 6.1.3 The report and accounts shall outline NIMDTA's main activities and performance during the previous financial year and set out in summary form NIMDTA'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 FD(DFP) 21/05 and any subsequent guidance 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 the Department.

6.2 External audit

- 6.2.1 The Comptroller and Auditor General (C&AG) audits NIMDTA's annual accounts and passes the accounts to the Department 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 NIMDTA 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 the Department 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 the

Department's responsibilities in relation to financial systems within NIMDTA. The C&AG will also, where asked, consider providing the Department and other relevant bodies with Regulatory Compliance Reports and other similar reports which the Department 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 NIMDTA 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, NIMDTA 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 the Department NIMDTA will have responsibility for the recruitment, retention and motivation of its staff.

7.1.2 NIMDTA 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 systematically 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 NIMDTA's objectives;
- (v) proper consultation with staff takes place;
- (vi) adequate grievance and disciplinary procedures are in place- these procedures should comply with the Code of Practice on Disciplinary and Grievance Procedures published by the Labour Relations Agency and should apply to all staff retained by NIMDTA;
- (vii) a code of guidance for staff is in place based on the Cabinet Office document Model Code for Staff of Executive Non-Departmental Public Bodies.
- (viii) procedures consistent with the Public Interest Disclosure (Northern Ireland) Order 2003 ("Whistle-blowing") are in place and communicated to staff.

8. REVIEWING THE ROLE OF NIMDTA

8.1 The Department will conduct a Financial Management and Policy Review of NIMDTA at such intervals as the Department may determine. Such reviews will be in two stages:

- The initial stage of the review will focus on whether NIMDTA continues to be required and whether Special Agency status is appropriate.
- If it is decided that NIMDTA should continue, the second stage of the review will focus on the efficiency and effectiveness with which NIMDTA carries out its activities; its financial and other management systems; and the efficiency and effectiveness of the Department's procedures for monitoring NIMDTA's activities.

SIGNED ON BEHALF OF THE DEPARTMENT OF
HEALTH SOCIAL SERVICES AND PUBLIC SAFETY

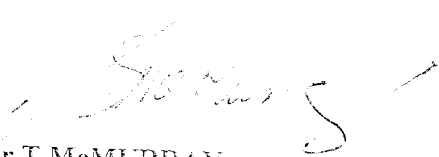


Dr A McCORMICK

PERMANENT SECRETARY

DATE: 3 June 2011

SIGNED ON BEHALF OF NORTHERN IRELAND MEDICAL
AND DENTAL TRAINING AGENCY



Dr T McMURRAY

CHIEF EXECUTIVE/POSTGRADUATE
DEAN

DATE:

26/5/11

APPENDIX 1

NIMDTA 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

NIMDTA 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

NIMDTA 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, easily accessible, of professional quality and in plain language. Where NIMDTA requires particular actions or information from customers or otherwise considers customers have certain responsibilities, it should explicitly state this.

Standard 3 Service Accessibility

NIMDTA 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 NIMDTA premises, NIMDTA should ensure that its premises are clean, comfortable and welcoming.

Standard 4 Consulting with customers

NIMDTA 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

NIMDTA 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

NIMDTA 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

NIMDTA 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

NIMDTA 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

NIMDTA 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. NIMDTA will set and report on targets for dealing with complaints.

FINANCIAL MEMORANDUM

BETWEEN

The Department of Health, Social Services and Public Safety

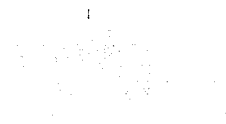
And

Northern Ireland Medical and Dental Training Agency

April 2010



Department of
Health, Social Services
and Public Safety
NIHSS
Dáilra, Seirbhísí Sóisialta
agus Sábháilteachta Poblóil



Agreement of Terms

The Financial Memorandum sets out the strategic control framework within which NIMDTA is required to operate, including the conditions under which government funds are provided as detailed in Government Accounting Northern Ireland (GANI). It aims to achieve prudent and effective management of resources by NIMDTA, combined with a reasonable degree of day-to-day freedom for the Authority to manage its operations.

The Memorandum has been drawn up by the Department, in consultation with NIMDTA, 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.

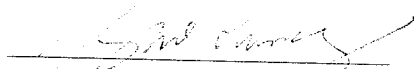
SIGNED



Andrew McCormick (Dr)

(on behalf of the Department
of Health, Social Services and Public Safety)

3 June 2011


Terry McMurray (Dr)

Chief Executive

(on behalf of the Northern Ireland Medical and
Dental Training Agency)

I. INTRODUCTION

1. This *Financial Memorandum* sets out certain aspects of the financial framework within which NIMDTA is required to operate.
2. The terms and conditions set out in the combined *Management Statement* and *Financial Memorandum* may be supplemented by guidelines or directions issued by the DHSSPS/Minister in respect of the exercise of any individual functions, powers and duties of NIMDTA.
3. NIMDTA shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the DHSSPS/Minister may from time to time impose.

II. NIMDTA'S INCOME AND EXPENDITURE - GENERAL

The Departmental Expenditure Limit (DEL)

4. NIMDTA's current and capital expenditure form part of the sponsoring Department's Resource DEL and Capital DEL respectively.

Expenditure not proposed in the budget

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

Procurement

6. NIMDTA's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 and *Procurement Policy Guidelines* as issued by the Procurement Board. NIMDTA shall also ensure that it complies with any relevant EU or other international procurement rules.

7. Business Services Organisation (BSO) shall carry out procurement activity on behalf of NIMDTA, governed by a documented Service Level Agreement.

Competition

8. Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
9. Proposals to let single-tender contracts shall be subject to advice being taken from Central Procurement Directorate or a Centre of Expertise in Procurement, and NIMDTA shall send to the Department after each financial year a report for that year explaining any contracts above £5,000 in which competitive tendering was not employed.

Best Value for money

10. Procurement by NIMDTA of works, supplies and services shall be based on best value for money, ie the optimum combination of whole life cost and quality (or fitness for purpose) to meet NIMDTA's requirements. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness In paying bills

11. NIMDTA shall collect receipts and pay all matured and properly authorised invoices in accordance with Annex 4.6 of *Managing Public Money Northern Ireland*.

Novel, contentious or repercussive proposals

12. NIMDTA shall obtain the approval of the DHSSPS, and DFP, before:
 - incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the DHSSPS;

- making any change of policy or practice which has wider financial implications (eg because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required. (The DHSSPS will advise on what constitutes "significant" in this context).

Risk management/Fraud

13. NIMDTA 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 HSS (F) 55/06.
14. NIMDTA 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 to which it intends to give grant or grant-in-aid.
15. NIMDTA shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with Treasury's guide *Managing the Risk of Fraud* available at www.aasóni.gov.uk.
16. All cases of attempted, suspected or proven fraud shall be reported to the DHSSPS and other relevant authorities as soon as they are discovered, irrespective of the amount involved.

Wider markets

17. In accordance with the wider markets policy, NIMDTA shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with (a) NIMDTA's main functions (b) its corporate plan as agreed with the DHSSPS.

Fees and charges

18. Fees or charges for any services supplied by NIMDTA shall be determined in accordance with Chapter 6 of MPMNI.

III. NIMDTA'S INCOME

Grant-in-aid

19. Grant-in-aid will be paid to NIMDTA in monthly instalments, on the basis of a written application from NIMDTA showing evidence of need. The 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 NIMDTA's functions.
20. NIMDTA should have regard to the guidance in DAO (DFP) 04/03 and to the general principle enshrined in Annex 5.1 of *Managing Public Money Northern Ireland* that it should seek grant-in-aid according to need.
21. Cash balances accumulated during the course of the year shall be kept at the minimum level consistent with the efficient operation of NIMDTA. Grant-in-aid not drawn down by the end of the year shall lapse. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, the 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.

Fines and taxes as receipts

22. 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 the DHSSPS.

Receipts from sale of goods or services

23. 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 DEL 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.

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

Interest earned

25. Under resource budgeting rules, the cost of capital charge and any interest receipts on most DEL financed assets score as resource DEL.
26. If the receipts are used to finance additional expenditure by NIMDTA, the DHSSPS will need to ensure it has the necessary DEL cover. Any interest earned on cash balances arising from grant-in-aid or other NI Consolidated Fund funds shall be treated as a receipt from a NI Consolidated Fund source. Depending on the budgeting treatment of this receipt, and its impact on NIMDTA'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.

Unforecast changes in in-year income

27. If the negative DEL income realised or expected to be realised in-year is less than estimated, NIMDTA shall, unless otherwise agreed with the DHSSPS, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded. [NOTE: For example, if NIMDTA is allocated £100 resource DEL provision by the 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 NIMDTA will need to reduce its expenditure to £105 to avoid breaching its budget. If NIMDTA still spends £110 the DHSSPS will need to find £5 of savings from elsewhere within its total DEL to offset this overspend.]
28. If the negative DEL income realised or expected to be realised in the year is more than estimated, NIMDTA may apply to the DHSSPS to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The 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 the DHSSPS.

Build-up and draw-down of deposits

29. NIMDTA shall comply with the rules that any DEL expenditure financed by the draw-down of deposits counts within DEL. NIMDTA shall maintain

and manage cash balances as working balances only. These shall be held at a minimum level throughout the year. Any interest earned on overnight deposits must be returned to the DHSSPS.

30. NIMDTA shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

Proceeds from disposal of assets

31. Disposals of land and buildings are dealt with in Section VI below.

Gifts and bequests received

32. NIMDTA is free to retain any gifts, bequests or similar donations, subject to paragraph 33. These shall be treated as receipts and must be notified to the DHSSPS. [NOTE: Donated assets do not attract a cost of capital charge, and a release from the donated assets reserve should offset depreciation in the operating cost statement.]
33. Before accepting a gift, bequest, or similar donation, NIMDTA shall consider if there are any associated costs in doing so or any conflicts of interests arising. NIMDTA shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

Borrowing

34. NIMDTA shall observe the principles set out in Chapter 5 and the associated annexes of MPMNI when undertaking borrowing of any kind. NIMDTA shall seek the approval of the DHSSPS and, where appropriate, DFP, to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long term private sector or foreign borrowing is subject to the value for money test in *Section 5.7 of MPMNI*.

Reserves

35. NIMDTA is not permitted to hold reserves

IV. EXPENDITURE ON STAFF

Staff costs

36. Subject to its delegated levels of authority NIMDTA shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

Pay and conditions of service

37. NIMDTA shall operate a pay scheme within the terms and conditions permitted for HSC staff and set by the Department. The staff of NIMDTA whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) as approved by both DHSSPS and DFP.
NIMDTA has no delegated power to amend these terms and conditions.
38. Current terms and conditions for staff of NIMDTA are those set out in its Employee Handbook. NIMDTA shall provide the DHSSPS and DFP with a copy of the Handbook and subsequent amendments.
39. Annual pay increases of NIMDTA staff must have the prior approval of the DHSSPS Minister and DFP.
40. The travel expenses of Board Members shall be tied to the rates allowed to senior staff of NIMDTA. Reasonable actual costs shall be reimbursed.
41. NIMDTA shall comply with the EU directive on contract workers [Fixed Term Employees Regulations (Prevention of Less Favourable Treatment)].

Pensions; redundancy/compensation

42. NIMDTA's staff shall be eligible for a pension provided by:
- Health and Social Care Superannuation Scheme or Health and Social Care Pension Scheme: and/or
 - Universities Superannuation Scheme: and/or
 - QUB Pension Scheme.

43. Staff may opt out of an occupational pension scheme provided by NIMDTA. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall be limited to the national insurance rebate level.
44. Any proposal by NIMDTA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the DHSSPS and DFP. Proposals on severance payments must comply with DAO (DFP) 17/05.

V. NON-STAFF EXPENDITURE

Economic appraisal

45. NIMDTA is required to apply 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 Appendix A).
46. 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:

- *The Green Book* (supported by additional DFP guidance). It is due to be replaced by the Northern Ireland Guide to Expenditure Appraisal in 2009.

- The HM Treasury Guide, *The Green Book: Appraisal and Evaluation in Central Government*.

Capital expenditure

47. 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.
48. Proposals for large-scale individual capital projects or acquisitions will normally be considered within NIMDTA's corporate and business planning process. Subject to paragraph 49, applications for approval within the corporate/business plan by the 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 the DHSSPS.
49. Approval of the corporate/business plan does not obviate NIMDTA's responsibility to abide by the economic appraisal process.
50. Within its approved overall resources limit NIMDTA shall, as indicated in the attached Appendix on delegations, have delegated authority to spend up to £10,000 on any individual capital project or acquisition. Beyond that delegated limit, the DHSSPS's and where necessary, DFP's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

Transfer of funds within budgets

51. Unless financial provision is subject to specific Departmental or DFP controls (eg. 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 Departmental approval. [NOTE: Under resource budgeting rules, transfers from capital to resource budgets are not allowed.]

Virement

52. NIMDTA will abide by the guidance on virement issued by DFP.

Lending, guarantees, indemnities; contingent liabilities; letters of comfort

53. NIMDTA shall not, without the DHSSPS's and where necessary, DFP's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Annex 5.5 of MPMNT), whether or not in a legally binding form.

Grant or loan schemes

54. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made shall be subject to prior approval by the DHSSPS, and where necessary DFP. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.
55. The terms and conditions of a grant or loan to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by NIMDTA, the DHSSPS and the C&AG.
56. See also below under the heading *Recovery of grant-financed assets* (paragraphs 77-79).

Gifts made, write-offs, losses and other special payments

57. Proposals for making gifts or other special payments (including issuing write-offs) outside the delegated limits set out in the Appendix A of this document must have the prior approval of the DHSSPS and where necessary DFP.
58. Losses shall not be written off until all reasonable attempts to make a recovery have been made and proved unsuccessful.
59. Gifts by management to staff are subject to the requirements of DAO (DFP) 05/03.

Leasing

60. Prior Departmental approval must be secured for all property and finance leases. NIMDTA must have capital DEL provision for finance leases and other transactions which are, in substance, borrowing (paragraph 34 above).

61. Before entering into any lease (including an operating lease) NIMDTA shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

62. NIMDTA shall seek opportunities to enter into Public/Private Partnerships where this would be more affordable and offer better value for money than conventional procurement. Where cash flow projections may result in delegated spending authority being breached, NIMDTA shall consult the DHSSPS.
63. Any partnership controlled by NIMDTA shall be treated as part of NIMDTA in accordance with guidance in the FReM and consolidated with it [subject to any particular treatment required by the FReM]. Where the judgment over the level of control is difficult the DHSSPS will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment).

Subsidiary companies and joint ventures

64. NIMDTA shall not establish subsidiary companies or joint ventures without the express approval of the DHSSPS and DFP. In judging such proposals the DHSSPS will have regard to the Department's wider strategic aim[s] objective and current Public Service Agreement.
65. For public expenditure accounts purposes any subsidiary company or joint venture controlled or owned by NIMDTA shall be consolidated with it in accordance with guidance in the FReM subject to any particular treatment required by the FReM. Where the judgment over the level of control is difficult, the DHSSPS will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the 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.

Financial investments

66. NIMDTA shall not make any investments in traded financial instruments without the prior written approval of the DHSSPS, and where appropriate DFP, nor shall it aim to build up cash balances or net assets in excess of what is required for operational purposes. Equity shares in ventures which further the objectives of NIMDTA shall equally be subject to Departmental and DFP approval unless covered by a specific delegation.

Unconventional financing

67. NIMDTA shall not enter into any unconventional financing arrangement without the approval of the DHSSPS and DFP.

Commercial insurance

68. NIMDTA shall not take out any insurance without the prior approval of the DHSSPS and 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 MPMNI.
69. The DHSSPS shall have a written agreement with NIMDTA about the circumstances in which, in the case of a major loss or third-party claim, an appropriate addition to budget out of the DHSSPS' funds and/or adjustment to NIMDTA's targets shall be considered.
70. Certificate of Exemption for Employer's Liability Insurance has been issued to NIMDTA.

Payment/Credit Cards

71. NIMDTA, in consultation with the DHSSPS, shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards) is in place. Reference should be made to DAO (DFP) 24/02 and HSS (F) 11/2003.

Hospitality

72. NIMDTA, in consultation with the DHSSPS, shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place. Reference should be made to DAO (DFP) 10/06 and HSS (F) 8/2003.

Use of Consultants

73. NIMDTA shall adhere to the guidance issued by DFP, as well as any produced by the DHSSPS in relation to the use of consultants. Please see the delegated limits set out in Appendix A. Reference should be made to HSS (F) 40/2009)

VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Register of assets

74. NIMDTA shall maintain an accurate and up-to-date register of its fixed assets.

Disposal of assets

75. NIMDTA shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. Generally assets shall be sold by auction or competitive tender [unless otherwise agreed by the DHSSPS], and in accordance with the principles in MPMNI.
76. All receipts derived from the sale of assets (including grant financed assets, see below) must be declared to the DHSSPS, which will consult with DFP on the appropriate treatment.

Recovery of grant-financed assets

77. Where NIMDTA has financed expenditure on capital assets by a third party, NIMDTA shall set conditions and make appropriate arrangements to ensure that any such assets are not disposed of by the third party without NIMDTA's prior consent.
78. NIMDTA shall therefore ensure that such conditions and arrangements 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 the DHSSPS.
79. NIMDTA shall ensure that if the assets created by grants made by NIMDTA 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 NIMDTA for surrender to the DHSSPS. The amounts recoverable under the procedures in paragraphs 77-78 above 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.

VII. BUDGETING PROCEDURES

Setting the annual budget

80. Each year, in the light of decisions by the DHSSPS on NIMDTA's updated draft corporate plan, the DHSSPS will send to NIMDTA:
- a formal statement of the annual budgetary provision allocated by the DHSSPS in the light of competing priorities across the DHSSPS and of any forecast income approved by the DHSSPS; and
 - a statement of any planned change in policies affecting NIMDTA.
81. NIMDTA's approved annual business plan will take account both of its approved funding provision [where this applies] and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any Departmental funding and/or other income over the year. These elements will form part of the approved business plan for the year in question.
82. Any grant-in-aid provided by the DHSSPS for the year in question will be voted in the DHSSPS's Estimate and will be subject to Assembly control.

General conditions for authority to spend

83. Once NIMDTA's budget has been approved by the DHSSPS [and subject to any restrictions imposed by Statute/the Minister /this MSFM], NIMDTA shall have authority to incur expenditure approved in the budget without further reference to the DHSSPS, on the following conditions:
- NIMDTA shall comply with the delegations set out in Appendix A of this document. These delegations shall not be altered without the prior agreement of the DHSSPS and DFP;
 - NIMDTA shall comply with the conditions set out in paragraph 12 above regarding novel, contentious or repercussive proposals;
 - inclusion of any planned and approved expenditure in NIMDTA's budget shall not remove the need to seek formal Departmental [and where

necessary. DFP] approval where such proposed expenditure is above the delegated limits set out in Appendix A or is for new schemes not previously agreed: and

- NIMDTA shall provide the DHSSPS with such information about its operations, performance individual projects or other expenditure as the DHSSPS may reasonably require (see paragraph 91 below).

Providing monitoring information to the DHSSPS

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

- NIMDTA'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 Government Expenditure Monitoring Systems.

VIII. BANKING

Banking arrangements

85. NIMDTA's Accounting Officer is responsible for ensuring that NIMDTA's banking arrangements are in accordance with the requirements of MPMNI and the Treasury guidance document Departmental Banking: a Manual for Government Departments. In particular, he/she shall ensure that the arrangements safeguard public funds and that their implementation ensures efficiency, economy and effectiveness.

86. He/she shall therefore ensure that:

- these arrangements are suitably structured and represent value-for-money, and are reviewed at least every two years, with a comprehensive review, usually leading to competitive tendering, at least every three to five years;
- sufficient information about banking arrangements is supplied to the DHSSPS's Accounting Officer to enable the latter to satisfy his/her own responsibilities;
- NIMDTA's banking arrangements shall be kept separate and distinct from those of any other person or organisation; and
- adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

IX. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

Relevant documents

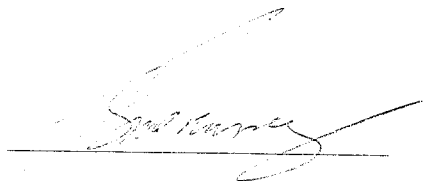
87. NIMDTA shall comply with the following general guidance documents:
- This document (both the *Financial Memorandum* and the *Management Statement*);
 - *Managing Public Money Northern Ireland (MPMNI)*;
 - *Public Bodies - a Guide for NI Departments* issued by DFP;
 - *Government Internal Audit Standards*, issued by DFP;
 - The Treasury document *Managing the Risk of Fraud* issued by DFP;
 - The Treasury document *The Government Financial Reporting Manual (FReM)* issued by DFP;
 - *Banking*; Annex 5.7 of MPMNI;

- Relevant DFP *Dear Accounting Officer* and *Finance Director* letters:
- Relevant *Dear Consolidation Officer* and *Dear Consolidation Manager* letters issued by DFP:
- *Regularity and Propriety*, issued by Treasury:
- The Consolidation Officer Memorandum, issued by DFP:
- Other relevant instructions and guidance issued by the central Departments (DFP/OFMDFM):
- Specific instructions and guidance issued by DHSSPS:
- Recommendations made by the Public Accounts Committee, or by other Assembly/Parliamentary authority, which have been accepted by the Government and which are relevant to NIMDTA.

X. REVIEW OF FINANCIAL MEMORANDUM

88. The Management Statement and Financial Memorandum will normally be reviewed at least every five years or following a review of NIMDTA's functions as provided for in the Management Statement.
89. DFP Supply will be consulted on any significant variation proposed to the Management Statement and Financial Memorandum.

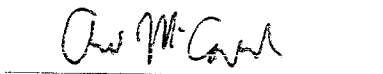
Signed:



Date: 26/05/2011

On behalf of NIMDTA

Signed:



Date: 3/6/11

On behalf of the Department

APPENDIX A

DELEGATED EXPENDITURE LIMITS

General

These delegated expenditure limits have been agreed by the Department 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)

Value	DHSSPS Guidance issued on 5 February 2010
Up to £2,000	May be placed without seeking quotation
>£2,000 <£30,000	4 Tenders
>£30,000 <EU Thresholds	Publicly advertised tender competition (newspapers/ website)

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, NIMDTA 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 accounting 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 accounting officer should complete a report and records of all correspondence should be retained on file including any justification given and/or approvals obtained.

2. CAPITAL 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 the 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 the DHSSPS and DFP.

3. DISPOSAL OF SURPLUS EQUIPMENT

See paragraph 75-76

4. LEASE AND RENTAL AGREEMENTS

See paragraph 60-61

5. APPROVAL OF INFORMATION TECHNOLOGY PROJECTS

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

The purchase of IT equipment and systems should be in line with guidance contained in Guidance Note 01/09 Best Practice in Programme/Project Management (PPM) (accessible on the Central Procurement Directorate website) and the subject of 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)

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

6. ENGAGEMENT OF CONSULTANTS

General

NIMDTA has authority to appoint consultants for a **single contract** without recourse to the DHSSPS up to a **total** cost of £20,000, and subject to any guidance as may be issued by DFP or the DHSSPS.

NIMDTA will provide the 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.

7. LOSSES AND SPECIAL PAYMENTS

The Chief Executive or appropriate officer as notified to DHSSPS, will have the authority to write off losses and make special payments up to:

- (a) Cash losses – up to £10,000 per case/incident
- (b) Stores/Equipment losses – up to £10,000 per case/incident
- (c) Constructive losses and fruitless payments – up to £10,000 per case.
- (d) Compensation payments
 - i. Made under legal obligation, e.g. by Court Order – Complete delegation
 - ii. For damage to personal property of staff – up to £2,000 per case
 - iii. Where written legal advice is that NIMDTA should not fight a court action because it is unlikely that it would win – up to £250,000 per case
- (e) Claims abandoned or waiver of claim – up to £10,000 per case
- (f) Extra contractual payments – up to £NIL per case
- (g) Ex gratia payments – up to £10,000 per case (Pensions payments are not covered by this threshold)
- (h) Extra statutory and extra regulatory payments – no delegation. all proposals must be submitted to the DHSSPS for approval

The prior approval of the DHSSPS must be obtained for amounts above these values.

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 or appropriate officer as notified to the DHSSPS, for amounts below the delegated limit and the DHSSPS, where appropriate. A summary of losses will be included in the annual report and accounts.