



**Community Relations Council**  
Equity Diversity Interdependence



Office of the  
**First Minister and  
Deputy First Minister**

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

# **NORTHERN IRELAND COMMUNITY RELATIONS COUNCIL**

## **MANAGEMENT STATEMENT**

**1<sup>st</sup> Draft at 14 December 2012**  
**2<sup>nd</sup> Draft at 5 April 2013**  
**3<sup>rd</sup> Draft at 28 June 2013**  
**4<sup>th</sup> Draft at 15 Jan 2014**  
**5<sup>th</sup> Draft at 5<sup>th</sup> March 2014**  
**6<sup>th</sup> Draft at 21st March 2014**  
**7<sup>th</sup> draft 12th May 2014**  
**8<sup>th</sup> draft 12 August 2014**  
**Final Version 9 October 2014**

# TABLE OF CONTENTS

## PART I: MANAGEMENT STATEMENT

Area	Page
<b>Definitions</b>	<b>5</b>
1. <b>Introduction</b>	<b>6</b>
1.1 This Document	
1.2 Founding Legislation: status	7
1.3 The functions, duties & powers of the NICRC	7
1.4 Classification	9
2. <b>Aims, Objectives and Targets</b>	<b>9</b>
2.1 Overall aim	9
2.2 Objectives and key targets	9
3. <b>Responsibilities and Accountability</b>	<b>9</b>
3.1 The First Minister and deputy First Minister	9
3.2 The Accounting Officer of OFMDFM	10
3.3 The sponsoring team in OFMDFM	11
3.4 The NICRC's Board	12
3.5 The Chairman of the NICRC	13
3.6 The Chief Executive's role as Accounting Officer	15
3.7 The Chief Executive's role as Consolidation Officer	17
3.8 Delegation of duties	18
3.9 The Chief Executive's role as Principal Officer for Ombudsman cases	18
3.10 Consulting Customers	18
4. <b>Planning, Budgeting and Control</b>	<b>18</b>
4.1 The Corporate Plan	18
4.2 The Business Plan	19
4.3 Publication of Plans	20
4.4 Reporting Performance to OFMDFM	20
4.5 Budgeting Procedures	20
4.6 Internal Audit	20
4.7 Audit Committee	21
4.8 Fraud	21
4.9 Additional Departmental Access to the NICRC	22
5. <b>External Accountability</b>	<b>22</b>
5.1 The annual report and accounts	22
5.2 External Audit	23
5.3 VFM Examinations	23
6. <b>Staff Management</b>	<b>23</b>
6.1 General	23

7.	<b>Reviewing the Role of NICRC</b>	24
----	------------------------------------	----

<b>PART II: FINANCIAL MEMORANDUM</b>	<b>26</b>
--------------------------------------	-----------

I.	Introduction	27
II.	The NICRC's Income & Expenditure – General	27
III.	The NICRC's Income	30
IV.	Expenditure on Staff	33
V.	Non-Staff Expenditure	34
VI.	Management and Disposal of Fixed Assets	39
VII.	Budgeting Procedures	40
VIII.	Banking	41
IX.	Compliance with Instructions and Guidance	42
X.	Review of Financial Memorandum	42

## **Appendix A**

### **DELEGATED EXPENDITURE LIMITS 49**

1.	Purchasing all Goods, Services and Works	49
2.	Capital Projects	50
3.	Disposal of Surplus Equipment	50
4.	Lease and Rental Agreements	50
5.	Approval of Information Technology Projects	50
6.	Engagement of Consultants	52
7.	Losses and Special Payments	52



## DEFINITIONS

### **In this Management Statement and Financial Memorandum:**

"NICRC" means Northern Ireland Community Relations Council

"C&AG" means Comptroller and Auditor General

"CPANI" means Commissioner for Public Appointments Northern Ireland

"EqSD" means the Equality and Strategy Directorate, in the Office of the First Minister and deputy First Minister

"DAO" means "Dear Accounting Officer" letter

"the Department" or "OFMDFM" means "Office of the First Minister and deputy First Minister"

"DFP" means the Department of Finance and Personnel.

"DPFO" means "Dear Principal Finance Officer" letter

"DCM" means "Dear Consolidation Manager" letter

"DCO" means "Dear Consolidation Officer" letter

"Executive" and "Assembly" shall also be taken to mean "the government" and "Parliament" respectively during direct rule

"MPMNI" means Managing Public Money Northern Ireland

"Ministers" means the Ministers of OFMDFM. During any suspension of the Northern Ireland Assembly, all references to "the Ministers" should be taken to mean the relevant Direct Rule Minister with responsibility for OFMDFM and the NICRC.

"Grant" means any form of payment, of which "grant-in-aid" is a subset

"MS/FM" means the *Management Statement and Financial Memorandum* document

"PfG" means Programme for Government

"PFO" means Principal Finance Officer

"UK GAAP" means generally accepted accounting practice

"Voted" means provision voted by the Northern Ireland Assembly

# 1. INTRODUCTION

## 1.1 This document

- 1.1.1 This *Management Statement and Financial Memorandum* (MS/FM) has been drawn up by OFMDFM in consultation with the Northern Ireland Community Relations Council<sup>1</sup> (NICRC). The document is based on a model prepared by the Department of Finance and Personnel (DFP).
- 1.1.2 The terms and conditions set out in the combined *Management Statement and Financial Memorandum* may be supplemented by guidelines or directions issued by OFMDFM/Ministers in respect of the exercise of any individual functions, powers and duties that the NICRC discharges on behalf of OFMDFM.
- 1.1.3 A copy of the MS/FM for the NICRC should be given to all newly appointed Board Members, senior NICRC executive staff and OFMDFM sponsor branch staff on appointment. Additionally, the MS/FM should be tabled for the information of Board Members at least annually at a full Board meeting. Amendments made to the MS/FM should also be brought to the attention of the full Board on a timely basis.
- 1.1.4 Subject to the legislation noted below, this Management Statement sets out the broad framework within which the NICRC will operate, in particular:
- the NICRC's overall aims, objectives and targets in support of the sponsor Department's wider strategic aims and the outcomes and targets contained in its current Programme for Government (PfG);
  - the rules and guidelines relevant to the exercise of the NICRC's functions, duties and powers;
  - the conditions under which any public funds are paid to the NICRC;
  - how the NICRC is to be held to account for its performance.
- 1.1.5 The associated *Financial Memorandum* sets out in greater detail certain aspects of the financial provisions which the NICRC shall observe. However, the *Management Statement and Financial Memorandum* do not convey any legal powers or responsibilities.
- 1.1.6 The document shall be periodically reviewed by OFMDFM in accordance with the timetable referred to in Section 7 below.
- 1.1.7 The NICRC, OFMDFM, or Ministers, may propose amendments to this document at any time. Any such proposals by the NICRC shall be considered in the light of evolving departmental policy aims, operational factors and the track record of the NICRC itself. The guiding principle shall be that the extent of flexibility and freedom given to the NICRC shall reflect both the quality of its internal controls to achieve performance

---

<sup>1</sup> Northern Ireland Community Relations Council, Glendinning House, 6 Murray Street, BELFAST, BT1 6DN



and its operational needs. OFMDFM shall determine what changes, if any, are to be incorporated into the document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with DFP Supply after consultation with the NICRC, as appropriate. (The definition of "significant" will be determined by OFMDFM in consultation with DFP).

- 1.1.8 The *MS/FM* is approved by DFP Supply, and signed and dated by OFMDFM and the NICRC's Chief Executive.
- 1.1.9 Any question regarding the interpretation of the document shall be resolved by OFMDFM after consultation with the NICRC and, as necessary, with DFP Supply.
- 1.1.10 Copies of this document and any subsequent substantive amendments shall be placed in the Library of the Assembly by the sponsoring team. Copies shall also be made available to members of the public on the NICRC's website.

## **1.2 Founding legislation: status**

- 1.2.1 The NICRC is established under The Companies (Northern Ireland) Order 1986 (The Companies Act 2006) as a company limited by guarantee; it is also a registered charity. The constitution of the NICRC is set out in the Memorandum and Articles of Association. The NICRC does not carry out its functions on behalf of the Crown.

## **1.3 The functions, duties and powers of the NICRC**

- 1.3.1 The Memorandum and Articles of Association give the NICRC the following:

### Functions:

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.

Duties: None.

### Powers:

- (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 but not members of the Committee of Management 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 dependants;
- (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 the furtherance of the Council's objects;
- (n) providing a challenge 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;



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

## **1.4 Classification**

- 1.4.1 For policy / administrative purposes the NICRC is classified as an executive non-departmental public body.
- 1.4.2 For national accounts purposes the NICRC is classified to the central government sector.
- 1.4.3 References to NICRC include, where they exist, all its subsidiaries and joint ventures that are classified to the public sector for national accounts purposes. If such a subsidiary or joint venture is created, there shall be a document setting out the arrangements between it and the NICRC (paragraphs 63-64 of the *Financial Memorandum refer*).

## **2. AIMS, OBJECTIVES AND TARGETS**

### **2.1 Overall aim**

- 2.1.1 In accordance with the Memorandum of Association the overall aim for the NICRC as follows:

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.

### **2.2 Objectives and key targets**

- 2.2.1 OFMDFM determines the NICRC's performance framework in the light of OFMDFM's wider strategic aims and current PfG objectives and targets (paragraph 1.1.4). OFMDFM agree the objectives, key targets and performance measures within the NICRC's corporate and business planning process (Section 4 below);

## **3. RESPONSIBILITIES AND ACCOUNTABILITY**

### **3.1 The First Minister and deputy First Minister**

- 3.1.1 The Ministers are accountable to the Assembly for the activities and performance of the NICRC. Their responsibilities include:

- approving the NICRC's strategic objectives and the policy and performance framework within which the NICRC will operate (as set out in this *Management Statement* and *Financial Memorandum* and associated documents);
- keeping the Assembly informed about the NICRC's performance;
- approving the amount of grant-in-aid/grant/other funds to be paid to the NICRC;
- carrying out responsibilities specified in the Articles of Association.

### **3.2 The Accounting Officer of OFMDFM**

3.2.1 OFMDFM's principal Accounting Officer (the 'departmental Accounting Officer'), is responsible for the overall organisation, management and staffing of OFMDFM and for ensuring that there is a high standard of financial management in the Department as a whole. The OFMDFM Accounting Officer is accountable to the Assembly for the issue of any grant-in-aid to the NICRC. The OFMDFM Accounting Officer designates the Chief Executive of the NICRC as the NICRC's Accounting Officer, and may withdraw the accounting officer designation if he/she believes that the incumbent is no longer suitable for the role.

3.2.2 In particular, the departmental Accounting Officer of OFMDFM shall ensure that:

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

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



### 3.3 The sponsoring team in OFMDFM

3.3.1 Within OFMDFM, the Equality and Strategy Directorate<sup>2</sup> provides the sponsoring team for the NICRC. The Team, in consultation as necessary with the relevant OFMDFM Accounting Officer, is the primary source of advice to Ministers on the discharge of their responsibilities in respect of the NICRC, and the primary point of contact for the NICRC in dealing with OFMDFM. The sponsoring team shall carry out its duties under the management of a senior officer, who shall have primary responsibility within the team for overseeing the activities of the NICRC.

3.3.2 The sponsoring team shall advise Ministers on:

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

3.3.3 In support of the departmental Accounting Officer, the sponsoring team shall:

#### ***on performance and risk management -***

- monitor the NICRC's activities on a continuing basis through an adequate and timely flow of information from the NICRC on performance, budgeting, control, and risk management, including early sight of the NICRC's Governance Statement;
- address in a timely manner any significant problems arising in the NICRC, whether financial or otherwise, making such interventions in the affairs of the NICRC as OFMDFM judges necessary to address such problems;
- periodically carry out a risk assessment of the NICRC's activities to inform OFMDFM's oversight of the NICRC; strengthen these arrangements if necessary; and amend the *Management Statement* and *Financial Memorandum* accordingly. The risk assessment shall take into account the nature of the NICRC's activities; the public monies at stake; the body's corporate governance arrangements; its financial performance; internal and external auditors' reports; the openness of communications between the body and OFMDFM; and any other relevant matters;

---

<sup>2</sup> Principally, United Community Division of the, Equality and Strategy Directorate.

### ***on communication with the NICRC -***

- inform the NICRC of relevant Executive / Government policy in a timely manner; if necessary, advise on the interpretation of that policy; and issue specific guidance to the NICRC as necessary;
- bring concerns about the activities of the NICRC to the attention of the full Board and Audit Committee, and require explanations and assurances from the Board and the Audit Committee that appropriate action has been taken.

## **3.4 The NICRC's Board**

3.4.1 The Board Members are appointed by an independent appointments process conducted by the NICRC and which comply fully with the guidance issued by CPANI.

3.4.2 The Board has corporate responsibility for ensuring that the NICRC fulfils the aims and objectives set out by OFMDFM and approved by Ministers, and for promoting the efficient, economic and effective use of staff and other resources by the NICRC. To this end, and in pursuit of its wider corporate responsibilities, the Board shall:

- establish the overall strategic direction of the NICRC;
- comply with the policy and resources framework determined by OFMDFM;
- constructively challenge the NICRC's executive team in their planning, target setting and delivery of performance;
- ensure that OFMDFM is kept informed of any changes which are likely to impact on the strategic direction of the NICRC or on the attainability of its targets, and determine the steps needed to deal with such changes;
- ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with OFMDFM, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account all relevant guidance issued by DFP and OFMDFM;
- ensure that the Board receives and reviews regular financial information concerning the management of the NICRC; is informed in a timely manner about any concerns about the activities of the NICRC; and provides positive assurance to OFMDFM that appropriate action has been taken on such concerns;



- demonstrate high standards of corporate governance at all times, including using the independent audit committee (see paragraph 4.7.1) to help the Board to address the key financial and other risks facing the NICRC;
- appoint a Chief Executive to the NICRC and, in consultation with OFMDFM, set performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public monies.

3.4.3 Individual Board members shall act in accordance with their wider responsibilities as Members of the Board – namely to:

- comply at all times with the Code of Conduct (see paragraph 3.5.5) that is adopted by the NICRC and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations; and to declare publicly and to the board any private interests that may be perceived to conflict with their public duties;
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of the NICRC;

3.4.4 NICRC will provide OFMDFM with all Board meeting minutes and related papers within a timeframe agreed with the sponsoring team.

3.4.5 OFMDFM will only attend board meetings at the specific request of the Chairperson or where the department has concerns on specific agenda items. Any attendance by OFMDFM will be as an observer.

### **3.5 The Chairman of the NICRC**

3.5.1 The Chairman is independently appointed by the NICRC and under the supervision and assurance of CPANI. The terms of office are for an initial period of three years (with a renewal of up to 3 more years) and on such terms and conditions as may be specified in the appointment.

3.5.2 The Chairman is responsible to the Ministers of OFMDFM in respect of those functions exercised by the NICRC on behalf of OFMDFM. The Chairman shall ensure that the NICRC's policies and actions support the wider strategic policies of Ministers; and that the NICRC's affairs are conducted with probity. The Chairman shares with other Board members the corporate responsibilities set out in paragraph 3.4.2, and in particular for ensuring that the NICRC fulfils the aims and objectives set by OFMDFM and approved by Ministers.

3.5.3 The Chairman has a particular leadership responsibility on the following matters:

- formulating the Board's strategy;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by Ministers or OFMDFM;
- promoting the efficient, economic and effective use of staff and other resources;
- encouraging and delivering high standards of regularity and propriety;
- representing the views of the Board to the general public; and
- ensuring that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Board members.

3.5.4 The Chairman shall also:

- ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice;
- advise OFMDFM of the needs of the NICRC when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise; and
- assess the performance of individual Board members. Board Members will be subject to ongoing performance appraisal, with a formal assessment being completed by the Chair of the Board at the end of each year and prior to re-appointment of individual Members taking place. Members will be made aware that they are being appraised, the standards against which they will be appraised, and will have an opportunity to contribute to and view their report. The Chair of the Board will also be appraised on an annual basis by the Departmental Accounting Officer &/or an official acting on his behalf.

3.5.5 The Chairman shall also ensure that a Code of Conduct for Board Members is in place, based on the *Code of Conduct for Board Members of Public Bodies NI*, (FD (DFP) 04/14 refers). The Code shall commit the Chairman and other Board Members to the Nolan "seven principles of public life", and shall include a requirement for a comprehensive and publicly available register of Board Members' interests.



- 3.5.6 Communications between the Board, Ministers and the Department shall normally be through the Chairman. The Chairman shall ensure that the other Board members are kept informed of such communications on a timely basis.

### **3.6 The Chief Executive's role as Accounting Officer**

- 3.6.1 The Chief Executive of the NICRC is designated as the NICRC's Accounting Officer by the departmental Accounting Officer of OFMDFM.
- 3.6.2 The Accounting Officer of the NICRC is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the NICRC.
- 3.6.3 As Accounting Officer, the Chief Executive shall exercise the following responsibilities in particular:

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

- establish, in agreement with OFMDFM, the NICRC's corporate and business plans in support of OFMDFM's wider strategic aims and current PfG objectives and targets;
- inform OFMDFM of the NICRC's progress in helping to achieve OFMDFM's policy objectives and in demonstrating how resources are being used to achieve those objectives;
- ensure that timely forecasts and monitoring information on performance and finance are provided to OFMDFM; that OFMDFM is notified promptly if overspends or underspends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to OFMDFM in a timely fashion;

#### ***on advising the Board -***

- advise the Board on the discharge of its responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time by DFP or OFMDFM;
- advise the Board on the NICRC's performance compared with its aims and objectives;

- ensure that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed appropriately;
- take action in line with Section 3.8 of MPMNI if the Board, or its Chairman, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration, efficiency or effectiveness;

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

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

***on accounting for the NICRC's activities -***

- sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by Ministers, OFMDFM, or DFP;



- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Governance Statement regarding the NICRC's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about the NICRC are established and made widely known within the NICRC;
- act in accordance with the terms of this document and with the instructions and relevant guidance in *MPMNI* and other instructions and guidance issued from time to time by OFMDFM and DFP - in particular, Chapter 3 of *MPMNI* and the Treasury document *Regularity and Propriety* (a copy of which the Chief Executive shall receive on appointment). Section IX of the *Financial Memorandum* refers to other key guidance;
- give evidence, normally with the Accounting Officer of OFMDFM, if summoned before the Public Accounts Committee on the use and stewardship of public funds by the NICRC;
- ensure that an Equality Scheme is in place, reviewed and equality impact assessed as required by the Equality Commission and OFMDFM;
- ensure that Lifetime Opportunities is taken into account;
- ensure that the requirements of the Data Protection Act 1998 and the Freedom of Information Act 2000 are complied with.

### 3.7 The Chief Executive's **role** as Consolidation Officer:

- 3.7.1 For the purposes of Whole of Government Accounts, the Chief Executive of the NICRC is normally appointed by DFP as the NICRC's Consolidation Officer.
- 3.7.2 As the NICRC's Consolidation Officer, the Chief Executive shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of the NICRC; for arranging for its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DFP.
- 3.7.3 As Consolidation Officer, the Chief Executive shall comply with the requirements of the NICRC Consolidation Officer Letter of Appointment as issued by DFP and shall, in particular:

- ensure that the NICRC has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process;
- prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions "Dear Consolidation Officer" (DCO) and "Dear Consolidation Manager" (DCM) letters, issued by DFP on the form, manner and timetable for the delivery of such information.

### **3.8 Delegation of duties**

- 3.8.1 The Chief Executive may delegate the day-to-day administration of the Accounting Officer and Consolidation Officer responsibilities to other employees in the NICRC. However, the Chief Executive shall not assign absolutely to any other person any of the responsibilities set out in this document.

### **3.9 The Chief Executive's role as Principal Officer for Ombudsman cases**

- 3.9.1 The Chief Executive of the NICRC is the Principal Officer for handling cases involving the Northern Ireland Commissioner for Complaints, and as Principal Officer, shall inform the Permanent Secretary of OFMDFM of any complaints about the NICRC accepted by the Ombudsman for investigation, and about the NICRC's proposed response to any subsequent recommendations from the Ombudsman.

### **3.10 Consulting Customers**

- 3.10.1 The NICRC will work in partnership with its stakeholders and customers to deliver the services/programmes, for which it has responsibility, to agreed standards. It will consult regularly to develop a clear understanding of citizens' needs and expectations of its services and to seek feedback from both stakeholders and customers and will work to deliver a modern, accessible service.

## **4. PLANNING, BUDGETING AND CONTROL**

### **4.1 The Corporate Plan**

- 4.1.1 Consistent with the timetable for the NI Executive's budget process reviews, the NICRC shall submit to OFMDFM a draft of the NICRC's corporate plan normally covering three years ahead. The NICRC shall have agreed with OFMDFM the issues to be addressed in the plan and the timetable for its preparation.
- 4.1.2 OFMDFM will agree the NICRC's Corporate Plan and DFP reserves the right to ask to see and agree the NICRC's Corporate Plan

4.1.3 The plan shall reflect the NICRC's statutory duties and, within those duties, the priorities set from time to time by Ministers. In particular, the plan shall demonstrate how the NICRC contributes to the achievement of OFMDFM's strategic aims and PfG objectives and targets.

4.1.4 The corporate plan shall set out:

- the NICRC's key objectives and associated key performance targets for the three forward years, and its strategy for achieving those objectives;
- a review of the NICRC's performance in the preceding financial year together with comparable outturns for the previous 2 years, and an estimate of performance in the current year;
- alternative scenarios to take account of factors which may significantly affect the execution of the plan, but which cannot be accurately forecast;
- a forecast of expenditure and income, taking account of guidance on resource assumptions and policies provided by OFMDFM at the beginning of the planning round. These forecasts should represent the NICRC's best estimate of all its available income not just any grant or grant-in-aid.
- other matters as agreed between OFMDFM and the NICRC.

4.1.5 The main elements of the plan, including the key performance targets, shall be agreed between OFMDFM and the NICRC in the light of OFMDFM's decisions on policy and resources taken in the context of the Executive's wider policy and spending priorities and decisions.

## **4.2 The Business Plan**

4.2.1 Each year of the corporate plan, amplified as necessary, shall form the basis of the business plan for the relevant forthcoming year. A draft business plan shall be submitted to OFMDFM by 30th November each year and the final business plan shall be submitted to OFMDFM by end of December each year. The business plan shall include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by OFMDFM.

4.2.2 OFMDFM will agree the NICRC's Business Plan and DFP reserves the right to ask to see and agree the NICRC's annual Business Plan.



4.2.3 Corporate and business plans will be formally approved by Ministers.

#### **4.3 Publication of Plans**

4.3.1 The corporate and business plans shall be published / made available on the NICRC's website. They shall be made available to staff.

#### **4.4 Reporting Performance to OFMDFM**

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

4.4.2 The NICRC shall take the initiative in informing OFMDFM of changes in external conditions, which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives as set out in the corporate or business plans.

4.4.3 The NICRC's performance in helping to deliver OFMDFM's policies, including the achievement of key objectives, shall be reported to OFMDFM on a quarterly basis. Performance will be formally reviewed quarterly by OFMDFM officials. Ministers shall meet with the Board formally each year to discuss the NICRC's performance, its current and future activities, and any policy developments relevant to those activities.

4.4.4 The NICRC's performance against key targets shall be reported in the NICRC's annual report and accounts [see Section 5.1 below]. Arrangements for the validation of reported performance will be agreed between NICRC and OFMDFM.

#### **4.5 Budgeting Procedures**

4.5.1 The NICRC's budgeting procedures are set out in the *Financial Memorandum*.

#### **4.6 Internal Audit**

4.6.1 The NICRC shall establish and maintain arrangements for internal audit in accordance with the Treasury's Public Sector Internal Audit Standards (PSAIS).

- 4.6.2 OFMDFM should outline the arrangements that they have determined appropriate for the NICRC taking account of DAO (DFP) 01/10 Internal Audit Arrangements between Departments and Arm's Length Bodies. This will include specifying the OFMDFM's requirements in terms of:
- having input to NICRC's planned internal audit coverage;
  - arrangements for the receipt of audit reports, assignment reports the Head of Internal Audit's annual report and opinion etc;
  - arrangements for the completion of Internal and External Assessments of the NICRC's internal audit function against PSIAS including advising that OFMDFM reserves a right to access and carry out its own independent reviews of internal audit in the NICRC;
  - the right of access to all documents prepared by the NICRC's internal auditor, including where the service is contracted out. Where the NICRC's audit service is contracted out the NICRC should stipulate this requirement when tendering for the services.
- 4.6.3 The NICRC shall consult OFMDFM to ensure that the latter is satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving the appointment are in accordance with PSIAS and relevant DFP guidance.
- 4.6.4 OFMDFM will review the NICRC's terms of reference for internal audit service provision. The NICRC shall notify OFMDFM of any subsequent changes to internal audit's terms of reference.

#### **4.7 Audit Committee**

- 4.7.1 The NICRC shall set up an independent Audit Committee as a committee of its Board, in accordance with the *Guidance on Codes of Conduct for Board Members of Public Bodies NI* (FD(DFP) 04/14 refers) and in line with the Audit and Risk Assurance Committee Handbook NI DAO (DFP) 05/14.
- 4.7.2 OFMDFM should specify the arrangements it has determined appropriate for the NICRC which may include the need for:
- attendance by OFMDFM representatives at the NICRC Audit Committee meetings;
  - Access to the Audit Committee papers and minutes;
  - Any input required from the NICRC Audit Committee to the Department's own Audit Committee etc.
- 4.7.3 OFMDFM will review the NICRC's Audit Committee terms of reference. The NICRC shall notify OFMDFM of any subsequent changes to the Audit Committee's terms of reference.

#### **4.8 Fraud**

- 4.8.1 The NICRC shall report immediately to OFMDFM all frauds (proven or suspected), including attempted fraud. OFMDFM shall then report the frauds immediately to DFP and the C&AG. In addition the NICRC shall forward to OFMDFM the annual fraud return, commissioned by DFP, on fraud and theft suffered by the NICRC.



- 4.8.2 OFMDFM will review the NICRC's Anti Fraud Policy and Fraud Response Plan. The NICRC shall notify OFMDFM of any subsequent changes to the policy or response plan.

#### **4.9 Additional Departmental access to the NICRC**

- 4.9.1 In addition to the right of access referred to in paragraph 4.6.2 above, OFMDFM shall have a right of access to all the NICRC's records and to NICRC and personnel complying with its data protection obligations in relation to personal and sensitive personal data for purposes such as sponsorship audits, operational investigations and the comprehensive review. (See also paragraphs 3.4.3 and 4.7.2 access to Board and Audit Committee minutes).

### **5. EXTERNAL ACCOUNTABILITY**

#### **5.1 The annual report and accounts**

- 5.1.1 After the end of each financial year the NICRC shall publish as a single document an annual report of its activities together with its audited annual accounts. The report shall also cover the activities of any corporate bodies under the control of the NICRC. A draft of the report shall be submitted to OFMDFM before the proposed publication date, although it is expected that OFMDFM and NICRC will have had extensive pre-publication discussion on the content of the report prior to formal submission to OFMDFM.
- 5.1.2 The report and accounts shall comply with the most recent version of the Government Financial Reporting Manual (FReM) issued by DFP. (NOTE: This guidance is updated every year). The accounts shall be prepared in accordance with any relevant statutes and the specific Accounts Direction issued by OFMDFM.
- 5.1.3 The report and accounts shall outline the NICRC's main activities and performance during the previous financial year and set out in summary form the NICRC's forward plans. Information on performance against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit.
- 5.1.4 The report and accounts shall be presented before the Assembly and made available, in accordance with the guidance on the procedures for presenting the combined annual report and accounts as prescribed in the relevant FD letter issued by DFP.
- 5.1.5 Due to the potential accounting and budgetary implications, any changes to accounting policies or significant estimation techniques underpinning the preparation of annual accounts, requires the prior written approval of OFMDFM.



## **5.2 External Audit**

- 5.2.1 The Comptroller and Auditor General (C&AG) audits the NICRC's annual accounts. NICRC presents them to the Assembly, together with the NICRC's annual report. For the purpose of audit, the C&AG has a statutory right of access to relevant documents as provided for in Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.
- 5.2.2 The C&AG will liaise with the NICRC on the arrangements for the completing of the audit of the NICRC's accounts. This will either be undertaken by staff of the NIAO or a private sector firm appointed by the C&AG to undertake the audit on his behalf. The final decision on how such audits will be undertaken rests with the C&AG, who retains overall responsibility for the audit.
- 5.2.3 The C&AG has agreed to share with OFMDFM relevant information identified during the audit process including the report to those charged with governance at the end of the audit. This shall apply, in particular, to issues which impact on OFMDFM's responsibilities in relation to financial systems within the NICRC. The C&AG will also consider, where asked, providing Departments and other relevant bodies with reports which Departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

## **5.3 VFM examinations**

- 5.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the NICRC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003. Where making payment of a grant, or drawing up a contract, the 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.

## **6. STAFF MANAGEMENT**

### **6.1 General**

- 6.1.1. Within the arrangements approved by Ministers and DFP the NICRC shall have responsibility for the recruitment, retention and motivation of its staff. To this end the NICRC shall ensure that:

- its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of gender, marital status, domestic circumstances, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and numbers of staff, are appropriate to its functions and the requirements of efficiency, effectiveness and economy;
- the performance of its staff at all levels is satisfactorily appraised and the NICRC's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the NICRC's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle blowing procedures consistent with the Public Interest (Northern Ireland) Order 2003 are in place;
- a code of conduct for staff is in place based on Annex 5A of Public Bodies: A Guide for NI Departments (available at [www.ofmdni.gov.uk](http://www.ofmdni.gov.uk) ).

## **7. REVIEWING THE ROLE OF THE NICRC**

- 7.1.1 The NICRC shall be reviewed periodically, in accordance with the business needs of OFMDFM and the NICRC. Reference should be made to Chapter 9 of the Public Bodies: a Guide for Northern Ireland Departments.
- 7.1.2 The next review of the NICRC will be informed by the findings of the Transition Board tasked with the establishment of a new Equality and Good Relations Commission. This work commenced in 2013.
- 7.1.3 If the NICRC is to be wound up, OFMDFM shall in good time before the NICRC is to be wound up:
- ensure that procedures are in place in the NICRC to gain independent assurance on key transactions, financial commitment, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work that is to be inherited by any residuary body;
  - specify the basis for the valuation and accounting treatment of the NICRC's assets and liabilities at wind-up, distinguishing between actual and potential assets and liabilities, in order to provide a clear basis for assessing the NICRC's financial legacy;
  - if necessary, secure representation on the NICRC's Board to ensure that the wind-up is conducted in a proper and satisfactory manner.

7.1.4 The NICRC shall provide OFMDFM with full details of all agreements where the NICRC or its successors have a right to share in the financial gains of developers. It should also pass to OFMDFM details of any other forms of claw back due to the NICRC.

## **PART II:**

# **NORTHERN IRELAND COMMUNITY RELATIONS COUNCIL**

## **FINANCIAL MEMORANDUM**



## I. INTRODUCTION

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

## II. THE NICRC'S INCOME AND EXPENDITURE - GENERAL

### The Departmental Expenditure Limit (DEL)

- 4 The NICRC's current and capital expenditure form part of OFMDFM's Resource Departmental Expenditure Limits (DEL) and Capital DEL respectively.

### Expenditure not proposed in the budget

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

### Procurement

- 6 NICRC's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed in May 2009); *Procurement Guidance Notes*; and any other guidelines and guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. The NICRC's procurement activity should be carried out by means of a Service Level Agreement with CPD or another recognised Centre of Procurement Expertise (CoPE) - this will ensure compliance with relevant UK, EU and international procurement rules.
- 7 Periodic reviews of the NICRC's procurement activity should be undertaken. The results of any such review will be shared with OFMDFM.

## Competition

- 8 Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
- 9 Direct Award Contracts (DAC) are contracts awarded to a supplier or contractor without competition. NICRC shall follow the procedure outlined in OFMDFM's ***Summary of Policy and Procedures for the Approval of Departmental Expenditure*** in force (currently CG 01/13 issued on 29 April 2013):
- Any proposal to procure goods and services with a combined cost greater than £5,000 through a Direct Award Contract (DAC) must be supported by a business case, setting out the rationale and justification for doing so, and supported by CPD advice, prior to any commitment being made;
  - NICRC's Accounting Officer can approve their own DAC up to their delegated limit (currently £30,000) with the exception of external consultancy DACs;
  - Direct Award Contracts above this limit and all external consultancy, will be subject to approval by the Departmental Accounting Officer;
  - NICRC shall seek advice from Central Procurement Directorate or a Centre of Expertise in Procurement, to provide assurance for the Accounting Officer that the use of DAC is legitimate in a particular case
  - Guidance within CPD's Procurement Guidance Notes set out a number of exceptions to the procurement control limits. These will not be regarded as DACs and therefore neither AO approval nor CPD advice is required. Further information is published in Procurement Guidance Notes on the Award of Contracts without a Competition (currently (PGN) 03/11) (PGN 04/12)  
[www.cpdni.gov.uk/index/guidance-for-purchasers/guidance-notes.htm](http://www.cpdni.gov.uk/index/guidance-for-purchasers/guidance-notes.htm)
- 10 The NICRC shall send to OFMDFM after each financial year a report for that year explaining all contracts in which competitive tendering was not employed. Details of ***all*** Direct Award Contracts entered into by NICRC must be tabled at their Audit Committee and reported on a quarterly basis to the Department in an annexe to their Stewardship Statement.

## Best Value for money

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



## **Timeliness in paying bills**

- 12 The NICRC shall collect receipts and pay all matured and properly authorised invoices in accordance with Annex 4.5 and 4.6 of *Managing Public Money Northern Ireland* and any guidance issued by DFP or OFMDFM.

## **Novel, contentious or repercussive proposals**

- 13 The NICRC shall obtain the approval of OFMDFM, and DFP, before:
- incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by OFMDFM;
  - making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required. OFMDFM will advise on what constitutes "significant" in this context).

## **Risk management / Fraud**

- 14 The NICRC shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: A Strategic Overview (The "Orange Book")*
- 15 The NICRC shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract or to which it intends to give grant or grant-in-aid.
- 16 The NICRC shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with DFP's guide *Managing the Risk of Fraud DAO (DFP) 06/11 refers*.
- 17 All cases of attempted, suspected or proven fraud shall be reported to OFMDFM who shall report it to DFP and the NIAO (see section 4.8 in the Management Statement) as soon as they are discovered, irrespective of the amount involved.

## **Wider Markets**

- 18 In accordance with Wider Markets policy, the NICRC shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with (a) the NICRC's main functions (b) its corporate plan as agreed with OFMDFM. OFMDFM will confirm with the DFP Supply Officer that such proposed activity is appropriate.

## **Fees and charges**

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

## **III. THE NICRC'S INCOME**

### **Grant-in-aid**

- 20 Grant-in-aid will normally be paid to the NICRC in monthly instalments, on the basis of a written application from the NICRC showing evidence of need. However, where other arrangements are entered into in relation to grant-in-aid, this is paid quarterly in advance by agreement with OFDMF. The application shall certify that the conditions applying to the use of grant-in-aid have been observed to date and that further grant-in-aid is now required for purposes appropriate to the NICRC's functions.
- 21 The NICRC should have regard to the general principle enshrined in Annex 5.1 of *Managing Public Money Northern Ireland* that it should seek grant-in-aid according to need.
- 22 Cash balances accumulated during the course of the year shall be kept at the minimum level consistent with the efficient operation of the NICRC. Grant-in-aid not drawn down by the end of the year shall lapse. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, OFMDFM will make available in the next financial year (subject to approval by the Assembly of the relevant Estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as creditors.

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

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

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

- 24 Receipts from the sale of goods and services (including certain licences where there is a significant degree of service to the individual applicant), rent of land, and dividends are classified as negative public expenditure in National Accounts and are therefore normally offset against the DEL (ie: they provide additional DEL spending power). If a body wishes to retain a receipt or utilise an increase in the level of receipts, it must gain the prior approval of OFMDFM.
- 25 If there is any doubt about the correct classification of a receipt, the NICRC shall consult OFMDFM, which may consult DFP as necessary.

## **Interest earned**

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

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

- 27 If the negative DEL income realised or expected to be realised in-year is less than estimated, the NICRC shall, unless otherwise agreed with OFMDFM, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded. [NOTE: For example, if the NICRC is allocated £100 resource DEL provision by OFMDFM and expects to receive £10 of negative DEL income, it may plan to spend a total of £110. If income (on an accruals basis) turns out to be only £5 the NICRC will need to reduce its expenditure to £105 to avoid breaching its budget. If the NICRC still spends £110 OFMDFM will need to find £5 of savings from elsewhere within its total DEL to offset this overspend.]
- 28 If the negative DEL income realised or expected to be realised in the year is more than estimated, the NICRC may apply to OFMDFM to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. OFMDFM shall consider such applications, taking account of competing demands for resources, and will consult with DFP in relation to any significant amounts. If an application is refused, any grant-in-aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the NI Consolidated Fund via OFMDFM.



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

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

### **Proceeds from disposal of assets**

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

### **Gifts and bequests received**

- 32 The NICRC is free to retain any gifts, bequests or similar donations, subject to paragraph 33. These shall be capitalised at fair value on receipt and must be notified to OFMDFM. NOTE: A release from the donated assets reserve should offset depreciation in the operating cost statement. The latest FReM requirements should be applied.
- 33 Before accepting a gift, bequest, or similar donation, the NICRC shall consider if there are any associated costs in doing so or any conflicts of interests arising. The NICRC shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

### **Borrowing**

- 34 *Normally the NICRC will not be allowed to borrow, but when doing so the NICRC shall observe the principles set out in Chapter 5 and the associated annexes of MPMNI when undertaking borrowing of any kind. The NICRC shall seek the approval of OFMDFM and, where appropriate, DFP, to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long term private sector or foreign borrowing is subject to the value for money test in Section 5.7 of MPMNI.*

#### **IV. EXPENDITURE ON STAFF**

##### **Staff costs**

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

##### **Pay and conditions of service**

- 36 The staff of the NICRC, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) within the general NICS pay structure as analogous to OFMDFM. The NICRC has no delegated power to amend these terms and conditions.
- 37 Current terms and conditions for staff of the NICRC are those set out in its Employee Handbook. The NICRC shall provide OFMDFM and DFP with a copy of the Handbook and subsequent amendments.
- 38 Annual pay increases of NICRC staff must be in accordance with the annual FD letter on Pay Remit Approval Process and Guidance issued by DFP. Therefore, all proposed pay awards must have prior approval of OFMDFM and the Minister of Finance before implementation.
- 39 The travel expenses of Board Members shall be tied to Departmental rates. Reasonable actual costs shall be re-imbursed.
- 40 The NICRC shall operate a performance-related pay scheme which shall form part of the annual aggregate pay budget approved by OFMDFM / the general pay structure approved by OFMDFM and DFP.
- 41 The NICRC shall comply with the EU directive on contract workers Fixed Term Employees Regulations (Prevention of Less Favourable Treatment).

##### **Pensions; redundancy/compensation**

- 42 The NICRC's staff shall be eligible for a pension provided by:  
admittance to the NI Local Government Officers Superannuation Committee (NILGOSC);

- 43 Staff may opt out of the occupational pension scheme provided by the NICRC. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall normally be limited to the national insurance rebate level. [NOTE: the exception is for NDPBs covered by the PCSPS (NI) Partnership arrangement, and for NDPBs with PCSPS(NI) by-analogy versions, where a contribution regime has been agreed. NDPBs with other pension arrangements which are considering contributing to a stakeholder-type arrangement where staff opt out, must consult DFP with a formal proposal based on actuarial advice].
- 44 Any proposal by the NICRC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of OFMDFM and DFP. Proposals for severance payments must comply with MPMNI Annex 4.13. Where the PCSPS(NI) is the relevant pension scheme, the NDPB must conform with the procedures for early retirement / severance which apply to the main Department and ensure that levels of benefits are standard applicable under the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI) rules. OFMDFM is responsible for ensuring that NICRC does this.

## V. NON-STAFF EXPENDITURE

### Economic appraisal

- 45 NICRC is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, including European Union (EU) funds, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:
- involve capital or current spending, or both;
  - are large or small;
  - are above or below delegated limits (see Appendix A).
- 46 Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal.

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

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



## **Capital expenditure**

- 47 Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis in accordance with relevant accounting standards. Expenditure to be capitalised shall include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.
- 48 Proposals for large-scale individual capital projects or acquisitions will normally be considered within the NICRC's corporate and business planning process. Subject to paragraph 49, applications for approval within the corporate/business plan by OFMDFM and, DFP if necessary, shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the Board. Regular reports on the progress of projects shall be submitted to OFMDFM.
- 49 Approval of the corporate/business plan does not obviate the NICRC's responsibility to abide by the economic appraisal process.
- 50 Within its approved overall resources limit the NICRC shall, as indicated in the attached Appendix on delegations, have delegated authority to spend up to £10k on any individual capital project or acquisition. Beyond that delegated limit, OFMDFM's and where necessary, DFP's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

## **Transfer of funds within budgets**

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

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

- 52 The NICRC shall not, without OFMDFM's and where necessary, DFP's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Annex 5.5 of MPMNI), whether or not in a legally binding form.

## **Grant or loan schemes**

- 53 Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made shall be subject to prior approval by OFMDFM, and where necessary DFP. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.
- 54 The terms and conditions of a grant or loan to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by the NICRC, OFMDFM and the C&AG.
- 55 See also below under the heading *Recovery of grant-financed assets* (paragraphs 78-80).

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

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

## **Leasing**

- 59 Prior OFMDFM approval must be secured for all property and finance leases. The NICRC must have capital DEL provision for finance leases and other transactions which are, in substance, borrowing (paragraph 34 above).
- 60 Before entering into any lease (including an operating lease) the NICRC shall demonstrate that the lease offers better value for money than purchase.



## **Public/Private Partnerships**

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

## **Subsidiary companies and joint ventures**

- 63 The NICRC shall not establish subsidiary companies or joint ventures without the express approval of OFMDFM and DFP. In judging such proposals OFMDFM will have regard to OFMDFM's wider strategic aims, objectives and current Programme for Government.
- 64 For public expenditure accounts purposes any subsidiary company or joint venture controlled or owned by the NICRC shall be consolidated with it in accordance with guidance in the FReM subject to any particular treatment required by the FReM. Where the judgment over the level of control is difficult, OFMDFM will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with OFMDFM and DFP, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this *Management Statement and Financial Memorandum*, and to the further provisions set out in supporting documentation.

## **Financial investments**

- 65 The NICRC shall not make any investments in traded financial instruments without the prior written approval of OFMDFM, and where appropriate DFP, nor shall it aim to build up cash balances or net assets in excess of what is required for operational purposes. Funds held in back accounts or as financial investments may be a factor for consideration when grant-in-aid is determined. Equity shares in ventures which further the objectives of the NICRC shall equally be subject to OFMDFM and DFP approval unless covered by a specific delegation.



## **Unconventional financing**

- 66 The NICRC shall not enter into any unconventional financing arrangement without the approval of OFMDFM and DFP.

## **Commercial insurance**

- 67 The NICRC shall not take out any insurance without the prior approval of OFMDFM and DFP, other than third party insurance required by the Road Traffic (NI) Order 1981 (as amended) and any other insurance which is a statutory obligation or which is permitted under Annex 4.5 of MPMNI.
- 68 In the case of a major loss or third-party claim OFMDFM shall liaise with the NICRC about the circumstances in which an appropriate addition to budget out of OFMDFM's funds and/or adjustment to the NICRC's targets might be considered. OFMDFM will liaise with DFP Supply where required in such cases.
- 69 A Certificate of Exemption for Employer's Liability Insurance has been issued to the NICRC.

## **Payment/Credit Cards**

- 70 The NICRC, in consultation with OFMDFM, shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards) is in place. Reference should be made to DAO (DFP) 24/02.

## **Hospitality**

- 71 The NICRC, in consultation with OFMDFM, shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place. Reference should be made to DAO (DFP) 10/06 Revised.

## **Use of Consultants**

- 72 The NICRC shall adhere to the guidance issued by DFP, as well as any produced by OFMDFM in relation to the use of consultants. Please see the delegated limits set out in Appendix A.
- 73 NICRC will provide OFMDFM with a quarterly statement on the status of all consultancies completed and/or started in each financial year.
- 74 Care should be taken to avoid actual, potential or perceived conflicts of interests when employing consultants.

## **VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS**

### **Register of assets**

- 75      NICRC shall maintain an accurate and up-to-date register of its fixed assets.

### **Disposal of assets**

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

### **Recovery of grant-financed assets**

- 78      Where the NICRC has financed expenditure on capital assets by a third party, the NICRC shall set conditions and make appropriate arrangements to ensure that any such assets individually above a value of £50 are not disposed of by the third party without the NICRC's prior consent.
- 79      The NICRC shall therefore ensure that such conditions and arrangements are sufficient to secure the repayment of the NI Consolidated Fund's due share of the proceeds of the sale, in order that funds may be surrendered to OFMDFM.
- 80      The NICRC shall ensure that if the assets created by grants made by the NICRC cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to the NICRC for surrender to OFMDFM. The amounts recoverable under the procedures in paragraphs 78-79 above shall be calculated by reference to the best possible value of the asset and in proportion to the NI Consolidated Fund's original investment(s) in the asset.

## VII. BUDGETING PROCEDURES

### Setting the annual budget

- 81 Each year, in the light of decisions by OFMDFM on the NICRC's annual business plan (Section 4.1 of the *Management Statement*), OFMDFM will send to the NICRC:
- a formal statement of the annual budgetary provision allocated by OFMDFM in the light of competing priorities across OFMDFM and of any forecast income approved by OFMDFM; and
  - a statement of any planned change in policies affecting the NICRC.
- 82 The NICRC's approved annual business plan will take account both of its approved funding provision, where this applies, and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any OFMDFM funding and/or other income over the year. These elements will form part of the approved business plan for the year in question (Section 4.1 of the *Management Statement*.)
- 83 Any grant-in-aid provided by OFMDFM for the year in question will be voted in OFMDFM's Estimate and will be subject to Assembly control.

### General conditions for authority to spend

- 84 Once the NICRC's budget has been approved by OFMDFM and subject to any restrictions imposed by Ministers or in this MSFM, the NICRC shall have authority to incur expenditure approved in the budget without further reference to OFMDFM, on the following conditions:

the NICRC shall comply with the delegations set out in Appendix A of this document. These delegations shall not be altered without the prior agreement of OFMDFM and DFP;

the NICRC shall comply with the conditions set out in paragraph 13 above regarding novel, contentious or repercussive proposals;

inclusion of any planned and approved expenditure in NICRC's budget shall not remove the need to seek formal OFMDFM, and where necessary, DFP approval where such proposed expenditure is above the delegated limits set out in Appendix A or is for new schemes not previously agreed;



the NICRC shall provide OFMDFM with such information about its operations, performance individual projects or other expenditure as OFMDFM may reasonably require (see paragraph 84 below; and

NICRC shall comply with the NI Procurement Policy and carry out procurement via CPD or another recognised CoPE.

#### **Providing monitoring information to OFMDFM**

85 The NICRC shall provide OFMDFM with, as a minimum, information on a monthly basis which will enable the satisfactory monitoring by OFMDFM of:

the NICRC's cash management;

its draw-down of any grant-in-aid;

the expenditure for that month;

forecast outturn by resource headings; and

other data required for the DFP Outturn and Forecast Outturn Return..

### **VIII. BANKING**

#### **Banking arrangements**

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

87 The Accounting Officer shall therefore ensure that:

- these arrangements are suitably structured and represent value-for-money, and are reviewed at least every two years, with a comprehensive review, usually leading to competitive tendering, at least every three to five years;
- sufficient information about banking arrangements is supplied to OFMDFM's Accounting Officer to enable the latter to satisfy his/her own responsibilities (Section 3.2 of the *Management Statement*);

- the NICRC's banking arrangements shall be kept separate and distinct from those of any other person or organisation; and
- adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

## IX COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

### Relevant documents

88 The NICRC shall comply with the following general guidance documents:


- This document (both the *Financial Memorandum* and the *Management Statement*)
- *Managing Public Money Northern Ireland (MPMNI)*;
- *Public Bodies – A Guide for NI Departments* issued by DFP;
- *Government Internal Audit Standards*, issued by DFP;
- The document *Managing the Risk of Fraud* issued by DFP;
- The Treasury document *The Government Financial Reporting Manual (FReM)* issued by DFP;
- Relevant DFP *Dear Accounting Officer* and *Finance Director* letters;
- Relevant *Dear Consolidation Officer* and *Dear Consolidation Manager* letters issued by DFP;
- *Regularity, Propriety and Value for Money* issued by Treasury;
- The Consolidation Officer Letter of Appointment, issued by DFP;
- Other relevant instructions and guidance issued by the central Departments (DFP/OFMDFM) including Procurement Board and CDP Guidance;
- Specific instructions and guidance issued by OFMDFM;
- Recommendations made by the Public Accounts Committee, or by other Assembly authority, which have been accepted by the Government and which are relevant to the NICRC.

## X. REVIEW OF FINANCIAL MEMORANDUM

89 The *Management Statement* and *Financial Memorandum* will normally be reviewed at least every 3 years or following a review of the NICRC's functions as provided for in Section 7 of the *Management Statement*.

90 DFP Supply will be consulted on any significant variation proposed to the *Management Statement* and *Financial Memorandum*.

**Signed:**

  
\_\_\_\_\_

**Date:** 8th December 2014

**Print Name:**

JACQUELINE IRWIN

**Position:**

CEO

On behalf of the Northern Ireland Community Relations Council

**Signed:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**Print name:**

**Position:**

On behalf of OFMDFM



## GENERAL

These delegated expenditure limits have been agreed by OFMDFM and DFP and are set out in the Department's Summary Policies and Procedures for the Approval of Expenditure (currently CG01/13). Adherence to these limits will be verified through regular test drilling by the Department.

**Table 1 – Summary Table of Delegated Limits**

Arm's Length Body	Goods and Services (£k)	Capital (£k)	IT Projects (£k)	Consultancy (£k)	Direct Award Contracts (£k)
NICRC	30	10	10	5	30

**1. Purchasing All Goods, Services and Works**

**Table 2 - Delegated Authority for the Purchase of Goods, Services and Works (All costs exclude VAT)**

Thresholds	Number / Type of Tender Required	Authorisation
Up to £1000*	In the first instance use an existing framework, if available for use. In the absence of an available framework, a price check should be carried out with at least 2 contractors/suppliers and documented.	The NICRC Chair, Chief Executive or NICRC SMT
>£1,000 - <£9,999	In the first instance use an existing framework, if available for use. In the absence of an	The NICRC Chair or Chief Executive

	available framework, a price check should be carried out with at least 2 contractors/suppliers and documented.	
> £10,000 - <£29,999**	Invitations to tender to be issued to a minimum of 2 suppliers (3 suppliers when an existing supplier is being invited to tender).	The NICRC Board
> £30,000 < EU Thresholds*** (When over the EC threshold observe the EC threshold guidelines )	Publicly advertised open or restricted tender competition	The Chair of CRC plus advice and prior approval from OFMDFM

\*-Annex A of PGN 4/12 applies for purchases up to £5,000. Please refer for guidance

\*\* - Please refer to guidance "CPD Advice To clients and Staff On The Procurement Of Goods and Services Below £30,000" – issued in August 2012 by CPD

\*\*\* - PGN 5/12 applies. Please refer for guidance.

## ECONOMIC APPRAISALS

The principles of economic appraisal should be applied in all cases where expenditure is proposed, whether the proposal involves capital or current expenditure, or both. The effort put into economic appraisal should be commensurate with the size or importance of the needs or resources under consideration. However, the NICRC should undertake a comprehensive business case of all projects involving expenditure of **£250,000** and over.

Where the NICRC is unable to obtain a sufficient number of tenders, it must advise OFMDFM of the situation and supply reasons for an insufficient number of tenders having been sought. Records of all correspondence are to be retained on file, including any justification given and/or approvals obtained. For any purchase or contract where the minimum number of quotations/tenders was not obtained, the NICRC may permit the purchase to proceed if satisfied that every attempt has been made to obtain competitive offers and that value for money will be achieved. In these cases a report should be submitted to OFMDFM. Records of all correspondence are to be retained on file including any justification given and/or approvals obtained.

## **2. CAPITAL PROJECTS**

The Chief Executive may authorise capital expenditure on discreet capital projects of up to **£10,000**. Capital projects over this amount require the approval of OFMDFM, and may be subject to quality assurance by DFP if requested. Any novel and/or potentially contentious projects, regardless of the amount of expenditure, require the approval of OFMDFM and DFP.

## **3. DISPOSAL OF SURPLUS EQUIPMENT**

The NICRC should follow the guidance in accordance with *MPMNI*, Annex 4.8.

## **4. LEASE AND RENTAL AGREEMENTS**

The NICRC may enter into lease and/or rental agreements for the provision of goods and services. Lease and rental agreements for the provisions of goods and services should be open to competitive tendering in the same way as purchases unless there are convincing reasons to the contrary. The delegations established at paragraph 1 will also apply to lease and rental agreements with the cash values relating to the annual cost of the arrangement. OFMDFM's approval must be obtained for any leasing and/or rental agreement of a value of £25,000 or more per annum.



## 5. APPROVAL OF INFORMATION TECHNOLOGY PROJECTS

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

The principles of appraisal, evaluation and management apply equally to proposals supported by information communication technology (ICT) as to all other areas of public expenditure. ICT-enabled projects should be appraised and evaluated according to the general guidance in the Northern Ireland Guide to Expenditure Appraisal and Evaluation (*NIGEAE*) and managed using the new *Successful Delivery (NI)* guidance which was issued in June 2009.

The purchase of IT equipment and systems should be in line with the guidance on Procedures and Principles for Application of Best Practice in Programme/Project Management (PPM), (available at [www.dfpni.gov.uk/successful-delivery](http://www.dfpni.gov.uk/successful-delivery)) and be subject to competitive tendering unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the project, and in line with the Procurement Control Limits in Table 1. Delegated authority for each IT project is set out in Table 3.

Table 3 - *Delegated Authority for Information Technology Projects, Systems and Equipment*

(All costs exclude VAT)

Thresholds	Requirements	Authorisation
Up to £500	No special requirement	Chief Executive

<b>&gt;£500 to £5,000</b>	<b>2 written quotations/tenders</b>	<b>Chief Executive</b>
<b>&gt;£5,000 to £10,000</b>	<b>3 written tenders</b>	<b>Chief Executive</b>
<b>&gt;£10,000 to £25,000</b>	<b>4 written tenders</b>	<b>The Chief Executive plus advice and prior approval from OFMDFM</b>
<b>&gt;£25,000 to £50,000</b>	<b>Open tendering process secured by public advertisement</b>	<b>The Chief Executive plus advice and prior approval from OFMDFM</b>
<b>&gt;£50,000</b> <b>(When over the EC threshold observe the EC threshold guidelines).</b>	<b>Open tendering process secured by public advertisement and full economic appraisal and business case (see FD (DFP) 20/09)</b>	<b>The Chief Executive plus advice and prior approval from OFMDFM</b>

## **6. ENGAGEMENT OF CONSULTANTS**

### **General**

The NICRC has authority to appoint consultants for a **single contract** without recourse to OFMDFM up to a total cost of **£5,000** and subject to any guidance as may be issued by DFP or OFMDFM.

The NICRC shall provide OFMDFM with a quarterly statement on the status of all consultancies completed and/or started in each financial year. Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

### **Economic appraisal**

A full business case should be prepared for all consultancy assignments expected to exceed **£10,000**. A proportionate business case should be prepared for all assignments below this threshold. Section 5 of the guidance note attached to FD (DFP) 04/09 explains the nature of the required business case.

### **Direct Award Contracts**

Direct Award Contracts should be avoided and advice from CPD sought. Paragraphs 8-10 of the Financial Memorandum refer.

The NICRC Accounting Officer can approve DAC's up to the NICRC's delegated limit (currently £30,000), with the exception of external consultancy DACs. Direct Award Contracts above the delegated limit and all external consultancy must also be approved by the Departmental Accounting Officer.

Any proposal to procure goods and services with a combined cost of greater than £5,000 through a Direct Award Contract must be supported by CPD advice and a business case setting out the rationale and justification for doing so. The relevant Accounting Officer(s) approval is required before awarding any contract through a direct award contract.

Details of **all** Direct Award Contracts entered into by the ALB must be tabled at their Audit Committee and reported on a quarterly basis to OFMDFM in an annexe to their stewardship statements.



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

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

- a. Cash losses – up to £1,000 per case/incident.
- b. Stores/Equipment losses – up to £1,000 per case/incident.
- c. Constructive losses and fruitless payments – up to £1,000 per case;
- d. Compensation payments – up to £1,000 per case.
  - (i) Made under legal obligation, e.g. by Court Order – up to £1000 per case plus reasonable legal expenses
  - (ii) For damage to personal property of staff – up to £1,000 per case
  - (iii) Where written legal advice is that the NICRC should not fight a court action because it is unlikely that it would win – up to £1,000 per case.
- e. Claims abandoned or waiver of claim – up to £1,000 per case.
- f. Extra contractual payments – up to £1,000 per case.
- g. Ex gratia payments – up to £1,000 per case (Pensions payments are not covered by this threshold).
- h. Extra statutory and extra regulatory payments – no delegation, all proposals must be submitted to OFMDFM for approval.

The prior approval of OFMDFM must be obtained for amounts above these values. Approval of write-off should be made with the minimum of delay.

Where total losses and Special Payments exceed £5,000 in any financial year, an explanatory note should be included in the Commissioner's accounts.

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

