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**NORTHERN IRELAND COUNCIL
FOR INTEGRATED EDUCATION
(NICIE)**

Management Statement

**MANAGEMENT STATEMENT FOR
NORTHERN IRELAND COUNCIL FOR INTEGRATED EDUCATION**

	PAGE
Definitions	6
1. INTRODUCTION	6
1.1 This document	6
1.2 Founding legislation; status	7
1.3 The functions, duties and powers of NICIE	8
1.4 Classification	8
2. AIMS, OBJECTIVES AND TARGETS	8
2.1 Overall aims	8
2.2 Objectives and key targets	9
3. RESPONSIBILITIES AND ACCOUNTABILITY	10
3.1 The Minister	10
3.2 The Accounting Officer of DE	10
3.3 The sponsoring team in DE	11
3.4 NICIE's Board	13
3.5 The Chairperson of NICIE	15
3.6 The Chief Executive's role as Accounting Officer	16
3.7 The Chief Executive's role as Consolidation Officer	19
3.8 Delegation of duties	19
3.9 The Chief Executive's role as Principal Officer for Ombudsman cases	19
3.10 Consulting Customers	20
4. PLANNING, BUDGETING AND CONTROL	20
4.1 Planning and performance arrangements	20
4.2 The corporate plan	20
4.3 The business plan	21
4.4 Publication of plans	22

4.5	Reporting performance to DE	22
4.6	Budgeting procedures	22
4.7	Internal audit	23
4.8	Audit Planning	23
4.9	Internal Audit Assignment Reports	24
4.10	Head of Internal Audit's Annual Assurance Statement	24
4.11	Review of the Effectiveness of Internal Audit Arrangements	24
4.12	Audit Committee	24
4.13	Reviews by DE's Internal Audit	25
4.14	Significant Issues	25
4.15	Fraud	25
4.16	Additional Departmental access to NICIE	26
5.	EXTERNAL ACCOUNTABILITY	26
5.1	The annual report and accounts	26
5.2	External audit	27
5.3	VFM examinations	27
6.	STAFF MANAGEMENT	27
6.1	General	27
7.	REVIEWING THE ROLE OF NICIE	29
7.1	General	29
7.2	Organisational Efficiency and Effectiveness	29

Definitions

In this Memorandum:

“NICIE” means *Northern Ireland Council for Integrated Education*

“Body” means *Northern Ireland Council for Integrated Education*

“C&AG” means the *Comptroller and Auditor General for Northern Ireland*

“Chief Executive” means the senior executive official of *NICIE*

“DAO” means “*Dear Accounting Officer*” letter

“DE” means *Department of Education*

“DoF” means *Department of Finance*

“FD” means *Finance Director*

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

“Minister” means the Minister of the Department of Education. During the suspension of the Northern Ireland Assembly, all references to “the Minister” should be taken to mean the relevant Direct Rule Minister with responsibility for the Department of Education

“MSFM” means the *Management Statement and Financial Memorandum* document

“MPMNI” means *Managing Public Money Northern Ireland*

“TEO” means The Executive Office

“Voted” means provision voted by the Northern Ireland Assembly

During the period of suspension, any reference to the NI Assembly in this document should be read as a reference to the United Kingdom Parliament.

1. INTRODUCTION

1.1 This document

1.1.1 This *Management Statement* and *Financial Memorandum* (MS/FM) has been drawn up by the Department of Education (DE) in consultation with the Northern Ireland Council for Integrated Education (NICIE), 25 College Gardens, Belfast, BT9 6BS. The document is based on a model prepared by the Department of Finance (DoF).

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 the Department/Minister in respect of the exercise of any individual functions, powers and duties of NICIE.

1.1.3 A copy of the MS/FM for NICIE should be given to all newly appointed Board Members, senior NICIE executive staff and DE Sponsor Team staff on appointment. Additionally the MS/FM should be tabled for the information of Board Members at least annually at a full meeting of the Board. 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 NICIE will operate, in particular:

- NICIE's overall aims, objectives and targets in support of DE's wider strategic aims and the contribution to the Executive's Programme for Government;
- the rules and guidelines relevant to the exercise of NICIE's functions, duties and powers;
- the conditions under which any public funds are paid to NICIE;
- how NICIE 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 NICIE 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 DE in accordance with the timetable referred to in Section 7 below.

1.1.7 NICIE, or DE, or the Minister may propose amendments to this document at any time. Any such proposals by NICIE shall be

considered in the light of evolving departmental policy aims, operational factors and the track record of NICIE itself. The guiding principle shall be that the extent of flexibility and freedom given to NICIE shall reflect both the quality of its internal controls to achieve performance and its operational needs. DE shall determine what changes, if any, are to be incorporated in the document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with DoF Supply after consultation with NICIE, as appropriate. (The definition of “significant” will be determined by DE in consultation with DoF.)

- 1.1.8 The *MS/FM* is approved by DoF Supply, and signed and dated by DE and NICIE’s Chief Executive.
- 1.1.9 Any question regarding the interpretation of the document shall be resolved by DE after consultation with NICIE and, as necessary, with DoF Supply (and TEO if appropriate).
- 1.1.10 Copies of this document and any subsequent substantive amendments shall be placed in the Library of the Assembly. (Copies shall also be made available to members of the public on NICIE’s website).

1.2 Founding legislation; status

- 1.2.1 The Northern Ireland Council for Integrated Education, which was established in 1989, is a charitable body, limited by guarantee and not having a share capital.
- 1.2.2 DE has a duty “to encourage and facilitate” integrated education under the Education (Northern Ireland) Order 1989 (“the Order”). Under the Order and the fulfilment of its duty, DE may “pay grants to any body appearing to have as an objective the encouragement or promotion of integrated education”. NICIE was established in 1989 to assist the development of planned integrated education and schools in Northern Ireland for the benefit of the public. NICIE does not carry out its functions on behalf of the Crown.

1.3 The functions, duties and powers of NICIE

- 1.3.1 The role of NICIE is to promote integrated education and to perform a wide range of roles in facilitating the development of integrated education in Northern Ireland for the public benefit. Further information on NICIE’s aims and objectives is recorded at section 2.

1.4 Classification

- 1.4.1 For policy/administrative purposes NICIE is classified as an executive non-departmental public body.
- 1.4.2 For national accounts purposes NICIE is classified to the central government sector.
- 1.4.3 References to NICIE 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 NICIE (paragraphs 73-74 of the *Financial Memorandum refer*).

2. AIMS, OBJECTIVES AND TARGETS

2.1 Overall aims

- 2.1.1 NICIE's aim, approved by DE, is to assist the development of integrated education in Northern Ireland. In doing so its objectives are aligned to support the Departments corporate goals, which are
- Improving the wellbeing of children and young people;
 - Raising standards for all;
 - Closing the performance gap, increasing access and equality;
 - Developing the education workforce;
 - Improving the learning environment; and
 - Delivering high quality education services.

The following broad areas of operation have been identified to support the achievement of the Departments corporate goals:

- NICIE, in collaboration with DE, EA and other children's authorities (as defined by the Children's Services Co-operation Act 2015 (CSCA)) will work to shape, where possible, educational policies in conjunction with other Government Departments, their Non-Departmental Public Bodies, community and voluntary providers and employers, with a view to improving the well-being of children and young people as outlined in the CSCA;

- NICIE will provide advice and support to Integrated schools, through working with the EA, CCMS, CCEA, DE, ETI as appropriate, to contribute to raising standards in integrated education at (i) pre-school, (ii) primary and (iii) post-primary;
- NICIE will provide advice and support services to schools, parents and communities wishing to develop or expand integrated education provision at (a) pre-school, (b) primary and (c) post-primary school;
- NICIE will advocate on behalf of and support the development of the education workforce within the integrated education sector;
- NICIE will ensure that its workforce receives the professional development and support it requires, delivered in a cost-effective manner;
- NICIE will provide effective representation on behalf of the integrated education sector by engaging with stakeholders that contribute to the improvement of the learning environment; and
- NICIE will provide strategic input to the area planning process to ensure that children and young people have access to high quality integrated education that is delivered in schools that are educationally and financially sustainable.
- NICIE should encourage schools within the integrated sector to engage in Shared Education and working with the EA, CCMS, CCEA, DE and ETI as appropriate, provide advice and support to implement Shared Education with partner schools. By 30 June NICIE should provide details as to the extent to which it has exercised its powers.

2.2 Objectives and key targets

- 2.2.1 DE determines NICIE's performance framework in the light of DE's wider strategic aims and contribution to the Executive's Programme for Government (paragraph 1.1.4) DE will agree the objectives, key commitments / actions and key success indicators within NICIE's Corporate and Business Plan (Section 4 below). The key commitments / actions relate to how NICIE contributes to the strategic priorities for the Education Sector.
- 2.2.2 The key success indicators will be developed in the Corporate Plan and at a more detailed level, in the annual Business Plan (see Section 4 below)

NICIE will report on progress in achieving its objectives via the existing Governance and Accountability reporting mechanisms both in year and at year end.

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1 The Minister

3.1.1 The Minister is accountable to the Assembly for the activities and performance of NICIE insofar as it relates to carrying out the statutory duty as set out in Section 1.2. His / Her responsibilities include:

- approving NICIE's strategic objectives and the policy and performance framework within which NICIE will operate (as set out in this *Management Statement* and *Financial Memorandum* and associated documents insofar as it relates to carrying out the statutory duty as set out above);
- keeping the Assembly informed about NICIE's performance; and
- approving the amount of grant-in-aid/grant/other funds to be paid to NICIE, and securing Assembly approval.

3.2 The Accounting Officer of DE

3.2.1 The Permanent Secretary, as DE's principal Accounting Officer (the 'departmental Accounting Officer'), is responsible for the overall organisation, management and staffing of DE and for ensuring that there is a high standard of financial management in DE as a whole. The DE Accounting Officer is accountable to the Assembly for the issue of any grant-in-aid/grant/other funds to be paid to NICIE. The Accounting Officer designates the Chief Executive of NICIE as NICIE'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 Accounting Officer of DE shall ensure that:

- NICIE's strategic aims and objectives support DE's wider strategic aims and contribution to the Executive's Programme for Government;

- the financial and other management controls applied by DE to NICIE are appropriate and sufficient to safeguard public funds and for ensuring that NICIE's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to NICIE by the Assembly but also any other funds falling within the stewardship of NICIE);
- the internal controls applied by NICIE conform to the requirements of regularity, propriety and good financial management; and
- any grant-in-aid to NICIE 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 DE

3.3.1 Within DE, the Irish-medium & Integrated Education Team is the sponsoring team for NICIE. The Team, in consultation as necessary with the relevant departmental Accounting Officer, is the primary source of advice to the Minister on the discharge of his/her responsibilities in respect of NICIE, and the primary point of contact for NICIE in dealing with DE. 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 NICIE.

3.3.2 There are a number of other central teams within DE who are involved in the governance, oversight and financial arrangements for all DE ALBs (including NICIE). These teams are as follows:

- The Financial Reporting Team is the lead team for financial reporting issues;
- The Education Governance Team is the lead team for governance and accountability issues, including public appointments, business planning, performance and risk management issues;
- The Budgeting Team is responsible for ascertaining in-year and future budgetary requirements;

- The Internal Audit Team provides advice and guidance in relation to internal audit arrangements, risk management, internal control and governance matters; and
- The Education Workforce Directorate leads on public sector pay policy and conditions of service.

3.3.3 The relevant teams shall advise the Minister on:

- an appropriate framework of objectives and targets for NICIE in the light of DE's wider strategic aims and contribution to both the Executive's Programme for Government and Children and Young People's Strategy;
- an appropriate budget for NICIE in the light of DE's overall public expenditure priorities;
- how well NICIE is achieving its strategic objectives and whether it is delivering value for money.

3.3.4 In support of the DE Accounting Officer, the sponsoring team shall:

on performance and risk management -

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

on communication with NICIE -

- inform NICIE of relevant Executive policy in a timely manner; if necessary, advise on the interpretation of that policy; and issue specific guidance to NICIE as necessary;
- bring concerns about the activities of NICIE to the attention of the full Board, and require explanations and assurances from the Board that appropriate action has been taken; and
- Resolve any concerns raised by NICIE in a timely fashion.

3.4 NICIE's Board

3.4.1 The Board Members are appointed in accordance with the Articles of Association of Northern Ireland Council for Integrated Education Limited, and Departmental appointments are made in line with the Code of Practice issued by the Commissioner for Public Appointments.

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

- establish the overall strategic direction of NICIE within the policy and resources framework determined by DE ;
- constructively challenge NICIE's executive team in their planning, target setting and delivery of performance;
- ensure that DE is kept informed of any changes which are likely to impact on the strategic direction of NICIE 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 authority and any delegated authority agreed with DE, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, NICIE takes into account all relevant guidance issued by DoF and DE;
- ensure that the Board receives and reviews regular financial information concerning the management of NICIE; is informed in a

timely manner about any concerns about the activities of NICIE; and provides positive assurance to DE that appropriate action has been taken on such concerns;

- demonstrate high standards of corporate governance at all times, including using the independent Audit and Risk Assurance Committee (see paragraph 4.12.1) to help the Board to address the key financial and other risks facing NICIE;
- appoint with DE's approval the Chief Executive to NICIE and, in consultation with DE, 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 NICIE 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 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 NICIE

3.44 DE shall have access to all Board meeting minutes.

3.5 The Chairperson of NICIE

3.5.1 The Chairperson is appointed in accordance with Article 16 of the Articles of Association of NICIE.

- 3.5.2 The Chairperson is responsible to the Minister for the Department of Education. The Chairperson shall ensure that NICIE's policies and actions support the wider strategic policies of the Department; and that NICIE's affairs are conducted with probity. The Chairperson shares with other Board members the corporate responsibilities set out in paragraph 3.4.2, and in particular for ensuring that NICIE fulfils the aims and objectives approved by DE.
- 3.5.3 The Chairperson 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 DE;
 - promoting the efficient, economic and effective use of staff and other resources;
 - encouraging 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 Chairperson 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 DE of the needs of NICIE 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 any re - appointment of individual Members taking place. Members will be made aware that they are being appraised, the standards against which they will be appraised, and will have an opportunity to contribute to and view their report. The Chair of the Board will also be appraised on an annual basis through arrangements determined by DE.

3.5.5 The Chairperson shall also ensure that a Code of Practice for Council Members is in place, based on the Cabinet Office's *Codes of Conduct for Board Members of Public Bodies*, (FD (DFP) 04/14 refers). The Code shall commit the Chairperson 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, **the Minister** and DE shall normally be through the Chairperson. The Chairperson 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 NICIE is designated as NICIE's Accounting Officer by the departmental Accounting Officer of DE.

3.6.2 The Accounting Officer of NICIE 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 NICIE.

3.6.3 As Accounting Officer, the Chief Executive shall exercise the following responsibilities in particular:

on planning and monitoring -

- following approval by the Board, establish, in agreement with DE, NICIE's corporate and business plans in support of DE's wider strategic aims and contribution to the Executive's Programme for Government and Children and Young People's Strategy;
- inform DE of NICIE's progress in helping to achieve DE'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 DE; that DE 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 DE in a timely fashion;

on advising the Board -

- advise the Board on the discharge of its responsibilities as set out in this document, and in any other relevant instructions and guidance that may be issued from time to time by DoF, TEO or DE;
- advise the Board on NICIE'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 Chairperson, 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 NICIE including any income or other receipts are used for the purpose intended by DE, and that such monies, together with NICIE's assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that adequate internal management and financial controls are maintained by NICIE, 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; and
- ensure that effective personnel management policies are maintained;

on accounting for NICIE'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 DE or DoF;
- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Governance Statement regarding NICIE's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about NICIE are established and made widely known within NICIE;
- 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 DE and DoF - in particular, Chapter 3 of *MPMNI* and the Treasury document *Regularity, Propriety and Value for Money* (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 DE, if summoned before the Public Accounts Committee on the use and stewardship of public funds by NICIE;
- ensure that the requirements of the Data Protection Act 2018-General Data Protection Regulation (GDPR) and the Freedom of Information Act 2000 are complied with;
- ensure that an Equality Scheme is in place, reviewed and equality impact assessed as required by the Equality Commission and TEO; and
- ensure that Lifetime Opportunities is taken into account.

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 NDPB is normally appointed by DoF as the NDPB's Consolidation Officer.
- 3.7.2 As NICIE's Consolidation Officer, the Chief Executive shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of NICIE; for arranging for its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DoF.
- 3.7.3 As Consolidation Officer, the Chief Executive shall comply with the requirements of the NDPB Consolidation Officer Letter of Appointment as issued by DoF and shall, in particular:
- ensure that NICIE has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process; and
 - 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 DoF 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 his/her Accounting Officer and Consolidation Officer responsibilities to other employees in NICIE. However, he/she 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 NICIE is the Principal Officer for handling cases involving the Northern Ireland Commissioner for Complaints. As Principal Officer, he/she shall inform the Permanent Secretary of DE of any complaints about NICIE accepted by the Ombudsman for

investigation, and about NICIE's proposed response to any subsequent recommendations from the Ombudsman.

3.10 Consulting Customers

3.10.1 NICIE 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. Consultation exercises should include children and young people to ensure their views are obtained on policies, programmes and services which would impact on their lives.

4. PLANNING, BUDGETING AND CONTROL

4.1 Planning and Performance Arrangements

4.1.1 NICIE will at all times comply with DE's requirements in relation to the preparation and submission of annual planning documents in advance of the start of each financial year. The format, structure and content of the plans and the timetable for their preparation and submission will be determined by DE.

4.1.2 There will normally be two such planning documents:

- a Corporate Plan (which normally reflects the mandate covered by the Programme for Government) ; and
- an annual Business Plan.

4.2 The corporate plan

4.2.1 Consistent with the timetable for NI Executive's Programme for Government and Budget process reviews, NICIE shall submit to DE a draft of its corporate plan covering the time period mandated by the Programme for Government within a timeframe agreed by DE. NICIE shall have agreed with DE the issues to be addressed in the plan and the timetable for its preparation.

4.2.2 DoF reserves the right to ask to see and agree NICIE's corporate plan. DE will agree NICIE's corporate plan.

4.2.3 The plan shall reflect NICIE's roles and responsibilities and, within those, the priorities set from time to time by DE. In particular, the plan shall demonstrate how NICIE contributes to the achievement of DE's strategic aims and its contribution to the Executive's Programme for Government and Children and Young People's Strategy.

4.2.4 The corporate plan shall set out:

- NICIE's key objectives and associated key performance targets for the years mandated by the Programme for Government, and its strategy for achieving those objectives;
- a review of NICIE's performance in the preceding financial year together with comparable outturns for the previous 2-5 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 DE at the beginning of the planning round. These forecasts should represent NICIE's best estimate of all its available income not just any grant.
- other matters as agreed between DE and NICIE.

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

4.3 The business plan

4.3.1 Each year of the corporate plan, amplified as necessary, NICIE shall submit to DE by an agreed date each year the detailed business plan for the forthcoming year setting out:

- the detail of the financial plan, taking account of DE's allocation, NICIE's current financial position and any other estimated income;
- NICIE's objectives for the year together with specific key performance targets against which the performance of NICIE will be assessed quarterly throughout the year (or as advised by DE), together with any other information DE may require.

4.3.2 DoF reserves the right to ask to see and agree NICIE's annual business plan.

4.3.3 NICIE corporate and business plans will be formally approved by DE.

4.4 Publication of plans

4.4.1 The corporate and business plans shall be published and made available on the Internet. A summary version shall be made available to staff.

4.5 Reporting performance to DE

4.5.1 NICIE 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.

4.5.2 NICIE shall take the initiative in informing DE of changes in external conditions, which will affect the achievement of objectives, or which may require a change to the budget or objectives as set out in the corporate or business plans.

4.5.3 NICIE's performance in helping to deliver DE policies, including the achievement of key objectives, shall be reported to DE on a timescale agreed by the Department. Performance will be formally reviewed quarterly by DE officials. The Minister shall meet the Board formally each year to discuss NICIE's performance, its current and future activities, and any policy developments relevant to those activities.

4.5.4 NICIE's performance against key targets shall be reported in NICIE's annual report and accounts (see Section 5.1 below). Arrangements for the validation of reported performance will be agreed between NICIE and DE.

4.6 Budgeting procedures

4.6.1 NICIE's budgeting procedures are set out in the *Financial Memorandum*.

4.7 Internal audit

- 4.7.1 NICIE shall establish and maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS).
- 4.7.2 The purpose of the Internal Audit function is to provide the NICIE Accounting Officer, Council and line management with assurance on the adequacy and effectiveness of NICIE's risk management, internal control and governance arrangements.
- 4.7.3 The NICIE Accounting Officer should consult with DE on the qualifications and competences required for the Head of Internal Audit position each time the position is advertised.
- 4.7.4 If the service is contracted out the NICIE Accounting Officer should consult with DE on the contract specification each time the contract is being tendered.
- 4.7.5 DE will seek regular information regarding resourcing/staffing levels of Internal Audit.
- 4.7.6 DE will review NICIE's terms of reference for internal audit service provision. NICIE shall notify DE of any subsequent changes to internal audit's terms of reference.

4.8 Audit Planning

- 4.8.1 NICIE's Head of Internal Audit is required to develop and maintain a 3-5 year Audit Strategy for providing the Accounting Officer with the required assurances. From the long term Audit Strategy, annual plans are developed which should set out the areas to be audited in a given year.
- 4.8.2 NICIE's Internal Audit Unit should engage with the Sponsor Team and DE's Internal Audit Unit at an early stage regarding the development of an Audit Strategy. A copy of the Audit Strategy should be provided to the Sponsor Team once it is finalised.
- 4.8.3 DE's Sponsor Team, DE's Internal Audit Unit and NICIE's Internal Audit Unit should engage with each other regarding the content of NICIE's Annual Internal Audit Plan. This engagement will normally take place in January/February and in advance of the internal audit plans being approved by the respective Audit Committees. A copy of the annual internal audit plan should be provided to the Sponsor Team once it is finalised.

4.9 Internal Audit Assignment Reports

- 4.9.1 In accordance with DAO26/02, all internal audit reviews should lead to a final report which is copied to the NIAO. NICIE's Internal Audit Unit

should provide all final audit assignment reports to the Sponsor Team at the same time as they are provided to the NIAO.

4.9.2 DE may wish on occasion to obtain copies of NICIE's Internal Audit working papers. DE will request the relevant papers from the Head of Internal Audit.

4.10 Head of Internal Audit's Annual Assurance Statement

4.10.1 NICIE's Head of Internal Audit is required to provide a written report to the NICIE Accounting Officer timed to support his/her Governance Statement. A copy of this report should be sent to the Sponsor Team along with the draft Governance Statement and risk register, in accordance with the timetable established by DE.

4.11 Review of the Effectiveness of Internal Audit Arrangements

4.11.1 In line with Public Sector Internal Audit Standards, NICIE's Head of Internal Audit is required to make arrangements for regular internal quality assessments and an external quality assessment at least every 5 years. NICIE's Accounting Officer and Audit Committee have a key role to play in ensuring that appropriate arrangements are in place, however, DE will also wish to assure itself regarding the appropriateness of the arrangements.

4.11.2 NICIE's Internal Audit Unit should provide a copy of the results of each internal quality assessment to the Sponsor Team.

4.11.3 NICIE's Internal Audit Unit should consult with the Sponsor Team in relation to the Terms of Reference for external quality assessments. A copy of the report from each external quality assessment should be provided to the Sponsor Team.

4.11.4 DE may carry out its own assessment of NICIE's internal audit function.

4.12 Audit Committee

4.12.1 NICIE shall set up an independent Audit and Risk Assurance Committee (ARAC) as a committee of its Council in accordance with the Cabinet Office's *Codes of Conduct for Board Members of Public Bodies*, (FD (DFP) 04/14 refers and in line with the Audit and Risk Assurance Committee Handbook (NI) DAO (DOF) 03/18 .

4.12.2 DE will review NICIE's ARAC terms of reference. NICIE shall notify DE of any subsequent changes to the ARAC's terms of reference.

4.12.3 DE has observer status on NICIE's ARAC and therefore copies of ARAC papers for each meeting should be provided to the Sponsor

Team in advance of the meetings.

4.12.4 The Sponsor Team should be provided with copies of all ARAC meeting minutes. As there are usually 3 ARAC meetings per year and the minutes may not be finalised until the following meeting, the Sponsor Team should be provided with the minutes of the ARAC meetings in draft as soon as practicable but no longer than 15 working days after the meeting.

4.12.5 NICIE's ARAC Annual Report to the Council should be copied to the Sponsor Team on an annual basis. In addition, where NICIE's ARAC carries out an assessment of its own performance, this report should also be copied to the Sponsor Team.

4.13 Reviews by DE's Internal Audit

4.13.1 DE's Internal Audit Unit may undertake reviews within NICIE at the request of DE, although this would generally be in exceptional circumstances.

4.14 Significant Issues

4.14.1 NICIE's Accounting Officer has a responsibility to bring to the immediate attention of DE's Principal Accounting Officer any significant issue relating to serious financial concerns, systems weaknesses or regularity and propriety.

4.15 Fraud

4.15.1 NICIE shall report immediately to DE all frauds (which include thefts) regardless of whether they are proven or suspected and including attempted fraud. DE shall then report the frauds immediately to DoF and the C&AG. In addition NICIE shall forward to DE the annual fraud return, commissioned by DoF, on fraud and theft suffered by NICIE.

4.15.2 DE will review NICIE's Anti-Fraud Policy and Fraud Response Plan. NICIE shall notify DE of any subsequent changes to the policy or response plan.

4.16 Additional Departmental access to NICIE

4.16.1 In addition to the right of access referred to above, DE shall have a right of access to all NICIE's records and personnel for purposes such as sponsorship audits and operational investigations. (See also paragraphs 3.4.4 and 4.11.4 access to Board and Audit and Risk Assurance Committee minutes).

5. EXTERNAL ACCOUNTABILITY

5.1 The annual report and accounts

- 5.1.1 After the end of each financial year NICIE 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 NICIE. A draft of the report shall be submitted to DE one month before the proposed publication date although it is expected that DE and NICIE will have had extensive pre-publication discussion on the content of the report prior to formal submission to the Department.
- 5.1.2 The report and accounts shall comply with the most recent version of the Government Financial Reporting Manual (FReM) issued by DoF, which is updated every year. As NICIE is both a registered company and charity, the accounts should comply with the Companies Act 2006 and the Charities Statement of Recommended Practice (SORP). The principles in FReM should also be followed to provide any additional disclosures where these go beyond the Companies Act 2006 or SORP. Specific Accounts Direction will be issued by DE.
- 5.1.3 The report and accounts shall outline NICIE's main activities and performance during the previous financial year and set out in summary form NICIE's forward plans. Information on performance against key financial targets shall be included in the Annual Report/Directors report.
- 5.1.4 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 DE.
- 5.1.5 The report and accounts shall be presented as a single document to 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 DoF and the TEO Guidance on Laying, Presenting and Depositing of Papers in the Northern Ireland Assembly.

5.2 External audit

5.2.1 NICIE's annual accounts should be audited annually, extended to include an opinion on regularity and the remuneration report. Currently there is no requirement for the Comptroller and Auditor General (C&AG) to audit NICIE's annual accounts.

5.2.2 The external auditor may share with DE information identified during the audit process and the audit report (together with any other outputs) at the end of the audit. This shall apply, in particular, to issues which impact on DE's responsibilities in relation to financial systems within NICIE.

5.3 VFM examinations

5.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which NICIE 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, NICIE 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 DE, NICIE shall have responsibility for the recruitment, retention and motivation of its staff. To this end NICIE 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 NICIE'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 NICIE'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; and
- a code of conduct for staff is in place based on Annex 5A of *Public Bodies: A Guide for NI Departments* (available at) <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/public-bodies-guide-07.pdf> .

7. REVIEWING THE ROLE OF NICIE

7.1 General

7.1.1 NICIE shall be reviewed periodically, in accordance with the business needs of DE and the NDPB. This will be considered in accordance with Chapter 9 of Public Bodies: A Guide for Northern Ireland Departments.

7.1.2 The next review of NICIE will take place in the financial year 2021/22.

7.1.3 In regard to any future proposal to wind up NICIE the Department will in good time before NICIE is to be wound up:

- ensure that procedures are in place in NICIE to gain independent financial assurance on key transactions, financial commitments, 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 NICIE's assets and liabilities at wind-up, distinguishing between actual and potential assets and liabilities; and
- if necessary, secure representation on the NICIE Board to ensure that the wind-up is conducted in a proper and satisfactory manner.

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

7.2 Organisational Efficiency and Effectiveness

7.2.1 It is the responsibility of the Chief Executive, as Accounting Officer, to ensure that the operational activities of the NICIE are conducted efficiently and with due regard to the economical use of public funds. In that respect, the Chief Executive will ensure that appropriate arrangements are in place to critically scrutinise the NICIE's service performance and staffing levels.

7.2.2 The C&AG may also carry out examinations in this regard in accordance with section 5.2 above.

- 7.2.3 DE may from time to time specify particular areas which it considers should be examined. NICIE will co-operate in the conduct of any such reviews and report the outcome to DE.