

MANAGEMENT STATEMENT

BETWEEN

The Department of Health, Social Services and Public Safety

And

The Northern Ireland Fire and Rescue Service Board

May 2011



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

www.dhsspsni.gov.uk

AN ROINN

**Sláinte, Seirbhísí Sóisialta
agus Sábháilteachta Poiblí**

MÁNNYSTRIE O

**Poustie, Resydènter Heisin
an Fowk Siccar**



**Northern Ireland
Fire & Rescue Service**

1 INTRODUCTION

1.1 This Document

- 1.1.1 This Management Statement, and its associated Financial Memorandum, has been drawn up by the Department of Health, Social Services and Public Safety (henceforth the Department) in consultation with the Northern Ireland Fire and Rescue Service Board (henceforth the Board) as required by Article 53(1) of the Fire and Rescue Services (Northern Ireland) Order 2006.
- 1.1.2 This terms and conditions set out in the combined Management Statement and Financial Memorandum may be supplemented by guidelines or directions issued by the Department/Minister in respect of the exercise of any individual functions, powers and duties of the Northern Ireland Fire and Rescue Service.
- 1.1.3 A copy of the MSFM for NIFRS should be given to all newly appointed Board Members, senior NIFRS executive staff and departmental sponsor staff on appointment. Additionally the MSFM should be tabled for the information of Board Members at least annually at a full meeting of the Board. Amendments made to the MSFM should also be brought to the attention of the full Board on a timely basis
- 1.1.4 This Management Statement, and its associated Financial Memorandum, has been approved by the Minister for Health, Social Services and Public Safety and the Department of Finance and Personnel (DFP).
- 1.1.5 In the event of a 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 the Department.
- 1.1.6 The Chief Fire and Rescue Officer is also the Chief Executive of the Northern Ireland Fire and Rescue Service (henceforth NIFRS). Throughout this Statement, the term Chief Fire and Rescue Officer has been used, even where the matter described falls within the responsibilities of the Chief Executive.
- 1.1.7 Taken together, and subject to the legislation noted below, the Management Statement and Financial Memorandum set out the broad framework within which the Board will operate, in particular:
- a. The Board'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 the Board's functions, duties and powers;
 - c. The conditions under which any public funds are paid to the Board;

d. How the Board is to be held to account for its performance.

- 1.1.8 The Financial Memorandum sets out in greater detail certain aspects of the financial provisions, which the Board is required to observe.
- 1.1.9 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).
- 1.1.10 The Board or the Department may propose amendments to either document at any time. Any such proposals will be considered in the light of evolving departmental policy aims, operational factors and the performance of the Board. The guiding principle will be that the extent of flexibility and freedom given to the Board will 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). The definition of 'significant' will be determined by the Department, in consultation with DFP.
- 1.1.11 Any question regarding the interpretation of these two documents will be resolved by the Department after consultation with the Board and, as necessary with DFP and/or OFMDFM.
- 1.1.12 The combined document is signed and dated by the Permanent Secretary on behalf of the Department and by the Chief Fire and Rescue Officer on behalf of the Board.
- 1.1.13 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 the Board's websites.

1.2 Founding Legislation: Status of the Body

- 1.2.1 The Board was established as a body corporate under the Fire and Rescue Services (Northern Ireland) Order 2006 from 1 July 2006. The constitution of the Board is set out in Schedule 1 to the Order. The Board does not have Crown status.

1.3 The Duties And Powers Of The Board

- 1.3.1 Articles 4 to 14 of The Fire and Rescue Services (Northern Ireland) Order 2006 set out the duties and powers of the Board, which are reproduced in full at Appendix 1.

1.4 Classification

- 1.4.1 For policy/administrative purposes, NIFRS is classified as an executive non-departmental public body (NDPB).
- 1.4.2 For national accounts purposes, NIFRS is classified to the central government sector.
- 1.4.3 References to NIFRS 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 NIFRS.

2 AIMS, OBJECTIVES AND TARGETS

2.1 Overall Aim

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

The Board of the Northern Ireland Fire and Rescue Service, will create a safer environment for society by providing an effective firefighting, rescue and fire safety service.

2.2 Key Objectives, Targets and Performance Measures

2.2.1 The Department determines the Board'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 for the Board:

- a) meet efficiently all normal requirements as regards firefighting and protecting life and property in case of fire;
- b) meet efficiently all normal requirements as regards the rescue of persons in the event of road traffic collisions;
- c) enforce all relevant fire precautions legislation;
- d) provide advice in respect of fire prevention and promote fire safety;
- e) functions relating to emergencies other than fires and road traffic accidents where the Board has functions under Articles 5 or 6 of the Fire and Rescue Services (Northern Ireland) Order 2006;
- f) arrange efficient training for staff; and
- g) ensure an efficient system is in place for members of the public to call the Fire and Rescue Service.

The key performance targets relating to these objectives are to be set out in the Board's Corporate and Business Plans (see Section 4).

2.3 Performance Measurement

2.3.1 The following methodologies will be used to assess progress against objectives:

- i. Regular accountability meetings with, and arranged by, the Department;
- ii. Annual audit conducted by the Northern Ireland Audit Office;

- iii. Occasional independent inspections arranged by the Department.

3 RESPONSIBILITIES AND ACCOUNTABILITY

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 the Board. The Minister's responsibilities include:

- Agreeing the amount of grant in aid to be paid to the Board and securing Assembly approval.
- Carrying out responsibilities specified in the founding legislation including appointments to the Board, 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, as the DHSSPS's principal Accounting Officer (the "departmental Accounting Officer"), is responsible for the overall organisation, management and staffing of the DHSSPS and for ensuring that there is a high standard of financial management in the Department as a whole. The departmental Accounting Officer is accountable to the Assembly for the issue of any grant-in-aid to the Board. The departmental Accounting Officer designates the Chief Fire and Rescue Officer as the Board'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 Principal Accounting Officer of the Department shall ensure that:

- The Board's strategic aims and objectives support the Department's wider strategic aims and current objectives and targets;
- The financial and other management controls applied by the Department to the Board are appropriate and sufficient to safeguard public funds and for ensuring that the Board's compliance with those controls is effectively monitored ("public funds" include not only funds granted to the Board by the Assembly but also any other funds falling within its stewardship);
- The internal controls applied by the Board conform to the requirements of regularity, propriety and good financial management;
- Any grant-in-aid to the Board 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 the annex to Chapter 3 of Managing Public Money Northern Ireland (MPMNI).

3.3 The Sponsoring Branch of the Department

3.3.1 Within the Department, Public Safety Unit (PSU) is the sponsoring Branch for the Board. The Team, in consultation as necessary with the relevant departmental Accounting Officer, is the primary source of advice to the Minister on the discharge of Ministerial responsibilities in respect of the Board, and the primary point of contact for the Board in dealing with the Department. Public Safety Unit 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 Board.

3.3.2 PSU will advise the Minister on:

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

3.3.3 In support of the Departmental Accounting Officer, PSU will:

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

3.4 THE BOARD

3.4.1 The Board shall consist of the following members:

- a) the Chairman, appointed by the Minister;
- b) the Chief Fire and Rescue Officer; and
- c) 10 other members appointed by the Minister.

3.4.2 The 10 other members of the Board are appointed by the Minister for a period of not more than four years on initial appointment, but can be reappointed for a second term of office of up to a further four years under the Department's Public Appointment Procedures, which are firmly based on guidance issued by the Commissioner for Public Appointments for Northern Ireland. Of the 10 non-executive members, one will have the support and endorsement of a relevant trade union, four will be members of District Councils, and five will be representatives of the general public.

3.4.3 Board members have corporate responsibility for ensuring that the Board 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 the Board's internal Audit Committee to address the key financial and other risks facing the Board;
- ii. ensure that the Department is kept informed of any changes which are likely to impact on the strategic direction of the Board 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 the Board'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. ensure that, in the development of significant new policies, the Board consults with the Department and other relevant organisations as is considered appropriate and that copies of all current NIFRS policies are furnished to the Department as they are developed and when amended;
- ix. appoint the Chief Fire and Rescue Officer, and with the agreement of the Department, set performance and remuneration terms linked to these objectives for the Chief Fire and Rescue Officer, which give due weight to the proper management and use of public monies.
- x. constructively challenge the Board's executive team in their planning, target setting and delivery of performance.

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

- comply at all times with the code of practice adopted by the Board 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 the Board.

3.4.4 Members of the Board (including the Chairman) must not give the Chief Fire and Rescue Officer instructions, nor interfere in the day-to-day management

of the Service, which might conflict with the latter's duties as the Northern Ireland Fire and Rescue Service's Accounting Officer and Chief Fire and Rescue Officer/Chief Executive.

- 3.4.5 The Department shall have access to all Board and Board Committee meeting minutes. It also reserves the right to attend all Board and Board Committee meetings.

3.5 The Chairman of the Board

- 3.5.1 The Chairman of the Board is appointed by the Minister, for a period of not more than four years on initial appointment, but can be reappointed for a second term of office of up to a further four years under the Department's Public Appointment Procedures and guidance issued by the Commissioner for Public Appointments for Northern Ireland.

- 3.5.2 The Chairman of the Board is accountable to the Minister, through the Departmental Principal Accounting Officer, for ensuring that the Board's policies are compatible with those of the Department and for probity in the conduct of the Board's affairs. The Chairman shares with other Board members the corporate responsibilities set out in paragraph 3.4.3.

- 3.5.3 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 and 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 main elements of discussions; 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 the Board to the general public; and
- vii. providing an assessment of performance of individual Board members.

- 3.5.4 The Chairman shall also:

- 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,

including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice. 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” FD (DFP) 03/06. 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 be kept up to date and annually copied to PSU, but with any changes notified as and when they may arise.

- advise the Department of the needs of the Board when vacancies arise, with a view to ensuring a proper balance of professional and financial expertise; and
- assess the performance of individual Board Members. Board Members will be subject to ongoing performance appraisal, with a formal assessment being completed by the Chair of the Board at the end of each year (and prior to any re-appointment of individual Members taking place). Members will be made aware that they are being appraised, the standards against which they will be appraised, and will have an opportunity to contribute to and view their report. The Chair of the Board will also be appraised on an annual basis by the Departmental Accounting Officer or an official acting on his behalf.

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

3.6 The Chief Fire and Rescue Officer’s Role as Accounting Officer

3.6.1 The Chief Fire and Rescue Officer is appointed by the Departmental Principal Accounting Officer, as the Accounting Officer for the Board.

3.6.2 As the Board’s Accounting Officer, the Chief Fire and Rescue Officer 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 the Northern Ireland Fire and Rescue Service.

3.6.3 The Chief Fire and Rescue Officer is responsible for ensuring the efficient and effective use of staff and other resources.

3.6.4 As the Board’s Accounting Officer, the Chief Fire and Rescue Officer shall, in particular:

on planning and monitoring -

- establish, in agreement with the Department, the Board'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 the Board'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 under-spends 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, in Section 3.8 of *Managing Public Money Northern Ireland* if the Board, or its Chairman, is contemplating a course of action or transaction which the Chief Fire and Rescue Officer 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 the Board (including any approved income or other receipts) are used for the purpose intended by

the Assembly, and that such monies, together with the Board's assets, equipment and staff, are used economically, efficiently and effectively;

- ensure that adequate internal management and financial controls are maintained by the Board, including effective measures against misuse, 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; and
- ensure compliance with the Northern Ireland Procurement Policy

on accounting for the Board'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 DFP;
- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Statement on Internal Control regarding the Board's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about the Board are established and made widely known within the Board;
- 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 sponsor Department, and DFP; in particular, the DFP document *The Responsibilities of a NDPB Accounting Officer* and the Treasury document *Regularity and Propriety and Value for Money*, both of which the Chief Fire and Rescue Officer 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 the Board;
- 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 the requirements of the Data Protection Act 1998 are complied with;
- ensure that the requirements of the Freedom of Information Act 2000 are complied with.

3.7 The Chief Fire Officer's Role as Consolidation Officer

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

3.7.2 As the Board's Consolidation Officer, the Chief Fire and Rescue Officer shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of the Board; for arranging for its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DFP;

3.7.3 As Consolidation Officer, the Chief Fire and Rescue Officer shall comply with the requirements of the NDPB Consolidation Officer Memorandum as issued by DFP and shall, in particular:

- ensure that the Board 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.

3.8 Delegation of Duties

3.8.1 The Chief Fire and Rescue Officer may delegate the day-to-day administration of these accounting officer responsibilities to other employees in the Board. However, he shall not assign absolutely to any other person any of the responsibilities set out in this document.

3.9 The Chief Fire Officer's role as Principal Officer for Ombudsman Cases

3.9.1 The Chief Fire and Rescue Officer 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 the Board's response to any recommendations from the Ombudsman.

3.10 Customer Service

- 3.10.1 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. The Board should set its own targets, subject to Departmental approval, within the bounds of those standards.

3.11 Relationships

- 3.11.1 Relationships between the Board, the Minister and the Department are governed by the “arm’s length” principle, wherein the primary role of the Minister is to set the Board’s legal, and financial, policy and performance framework, including appointments to the Board and the structure of its funding and management. Within this framework, it is the role of the Board 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. The Department may also attend the Board, Audit Committee, Remuneration Committee and any other formal committees of the Board that it deems necessary and Departmental staff should be supplied with full copies of all papers presented, including an advance copy of the agenda for such meetings.
- 3.11.2 In addition NIFRS will provide the Department with the Core Departmental Information Requirements consistent with demonstrating on an ongoing basis that it is discharging its responsibilities within a system of effective control and in line with the objectives set by Minister. Details of what is required and timescales for submission are attached at Annex 2.

4 PLANNING, BUDGETING AND CONTROL

4.1 The Corporate Plan

- 4.1.1 The Board will submit annually to the Department a Corporate Plan covering the next three years. The Board 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 public expenditure processes.
- 4.1.2 The Plan will reflect the Board’s statutory duties and, within those duties, the priorities set from time to time by the Department. In particular, the Plan shall demonstrate how the Board contributes to the achievement of the Department’s strategic aims and PSA objectives and targets.
- 4.1.3 The Department of Finance and Personnel reserves the right to ask to see and agree the Board’s Corporate Plan.

4.1.3 The Corporate Plan will set out:

- i. the Board's key objectives and associated key performance targets for the next three years and its strategy for achieving these objectives;
- ii. a review of the Board'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 the Board's best estimate of its available income, including any grant or grant-in-aid and other expenditure within the Board'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 the Board's objectives;
- vi. wherever possible, external comparators for benchmarking the Board's performance;
- vii. any other matters as agreed between the Department and the Board.

4.1.4 The main elements of the Plan – including the key performance targets – will be agreed between the Department and the Board 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.

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 the Board's internal management targets and performance measures linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department.

4.2.2 DFP reserves the right to ask to see and agree the Board's annual business plan.

4.2.3 Corporate and Business Plans will be formally approved by the Permanent Secretary of the Department.

4.3 Publication of Plans

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

4.4 Departmental Monitoring of the Board's Performance against Key Targets

4.4.1 The Board shall operate management information and accounting systems which enable it to review in a timely and effective manner its performance against the budgets and targets set out in its agreed corporate and business plans.

4.4.2 The Board's performance against key targets will be reported to the Department on a quarterly basis. Overall performance will be formally reviewed during the year by officials of the Department. Senior officials of the Department will additionally meet senior officers of the Board as appropriate to discuss its current and future activities and any policy developments relevant to these activities.

4.4.3 The Board's performance against key targets will be reported in the Board's Annual Report and Accounts (see Section 6.1.1 - 4).

4.4.4 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, together with proposals for addressing those changes.

4.5 BUDGETING AND MONITORING ARRANGEMENTS

4.5.1 The Board's budgeting procedures shall be as set out in the Financial Memorandum

4.6 Internal Audit

4.6.1 The Board shall establish and maintain arrangements for internal audit in accordance with the Government Internal Audit Standards (GIAS)

4.6.2 The Department shall:

- engage with the Board's Head of Internal Audit to ensure that NIFRS audit strategy and annual plan is prepared on a risk based approach.
- have access to the audit strategy, periodic audit plans, audit recommendations database and annual audit report, including the Board's Head of Internal Audit's opinion on risk management, control and governance. These shall be forwarded PSU at the times set out in Annex 2. PSU will consult the Department's Head of Internal Audit as appropriate.

- expect the Board's Head of Internal Audit to notify PSU of any significant control issues that arise outside the routine reporting periods.
- have access to all documents prepared by the Board's internal auditor, including where the service is contracted out. Where internal audit work has been contracted out the contract shall specify that NIFRS retains ownership of the reports and supporting working papers and that NIFRS has the right to share these, at least, with the Department and the NI Audit Office.

4.6.3 The Board shall consult the Department 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.

4.6.4 The Department will review the Board's terms of reference for internal audit service provision. The Board shall notify the Department of any subsequent changes to internal audit's terms of reference.

4.6.5 The Board shall arrange for periodic quality reviews of its internal audit in accordance with the GIAS and shall ensure that arrangements are in place for prompt action on all audit recommendations. 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 the Board.

4.7 Audit Committee

4.7.1 The Board shall set up an independent Audit Committee as a committee of the 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.

4.7.2 The Audit Committee will be chaired by a member of the Board, other than the Chairman or Chief Fire and Rescue Officer, 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 Fire and Rescue Officer, in his role as Accounting Officer, the Director of Finance and the Internal Audit provider will normally attend meetings of the Committee. Departmental officials may also attend the meetings of the Audit Committee and the Board will supply them with advance copies of all papers presented, including an agenda and subsequent minutes.

4.7.3 The Department will review the Board's audit committee terms of reference. The Board shall notify the Department if any subsequent changes to the audit committee's terms of reference.

4.8 Fraud

- 4.8.1 The Board 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, the Board shall forward to the Department the annual fraud return, commissioned by DFP, on fraud and theft suffered by the Board
- 4.8.2 The Department will review the Board's Anti-Fraud Policy and Fraud Response Plan. The Board shall notify the Department of any subsequent changes to the Board's Fraud Policy and Fraud Response Plan.

4.9 Additional Departmental Access to the Board

- 4.9.1 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 of the Board's records and personnel.

5. EXTERNAL ACCOUNTABILITY

5.1 The annual report and accounts

- 5.1.1 After the end of each financial year, the Board 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 the Board. A draft of the report shall be submitted to the Department by 21 May in the financial year following the year to which the report refers.
- 5.1.2 The report and accounts shall comply with the document *Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance*, issued by DFP and also in accordance with HM Treasury's Financial Reporting Manual (FRoM). The accounts shall be prepared in accordance with any relevant statutes and the specific Accounts Direction issued by the Department. [NOTE: A model accounts direction is included at Annex B of the NDPB Annual Reports and Accounts guidance.]
- 5.1.3 The report and accounts shall outline the Board's main activities and performance during the previous financial year and set out in summary form the Board'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.
- 5.1.4 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.
- 5.1.5 Due to the potential accounting and budgetary implications, any changes to accounting policies or significant estimation techniques underpinning the preparation of annual accounts, will require the prior written approval of the Department.

5.2 External audit

- 5.2.1 The Comptroller and Auditor General (C&AG) audits the Board'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.
- 5.2.2 The C&AG may liaise with the Board about whether the NIAO or a commercial auditor shall undertake the actual audit on his behalf. The decision rests with the C&AG.
- 5.2.3 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 the Board. 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.

5.3 Value For Money (VFM) examinations

- 5.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Board 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, the Board 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.

6. STAFF MANAGEMENT

6.1 General

6.1.1 Within the arrangements approved by the Department, the Board will have responsibility for the recruitment, retention and motivation of its staff.

6.1.2 The Board 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 the Board'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 the Board;
- vii. whistle blowing procedures consistent with the Public Interest (Northern Ireland) Order 2003 are in place; and
- viii. a code of conduct for staff is in place on based on Annex 5 of Public Bodies: a Guide for Northern Ireland Departments.

7. REVIEWING THE ROLE OF THE BOARD

- 7.1 The Department will conduct a Financial Management and Policy Review of the Board at such intervals as the Department may determine.
- 7.2 The next review of the Board will take place in the financial year 2014/15
- 7.3 The Board will provide the Department with full details of all agreements where the Board or its successors have a right to share in the financial gains of developers. It should also pass to the Department details of any other forms of claw back due to the Board.

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



Dr A McCORMICK

PERMANENT SECRETARY

DATE: 27/6/11

**SIGNED ON BEHALF OF THE
NORTHERN IRELAND FIRE AND
RESCUE SERVICE BOARD**



**CHIEF FIRE AND RESCUE OFFICER/
CHIEF EXECUTIVE**

DATE: 03/06/2011

The Fire and Rescue Services (Northern Ireland) Order 2006**Articles 4 to 14****Fire safety**

4.—(1) The Board shall make provision for the purpose of promoting fire safety.

(2) In making provision under paragraph (1) the Board shall in particular, to the extent that it considers it reasonable to do so, make arrangements for—

- (a) the provision of information, publicity and encouragement in respect of the steps to be taken to prevent fires and death or injury by fire; and
- (b) the giving of advice, on request, about—
 - (i) how to prevent fires and restrict their spread in buildings and other property; and
 - (ii) the means of escape from buildings and other property in the event of fire.

Fire-fighting

5.—(1) The Board shall make provision for the purpose of—

- (a) extinguishing fires; and
- (b) protecting life and property in the event of fires.

(2) In making provision under paragraph (1) the Board shall in particular—

- (a) secure the provision of personnel, services and equipment;
- (b) secure the provision of training for personnel;
- (c) make arrangements for dealing with calls for help and for summoning personnel;
- (d) make arrangements for obtaining information required or likely to be required for the purpose mentioned in paragraph (1); and
- (e) make arrangements for ensuring that reasonable steps are taken to prevent or limit damage to property resulting from action taken for the purpose mentioned in paragraph (1).

Road traffic accidents

6.—(1) The Board shall make provision for the purpose of—

- (a) rescuing persons in the event of road traffic accidents; and
- (b) protecting persons from serious harm, to the extent that it considers it reasonable to do so, in the event of road traffic accidents.

(2) In making provision under paragraph (1) the Board shall in particular—

- (a) secure the provision of personnel, services and equipment;
- (b) secure the provision of training for personnel;
- (c) make arrangements for dealing with calls for help and for summoning personnel;
- (d) make arrangements for obtaining information required or likely to be required for the purpose mentioned in paragraph (1); and

- (e) make arrangements for ensuring that reasonable steps are taken to prevent or limit damage to property resulting from action taken for the purpose mentioned in paragraph (1).

Emergencies

7.—(1) The Department may by order confer on the Board functions relating to emergencies, other than fires and road traffic accidents in relation to which the Board has functions under Article 5 or 6.

(2) An order under this Article may make provision as to what the Board shall or may do for the purpose of a function conferred under this Article, and may in particular require or authorise the Board—

- (a) to secure the provision of personnel, services and equipment;
- (b) to secure the provision of training for personnel;
- (c) to make arrangements for dealing with calls for help and for summoning personnel;
- (d) to make arrangements for obtaining information required or likely to be required for the purpose of carrying out the function; and
- (e) to make arrangements for ensuring that reasonable steps are taken to prevent or limit damage to property resulting from carrying out the function.

(3) Before making an order under this Article the Department shall consult the Board and any other persons it considers appropriate.

CHAPTER III

OTHER FUNCTIONS

Power to respond to other eventualities

8.—(1) The Board may take any action it considers appropriate—

- (a) in response to an event or situation of a kind mentioned in paragraph (2); or
- (b) for the purpose of enabling action to be taken in response to such an event or situation.

(2) The event or situation is one that causes or is likely to cause—

- (a) a person to die, be injured or become ill; or
- (b) harm to the environment (including the life and health of plants and animals and the fabric of buildings).

(3) The power conferred by paragraph (1) includes power to secure the provision of equipment.

Powers of Board in relation to external matters

9.—(1) The Board may liaise, co-operate and enter into arrangements with relevant persons outside Northern Ireland.

(2) In paragraph (1), “relevant persons” means persons carrying out functions which correspond to any of those of the Board or the Department under this Order.

General powers of the Board

10. The Board may—

- (a) provide such accommodation for its employees as it considers appropriate to enable it to carry out its functions under this Order;
- (b) pay to any persons who render services in connection with the carrying out of functions under this Order such rewards as it thinks fit, which in the case of a fire and rescue officer may be in addition to the remuneration of any such officer; and
- (c) use fire and rescue officers or any fire engine, appliance or equipment for such purposes as it considers appropriate.

Acquisition and disposal of land by the Board

11.—(1) The Board may acquire, hold and dispose of land for the purpose of carrying out its functions under this Order.

(2) The power of the Board to acquire land includes power to acquire it compulsorily in accordance with paragraphs (3) and (4).

(3) Where the Board proposes to acquire land compulsorily, it may apply to the Department for an order (“a vesting order”) vesting such land in the Board and, subject to paragraph (4), the Department shall have power to make such a vesting order.

(4) Schedule 6 to the Local Government Act (Northern Ireland) 1972 (c. 9) shall apply for the purposes of the acquisition of land by means of a vesting order made under paragraph (3) in the same manner as it applies to the acquisition of land by means of a vesting order made under that Act subject to the following modifications—

- (a) for any reference to the council there shall be substituted a reference to the Board;
- (b) for any reference to the Department concerned there shall be substituted a reference to the Department;
- (c) for any reference to that Act there shall be substituted a reference to this Order;
- (d) in paragraph 6(2) for the words from “the fund” onwards there shall be substituted “funds of the Board (in this Schedule referred to as “the compensation fund””, and shall be discharged by payments out of the compensation fund.”; and
- (e) in paragraph 12(2) for “the clerk of the council” there shall be substituted “such person as may be designated for the purposes of this Schedule by the Board”.

Arrangements with others for assistance

12.—(1) Subject to paragraph (2), the Board may enter into arrangements with a person for securing the provision by that person of assistance for the purpose of the carrying out by the Board of a function conferred on it under Articles 4 to 8 or 33.

(2) The Board may only enter into arrangements with a person under paragraph (1) for the securing of assistance for the purpose of extinguishing fires if the person employs fire-fighters.

(3) Arrangements under this Article may include provision as to the terms on which assistance is to be provided (including provision as to payment).

Arrangements for carrying out of functions by others

13.—(1) Subject to paragraph (2), the Board may enter into arrangements with a person for the carrying out to any extent by that person of a function conferred on the Board under Articles 4 to 8 or 33.

(2) The Board may only enter into arrangements with a person under paragraph (1) in relation to its function of extinguishing fires if the person employs fire-fighters.

(3) Arrangements under this Article may include provision as to the terms on which any function is to be carried out (including provision as to payment).

Charging

14.—(1) The Department may by order authorise the Board to charge a person of a description specified in the order for any action so specified taken by the Board.

(2) An order under paragraph (1) may authorise charging for extinguishing fires, or protecting life and property in the event of fires, only in respect of fires which are—

- (a) outside Northern Ireland; or
- (b) at sea.

(3) The power in paragraph (1) includes power to authorise a charge to be imposed on, or recovered from, a person other than the person in respect of whom action is taken by the Board.

(4) The power in paragraph (1) includes power to specify that, in setting the amount of a charge, the Board shall secure that, taking one financial year with another, the Board's income from charges does not exceed the cost to the Board of taking the action for which the charges are imposed.

(5) If the Board is authorised by an order under paragraph (1) to charge for taking action of a particular description and the Board decides to do so, then subject to paragraph (4)—

- (a) the amount of the charge is to be set by the Board; and
- (b) the Board may charge different amounts in different circumstances (and may charge nothing).

(6) Before making an order under this Article the Department shall consult the Board and any other persons it considers appropriate.

STANDARDS OF CUSTOMER SERVICE

The Board 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

The Board 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

The Board 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 the Board requires particular actions or information from customers or otherwise considers customers have certain responsibilities, it should explicitly state this.

Standard 3 Service Accessibility

The Board will make its services accessible to everyone including people with special needs and those whose first language is not English. Where it is necessary for customers to attend Board premises, the Board should ensure that it has taken all reasonable steps to ensure that its premises are fully accessible, clean, comfortable and welcoming.

Standard 4 Consulting with Customers

The Board 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

The Board 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

The Board 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

The Board 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

The Board 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

The Board 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. The Board will set and report on targets for dealing with complaints.

FINANCIAL MEMORANDUM

BETWEEN

The Department of Health, Social Services and Public Safety

And

The Northern Ireland Fire and Rescue Service Board

May 2011



**Northern Ireland
Fire & Rescue Service**

FINANCIAL MEMORANDUM

BETWEEN

**THE DEPARTMENT OF HEALTH, SOCIAL SERVICES & PUBLIC SAFETY
AND**

THE NORTHERN IRELAND FIRE AND RESCUE SERVICE BOARD

Agreement of Terms

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

The Memorandum has been drawn up by the Department, in consultation with the Board, 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. It will remain in force and binding on the Northern Ireland Fire and Rescue Service Board until such time as it is reviewed and/or revised by the Department.

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



Dr A McCORMICK

PERMANENT SECRETARY

DATE: 27/6/14

**SIGNED ON BEHALF OF THE
NORTHERN IRELAND FIRE AND
RESCUE SERVICE BOARD**



**CHIEF FIRE AND RESCUE OFFICER/
CHIEF EXECUTIVE**

DATE: 03/06/2014

FINANCIAL MEMORANDUM

BETWEEN

THE DEPARTMENT OF HEALTH, SOCIAL SERVICES & PUBLIC SAFETY AND THE NORTHERN IRELAND FIRE AND RESCUE SERVICE BOARD

1. INTRODUCTION

- 1.1.** This Financial Memorandum sets out certain aspects of the financial framework within which the NIFRS Board (henceforth the Board) is required to operate. References to the Board shall be deemed, where appropriate, to include the body corporate of the Northern Ireland Fire and Rescue Service.
- 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 the Department/ Minister in respect of the exercise of any individual functions, powers and duties of the Board.
- 1.3.** The Board shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Department/Minister may from time to time impose.

2. BOARD INCOME AND EXPENDITURE- GENERAL

2.1. The Departmental Expenditure Limit (DEL)

- 2.1.1.** The Board's current and capital expenditure form part of the Department's Resource DEL and Capital DEL respectively.

2.2. Expenditure not Proposed in the Budget

- 2.2.1.** The Board shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside the Board's delegations or which is not provided for in the Board's annual budget as approved by the Department.

2.3. Procurement

- 2.3.1.** The Board's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed May 2009); Procurement Guidance Notes (November 2010: Version 5); and any other guidelines or guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. The Board shall also

ensure that it complies with any relevant EU or other international procurement rules.

- 2.3.2. Periodically and wherever practicable, the Board's procurement policies shall be benchmarked against best practice elsewhere. The Centres of Procurement Expertise for the Board are the Business Services Organisation, the Department's Health Estates Investment Group and the Central Procurement Directorate. This list is not exhaustive and the Board may use the services of UK-wide Centres of Procurement Expertise.
- 2.3.3. The Board'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.

2.4. Competition

- 2.4.1. Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
- 2.4.2. 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 NIFRS Accounting Officer approval. It is advisable that the Board seek an assurance from Central Procurement Directorate, a Centre of Expertise in Procurement, 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
- 2.4.3. Details of each single tender action should be reported to Public Safety Unit on a quarterly basis.

2.5. Best Value for money

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

2.6. Timeliness in paying bills

- 2.6.1. The Board shall collect receipts and pay all matured and properly authorised invoices in accordance with Annex 4.5 and Annex 4.6 of *Managing Public Money Northern Ireland (MPMNI)* and any guidance issued by DHSSPS or DFP.

2.7. Novel, Contentious or Repercussive Proposals

2.7.1. The Board shall obtain the approval of the Department and DFP before:

- (a) incurring 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;
- (b) making any significant changes in the operation of funding of initiatives or particular schemes previously approved by the Department;
- (c) 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 the resources required. (The Department will advise on what constitutes 'significant' in this context).

2.7.2. The Board shall not, without prior Departmental approval, enter into any undertaking to incur any expenditure outside the remit of the Board.

2.7.3. The Board shall not make any payments to any individual under Article 10(b) of the Fire and Rescue Services (Northern Ireland) Order 2006 which by virtue of

- its failure to demonstrate value for money;
- its size;
- an absence of an appropriate business case and relevant approval;
- insufficient use of an appropriate tendering process;
- a clear breach of public sector guidelines on financial propriety;

is or may be likely to bring either Northern Ireland Fire and Rescue Service or the Department into disrepute.

2.8. Risk Management/Fraud

2.8.1. The Board 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 *The Management of Risk: A Strategic Overview (the Orange Book)*.

2.8.2. The Board 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.

- 2.8.3. The Board shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with DFP's guide *Managing the Risk of Fraud*
- 2.8.4. All cases of attempted, suspected or proven fraud shall be reported to the Department who shall report it to DFP and the NIAO (see section 4.6 in the Management Statement) as soon as they are discovered, irrespective of the amount involved.

2.9. Wider markets

- 2.9.1. In accordance with the wider markets policy, the NIFRS shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with (a) the NIFRS' main functions and (b) its corporate plan as agreed with the Department. DHSSPS will confirm with the DFP Supply Officer that such proposed activity is appropriate.

2.10. Fees and Charges

- 2.10.1. Fees or charges for any services supplied by the Board shall be determined in accordance with Chapter 6 of MPMNI.

3. NIFRS INCOME

3.1. Grant-in-Aid

- 3.1.1. Grant-in-aid will be paid to the Board in weekly instalments on the basis of a written application from the Board 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 the Board's functions.
- 3.1.2. The Board should have regard to the general guidance in DAO (DFP) 04/03 and to the general principle enshrined in Annex 5.1 of MPNI that it should seek grant in aid according to need.
- 3.1.3. Cash balances during the year shall be held at the minimum consistent with the efficient operation of the functions of the Board. 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 sponsor Department 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.

3.2. Fines and Taxes as Receipts

- 3.2.1. Most fines and taxes (including levies and some licences) do not provide additional DEL spending power and should be surrendered to the DHSSPS.

3.3. Receipts from sale of goods or services

- 3.3.1. Receipts from the sale of goods and services (including certain licences), rent of land and dividends normally provide additional spending power. If the Board wishes to retain a receipt or utilise an increase in the level of receipts, it must gain the prior approval of the Department.
- 3.3.2. If there is any doubt about the correct classification of a receipt, the Board shall consult the Department, which may consult DFP as necessary.

3.4. Interest earned

Interest earned on cash balances cannot necessarily be retained by the Board. Depending on the budgeting treatment of this receipt, and its impact on the NIFRS' cash requirement, it may lead to commensurate reduction of grant-in-aid or be required to be surrendered to the NI Consolidated Fund via DHSSPS. If the receipts are used to finance additional expenditure by the Board, DHSSPS will need to ensure it has the necessary budget cover.

3.5. Unforecast changes in in-year income

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

3.6. Build-up and draw-down of deposits

- 3.6.1. The Board 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).

3.7. Proceeds from Disposal of Assets

- 3.7.1. Disposals of land and buildings are dealt with in Section 6 below.

3.8. Gifts and Bequests received

- 3.8.1. The Board is free to retain any gifts, bequests or similar donations subject to paragraph 3.8.2. These shall be capitalised at fair value on receipt and must be notified to the Department (NOTE: A release from the donated assets reserve should offset depreciation in the operating cost statement. The latest FReM requirements should be applied).
- 3.8.2. Before accepting a gift, bequest or similar donation, the Board shall consider if there are any costs associated in doing so or any conflicts of interest arising. The Board shall not accept a gift, bequest or similar donation if there are conditions attached to its acceptance that would be inconsistent with the Board's function. The Board 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.

3.9. Other Receipts

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

3.10. Borrowing

- 3.10.1. The Board is not permitted to borrow funds.

4. EXPENDITURE ON STAFF

4.1 Staff Costs

- 4.1.1. Subject to its delegated limits of authority, the Board will ensure that the creation of any new/additional posts does not incur future commitments which will exceed its ability to pay for them.
- 4.1.2. The number of staff appointed by the Board will be subject to a staffing ceiling approved by the Department. The ceiling may be varied from time to time to reflect changes in the scale of the Board'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.
- 4.1.3. The Board shall submit to the Department on an annual basis a statement of its approved establishment and staff in post by rank.
- 4.1.4. The Board should ensure full compliance with the formal procedures in relation to internal job evaluation requests, including compliance by NIFRS staff to formal application procedures, in order to provide a contemporaneous audit trail of the date and grounds for the request. NIFRS should also keep under review a formal staff appraisal system, in accordance with the Management Statement.
- 4.1.5. All requests for job evaluations should be copied to the Department (Public Safety Unit) for information, with full details of the reasons for the request and the action being contemplated. The Department would expect to approve any that NIFRS considers, after evaluation, should be implemented. In commissioning any future job evaluation, NIFRS should ensure that the requirements of the Financial Memorandum in relation to public procurement policy and guidelines are strictly followed. This will include a requirement for transparency in the contract, including comprehensive reporting on the data and information gathered (including benchmarking evidence); the data sources; detailed reporting of how the data was processed; and analysis of the data and information so that reliability of results and conclusions drawn are apparent and the outcome justified. The contract should specify that the ownership and custody of all supporting documents rests with NIFRS.
- 4.1.6. NIFRS internal procedures in relation to job evaluations for all non-uniformed personnel should incorporate an appropriate process in relation to applications from non-uniformed Directors. The procedures should reflect the need for these applications and proposals to be considered by the Remuneration Committee and NIFRS Board before pay commitments are entered into. Furthermore, the procedures should include the need for prior Departmental approval of proposals and the requirements of the DFP circular, '*Pay Remit Approval Process and Guidance.*'

- 4.1.7. Bonus payments for senior uniformed and non uniformed staff require prior approval by the Department. Submissions must demonstrate that bonus payments are awarded for recognition of specific merit outside that of the normal duties of the officer. Bonus payments for all other staff will be subject to a protocol agreed with the Department. All elements of the pay bill for the NIFRS must be agreed in advance in accordance with the annual 'Pay Remit and Approval Guidance' Finance Director letter issued by DFP and any subsequent supplementary guidance that may issue affecting public sector pay..
- 4.1.8. Annual pay increases must have the approval of the Department and the Minister for Finance before implementation.
- 4.1.9. Payments shall be made to Board members in respect of travelling expenses, fees or other allowances in accordance with the relevant Fire Services (Payment of Allowances to Members) Determination and Direction (Northern Ireland), which the Department may, from time to time, amend. The Board, with the approval of the Department, shall ensure that a comprehensive set of guidelines on all expenditure on travel and subsistence is in place.

4.2. Pay and Conditions of Service

- 4.2.1. Employees of the Board, whether on permanent or temporary contract, will be subject to levels of remuneration, and terms and conditions of service (including Superannuation) as agreed by the National Joint Council. Current terms and conditions for employees are set out in the relevant National Joint Councils for Local Authority services.

4.3. Pension Costs

- 4.3.1. The Board's employees shall normally be eligible for a pension provided by their own scheme which is an unfunded defined benefit scheme.
- 4.3.2. Staff may opt out of the occupational pension scheme provided by the Board. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall be limited to the national insurance rebate level.
- 4.3.3. Any proposal by the Board to move from the existing pension arrangements, or to pay any redundancy, or compensation for loss of office, requires the approval of the Department and DFP. Proposals on severance payments must comply with DAO (DFP) 17/05.

5. NON-STAFF EXPENDITURE

5.1. Economic Appraisal

- 5.1.1. The Board 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 Annex 1).
- 5.1.2. Business cases must be submitted for departmental approval in support of expenditure above the delegated limits set out in Annex 1 and before expenditure is committed. The Department may also from time to time request sight of the appraisals for projects below these limits. In addition to the required Departmental approval of revenue proposals with recurrent financial impact in excess of £250k a year and the requirement to submit full business cases in respect of consultancy expenditure and for capital projects greater than £250k to the Department, the Board should arrange:
- a. to provide evidence that economic appraisals (revenue and capital) in excess of £250k have the endorsement of the Director of Finance and Performance Management, the Chief Fire Officer and that of the NIFRS Board;
 - b. for business cases for projects less than £250k, to be approved within the NIFRS scheme of delegation and approved by the Director of Finance and Performance Management and the Chief Fire Officer.
- 5.1.3. The Chief Fire and Rescue Officer 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 the Department, if required, and, which conforms to requirements for audit and value-for-money scrutiny. Expenditure within delegated limits cannot be used for any purchases of goods which are the subject of unresolved negotiations or associated with business cases still to be approved by the Department.
- 5.1.4. 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 applies to NDPBs can be found in:

- The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE), See <http://www.dfpni.gov.uk/eag>
- The HM Treasury Guide, The Green Book: Appraisal and Evaluation in Central Government

5.2. Capital Expenditure

5.2.1. 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 in accordance with relevant accounting standards. Expenditure to be capitalised shall normally include the:

- acquisition, reclamation or laying out of land;
- acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and
- acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.

5.2.2. Proposals for large-scale individual capital projects or acquisitions will normally be considered within the Board's corporate and business planning process. Applications for approval within the corporate/business plan by the Department, 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 Department in accordance with current instructions.

5.2.3. Approval of the corporate/business plan does not obviate the Board's responsibility to abide by the economic appraisal process.

5.2.4. Within its approved overall resources limit, the Board shall, as indicated in the attached annex on delegations, have delegated authority to spend up to £250,000 on any individual capital project or acquisition. Beyond that delegated limit, the Department's and, where necessary, DFP's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

5.3. Transfer of Funds within Budgets

5.3.1. Unless financial provision is subject to specific Departmental 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

Departmental 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 departmental and possibly DFP approval. [NOTE: Under resource budgeting rules, transfers from capital to resource budgets are not allowed.]

5.4. Lending, Guarantees, Indemnities; Contingent Liabilities; Letters of Comfort

5.4.1. The Board shall not, without the prior written consent of the Department (and, where necessary, DFP), lend money, charge any asset or security, give any guarantees or indemnities or letters of comfort, or incur any other contingent liability (as defined in Annex 5.5 of Managing Public Money Northern Ireland), whether or not in a legally binding form.

5.5. Grants or loans by the Board (if applicable)

5.5.1. All grants or loan schemes proposed by the Board, and the terms and conditions under which such grant or loan is made, must be approved by the Department and where necessary DFP. If grants or loans are to be made under a continuing scheme, statutory authority will be requested.

5.5.2. The terms and conditions of such grants or loans 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 for inspection by the Board, the Department and the Comptroller and Auditor General.

5.6. Gifts Made, Write-offs, Losses and Other Special Payments

5.6.1. Proposals for making gifts or other special payments (including issuing write-offs) outside the delegated limits set out in the Annex A of this document must have the prior approval of the Department and where necessary DFP.

5.6.2. Losses shall not be written off until all reasonable attempts to make a recovery have been made and have proved unsuccessful.

5.6.3. Public money must not be used to provide for gifts to members of staff. This shall also apply to members of the Board.

5.7. Leasing

5.7.1. Prior Departmental approval is required for all property and finance leases. The Board must have DEL provision for finance leases and other transactions that are, in substance, a form of borrowing.

5.7.2. Before entering into any lease, the Board must demonstrate that the lease offers better value for money than purchase.

5.8. Public Private Partnerships

- 5.8.1. The Board should seek opportunities to enter into public/private partnerships where this would be more affordable and offer better value for money than conventional procurement.
- 5.8.2. In such cases, the Board must consult the Department where cash flow projections may result in delegated spending authority being breached. The Board should also ensure that it has the necessary budget cover.
- 5.8.3. Any partnership controlled by the Board shall be treated as part of the Board in accordance with guidance in the FReM and consolidated with it. Where judgement over the level of control is difficult, the Department 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. The Board shall not establish subsidiary companies or joint ventures without the express approval of the Department and DFP. In judging such proposals, the Department will have regard to the Department's wider strategic aims, objectives and current Public Service Agreement.
- 5.9.2. For public expenditure accounts purposes, any subsidiary company or joint venture controlled or owned by the Board shall be consolidated with it in accordance with guidance in the FReM, subject to any particular treatment required by the FReM. Where the judgement over the level of control is difficult, the Department will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the Department 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. Financial Investments

- 5.10.1. The Board shall not make any financial investment, nor should it build up cash balances or net assets in excess of what is required for operational purposes. 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 the Board shall equally be subject to Departmental and DFP approval unless covered by a specific delegation.

5.11. Unconventional Financing

- 5.11.1. The Board shall not enter into any unconventional financing arrangements.

5.12. Commercial Insurance

- 5.12.1. The Board shall not take out any insurance without the prior approval of the Department 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 in Annex 4.5 of Managing Public Money Northern Ireland.
- 5.12.2. In the case of a major loss or third-party claim, DHSSPS shall liaise with the Board about the circumstances in which an appropriate addition to budget out of the DHSSPS' funds and/or adjustment to NIFRS' targets shall be considered. DHSSPS will liaise with DFP Supply where required in such cases.

5.13. Payment/Credit Cards

- 5.13.1. The Board, in consultation with the Department, shall ensure that procedures on the issue of payment cards (including 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 Director of Finance and Performance Management.

5.14. Hospitality

- 5.14.1. The Board, in consultation with the Department, 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 (revised).

5.15. Use of consultants

- 5.15.1. The Board must notify Public Safety Unit and the Department's Finance Directorate of any occasion when it intends to use consultants, for what purpose, and obtain prior written Departmental approval (as detailed in paragraph 6 of Annex 1). Departmental approval must be obtained for all fees paid to consultants and approval shall only be granted where reasonable and defensible. The Board shall also adhere to guidance on the Use of Consultants published on the Department's Intranet site – see http://www.dhsspsni.gov.uk/hss_f_40-2009.pdf
- 5.15.2. Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

6. MANGEMENT AND DISPOSAL OF FIXED ASSETS

6.1. Register of Assets

6.1.1. The Board shall maintain an accurate and up to date register of fixed assets.

6.2. Disposal of Assets

6.2.1. The Board 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 the Department) and in accordance with the principles of Managing Public Money Northern Ireland provided that:

- (a) the Board 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 NIFRS or member of the Board without approval of the Department.

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

6.3. Recovery of Grant – Financed Assets

6.3.1. Where the Board has financed expenditure on capital assets by third parties, the Board shall set conditions and make appropriate arrangements to ensure that assets are not disposed of without the Board's prior consent.

6.3.2. The Board 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 Department.

6.3.3. The Board shall ensure that, if the assets created by grants made by the Board 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 the Board for surrender to the Department. 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.

7. BUDGETING PROCEDURES

7.1. Setting the Annual Budget

7.1.1. Each year, in the light of decisions by the Department on the Board's updated draft corporate plan, the Department will send to the Board:

(a) a formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the Department and of any forecast income approved by the Department;

and

(b) where applicable, a statement of any planned change in policies affecting the Board.

7.1.2. The Board's approved annual business plan will take account both of its approved funding provision and 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 (Section 4.1 of the Management Statement).

7.1.3. Any Grant-in-Aid provided by the Department for the year in question will be voted in the Department's Estimate and will be subject to Assembly control.

7.2. General Conditions for the Authority to Spend

7.2.1. Once the Board's budget has been approved by the Department (and subject to any restrictions imposed by Statute/the Minister/this MSFM or any other circulars, directives, and best practice guidance that may issue from, or by way of, the Department), the Board shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:

- the Board shall comply with the delegations set out in Annex 1 of this document. These delegations shall not be altered without the prior agreement of the Department and DFP;
- the Board shall comply with the conditions set out in paragraph 2.7 above regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the Board'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 as set out in Annex 1, or is for new schemes not previously agreed; and

- the Board shall provide the Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require (see paragraph 7.3 below).
- the Board shall comply with NI Procurement Policy and carry out procurement via CPD or another recognised CoPE.

7.3. Providing Monitoring Information to the Department

- 7.3.1. The Board shall provide the Department with information on a regular basis which will enable the satisfactory monitoring by the DHSSPS of:
- NIFRS' 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.

Other information requirements are listed at Annex 2.

8. BANKING

8.1. Banking Arrangements

- 8.1.1. The Chief Fire and Rescue Officer is responsible for ensuring that the Board's banking arrangements are in accordance with the requirements of Annex 5.7 of *MPMNI*. In particular, he/she shall ensure that the arrangements safeguard public funds and that their implementation ensures efficiency, economy and effectiveness.

- 8.1.2. 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 Department's Accounting Officer to enable the latter to satisfy his/her own responsibilities;
- the Board'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.

9. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

9.1. Relevant Documents

9.1.1. The Board shall ensure that NIFRS is fully compliant 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 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, Propriety and Value for Money*, issued by Treasury;
- The Consolidation Officer Letter of Appointment, issued by DFP;
- Other relevant instructions and guidance issued by the central Departments (DFP/OFMDFM), including Procurement Board and CPD;
- Specific instructions and guidance issued by the Department;
- 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 the Board.

10. REVIEW OF FINANCIAL MEMORANDUM

10.1. This Financial Memorandum will normally be formally reviewed every four years, or following a review of the Board's functions as provided for in the Management Statement.

10.2. 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 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)

THRESHOLDS	NUMBER/TYPE OF TENDER REQUIRED	AUTHORISATION
Up to £2,000	May be placed without seeking quotation as per instructions outlined in NIFRS procurement policy	The Chief Fire and Rescue Officer
>£2,000 - £30,000	4 formal written quotations	The Chief Fire and Rescue Officer
> £30,000 – EU Thresholds	Publicly advertised tender competition	The Chief Fire and Rescue Officer

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, the Board 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. DELEGATED LIMITS FOR EXPENDITURE PROJECTS (excluding IT projects)

DHSSPS approval required

Capital - individual projects	£250,000
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Projects with revenue expenditure	£250,000
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DFP approval required

Capital projects – individual projects	£1,000,000
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Projects with revenue expenditure	£500,000
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Capital projects over the delegated limit for DHSSPS approval 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 Department and DFP.

3. DISPOSAL OF SURPLUS EQUIPMENT

See para 6.2

4. LEASE AND RENTAL AGREEMENTS

See para 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) 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)

THRESHOLDS	AUTHORISATION
Up to £250,000	The Chief Fire and Rescue Officer
£250,000 - £500,000	The Chief Fire and Rescue Officer with prior approval from the Department
Projects over £500,000	The Chief Fire and Rescue Officer with prior approval from the Department and DFP

6. ENGAGEMENT OF CONSULTANTS

General

The Board has no delegated authority to appoint consultants and prior Departmental approval must be obtained for all proposals to engage external consultants.

The Board will provide the Department 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 cases below this threshold. In all cases the Department must be notified of the intention to retain consultants by use of the relevant proforma. (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

The prior approval of the Department and, where appropriate, the Department of Finance and Personnel, is necessary in all cases where the Board wishes to write-off losses or make special payments in excess of £100.

Details of all losses and special payment 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 Fire and Rescue Officer or appropriate officer as notified to the Department, and the Department, where appropriate.

Core Departmental Information Requirements

1. *INFORMATION TO BE PROVIDED ROUTINELY DURING THE FINANCIAL YEAR*
 - 1.1 Minutes of Board meetings (to be forwarded to the Department as soon as possible following each meeting)
 - 1.2 Minutes of Audit Committee meetings (as soon as possible following each meeting)
 - 1.3 Minutes of Governance/Assurance Committee meetings (as soon as possible following each meeting)
 - 1.4 Internal audit reports where substantive assurance not achieved (immediately following report)
 - 1.5 Inspection reports (immediately following receipt of report by ALB)
2. *OTHER INFORMATION TO BE PROVIDED*
 - 2.1 Corporate/Business Plan (to be forwarded to the Department, in draft form, prior to sign-off by ALB Board in February/March)
 - 2.2 Internal audit work plan for the forthcoming year (to be forwarded in February/March)
 - 2.3 Internal audit report for the previous year (to be forwarded in May/June)
 - 2.4 Business Continuity plan (to be updated, at least annually, and forwarded to the Department thereafter)
 - 2.5 Risk register (to be updated at, least annually, and forwarded to the Department in March/April)
 - 2.6 Assurance Framework (to be updated, at least annually, and forwarded to the Department in March/April)
 - 2.7 Mid-year Assurance Statement, end of year SIC (to be forwarded to the Department in October/November and May/June respectively)