

Bill Pauley
Director of Strategic Policy & Reform



Andrew Browne
RHI Inquiry Secretary
1st Floor
Waterfront Plaza
8 Laganbank Road
BELFAST
BT1 3LY

Strategic Policy & Reform
2nd Floor West
Clare House
Airport Road West
BELFAST
BT3 9ED

Tel: 028 9081 6824

Email: bill.pauley@finance-ni.gov.uk

Date: 30 April 2018

Dear Andrew

The Head of the Civil Service, David Sterling, agreed to provide the Inquiry Team with an update on progress against the draft RHI Lessons Learned Action Plan that had previously been shared with you last summer by my predecessor Colin Sullivan. This, you will remember, was produced to cover systemic and generic issues identified through a review of PWC's unfinished fact finding investigation into the operation of the RHI scheme. Its purpose was to allow for action to be taken on such issues prior to any outcome from the RHI Inquiry. As requested by the Inquiry, the Action Plan remains in draft and does not attempt to pre-empt or anticipate the Inquiry outcomes. The NICS Board considers progress against the draft Action Plan on a regular basis and will do so again at the end of April 2018.

The update against the Action Plan is at **Annex A**. In taking the work forward there have been two main parts to the work. This first being work across DoF Directorates (Public Spending, Strategic Policy and Reform, Central Procurement, Human Resources and Internal Audit) to examine our central guidance, and secondly work within departments (including DoF) on the systems in place to ensure the practical application of that guidance in relation to the issues identified in the Action Plan.

In the first part the work has broadly confirmed that the overarching guidance - Managing Public Money Northern Ireland (MPMNI), the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE - the Green Book), Management of Risk - Principles and Concepts (the Orange Book), and Guidance for Evaluation (the Magenta Book) - is generally very comprehensive and robust. Much of this guidance either replicates or utilises similar national guidance.

For the second part all NI Departments have put their own Lessons Learned Action Plans in place to cover the issues raised in relation to the application of the guidance and lessons learned where these were identified as being for individual Accounting Officers. The attached update includes summaries from those Departmental Plans.

Consistent with our general approach of continuous improvement, we have also been monitoring the Inquiry hearings to identify further issues or lessons, particularly where these may be of a generic nature and have wider applicability across the NICS to consider if action can and should be taken now without prejudice to the final report of the Inquiry. Some such issues identified are summarised below:

1. Communication Between NI Departments, DoF and HM Treasury

DoF will give consideration to the arrangements for NI departments engaging with their Whitehall counterparts on financial associated matters and the protocols which should be observed for engagement with DoF and in turn HM Treasury.

2. Appraisal Process

In addition to the ongoing review of the NIGEAE guidance, DoF Supply continually reviews the business case and approvals process and has/will implement additional changes as necessary.

3. Economists – Training, Development and Support

The NICS Economist Group is managed by the DoF Head of Profession and the Group's training needs are, and will be, kept under review. Induction training for new entrants, covering generic aspects of working as an economist in the NICS, was revised in 2017. After induction economists' training and continuous professional development needs are identified as part of the performance review process by line management. These needs are addressed through mentoring and support and attendance at professional / training events. This review process is currently underway for 2018-19.

4. Project Management Profession


NICS Board has asked Central Procurement Directorate (CPD) to bring forward proposals for the development of a Programme and Project Management profession in NICS. CPD is taking this work forward under 5 themes, namely: Leadership; Professionalism; Demand Management; Skills Development; and Centralised Resourcing.

5. Minute / Record Management – Ministerial Decisions

The Executive Office is developing guidance for the recording of Ministerial decision-making meetings and decisions. The Information Commissioner offered to provide advice to the NICS about the adequacy of this advice and the steps that might be taken to ensure this is applied effectively across the NI Civil Service particularly following the resumption of devolved government.

We will continue to monitor the Inquiry evidence to identify any further issues or lessons to be learned.

I hope this is helpful to the Inquiry.

A handwritten signature in black ink that reads "Bill Pauley." The signature is written in a cursive, slightly slanted style.

BILL PAULEY

RHI Lessons Learned Action Plan Update – March 2018

| # | Action | Updates |
|----------------------------------|---|--|
| Effective Risk Management | | |
| 1 | <p>Extant risk management guidance should be reviewed to determine whether there is merit in considering alternative / additional more effective approaches.</p> <p>In reviewing the current approach to risk management, it may be appropriate to include a “test-drill” of selected projects to determine if regular, meaningful monitoring is conducted.</p> | <p>Extant risk management guidance has been reviewed.</p> <p>MPMNI, the overall principles based guidance document, makes reference to the management of risk at Section 4.3 ‘Opportunity and Risk’. Key risk management guidance for NI departments is the HM Treasury Orange Book issued under cover of DAO (DFP) 15/05 in 2005.</p> <p>The Risk Management Advisory Group (consisting of departmental representatives) considered the risk management guidance contained within the Orange Book in December 2017. The guidance was generally considered fit for purpose, however, some improvements in terms of practical application within departments are to be recommended to NICS Board.</p> <p>Additionally the NICS Group Internal Audit Service are reviewing the operation of risk management across departments as part of 2018/19 audit plans. Any recommendations to improve the practical approach to risk management across the NICS will be reported to the NICS Board.</p> <p>In addition to participating in the Risk Management Advisory Group a number of departments are carrying out internal reviews of their own risk management guidance and procedures, incorporating test-drilling where necessary.</p> |
| 2 | <p>Stress testing of specific government initiatives (this may require procuring</p> | <p>NIGEAE currently refers to risk and sensitivity analysis rather than “stress testing” which is a term not used in DoF guidance; however, it is understood from other sectors (e.g. banking)</p> |

| # | Action | Updates |
|---------------------------------|--|--|
| | external expertise for testing of high value initiatives) as determined by SCS SROs. SROs should consult CPD. | <p>to refer to a detailed risk assessment where assumptions about important factors are varied to determine if / where critical risks exist.</p> <p>NIGEAE currently refers to risk and sensitivity analyses and recommends that key assumptions are varied to examine the impact on option selection. Some departments are updating internal requirements to include stress testing for certain initiative types. In addition, training & knowledge sharing is also being implemented to help staff understand when to escalate unusual, complex or high-value issues. Where SCS SROs determine that procurement of external expertise is required to perform stress testing, CPD will procure services as requested.</p> |
| Oversight and Monitoring | | |
| 3 | External Advice – AOs / SCS SROs to review the application / usage of relevant guidance related to external advice to ensure it is being appropriately applied in their setting. In highly technical, high value projects, obtaining second opinions should be considered. | <p>Existing guidance has been reviewed.</p> <p>Departments are required to conduct Risk Potential Assessments and Gateway Reviews where certain thresholds are met. Departments are refreshing guidance / reminding staff of the requirement to follow existing guidance. The role of the SRO is also highlighted in departmental actions. This includes consideration of the need for a second opinion in highly technical high value projects.</p> |
| 4 | A Register of all significant value / high risk Grant Spend / Activity for “measure and value” grants should be created and maintained by each Department (see action point 5 item 2) | Departments are in the process of collecting data / developing a register. As at the end of February one department has identified this as complete. |

| # | Action | Updates |
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| Commercial Awareness | | |
| 5 | <p>Commercial expert(s) with cost management expertise should be available to / embedded within commercial projects / teams administering a significant / high-risk grant.</p> <p>Work should be completed to review existing frameworks for defining, assessing and managing significant value / high risk grants and the application of these and if / how they can be enhanced.</p> <p>If there is deemed value in doing so, CPD could create a framework from which this commercial expertise could be drawn.</p> | <p>It is a requirement of existing guidance for projects meeting certain thresholds to conduct Risk Potential Assessments and Gateway Reviews; departments are aware of this requirement and are addressing it. Departments are reviewing both projects / programmes and staff skills.</p> <p>In the light of the needs that are identified by departments, Central Procurement Directorate will review existing frameworks (including those available through Crown Commercial Services) to ensure that commercial cost management expertise can be accessed by those projects requiring it.</p> |
| 6 | <p>Relevant guidance (MPMNI, NIGEAE and PGN) and its application should be reviewed to ensure that the requirement to fraud-proof programmes and initiatives at the design stage are sufficiently explicit – and, if possible, to consider whether / how this might be enhanced.</p> | <p>Relevant guidance has been reviewed.</p> <p>While the term fraud proofing is not used explicitly within MPMNI Chapter 4 of MPMNI already advises that safeguards to encourage proper and accurate of resources, prevent misuse and counter fraud should be considered when planning policies and projects. Section 4.8 ‘Dealing with Initiatives’ also provides guidance on new policies or planning projects. Additionally the Managing the Risk of Fraud Guide, DAO (DFP) 06/11 issued in December 2011, also provides guidance on the need to consider the risk of fraud in new policy development areas.</p> <p>However in addition specific guidance on fraud proofing of new initiatives and programmes has been developed by DoF and will be issued under cover of a DAO shortly.</p> |

| # | Action | Updates |
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| | | <p>This guidance will be referenced within other relevant guidance documents, such as PGNs and NIGEAE in due course. The relevant PGN also currently references Managing Successful Programmes and PRINCE2, both of which include assessment across all risks, i.e. including fraud.</p> |
| 7 | <p>Targeted awareness training should be provided for those civil servants working in areas requiring a working knowledge of cost management, who do not have relevant expertise. (This is not to replace those who are professionally qualified / accredited.) Work should be carried out to define which staff would fall into this category.</p> | <p>Relevant parts of DoF (Central Procurement Directorate and the Centre for Applied Learning) have identified relevant training content and will now engage with a wider group of stakeholders to: identify the target audience; co-design the training required; and design delivery of the learning through NICS practitioner or external experts.</p> <p>Specific training opportunities on cost management will be complemented by the mainstreaming of appropriate content into existing courses on, for example, project management and risk management.</p> <p>Departments are identifying staff in need of training or incorporating the training requirement into staff PDPs.</p> |

| # | Action | Updates |
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| Affordability | | |
| 8 | <p>Relevant guidance (MPMNI, NIGEAE) and its application should be reviewed to ensure the following is explicitly understood & if possible whether this might be enhanced:</p> <ul style="list-style-type: none"> · requirement to regularly review the original information & assumptions contained in the business case; · requirement to include a means to control demand; · requirement to rigorously test underlying assumptions; and · Accounting Officers must fully embed and implement the guidance. | <p>Relevant guidance has been reviewed.</p> <p>MPMNI Chapter 4 Section 4.8 'Dealing with Initiatives' already sets out the need to consider how new policies or projects will be monitored and how the policy or programme will be evaluated to determine whether they should be continued, adjusted, replaced or ceased. The section also consider the need for controls and whether sunset clauses are required. MPMNI guidance is therefore considered to cover these points sufficiently.</p> <p>A significant further body of further guidance also exists (e.g. Green Book, Orange Book, etc.). Given that guidance typically follows that provided by Whitehall, the DoF view is that the guidance as a whole is comprehensive and robust, although it is reviewed as required for improvements. For example, NIGEAE is under review following changes within the recently revised HM Treasury Green Book.</p> <p>Departments have indicated that relevant guidance is embedded and its implementation ensured. DoF will continue to work with other departments to ensure application of guidance is appropriate and proportionate.</p> |
| 9 | <p>Where necessary, training should be arranged for relevant staff who need to understand the NI public expenditure framework and associated implications and ensure they are aware of the precise basis of their authority to spend and of the consequences of any material deviation</p> | <p>Existing training has been reviewed and is comprehensive.</p> <p>PSD is currently developing an additional eLearning course on public expenditure. A further classroom-based course is available, delivered by the Centre for Applied Learning and Public Spending Directorate.</p> <p>Departments are identifying training needs and the requirement to understand the public expenditure framework is being explicitly identified within departments.</p> |

| # | Action | Updates |
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| Behaviours / Competences | | |
| 10 | <p>NICS HR to consider how the NICS Competency Framework can be fully embedded within the organisational culture and used for performance management purposes when developing the new NICS People Strategy. This will include consideration of the link between the competency framework and PPAs.</p> | <p>This has been considered in the preparation of the NICS People Strategy which has been drafted with an associated programme of work (to be overseen by the NICS Board and implementation plan developed in early 2018/19. The new People Strategy focuses on building management and leadership capacity and improved performance management. Revised policies, processes, guidance and training and development will form part of the 'toolkits' developed to support line managers and to embed best practice.</p> |
| 11 | <p>NICS Competency Framework to be reviewed to include behaviours for Commercial Professionals:</p> <ul style="list-style-type: none"> · NICS HR to undertake work with relevant HoD to identify any additional competencies that are particular to commercialism & add to competency framework · NICS HR to develop a set of behavioural standards similar to those developed by Whitehall · Disseminate guidance among all SCS & policy officials working in a commercial role or running grant schemes, and have this sit alongside the NICS Competency Framework. | <p>The existing Competency Framework (competence 7, <i>Delivering Value for Money</i>) contains aspects where senior staff are required to “interpret a wide range of financial and management information and use financial data effectively in decisions.” Senior staff are also expected to “develop robust business cases, with fully costed options identifying clear policy advantages and or returns on investment to assist decision making.”</p> <p>The review of behaviours and competencies has been included in the new NICS People Strategy. The review of the Competency Framework will consider, in conjunction with Heads of Profession, what the emerging and anticipated skills requirements are for the NICS of the future and work on this specific area will commence as a year one/priority action of this three year Strategy.</p> |

| # | Action | Updates |
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| Retaining Corporate Knowledge | | |
| 12 | <p>Formal, effective staff handover arrangements to be put in place to ensure new staff are fully aware of their role and responsibilities and that organisational knowledge is retained.</p> <p>Work should be progressed as to how best to include handover arrangements in vacancy management and induction guidance.</p> | <p>Local arrangements exist in this regard and departments are at various stages in the process of issuing guidance to staff (either through review of existing guidance or development of new guidance).</p> <p>Mandatory handover, induction and knowledge transfer arrangements have been included in the NICS People Strategy as a priority action of this three year Strategy.</p> <p>Central Procurement Directorate is also preparing a standard template for formal appointment of SROs, for approval by the NICS Board. This will include a requirement for handover arrangements.</p> |
| Whistleblowing | | |
| 13 | <p>There should be effective oversight and monitoring arrangements established in relation to whistleblowing concerns raised with departments.</p> | <p>Departments have their own bespoke policies and will update these on completion of the NICS review. See information below.</p> |
| 14 | <p>Review whistle blowing guidance to ensure it includes guidance on:</p> <ul style="list-style-type: none"> · how to identify a whistle blowing complaint; and · requirement to have in place procedures to record, monitor and report on whistle blowing cases. | <p>The NICS Group Internal Audit Service are currently carrying out a NICS wide review of whistleblowing policies and procedures and their operation within departments.</p> <p>Any recommendations to improve the practical operation of whistleblowing arrangements will be reported to the NICS Board and departments.</p> <p>The recently issued Audit and Risk Assurance Committee Handbook DAO (DoF) 03/18, issued March 2018, also provided guidance to Audit Committees on the need to consider whistleblowing arrangements within organisations.</p> |

Bill Pauley
Director of Strategic Policy & Reform



Andrew Browne
RHI Inquiry Secretary
Headline Building
10-14 Victoria Street
BELFAST
BT1 3GG

Strategic Policy & Reform
2nd Floor East
Clare House
Airport Road West
BELFAST
BT3 9ED

Tel: 028 9081 6824

Email: bill.pauley@finance-ni.gov.uk

Date: 3 December 2018

Dear Andrew

RHI LESSONS LEARNED REVIEW AND DRAFT ACTION PLAN – FINAL UPDATE

I am writing on behalf of the NICS Board to provide the Inquiry Team with the final update on the RHI Lessons Learned Review and Draft Action Plan. This was agreed by the Board on 30 November 2018.

The Lessons Learned report was compiled in summer 2017 to cover systemic and generic issues identified through a review of PWC's unfinished fact finding investigation into the operation of the RHI scheme. Its purpose was to allow for action to be taken centrally and by individual Accounting Officers on such issues prior to any outcome from the RHI Inquiry. As requested by the Inquiry Chair, it has remained in draft and has not attempted to pre-empt or anticipate the Inquiry outcomes.

The last update was provided on 30 April 2018.

The report attached reflects the final updates provided by Departments against their draft action plans. All Departments report good progress in their implementation and we now believe that the work on these generic issues has been taken as far as practicable, pending the Inquiry report. As such, no further updates will be sought from Departments and we would propose that this should be regarded as the final update against the Lessons Learned work that we will be reporting to the Inquiry.

Departments have examined their own guidance and confirmed that systems and processes are in place to ensure its application and to provide the necessary assurance to oversight bodies including project and departmental boards and audit committees. Completion of a number of cross-cutting issues remains dependent on substantive central pieces of work which are underway.

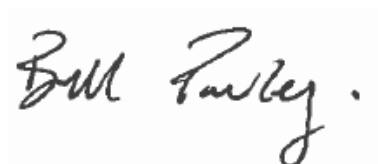
The last update in April also indicated that we had been monitoring the Inquiry hearings to identify further issues or lessons, to consider if action can and should be taken now without prejudice to the final report of the Inquiry. Our work in monitoring the Inquiry and evidence has continued and the five issues identified in the last letter have been refined and expanded to these seven themes:

- Record keeping and knowledge transfer
- Relationship between Ministers, Special Advisers and Civil Servants and their respective Codes of Conduct
- Effectiveness of formal controls
- Raising concerns
- Having the right people with the right skills in the right job
- Communication and collaboration
- The leadership challenge

The Inquiry will recognise that it has been accepted that there have been failings in these areas by Senior Civil Servants in their evidence to the Inquiry. Responses to all of these areas have been prepared and agreed by the NICS Board. Action owners have been identified to take forward the programme of work while we await the Inquiry Report itself.

Overarching all of this is a requirement for change in how we approach and deliver all aspects of our work. A continuing effort will be needed in this regard, led by the Senior Civil Service, to ensure that Departments apply good civil service disciplines. The NICS Board are collectively determined that it will be addressed internally, with those related bodies with whom we work and with new Ministers and special advisers when they return. Ultimately we recognise that we must restore internal and external confidence in the NICS. Our response to the issues raised by the Inquiry will be comprehensive. It will dovetail with wider changes being taken forward in the context of the People Strategy and the outcomes-based approach to delivering our Programme for Government outcomes and wider accountability.

I hope this is helpful to the Inquiry.



BILL PAULEY

| No. | Actions | Updates to Inquiry |
|----------------------------------|---|---|
| Effective Risk Management | | |
| 1 | <p>Extant risk management guidance should be reviewed to determine whether there is merit in considering alternative/additional more effective approaches.</p> <p>In reviewing the current approach to risk management, it may be appropriate to include a "test-drill" of selected projects to determine if regular, meaningful monitoring is conducted.</p> | <p>April 2018: Extant risk management guidance has been reviewed.</p> <p>MPMNI, the overall principles based guidance document, makes reference to the management of risk at Section 4.3 'Opportunity and Risk'. Key risk management guidance for NI departments is the HM Treasury Orange Book issued under cover of DAO (DFP) 15/05 in 2005.</p> <p>The Risk Management Advisory Group (consisting of departmental representatives) considered the risk management guidance contained within the Orange Book in December 2017. The guidance was generally considered fit for purpose, however, some improvements in terms of practical application within departments are to be recommended to NICS Board.</p> <p>Additionally the NICS Group Internal Audit Service are reviewing the operation of risk management across departments as part of 2018/19 audit plans. Any recommendations to improve the practical approach to risk management across the NICS will be reported to the NICS Board.</p> <p>In addition to participating in the Risk Management Advisory Group a number of departments are carrying out internal reviews of their own risk management guidance and procedures, incorporating test-drilling where necessary.</p> <p>November 2018: The Group Internal Audit and Fraud Investigation Service is undertaking a review of the operation of risk management which is nearing completion. A report including recommendations to improve the approach to risk management across the NICS will be considered by the NICS Board.</p> <p>In reviewing risk management, some departments have introduced new tools or provided training for staff. The majority of departments have refreshed their risk management arrangements and are carrying out or considering test drilling.</p> |
| 2 | <p>Stress testing of specific government initiatives (this may require procuring external expertise for testing of high value initiatives) as determined by SCS SROs. SROs should consult CPD.</p> | <p>April 2018: NIGEAE currently refers to risk and sensitivity analysis rather than "stress testing" which is a term not used in DoF guidance; however, it is understood from other sectors (e.g. banking) to refer to a detailed risk assessment where assumptions about important factors are varied to determine if / where critical risks exist.</p> <p>NIGEAE currently refers to risk and sensitivity analyses and recommends that key assumptions are varied to examine the impact on option selection. Some departments are updating internal requirements to include stress testing for certain initiative types. In addition, training & knowledge sharing is also being implemented to help staff understand when to escalate unusual, complex or high-value issues. Where SCS SROs determine that procurement of external expertise is required to perform stress testing, CPD will procure services as requested.</p> |

November 2018:

Stress-testing is being taken forward by Departments at the discretion of SROs, on a case-by-case basis and often as part of the Gateway Review process.

The expenditure approval and business case processes are being reviewed by a cross-departmental team led by DoF. The review is examining, in its entirety, the NICS expenditure approval and business case process and the role of Finance Teams, Economists and other specialist advisors within that, to ensure it is fit for purpose, proportionate and clearly understood by all, whilst identifying opportunities to streamline the process. This review, which is scheduled to be completed by the end of March 2019, will also include sensitivity analysis in appraisal, linked to the Gateway Review process.

| Oversight and Monitoring | |
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| 3 | <p>External Advice – AOs/SCS SROs to review the application/usage of relevant guidance related to external advice to ensure it is being appropriately applied in their setting. In highly technical, high value projects obtaining second opinions should be considered.</p> |
| | <p>April 2018: Existing guidance has been reviewed.</p> <p>Departments are required to conduct Risk Potential Assessments and Gateway Reviews where certain thresholds are met.</p> <p>Departments are refreshing guidance / reminding staff of the requirement to follow existing guidance. The role of the SRO is also highlighted in departmental actions. This includes consideration of the need for a second opinion in highly technical high value projects.</p> <p>November 2018: Departments have confirmed that existing relevant guidance is being applied or are refreshing guidance / reminding staff of requirements.</p> <p>Assessment in sourcing technical expertise was noted as relating to both the technical specialism and expected value for money.</p> |
| 4 | <p>A Register of all significant-value / high-risk Grant Spend / Activity for "measure and value" grants should be created and maintained by each Department (see action point 5 item 2).</p> |
| | <p>April 2018: Departments are in the process of collecting data / developing a register. As at the end of February one department has identified this as complete.</p> <p>November 2018: All departments have completed this work.</p> <p>Almost half of departments noted that they do not have any significant-value / high-risk grant programmes.</p> <p>Where such programmes are operated, Departments either already have a register in place or are developing a system.</p> |
| Commercial Awareness | |
| 5 | <p>Commercial expert(s) with cost management expertise should be available to / embedded within commercial projects / teams administering a significant- / high-risk grant.</p> <p>Work should be completed to review existing frameworks for defining, assessing and managing significant value/high risk grants and the application of these and if/how they can be enhanced.</p> <p>If there is deemed value in doing so, CPD could create a framework from which this commercial expertise could be drawn from.</p> |
| | <p>April 2018: It is a requirement of existing guidance for projects meeting certain thresholds to conduct Risk Potential Assessments and Gateway Reviews; departments are aware of this requirement and are addressing it. Departments are reviewing both projects / programmes and staff skills.</p> <p>In the light of the needs that are identified by departments, Central Procurement Directorate will review existing frameworks (including those available through Crown Commercial Services) to ensure that commercial cost management expertise can be accessed by those projects requiring it.</p> <p>November 2018: CPD has confirmed that a Framework exists to procure Cost Management Services and that such services can be procured for specific projects if SROs identify a need.</p> <p>The majority of departments have mechanisms in place to highlight their significant/high value grants.</p> |

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| 6 | <p>Relevant guidance (MPMNI, NIGEAE and PGN) and its application should be reviewed to ensure that the requirement to fraud-proof programmes and initiatives at the design stage are sufficiently explicit – and, if possible, to consider whether / how this might be enhanced.</p> | <p>April 2018: Relevant guidance has been reviewed.</p> <p>While the term fraud proofing is not used explicitly within MPMNI Chapter 4 of MPMNI already advises that safeguards to encourage proper and accurate of resources, prevent misuse and counter fraud should be considered when planning policies and projects. Section 4.8 'Dealing with Initiatives' also provides guidance on new policies or planning projects. Additionally the Managing the Risk of Fraud Guide, DAO (DFP) 06/11 issued in December 2011, also provides guidance on the need to consider the risk of fraud in new policy development areas.</p> <p>However in addition specific guidance on fraud proofing of new initiatives and programmes has been developed by DoF and will be issued under cover of a DAO shortly.</p> <p>This guidance will be referenced within other relevant guidance documents, such as PGNs and NIGEAE in due course. The relevant PGN also currently references Managing Successful Programmes and PRINCE2, both of which include assessment across all risks, i.e. including fraud.</p> <p>November 2018: The DAO providing further specific guidance on fraud-proofing has been issued by DoF to all Departments.</p> |
| 7 | <p>Targeted awareness training should be provided for those civil servants working in areas requiring a working knowledge of cost management, who do not have relevant expertise. (This is not to replace those who are professionally qualified / accredited.) Work should be carried out to define which staff would fall into this category.</p> | <p>April 2018: Relevant parts of DoF (Central Procurement Directorate and the Centre for Applied Learning) have identified relevant training content and will now engage with a wider group of stakeholders to: identify the target audience; co-design the training required; and design delivery of the learning through NICS practitioner or external experts.</p> <p>Specific training opportunities on cost management will be complemented by the mainstreaming of appropriate content into existing courses on, for example, project management and risk management.</p> <p>Departments are identifying staff in need of training or incorporating the training requirement into staff PDPs.</p> <p>November 2018: A new Commercial Negotiation Skills course has been designed and is available through CAL. Three new commercial skills e-learning packages are also available on the LINKS system. CPD and CAL are considering an additional training requirement covering costs, procurement and risk.</p> <p>The majority of departments have indicated that they were awaiting availability of this training and staff requirements are being identified.</p> |
| Affordability | | |
| 8 | <p>Relevant guidance (MPMNI, NIGEAE) and its application should be reviewed to ensure the following is explicitly understood – and if possible whether this might be enhanced:</p> <ul style="list-style-type: none"> (a) the requirement to regularly review the original information and assumptions contained in the business case; (b) the requirement to include a means to control demand; (c) the requirement to rigorously test underlying assumptions; and (d) Accounting Officers must fully embed and implement the guidance | <p>April 2018: Relevant guidance has been reviewed.</p> <p>MPMNI Chapter 4 Section 4.8 'Dealing with Initiatives' already sets out the need to consider how new policies or projects will be monitored and how the policy or programme will be evaluated to determine whether they should be continued, adjusted, replaced or ceased. The section also considers the need for controls and whether sunset clauses are required. MPMNI guidance is therefore considered to cover these points sufficiently.</p> <p>A significant further body of further guidance also exists (e.g. Green Book, Orange Book, etc.). Given that guidance typically follows that provided by Whitehall, the DoF view is that the guidance as a whole is comprehensive and robust, although it is reviewed as required for improvements. For example, NIGEAE is under review following changes within the recently revised HM Treasury Green Book.</p> <p>Departments have indicated that relevant guidance is embedded and its implementation ensured. DoF will continue to work with other departments to ensure application of guidance is appropriate and proportionate.</p> <p>Completed - no further update in November.</p> |

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| 9 | <p>Where necessary, training should be arranged for relevant staff who need to understand the NI public expenditure framework and associated implications and ensure they are aware of the precise basis of their authority to spend and of the consequences of any material deviation.</p> | <p>April 2018: Existing training has been reviewed and is comprehensive.</p> <p>PSD is currently developing an additional eLearning course on public expenditure. A further classroom-based course is available, delivered by the Centre for Applied Learning and Public Spending Directorate.</p> <p>Departments are identifying training needs and the requirement to understand the public expenditure framework is being explicitly identified within departments.</p> <p>November 2018: A new e-learning course on public expenditure is being developed. This supplements the existing classroom-based course and will be ready for delivery from January 2019.</p> |
| <p>Behaviours/Competences</p> | | |
| 10 | <p>NICS HR to consider how the NICS Competency Framework can be fully embedded within the organisational culture and used for performance management purposes when developing the new NICS People Strategy. This will include consideration of the link between the competency framework and PPAs.</p> | <p>April 2018: This has been considered in the preparation of the NICS People Strategy which has been drafted with an associated programme of work (to be overseen by the NICS Board) and implementation plan developed in early 2018/19. The new People Strategy focuses on building management and leadership capacity and improved performance management. Revised policies, processes, guidance and training and development will form part of the 'toolkits' developed to support line managers and to embed best practice.</p> <p>November 2018: The NICS People Strategy and implementation plan have been agreed by the NICS Board. The strategy has a focus on performance management, behaviours and competencies that will be developed through a range of tools to support line managers and to embed best practice. Work to address this action is scheduled for completion by March 2019.</p> |
| 11 | <p>NICS Competency Framework to be reviewed to include behaviours for Commercial Professionals:</p> <ul style="list-style-type: none"> - NICS HR to undertake work with relevant HoD to identify any additional competencies that are particular to commercialism & add to competency framework - NICS HR to develop a set of behavioural standards similar to those developed by Whitehall - Disseminate guidance among all SCS & policy officials working in a commercial role or running grant schemes, and have this sit alongside the NICS Competency Framework | <p>April 2018: The existing Competency Framework (competence 7, Delivering Value for Money) contains aspects where senior staff are required to "interpret a wide range of financial and management information and use financial data effectively in decisions." Senior staff are also expected to "develop robust business cases, with fully costed options identifying clear policy advantages and or returns on investment to assist decision making."</p> <p>The review of behaviours and competencies has been included in the new NICS People Strategy. The review of the Competency Framework will consider, in conjunction with Heads of Profession, what the emerging and anticipated skills requirements are for the NICS of the future and work on this specific area will commence as a year one/priority action of this three year Strategy.</p> <p>November 2018: NICSHR has reviewed the NICS competency framework with an eye to behaviours for commercial professionals. Following that review, NICSHR considers there to be sufficient scope and flexibility within the current generic NICS Competency Framework to meet the needs of professions i.e. the behaviours described within this Framework are indicative and can be expanded upon to meet their specific requirements. There is no specific 'Commercial Professional' in the NICS.</p> |

| Retaining Corporate Knowledge | |
|-------------------------------|---|
| 12 | <p>Formal, effective staff handover arrangements to be put in place to ensure new staff are fully aware of their role and responsibilities and that organisational knowledge is retained.</p> <p>Work should be progressed as to how best to include handover arrangements in vacancy management and induction guidance.</p> |
| | <p>April 2018: Local arrangements exist in this regard and departments are at various stages in the process of issuing guidance to staff (either through review of existing guidance or development of new guidance).</p> <p>Mandatory handover, induction and knowledge transfer arrangements have been included in the NICS People Strategy as a priority action of this three year Strategy.</p> <p>Central Procurement Directorate is also preparing a standard template for formal appointment of SROs, for approval by the NICS Board. This will include a requirement for handover arrangements.</p> <p>November 2018: The NICS People Strategy sets out a commitment to implement a mandatory approach to support our people changing job roles and knowledge transfer. Desktop research to assess how knowledge transfer is approached in other jurisdictions, public sector bodies and the private sector was completed in October. Guiding principles and a template for knowledge transfer to enable a seamless transition during staff changes will be presented to December NICS Board meeting and will be rolled out in the New Year. Awareness sessions with staff are scheduled for January to March 2019.</p> <p>The standard template for appointment of SROs has been developed and is being piloted.</p> |
| Whistleblowing | |
| 13 | <p>There should be effective oversight and monitoring arrangements established in relation to whistleblowing concerns raised with departments.</p> |
| | <p>April 2018: Departments have their own bespoke policies and will update these on completion of the NICS review. See information below.</p> <p>November 2018: The Group Internal Audit and Fraud Investigation Service has completed an NICS-wide review of whistleblowing policies and their operation. Each department has received an evaluation of its own arrangements. A separate report including recommendations to improve the arrangements across the NICS has been prepared and will be considered by the NICS Board.</p> <p>PSD is drafting whistleblowing policy and associated guidance for external parties. Further guidance will take account of best practice and the IA findings.</p> |
| 14 | <p>Review whistle blowing guidance to ensure it includes guidance on:</p> <ul style="list-style-type: none"> - how to identify a whistle blowing complaint: and - requirement to have in place procedures to record, monitor and report on whistle blowing cases. |
| | <p>April 2018: The NICS Group Internal Audit Service are currently carrying out a NICS wide review of whistleblowing policies and procedures and their operation within departments.</p> <p>Any recommendations to improve the practical operation of whistleblowing arrangements will be reported to the NICS Board and departments.</p> <p>The recently issued Audit and Risk Assurance Committee Handbook DAO (DoF) 03/18, issued March 2018, also provided guidance to Audit Committees on the need to consider whistleblowing arrangements within organisations.</p> <p>November 2018: Update as action 13 above.</p> |