

**Partnership Agreement between
The Executive Office (TEO)
and
The Northern Ireland Community Relations
Council (NICRC)**

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Introduction

1. The Partnership Agreement

- 1.1 This document sets out the partnership arrangements between the Northern Ireland Community Relations Council (NICRC) and the Executive Office (TEO). In particular, it explains the overall governance framework within which NICRC operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined.
- 1.2 The partnership is based on a mutual understanding of strategic aims and objectives; clear accountability; and a recognition of the distinct roles each party contributes. Underpinning the arrangements are the principles set out in the NI Code of Good Practice **'Partnerships between Departments and Arm's-Length Bodies'** which should be read in conjunction with this document. The principles which are laid out the Code are:

LEADERSHIP
<i>Partnerships work well when Departments and Arm's Length Bodies demonstrate good leadership to achieve a shared vision and effective delivery of public services. Strong leadership will provide inspiration, instil confidence and trust and empower their respective teams to deliver good outcomes for citizens.</i>
PURPOSE
<i>Partnerships work well when the purpose, objectives and roles of Arm's Length Bodies and the sponsor department are clear, mutually understood and reviewed on a regular basis. There needs to be absolute clarity about lines of accountability and responsibility between departments and Arm's Length Bodies. In exercising statutory functions Arm's Length Bodies need to have clarity about how their purpose and objectives align with those of departments.</i>

ASSURANCE
<i>Partnerships work well when departments adopt a proportionate approach to assurance, based on Arm's Length Bodies' purpose and a mutual understanding of risk. Arm's Length Bodies should have robust governance arrangements in place and in turn departments should give Arm's Length Bodies the autonomy to deliver effectively. Management information should be what is needed to enable departments and Arm's Length Bodies to provide assurance and assess performance.</i>
VALUE
<i>Partnerships work well when departments and Arm's Length Bodies share knowledge, skills and experience in order to enhance their impact and delivery. Arm's Length Bodies are able to contribute to policy making and departmental priorities. There is a focus on innovation, and on how departments and Arm's Length Bodies work together to deliver the most effective policies and services for its customers.</i>
ENGAGEMENT
<i>Partnerships work well when relationships between departments and Arm's Length Bodies are open, honest, constructive and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement.</i>

A full copy of the NI Code can be found at Annex 8.

1.3 This document should also be read in conjunction with guidance on proportionate autonomy which provides an outline of the principles and characteristics for proportionate autonomy. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance to be established between NICRC and the Executive Office and this is reflected in this agreement.

1.4 The Executive Office and NICRC are committed to:

- Working together within distinct roles and responsibilities;
- Maintaining focus on successful delivery of Programme for Government outcomes and Ministerial priorities (see also paras 2.6 and 2.7);
- Maintaining open and honest communication and dialogue;
- Keeping each other informed of any issues and concerns, and of emerging areas of risk;
- Supporting and challenging each other on developing policy and delivery [when developing policy this may cut across more than one department];

- Seeking to resolve issues quickly and constructively; and
- Acting at all times in the public interest and in line with the values of integrity, honesty, objectivity and impartiality.

1.5 The effectiveness of the partnership and the associated Engagement Plan will be reviewed each year by TEO and NICRC in order to assess whether the partnership is operating as intended and to identify any emerging issues/opportunities for enhancement. This will be carried out as part of existing governance arrangements. The Partnership Agreement document itself will be reviewed formally at least once every three years to ensure it remains fit for purpose and up-to-date in terms of current governance frameworks. The formal review will be proportionate to NICRC's size and overall responsibilities and will be published on TEO's and NICRC's websites as soon as practicable following completion.

1.6 A copy of this agreement has been placed in the Assembly Library and is available on the Executive Office and NICRC's websites.

NICRC's Establishment and Purpose

2. Statutory Purpose and Strategic Objectives

- 2.1 The NICRC was established in January 1990 under the Companies (Northern Ireland) Order 1986 (The Companies Act 2006) as a company limited by guarantee; it is also a registered charity. It is an arm's length body of the Executive Office and since 1 April 2011 has been formally designated as an NDPB. The constitution of the NICRC is set out in the Memorandum and Articles of Association (which may be found at Annex 1). The NICRC does not carry out its functions on behalf of the Crown.
- 2.2 The First and deputy First Minister are answerable to the Assembly for the overall performance and delivery of both the Executive Office and the NICRC.
- 2.3 'The strategic aim of the NICRC is the promotion of the benefits of good relations policies and practice at regional, institutional, local and community levels and supporting delivery of Programme for Government and the Executive's T:BUC strategy. NICRC advocate for acknowledgement of our interconnectedness; challenging sectarianism, racism and all the related activities that are motivated by hatred. NICRC's vision is of a diverse, shared and interconnected society.' (NICRC's 2020 – 2023 Strategic Plan).
- 2.4 As an NDPB, NICRC distribute grant aid on behalf of the Executive Office; provide developmental support; identify and share best practice; and facilitate wide community engagement on effective approaches to peace-building and good shared community relationships.
- 2.5 The constitution of the NICRC as a charity is set out in their Memorandum and Articles of Association which gives the NICRC the following objects:-

"the advancement of education and of other charitable purposes beneficial to the European Union (hereinafter called "the area of benefit") but primarily in Northern Ireland and in particular, but not so as to limit the generality of the

foregoing, the advancement of education in and the understanding of the different cultural traditions of the peoples of the area of benefit and the improvement of community relations in the area of benefit."

2.6 NICRC's powers in advancement of their object are defined in the Memorandum of Association as follows:

- a) "promoting and organising cooperation in the achievement of the Council's Objects and to that end assisting the activities of persons and organisations engaged in the furtherance of the Council's Objects;
- b) promoting and organising or assisting (financially or otherwise) in promoting and organising meetings, conferences, seminars, workshops, discussions, educational and training courses, lectures and exhibitions and assisting financially persons attending the same at home or abroad;
- c) promoting and carrying out, or assisting in promoting and carrying out research, surveys and investigations and publishing the useful results thereof;
- d) publishing or assisting in publishing reports, discussion papers, books, periodicals, recordings or other documents or information;
- e) providing or assisting in the provision of advice, guidance and practical help to individuals or organisations in furtherance of the Council's Objects and as far as necessary employing persons and companies for these purposes;
- f) providing or assisting in the provision of training for individuals and organisations and promoting projects with a view to the furtherance of the Council's Objects;
- g) providing a resource centre with all the necessary staff and equipment to support voluntary or statutory agencies or individuals working in the area of community relations or cultural diversity;

- h) borrowing and raising money in any manner, and securing the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or entered into by the Council;
- i) employing and paying any person or persons to supervise, organise, carry on the work of and advise the Council;
- j) making reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees; their widows or widowers and other immediate dependents;
- k) to purchase take or lease or in exchange hire or otherwise acquire any real and personal property and any rights or privileges which the Council may think necessary or convenient for the purpose of its objects and to sell, improve, manage, develop, exchange, lease, dispose of turn to account or otherwise deal with all or any part of the property of the Council;
- l) providing advice and assistance to Government in relation to action for the improvement of community relations and delivering on actions falling to it from Government in furtherance of the Council's objects;
- m) acting in partnership with other organisations with a view to furtherance of the Council's objects;
- n) providing a support function to public authorities in relation to their plans relevant to the Council's objects;
- o) Providing financial assistance for voluntary and community organisations with a view to the furtherance of the Council's objects;
- p) Providing a resource for developing and supporting interventions at community interfaces and other risk areas in furtherance of the Council's objects; and

q) Doing all such other things as are incidental or conducive to the attainment of the Council's objects."

- 2.7 The Executive's outcomes-based approach to delivery recognises the importance of arm's length bodies and departments working collaboratively and together in a joined up approach to improve overall outcomes and results.
- 2.8 To that end there is strategic alignment between the aims, objectives and expected outcomes and results of the NICRC and the Executive Office.
- 2.9 NICRC's strategy objectives demonstrates how NICRC contributes to the achievements of TEO's strategic aims and objectives in the T:BUC Strategy. They are linked to the Programme for Government (PfG) and delivered through the NICRC Annual Business Plan.
- 2.10 For national account purpose the NICRC is classified to the central government sector.

NICRC Governance Arrangements

3. Organisational Status

- 3.1 NICRC is a legal entity in its own right, employing its own staff and operating at arm's-length from the Department. As a legal entity it must comply with all associated legislation including legislation relating to its employer status.

4. Governance Framework

- 4.1 NICRC has an established Corporate Governance Framework which reflects all relevant good practice guidance. The framework includes the governance structures established within NICRC and the internal control and risk management arrangements in place. This includes its Board and Committee Structure. The Department should be satisfied with the framework.
- 4.2 An account of this is included in the NICRC's annual Governance Statement together with the NICRC's Board's assessment of its compliance with the extant Corporate Governance Code of Good Practice (NI). Any departure from the Corporate Governance Code must be explained in the Governance Statement. The extant Corporate Governance Code of Good Practice (NI) is available on the DoF website.
- 4.3 NICRC is required to follow the principles, rules, guidance and advice in *Managing Public Money Northern Ireland*. A list of other applicable guidance and instructions which NICRC is required to follow is set out in Annex 6. Good governance should also include positive stakeholder engagement, the building of positive relationships and a listening and learning culture.

5. NICRC Board

- 5.1 NICRC is led by a Board, non-executive members of which are appointed by the First and deputy First Minister, in line with the Code of Practice issued by the Commissioner for Public Appointments, for a term of up to three years, renewable for a second term, subject to the reappointment conditions set out in the Code of Practice.
- 5.2 As Public Appointees Board members are office holders rather than employees they are not subject to employee terms and conditions. Board appraisal arrangements are set out in paras 15.1 and 15.2 and matters for consideration in dealing with concerns/complaints in respect of Board members are provided in Annex 5.
- 5.3 The Board's operating framework/terms of reference provides further detail on roles and responsibilities and should align closely with this Partnership Agreement. The NICRC is a Charitable Company as constituted in its Memorandum and Articles of Association, including the objects, powers and duties of its members, as summarised in paragraph 2.2.
- 5.4 The purpose of the NICRC Board is to provide effective leadership and strategic direction to the organisation and to ensure that the policies and priorities set by the Ministers for the Executive Office are implemented. It is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Board will set the culture and values of the organisation, and set the tone for the organisation's engagement with stakeholders and customers.
- 5.5 The Board is responsible for holding the Chief Executive to account for the management of the organisation and the delivery of agreed plans and outcomes. The Board should also however support the Chief Executive as appropriate in the exercise of their duties.

- 5.6 Board members act solely in the interests of NICRC and must not use the Board as a platform to champion their own interests or pursue personal agendas. They occupy a position of trust and their standards of action and behaviour must be exemplary and in line with the seven principles of public life (Nolan principles). NICRC has a Board Code of Conduct and there are mechanisms in place to deal with any Board disputes/conflicts to ensure they do not become wider issues that impact on the effectiveness of the Board. A Board Register of Interests is maintained, kept up to date and is publically available to help provide transparency and promote public confidence in NICRC.
- 5.7 Communication and relationships within the Board are underpinned by a spirit of trust and professional respect. The Board recognises that using consensus to avoid conflict or encouraging members to consistently express similar views or consider only a few alternative views does not encourage constructive debate and does not give rise to an effective Board dynamic.
- 5.8 It is for the Board to decide what information it needs, and in what format, for its meetings/effective operation. If the Board is not confident that it is being fully informed about the organisation this will be addressed by the Chair of the Board as the Board cannot be effective with out-of-date or only partial knowledge.
- 5.9 In order to fulfil their duties, Board members must undertake initial training, and regular ongoing training and development. Review of Board skills and development will be a key part of the annual review of Board effectiveness.

6. NICRC Audit and Risk Assurance Committee

- 6.1 A further important aspect of NICRC'S governance framework is its Audit and Risk Assurance Committee, established in line with the extant Audit and Risk Assurance Committee Handbook (NI).
- 6.2 The Audit and Risk Assurance Committee's purpose/role is to support the Accounting Officer and Board on governance issues. In line with the handbook the Audit and Risk Assurance Committees focuses on:
- Assurance arrangements over governance; financial reporting; annual reports and accounts, including the Governance Statement; and
 - Ensuring there is an adequate and effective risk management and assurance framework in place.
- 6.3 NICRC and the Executive Office have agreed arrangements in respect of the NICRC Audit and Risk Assurance Committee which includes:
- Attendance by departmental representatives in an observer capacity at NICRC's Audit and Risk Assurance Committee meetings;
 - Access to NICRC Audit and Risk Assurance Committee papers and minutes;
 - The provision of any input required from NICRC's Audit and Risk Assurance Committee to TEO's Audit and Risk Assurance Committee.
- 6.4 Full compliance with the Audit and Risk Assurance Committee Handbook (NI) is an essential requirement. In the event of significant non-compliance with the handbook's five good practice principles (or other non-compliance) discussion will be required with the Department and a full explanation provided in the annual Governance Statement.
- 6.5 The extant Audit and Risk Assurance Committee Handbook (NI) is available on the DoF website.

7. NICRC Chair

7.1 The Chair is responsible for setting the agenda and managing the Board to enable collaborative and robust discussion of issues. The Chair's role is to develop and motivate the Board and ensure effective relationships in order that the Board can work collaboratively to reach a consensus on decisions. To achieve this, they should ensure:

- The Board has an appropriate balance of skills appropriate to its business;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Board members receive and maintain appropriate training;
- The Minister is advised of NICRC's needs when board vacancies arise;
- There is a Board Operating Framework in place setting out the roles and responsibilities of the Board in line with relevant guidance;
- There is a code of practice for Board members in place, consistent with relevant guidance.

7.2 The role also requires the establishment of an effective working relationship with the Chief Executive that is simultaneously collaborative and challenging. It is important that the Chair and Chief Executive act in accordance with their distinct roles and responsibilities as laid out in Managing Public Money and their appointment letters.

7.3 The Chair has a presence in the organisation and cultivates external relationships which provide useful links for the organisation while being mindful of overstepping boundaries and becoming too involved in day to day operations or executive activities.

8. NICRC Chief Executive

- 8.1 The role of the NICRC's Chief Executive is to run NICRC's business. The Chief Executive is responsible for all executive management matters affecting the organisation and for leadership of the executive management team.
- 8.2 The Chief Executive is designated as NICRC's Accounting Officer by TEO's Accounting Officer (see section 12). As Accounting Officer they are responsible for safeguarding the public funds in their charge and ensuring they are applied only to the purposes for which they were voted and more generally for efficient and economical administration.
- 8.3 The Chief Executive is accountable to the Board for NICRC's performance and delivery of outcomes and targets and is responsible for implementing the decisions of the Board and its Committees. They maintain a dialogue with the Chair on the important strategic issues facing the organisation and for proposing Board agendas to the Chair to reflect these. They ensure effective communication with stakeholders and communication on this to the Board. They also ensure that the Chair is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the organisation.
- 8.4 The Chief Executive acts as a role model to other executives by exhibiting open support for the Chair and Board members and the contribution they make. The Chair and Chief Executive have agreed how they will work together in practice, understanding and respecting each other's role, including the Chief Executive's responsibility as Accounting Officer.
- 8.5 Further detail on the role and responsibilities of the Chief Executive are as laid out in Managing Public Money NI and their Accounting Officer appointment letter.

The Chief Executive's role as Principal Officer for Ombudsman Cases

- 8.6 The Chief Executive is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. They shall advise TEO's Accounting Officer of any

complaints about NICRC accepted by the Ombudsman for investigation, and about the proposed response to any subsequent recommendations from the Ombudsman.

Role of the Executive Office

9. Partnership Working with NICRC

- 9.1 The Executive Office and NICRC are part of a total delivery system, within the same Ministerial portfolio. The partnership between the Executive Office and NICRC is open, honest, constructive and based on trust. There is mutual understanding of each other's objectives and clear expectations on the terms of engagement.
- 9.2 In exercising its functions NICRC has absolute clarity on how its purpose and objectives align with those of the Executive Office. There is also a shared understanding of the risks that may impact on each other and these are reflected in respective Risk Registers.
- 9.3 There is a regular exchange of skills and experience between the Executive Office and NICRC and where possible joint programme/project delivery boards/arrangements. NICRC may also be involved as a partner in policy/strategy development and provides advice on policy implementation/ the impact of policies in practice.
- 9.4 The Department of Finance (DoF) has established, on behalf of the Assembly, a delegated authority framework which sets out the circumstances where prior DoF approval is required before expenditure can be occurred or commitments entered into. The Accounting Officer of the Executive Office has established an internal framework of delegated authority for the Department and its ALBs, which apply to the NICRC ([NICRC website](#)). Other specific approval requirements established in respect of NICRC as set out at Annex 3.
- 9.5 Once the NICRC's budget has been approved by the First and deputy First Minister (and subject to any restrictions imposed by statute) NICRC shall have authority to incur expenditure approved in the budget without further reference to TEO. Inclusion of any planned and approved expenditure in the budget shall not however remove the need to seek formal TEO approval where proposed

expenditure is outside the delegated limits (as laid out in Annex 3) or is for new schemes not previously agreed. Nor does it negate the need to follow due processes laid out in guidance contained in Managing Public Money NI and the NI Guide to Expenditure Appraisal and Evaluation.

10. TEO Lead Official

- 10.1 The Executive Office has appointed a lead senior official at Grade 5 level, supported by a Sponsorship Team, to manage the relationship with NICRC and ensure effective partnership working. Engagement between TEO and the NICRC is co-ordinated, collaborative and consistent. The Grade 5, Sponsorship Team and colleagues in the NICRC will work together to ensure a clear sense of partnership is communicated to staff in both TEO and NICRC to promote mutual understanding and support.
- 10.2 The senior official is the policy lead for the policy area relating to NICRC's business and has a clear understanding of NICRC's responsibilities for policy implementation/operational delivery and the relevant audiences/stakeholders involved.
- 10.3 The lead senior official will ensure that where there are departmental staff changes, time is taken to ensure they have a full understanding of NICRC's business and challenges.

11. Annual Engagement Plan

- 11.1 The Executive Office and NICRC will agree an engagement plan before the start of each business year. The Annual Engagement Plan (Annex 2) will set out the timing and nature of engagement between NICRC and TEO. The engagement plan is specific to NICRC and will not stray into operational oversight.
- 11.2 Engagement between the Executive Office lead official, the Sponsorship team and NICRC will be centred on partnership working, understanding of shared risks and working together on business developments that align with policy objectives.
- 11.3 In line with the NICS Work Programme which includes guidance on business planning for an outcomes based PfG/ODP, the NICRC will work in collaboration and partnership with TEO to prepare Corporate and Business plans. There should be strategic alignment between TEO and NICRC's plans.
- 11.4 Once the NICRC's Corporate and Business Plans are approved, the Board of NICRC will primarily hold the Chief Executive to account for delivery and performance. The Executive Office will engage with NICRC on areas of strategic interest, linking TEO policy and NICRC delivery of policy intent.
- 11.5 The Annual Engagement Plan will also reference the agreed management and financial information to be shared over the course of a year. The aim will be to ensure clear understanding of why information is necessary and how it will be used. Where the same, or similar information is required for internal governance information requirements will be aligned so that a single report can be used for both purposes. In addition, the engagement plan should consider opportunities for learning and development, growth and actions which could help achieve better outcomes.

12. TEO Accounting Officer

- 12.1 TEO's Accounting Officer is accountable to the NI Assembly for the issue of grant in aid to NICRC. They have designated the Chief Executive of NICRC as NICRC's Accounting Officer and respective responsibilities of TEO's Accounting Officer and the NICRC's Accounting Officer are set out in Chapter 3 of Managing Public Money Northern Ireland.
- 12.2 As outlined in section 8 the NICRC's Chief Executive is accountable to the NICRC's Board for their stewardship of the NICRC. This includes advising the Board on matters of financial propriety, regularity, prudent and economical administration, efficiency and effectiveness.
- 12.3 TEO's Accounting Officer may withdraw the NICRC's Accounting Officer designation if they conclude that the NICRC's Accounting Officer is no longer a fit person to carry out the responsibilities of an Accounting Officer or that it is otherwise in the public interest that the designation be withdrawn. In such circumstances the NICRC Board will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of NICRC's Accounting Officer status would bring into question employment as Chief Executive and the Chair should engage with TEO should such circumstances arise.
- 12.4 In line with DoF requirements, as part of the existing stewardship reporting arrangements the NICRC's Accounting Officer shall notify TEO's Accounting Officer immediately, where there are issues which emerge that question their ability to fulfil the Accounting Officer role (e.g. bankruptcy, disqualifications etc.).
- 12.5 TEO's Accounting Officer must be informed in the event that the judgement of the NICRC's Accounting Officer (on matters for which they are responsible) is over-ridden by the NICRC Board. The NICRC's Accounting Officer must also take action if the NICRC Board is contemplating a course that would infringe the requirement for financial propriety, regularity, prudent and economical administration, efficiency or effectiveness. In all other regards, TEO's

Accounting Officer has no day to day involvement with NICRC or its' Chief Executive.

12.6 In line with DoF requirements, the NICRC's Accounting Officer will provide a quarterly declaration of fitness to act as Accounting Officer to TEO's Accounting Officer (completion of section 10.1 of the TEO Assurance Statement refers).

13. Attendance at Public Accounts Committee

13.1 The NICRC Chief Executive/Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as Accounting Officer (as laid out in their Accounting Officer appointment letter) on issues arising from the C&AG's studies or reports following the annual audit of accounts.

13.2 The Chair may also, on occasion, be called to give evidence to the Public Accounts Committee on such relevant issues arising within the C&AG's studies or reports, in relation to the role and actions taken by the Board, where appropriate.

13.3 In addition, the TEO Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as TEO's Accounting Officer with overarching responsibility for the NICRC. In such circumstances, TEO's Accounting Officer may therefore expect to be questioned on their responsibilities to ensure that:

- there is a clear strategic control framework for the ALB;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated Accounting Officer is fit to discharge his or her responsibilities;
- there are suitable internal audit arrangements;
- accounts are prepared in accordance with the relevant legislation and any accounting direction; and

- intervention is made, where necessary, in situations where the NICRC Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the body's Board or its Chair.

Assurance Framework

14. Autonomy and Proportionality

- 14.1 The Executive Office will ensure that NICRC has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own Board and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between NICRC and the Executive Office and is reflected in this agreement.
- 14.2 A proportionate approach to assurance will be taken based on NICRC's overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process through which the NICRC Accounting Officer provides written assurance to the Executive Office that the public funds and organisational assets for which they are personally responsible are safeguarded, have been managed with propriety and regularity, and use of public funds represents value for money.
- 14.3 Recognising the governance arrangements in place within the organisation, the NICRC Accounting Officer will arrange for their written assurance to be discussed at the NICRC Audit and Risk Assurance Committee and presented to the NICRC Board prior to submission to the Executive Office where possible. If not possible, or practicable, the Chair of the NICRC Board should have sight of the assurance statement, prior to being submitted to TEO.
- 14.4 The NICRC Chair will provide written confirmation that the NICRC Accounting Officer's formal assurance has been considered by the Board and is reflective of NICRC's current position.
- 14.5 In addition to the NICRC's Accounting Officer's written assurance, the Executive Office will take assurance from the following key aspects of NICRC's own governance framework:

Annual Review of Board Effectiveness ;	Quarter 3
Completion of Board Appraisals which confirm Board member effectiveness;	Quarter 3
Internal Audit assurance	Quarter 1 of subsequent year
External Quality Assessment of the Internal Audit function;	TEO to monitor
Externally audited Annual Report and Accounts. Reviewed/considered by the NICRC Audit and Risk Assurance Committee.	Quarter 3

14.6 All documents listed above except for the External Quality Assessment of the Internal Audit function, which is managed by TEO, will be forwarded to TEO via email within two weeks of the document being approved by the NICRC Board or Sub-Committee of the Board.

15. Board Effectiveness

- 15.1 The NICRC Chair will ensure that the NICRC Board undertakes an annual review of Board Effectiveness¹ which encompasses committees established by the Board.
- 15.2 The Chair will discuss the outcome of the annual review of Board Effectiveness with the TEO lead official to ensure a partnership approach to any improvements identified. This will inform the annual programme of Board training/development and discussions in respect of Board composition and succession.
- 15.3 In line with any parameters set out in founding (or other) legislation, the Chair in conjunction with the Executive Office, and Ministers where appropriate, will consider the size and composition of the NICRC Board, proportionate to the size and complexity of NICRC and keep this under review.
- 15.4 In addition to the annual review of Board Effectiveness NICRC will undertake an externally facilitated review of Board effectiveness at least once every three years covering the performance of the Board, its Committees and individual Board members. The Chair will liaise with the Executive office to identify a suitably skilled facilitator for the external review (this can be a peer review, and should be proportionate) and will share the findings/outcome report with the Executive Office on completion of the review.

16. Board Appraisals

- 16.1 The Chair of NICRC will conduct an annual appraisal in respect of each Board member which will also inform the annual programme of Board training/development. The Chair will engage with the Chief Executive/lead official as appropriate on improvements identified through the appraisal process and the annual training/development programme.

¹ NIAO Good Practice Guide on Board Effectiveness

16.2 The Chair's annual appraisal will be completed by a senior official within TEO's Good Relations and Inclusion Division. The appraisal will take account of the Key Characteristics of a good chairperson (particularly for the Chair to have well developed interpersonal skills) set out in the NIAO Good Practice Guide on Board Effectiveness available on the NIAO website. There will be close engagement between the Chair and the lead official on improvements identified through the appraisal process.

17. Internal Audit Assurance

17.1 NICRC is required to establish and maintain arrangements for an internal audit function that operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The Executive Office must be satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving appointments are in accordance with PSIAS.

17.2 In the event that the internal audit function is contracted out NICRC shall ensure the Executive Office is satisfied that the contract specification for the internal audit service meets the requirements of PSIAS.

17.3 NICRC will provide its internal audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control and governance to the Executive Office. NICRC will ensure TEO's internal audit team have complete right of access to all relevant records. This applies whether the internal audit function is provided in-house or is contracted out.

17.4 NICRC will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department. NICRC will also liaise with the Executive Office on the External Quality Assessment (EQA) of the internal audit function which (in line with PSIAS) is required to be conducted at least once every five years by a qualified independent assessor.

17.5 NICRC will alert the Department to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. NICRC will also alert the Executive Office to a less than satisfactory annual opinion from the Head of Internal Audit at the earliest opportunity. NICRC and the Executive Office will then engage closely on actions required to address the less than satisfactory opinion in order to move NICRC to a satisfactory position as soon as possible.

17.6 The Executive Office will take assurance from the fact that NICRC has met the requirements of PSIAS and has a satisfactory annual opinion from the Head of Internal Audit as part of its overall assurance assessment.

18. Externally Audited Annual Report and Accounts

18.1 NICRC is required to prepare an Annual Report and Accounts in line with the Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF) and the specific Accounts Direction issued by Executive Office, and in accordance with the deadlines specified.

18.2 The Comptroller & Auditor General (C&AG) will arrange to audit the NICRC's annual accounts and will issue an independent opinion on the accounts. Following approval of the Annual Report and Accounts including the C&AG Independent Auditors Opinion, NICRC shall present the Annual Report and Accounts before the NI Assembly and provide a copy to the Executive Office.

18.3 The C&AG will also provide a Report to Those Charged with Governance (RTTCWG) to NICRC which will be shared with the Executive Office.

18.4 NICRC will alert the Executive Office to any likely qualification of the accounts at the earliest opportunity. In the event of a qualified audit opinion or significant issues reported in the RTTCWG the Executive Office will engage with NICRC on actions required to address the qualification/significant issues.

18.5 The Executive Office will take assurance from the external audit process and an unqualified position as part of its overall assurance assessment.

- 18.6 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which NICRC has used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of NICRC.
- 18.7 For the purpose of audit and any other 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.
- 18.8 Where making payment of a grant, or drawing up a contract, NICRC 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.

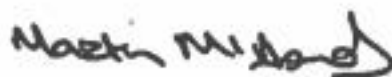
Signatories

NICRC and the Executive Office agree to work in partnership with each other in line with the NI Code of Good Practice '**Partnerships between Departments and Arm's-Length Bodies**' and the arrangements set out in this Agreement.

DoF Supply will approve the initial Partnership Agreement between NICRC and the Executive Office and any subsequent variations to the Agreement, if they are significant.

Signed (ALB Chair)

Date 21/10/2025



Signed (ALB Chief Executive)

Date 21/10/2025



Signed (TEO Accounting Officer)

Date 5/11/25



Annex 1 - Applicable Legislation

The NICRC was established in January 1990 under The Companies (Northern Ireland) Order 1986 (The Companies Act 2006) as a company limited by guarantee; it is also a registered charity. It is an arm's length body of the Executive Office and since 1 April 2011 has been formally designated as an NDPB. The constitution of the NICRC is set out in the Memorandum and Articles of Association below.



Special Resolution
and Amended Article

Annex 2 – TEO/NICRC Annual Engagement Plan

Engagement Plan 2021/22		
Policy Development and Delivery		
<i>Add details of the planned engagement between the ALB and the Department in relation to development and monitoring of existing and new areas of policy.</i>		
Policy Area	Frequency/Timing	TEO/CRC Officials
NICRC will be involved as a partner in policy/strategy development and provide advice on policy implementation or the impact of policies in practice. Examples of engagement include:- • Mapping - alignment of outcomes & impact measuring • CRC Research Agenda • CRC/TEO Shared Learning	Ad Hoc	G7 Sponsor Branch and CEO of NICRC NICRC Director of Funding NICRC Director of Engagement
Development of interconnectedness, including stakeholder roundtables	To be confirmed	G7 Sponsor Branch and CEO of NICRC
Strategic Planning		
Activity	Date	Lead Departmental/ALB Official
CRC Strategic Planning Workshops – encompassing strategic planning and risk identification. Informed by input on departmental priorities/plans and risk areas	October 2022	CEO of CRC and G7 Sponsor Branch
Engagement on the draft Business Plan and identification of areas of strategic interest to the Executive Office to inform further scheduled engagement during the year	Initial consultation in January.	CEO of NICRC and G7 Sponsor Branch
Submission/presentation of the NICRC Business Plan	CRC NICRC will submit the first draft of the annual Business Plan for the following year by 31st January. The draft business plan will have been cleared by	CEO of CRC

	TEO Officials by 31st March. Draft Business plan revised and shared with TEO once budget has been confirmed and resources may be allocated.	
Approval of the NICRC Business Plan	TEO will seek ministerial approval once the annual Opening Budget Allocation has been confirmed.	G7 Sponsor Branch submits Business Plan to TEO Departmental Board and Ministers for approval.
Engagement on areas of strategic interest iro the NICRC Business Plan during the year	Ad Hoc	CEO of CRC and G7 Sponsor Branch

Joint Working

Add details of any interchange opportunities, and/or joint programme/project delivery boards

Activity	Frequency/Timing	Lead Departmental/ALB Official
The Head of Sponsor Branch and CEO will consider where arrangements for a joint programme/project delivery board might be arranged in relation to the implementation of recommendations for changes. Examples of engagement may include:- • Development and mapping of outcomes • Implementation of best practice from shared learning events recommendations • Review of delivery of the T:BUC Engagement Forum • TEO representation in co-design steering group for GRW • Development of a good relations governmental stakeholders group • Development of a Funders Forum	As required	G7 Sponsor Branch and CEO of NICRC. NICRC Director of Funding NICRC Director of Engagement
Skills Sharing Job shadowing/Secondments	As required	The CEO of NICRC and G7 Sponsor Branch will ensure that there is a regular exchange of skills and experiences between the Executive Office and CRC staff.

Board Appointments		
<i>Add details of any engagement related to Public Appointment exercises</i>		
Activity	Date	Lead Departmental/ALB Official
Appointment/reappointment of Board members	Current Board members appointed 1 June 2019 for a term of 3 years (which may be extended). Extension confirmed in the absence of Ministers until 30 November when consideration of further extension will be required.	CEO NICRC to inform TEO if any vacancies arise G7 Sponsor Branch to arrange appointment process
Chief Executive Recruitment		
<i>Add details of any engagement related to the recruitment of a new Chief Executive (if anticipated during the year ahead). ALBs should engage with the Department at an early stage in the event of the recruitment of a new Chief Executive. While recognising the role of the Board as employer, the Department will work closely with the ALB in the recruitment and selection process in line with extant guidance.</i>		
Activity	Date	Lead Departmental/ALB Official
		CEO NICRC to inform TEO when incumbent plans to leave the organisation.
Assurances		
<i>Add details of the timetable for submission of key assurance sources and any other assurance related activity</i>		
Action	Date	Lead Departmental/ALB Official
Outcome of the Review of Board Effectiveness	Annual review with an externally facilitated review at least once every three years	The CEO of NICRC and G7 Sponsor Branch
Planning for the externally facilitated review of Board Effectiveness	Externally facilitated review at least once every three years	The CEO of NICRC and G7 Sponsor Branch
Board Appraisals and planned training/development for Board members	Following the end of the Business year.	CEO of NICRC
Chair Appraisal	Following the end of the Business year. After Board Appraisals have been completed by the Chair and the annual Review of Board	G7 Sponsor Branch to arrange review with senior official in TEO

	Effectiveness has concluded	
Departmental Attendance at ARAC	Attendance as observer 1xpa	TEO DP or G7 to attend as an observer
Assurance Statement	Quarterly	CEO NICRC
Draft Governance Statement		CEO NICRC NICRC Director of Finance, Administration and Personnel
Annual Report and Accounts		CEO NICRC NICRC Director of Finance, Administration and Personnel
Report to those Charged with Governance		CEO NICRC NICRC Director of Finance, Administration and Personnel
Engagement on other planned NIAO reports		CEO NICRC NICRC Director of Finance, Administration and Personnel
Head of Internal Audit Annual report/Opinion		CEO NICRC NICRC Director of Finance, Administration and Personnel
Internal Audit Strategy and Plans		CEO NICRC NICRC Director of Finance, Administration and Personnel
Internal Audit External Quality Assessment	To be conducted at least once every five years	CEO NICRC NICRC Director of Finance, Administration and Personnel

Budget Management

Add details of the information and returns to be provided.

Item and Purpose	Date	TEO/CRC Official
Engagement on budget requirements and Forecast Expenditure for the Financial Year	Ongoing during the year	Sponsor Branch and NICRC Director of Finance, Administration and Personnel
Departmental approval of the annual budget	Quarter 1	Sponsor Branch and G7 Sponsor Branch
Monthly Financial Management Returns	Monthly	NICRC Director of Finance, Administration and Personnel
Monthly Cash Forecast	Monthly	NICRC Director of Finance, Administration and Personnel
Monitoring Round Returns	During monitoring rounds	Sponsor Branch and NICRC Director of Finance, Administration and Personnel

Provisional Outturn		NICRC Director of Finance, Administration and Personnel
Final Outturn		NICRC Director of Finance, Administration and Personnel
Other <i>Tailor as required to reflect the specific requirements</i>		
Item and Purpose	Submission Date	TEO/CRC Official
Accounting Officer - Fitness to Act as Accounting Officer	Quarterly statement in the TEO Assurance Report	CEO NICRC
Fraud Reporting	Immediate reporting of all frauds (proven or suspected including attempted fraud)	NICRC Director of Finance, Administration and Personnel will report to DP TEO DP TEO will report frauds immediately to DoF and C&AG.
Fraud Reporting	Annual fraud return commissioned by DoF on fraud and theft suffered by NICRC	NICRC Director of Finance, Administration and Personnel
Media management protocols NICRC have the independence to engage with media and make announcements of NICRC corporate and policy communications significant to NICRC		CEO NICRC NICRC Director of Engagement G7 Sponsor Branch TEO EIS NICRC will engage with TEO Sponsor Branch and EIS in relation to shared press releases where relevant.
Preparation of business cases		NICRC Director of Finance, Administration and Personnel TEO Sponsor Branch and NICRC will work together to share expertise where appropriate.
Whistleblowing cases/ Speaking Up/Raising Concerns.		NICRC Director of Finance, Administration and Personnel
Review of the Partnership Arrangement <i>Tailor as required to reflect the specific requirements</i>		
Item and Purpose	Date	Lead Departmental/ALB Official
Light touch review of the Partnership Agreement	April 2022	CEO NICRC and G7 Sponsor Branch

Formal review of the Partnership Agreement	July 2024	CEO NICRC and G7 Sponsor Branch
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Annex 3 - Delegations

Delegated authorities

NICRC shall obtain the Executive Office's prior written approval before:-

- Entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in NICRC's annual budget as approved by the Executive Office;
- Incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future costs implications;
- Making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by TEO;
- Making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resource required; or
- Carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money Northern Ireland.

NICRC shall have the financial delegations as set out in MPMNI supplemented by the departmental guidance below (currently **CG 01/21**) and all other relevant guidance as referred to in Annex 6.



Memo to All TEO
Staff - TEO Expendit



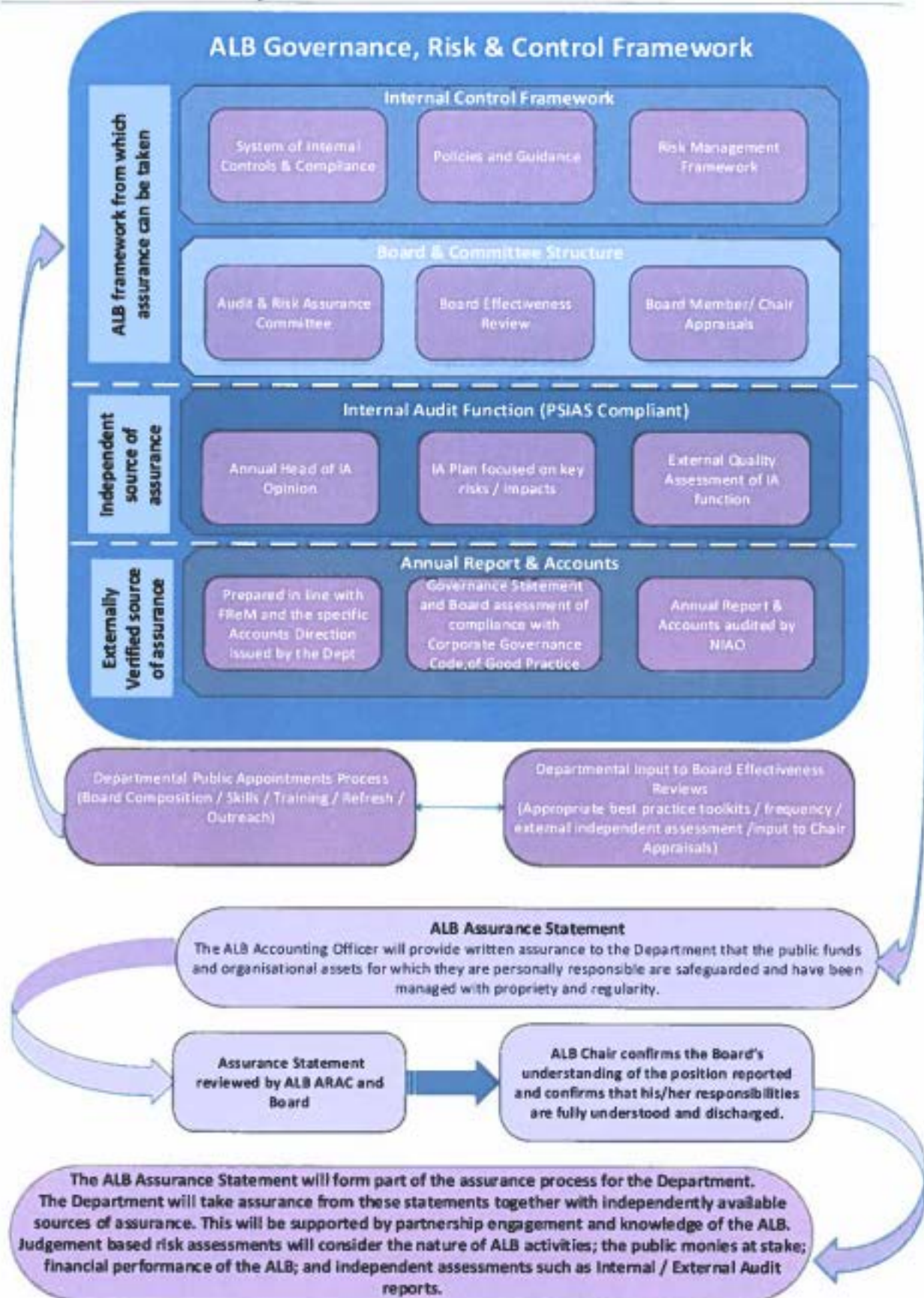
The Executive Office
(TEO) Expenditure App

**Table 3 Delegated Limits for Expenditure by ALBs
residing outside the Department's Accounting Boundary**

Arm's Length Body	Goods and Services £K	Capital £K	ICT Projects £K	External Consultancy £K	DAC £K
NI Community Relations Council	30	10	10	5	30

These delegations are based on DoF guidelines in effect at 31 July 2021. Any change to those DoF authorities, delegation and processes will update those by default. Otherwise, these delegations shall not be altered without the prior agreement of the Executive Office and, where applicable, DoF.

Annex 4 – NICRC System of Assurance



Annex 5 – Concerns/Complaints in respect of Board members

In line with the NI Code of Good Practice for Board Members of Public Bodies and the arrangements in this Partnership Agreement the approach to concerns/complaints raised in respect of NICRC Board members should be transparent and collaborative. The principle of early and open engagement is important, with the Executive Office made aware of any concerns/complaints as soon as practicable.

While Board Members are Public Appointees an NICRC employee may utilise NICRC's grievance procedure to raise a complaint against a Board member and expect this to be handled in line with NICRC's HR procedures.

Concerns/complaints might also be raised through:

- Raising Concerns/Whistleblowing arrangements;
- Complaints processes;
- Directly with NICRC or TEO.

Where a concern/complaint is received within NICRC in respect of an individual Board Member this should be provided to the NICRC Chair who should notify TEO at the outset in order that lead responsibility for handling the complaint/concern is clear in advance.

Where a concern/complaint relates to the NICRC Chair, NICRC should notify the Executive Office at the outset for the department to determine the approach to handling the complaint/concern.

Differences of view in relation to matters which fall within the Board's responsibilities are a matter for the Board to resolve through consensus base decision making in the best interests of the NICRC.

Exceptionally a concern/complaint may be raised by a Board Member about a fellow Board Member or a senior member of NICRC staff. The NICRC's Chair should notify the Executive Office at the outset to ensure that arrangements for handling the

concern/complaint are clear. TEO may determine that is should make arrangements to deal with the concern/complaint. This will be agreed at the outset.

Arrangements for concerns/complaints in respect of Board members should be reflected in all relevant procedures, including Standing Orders and Board Operating Frameworks.

Annex 6 - Applicable Guidance

The following guidance is applicable to the NI Community Relations Council.

Guidance issued by the Department of Finance

- Managing Public Money NI
- Public Bodies – A Guide for NI Departments
- Corporate Governance in central government departments – code of good practice
- DoF Risk Management Framework
- HMT Orange Book
- The Audit and Risk Assurance Committee Handbook
- Public Sector Internal Audit Standards
- Accounting Officer Handbook – HMT Regularity, Propriety and Value for Money
- Better Business Cases NI
- Dear Accounting Officer Letters
- Dear Finance Director Letters
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- Government Financial Reporting Manual (FReM)
- Guidance for preparation and publication of annual report and accounts
- Procurement Guidance

Other Guidance and Best Practice

- Specific guidance issued by the Department
- EU Delegations
- Recommendations made by the NI Audit Office/NI Assembly Public Accounts Committee
- NIAO Good Practice Guides
- Guidance issued by the Executive's Asset Management Unit
- NI Public Services Ombudsman guidance

- TEO Expenditure Approval Guidance,
- The Executive Office (TEO) Whistleblowing Policy and Procedures and TEO Fraud Policy

Annex 7 – Role of the First and deputy First Minister

Role of the Minister

The Chair of NICRC is responsible to the Ministers. Communication between the Board and Ministers should normally be through the Chair.

TEO Accounting Officer is responsible for advising the relevant Ministers on a number of issues including the NICRC objectives and targets, budgets and performance.

In addition to being answerable to the Assembly as laid out in paragraph 2.4, Ministers are also responsible for:

- Setting the strategic direction and overall policies and priorities for the NICRC as reflected in the PfG;
- Approving the NICRC Business Plan;
- Setting the NICRC's budget;
- Appointment of non-executive board members; and
- May have an input when considering the size and composition of the NICRC Board – see para 15.3.

Annex 8 – Partnerships between Departments and Arm's Length Bodies: NI Code of Good Practice

NI Code of Good Practice (version 2)



Code of Good
Practice update - 202: