



# CODE OF GOVERNANCE

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## **1. Introduction**

- 1.1. The Northern Ireland Human Rights Commission (“the Commission”) is an executive non-departmental public body (NDPB), established by the Northern Ireland Act 1998 (sections 68–71 and Schedule 7). The Commission is sponsored by the Northern Ireland Office (NIO).
- 1.2 This Code of Governance (referred to as “the Code”) has been prepared in line with the Cabinet Office ‘Code of Best Practice for Board Members of Public Bodies’. It also reflects the principles set out in the Corporate Governance in central government departments: Code of Good Practice; the outcome of internal governance reviews; good governance principles developed by the Independent Commission on Good Governance and current best practice principles in corporate governance.
- 1.3 This Code describes the various responsibilities placed upon Commissioners when exercising their functions.

## **2. Powers and duties**

- 2.1 The Commission’s powers and duties are derived from sections 69 and 70 of the Northern Ireland Act 1998 and sections 14–16 of the Justice and Security (Northern Ireland) Act 2007. Under the 1998 Act, as amended, the Commission shall:-
  - keep under review the adequacy and effectiveness in Northern Ireland of law and practice relating to the protection of human rights
  - advise the Secretary of State for Northern Ireland and the Executive Committee of the Northern Ireland Assembly of legislative and other measures which ought to be taken to protect human rights
  - advise the Northern Ireland Assembly whether proposed legislation is compatible with human rights standards
  - promote understanding and awareness of the importance of human rights in Northern Ireland by, for example, undertaking or commissioning or otherwise assisting

research and educational activities

- provide advice to the Secretary of State for Northern Ireland on the scope for defining, in Westminster legislation, rights supplementary to those in the European Convention on Human Rights, and
- make to the Secretary of State for Northern Ireland within two years of the commencement of the 1998 Act, and within two years of the commencement of the 2007 Act, such recommendations as it thinks fit for improving the Commission's effectiveness.<sup>1</sup>

2.2 In addition, under sections 69 and 70 of the Northern Ireland Act 1998, the Commission may:

- give assistance to individuals who apply to it for help in relation to proceedings involving law or practice concerning the protection of human rights
- bring proceedings involving law or practice concerning the protection of human rights
- conduct such investigations as it considers necessary or expedient for the purpose of exercising its other functions, and
- publish its advice and the outcome of its research and investigations.

2.3 The Justice and Security (Northern Ireland) Act 2007 provides the Commission with the following powers:

- to institute, or intervene in, legal proceedings concerning human rights where it need not be a victim or potential victim of the unlawful act to which the proceedings relate
- to require a person to provide information and documents in their possession, and to give oral evidence, in respect of an investigation, and
- to enter a specified place of detention in Northern Ireland, in respect of an investigation.

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<sup>1</sup> The Northern Ireland Act also included the following provision: "To do all that it can to ensure the establishment of a joint committee with the Human Rights Commission in the Republic of Ireland". The committee was formally established in 2001 and has generally met on a quarterly basis, with alternate meetings taking place in Belfast and Dublin.

- 2.4 As an Executive Non Departmental Public Body, the Commission works within the terms of the Management Statement and Financial Memorandum issued by and agreed with the Northern Ireland Office. This underpins its independence in line with the United Nations "Paris Principles" on the Status and Role of National Human Rights Institutions, 1999.

### 3. Public service principles

- 3.1 Commissioners and the Commission, as a body corporate, must at all times:
- observe the highest standards of propriety involving **impartiality, integrity and objectivity** in relation to the stewardship of public funds and the management of the Commission, as defined in the Commission's Management Statement and its associated Financial Memorandum
  - maximise **value for money** through ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price – it is the optimum combination of whole life costs and quality to meet the user's requirement
  - be **accountable** to Parliament, users of services, individual members of the public and staff for the activities of the Commission, the stewardship of public funds and the extent to which objectives and key performance targets have been met as detailed in the Commission's Strategic Plan
  - ensure that the Commission is **open** and **transparent** in all that it does, providing Parliament (including its Select Committees) and the public, with as full information as may be requested concerning its policy decisions, and actions, including full compliance with the Freedom of Information Act 2000 and its adopted complaints procedures.
  - adhere to the provisions of the Key Principles of Public Life and other general conduct requirements as set out in the Cabinet Office Code of Conduct for Board members of

Public Bodies as reproduced at **Appendix 3**

- adhere to the requirements of the NIO/NIHRC Framework document at **Appendix 4**
- adhere to the Commission's Mission and the Principles that underpin our work as set out in **Appendix 5**, and
- adhere to the Commission's human resource management policies as they relate to the role and function of Commissioners, which are set out in **Appendix 6**.

#### **4. Relationship with the Northern Ireland Office**

- 4.1 Under the provisions of the Northern Ireland Act 1998, the Commission is, and must be seen to be, independent from the Government in setting its policies and in the exercise of its statutory duties. The Secretary of State for Northern Ireland is answerable to Parliament for the performance of the Commission, including its use of resources and the policy framework within which it operates. The respective roles of the Northern Ireland Office (NIO) and the Commission are set out in the Framework Document, which also specifies the terms on which the Commission receives and spends the funds provided through the NIO. The main point of contact between the Commission and the NIO on day-to-day matters will normally be the Chief Executive or another member of staff who is authorised to act on her/his behalf. The Chief Commissioner will meet regularly with the Secretary of State for Northern Ireland and the Permanent Secretary or relevant senior official of the NIO to discuss strategic issues.
- 4.2 The Commission will grant the right of access to the NIO and the NIO internal audit service to all Commission records and personnel for sponsorship audits and investigations and for any other purpose subject to the Commission's agreement.

#### **5. Strategic planning and control**

- 5.1 The Commission is responsible for the production of a strategic plan. The process of preparing such a document provides an opportunity for agreeing, with the Secretary of State for Northern Ireland, or officials on her or his behalf, the policy and resources framework within which the Commission will discharge its duties; and for determining its key strategic

objectives and targets. Such targets should normally cover areas such as the organisation's financial performance, the efficiency and effectiveness of its operations, and the quality of the services it provides.

## **6. Delegation**

- 6.1 The Chief Commissioner is given delegated authority to discharge such powers of the Commission, as she/he deems necessary in order to deal with the business of the Commission between formal meetings. These actions will be reported to the next meeting of the Commission. The majority of operational decisions are delegated to the Chief Executive by the Commission, in line with her/his responsibilities for managing and reporting to the Commission in accordance with its strategic plan, budgetary policies and the Framework document.
- 6.2 The Commission may decide to delegate responsibility for specified matters to individual Commissioners or committees. Decisions taken by individual Commissioners or committees under delegated powers will be recorded in written minutes available to the Commission as a whole.
- 6.3 The Commission broadly follows Northern Ireland Civil Service policies and will adhere to these when dealing with matters of grievance or disciplinary issues and pay.
- 6.4 The NIO has designated the Chief Executive as the NIHRC's Accounting Officer (AO). As AO, the Chief Executive is personally responsible for safeguarding the public funds for which he or 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 NIHRC. Further details of the responsibilities of the NIHRC Chief Executive are set out in paragraphs 3.14 – 3.21 of the Framework Document.

## **7. The role of the Chief Commissioner**

- 7.1 The Chief Commissioner has particular responsibility for providing effective strategic leadership on matters such as:
  - representing the views of the Commission to the public
  - adherence to this Code of Governance

- ensuring that the Commission adheres to its mission, vision and values.
- formulating the Commission's strategy for discharging its statutory duties, in consultation with the other Commissioners
- encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources.
- ensuring that the Commission adheres to protocols agreed for external communications and managing relationships with stakeholders.
- ensuring that the Commission, in reaching decisions, takes proper account of guidance provided by the Secretary of State for Northern Ireland, and
- providing an assessment of the performance of individual Commissioners, on request to the sponsor Department, when they are being considered for re-appointment to the Commission.
- further details of the responsibilities of the Chief Commissioners are set out in paragraphs 3.11 to 3.13 of the Framework Document.

7.2 Communications between the Commission and the Secretary of State for Northern Ireland will normally be through the Chief Commissioner except where the Commission has agreed that an individual Commissioner should act on its behalf. Nevertheless, an individual Commissioner has the right of access to the Secretary of State for Northern Ireland on any matter, which she/he believes, raises important issues relating to her/his duties as a Commissioner. In such cases, the agreement of the rest of the Commission should normally be sought. Initially, Commissioners should discuss their difficulties with the Chief Commissioner and, if still dissatisfied, then with the senior official of the Commission's sponsor Department and through her/him to the Secretary of State for Northern Ireland if necessary.

7.3 The Chief Commissioner should ensure that the Commission meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken in line with the Commission's Standing Orders.



- 7.4 The Chief Commissioner should ensure that all Commissioners, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. The Chief Commissioner and Commissioners should each have a copy of this Code, as well as other relevant background material including:
- the latest Strategic and Business Plans
  - the latest Annual Report and Accounts
  - the latest finance reports and relevant Treasury guidance
  - the Standing Orders of the Commission, which govern the rules and procedures of meetings of the Commission, and
  - the criteria for decision making in respect of applications for legal support (casework), investigations and responses to consultation documents.
- 7.5 The Chief Commissioner should ensure that appropriate training and support is made available to Commissioners on their role and function, and should encourage new Commissioners to attend an induction course on the duties of Commissioners or some other appropriate form of induction programme. The Chief Commissioner should also discuss with each Commissioner whether she/he would find it helpful to attend a training programme specifically focused on human rights legislation and issues.
- 7.6 The Chief Commissioner is the official spokesperson for the Commission.
- 7.7 The Chief Commissioner has responsibility for the supervision of the Chief Executive and oversight of the performance of the Management Team. The Chief Commissioner has no executive or managerial responsibility for the day-to-day work of Commission staff.
- 7.8 The Chief Commissioner should establish an effective working relationship with the Chief Executive, informing her/him of key developments in a timely manner and seeking advice and support as appropriate.

## **8. Corporate responsibilities of Commissioners**

## 8.1 Commissioners have corporate responsibility for:

- ensuring that high standards of corporate governance are observed at all times in pursuit of the Commission's statutory functions and mission to promote and protect human rights, including respect for equality and diversity
- ensuring that the Commission complies with any statutory or administrative requirements for the use of public funds
- establishing the overall strategic direction of the organisation within the resources framework agreed with the Secretary of State for Northern Ireland
- ensuring that the Commission operates within the limits of its statutory authority and any delegated authority agreed with the NIO, and in accordance with any other conditions relating to the use of public funds
- ensuring that, in reaching decisions on corporate governance issues, the Commission has taken into account any guidance issued by the Secretary of State for Northern Ireland and the Cabinet Office, and
- ensuring compliance with the Commission's statutory and administrative obligations, including prompt responses to public requests for information, and meeting other requirements for openness and responsiveness.

## 8.2 The key responsibilities of Commissioners as set out by the Northern Ireland Office in the terms and conditions of appointment are:

- implementing the Commission's statutory obligations as detailed in the Northern Ireland Act 1998 to promote and protect human rights in Northern Ireland
- having a corporate responsibility for ensuring that the Commission complies with any statutory or administrative requirements for the use of public funds
- without reasonable excuse, being present as required for Commission business on three days a month (or equivalent) – this will include Commission meetings, stakeholder meetings, working groups and committee meetings, and
- abiding, as a condition of appointment, to the provisions

of this Code.

- 8.3 The arrangements for appointing individual Commissioners normally make it possible to remove her/him from office if she/he fails to perform the duties required of Commissioners to the standards expected of persons who hold public office.
- 8.4 In accordance with paragraph 2(4) of Schedule 7 to the Northern Ireland Act 1998, the Secretary of State for Northern Ireland may dismiss a Commissioner, if satisfied:
- that she/he has without reasonable excuse failed to discharge her/his functions for a continuous period of three months beginning not earlier than six months before the day of dismissal
  - that she/he has been convicted of a criminal offence
  - that a bankruptcy order has been made against her/him, or her/his estate has been sequestrated, or she/he has made a composition or arrangement with, or granted a trust deed for, her/his creditors, or
  - that she/he is unable or unfit to carry out her/his functions.
- 8.5 In accordance with paragraph 2(3) of Schedule 7 to the Northern Ireland Act 1998, a person may resign as a Commissioner, or as Chief Commissioner, by notice in writing to the Secretary of State for Northern Ireland.
- 8.6 Should the Commission be dissolved, restructured or wound up during the period of appointment, the term of office of Commissioners will cease with effect from that dissolution or such other date as is specified in any relevant legislation.
- 8.7 Commissioners must inform the Secretary of State for Northern Ireland and the Chief Executive in advance of any new appointments, which may impinge on their duties as a member of the Commission. Commissioners should inform the Chief Executive in advance, of any appointment or employment taken up within one month of leaving the Commission.
- 8.8 Commissioners have no executive or managerial responsibility for the day-to-day work of Commission staff apart from the supervision of the Chief Executive and oversight of the

performance management system for the Management Team by the Chief Commissioner.

- 8.9 Further details of the responsibilities of individual Commissioners are set out in paragraph 3.13 of the framework document.

## **9. Responsibilities of individual Commissioners**

- 9.1 Individual Commissioners need to be aware of their wider responsibilities as members of the Commission. Like others who serve the public, they should follow the principles set out in appendices 1–3, as well as strive to uphold the Mission and the Principles that underpin the Commission’s work, which are contained in **Appendix 5**.
- 9.2 In addition, Commissioners have responsibilities to the Commission and its staff. Commissioners must:
- undertake, on appointment, to comply at all times with this Code of Governance and with rules relating to the use of public funds, act in good faith and in the best interests of the Commission
  - demonstrate a commitment to collective responsibility, abide by decisions taken at Commission meetings, develop effective working relationships, represent the views of the Commission as a whole and not publicly criticise it
  - adhere to the Commission’s human resource management policies as they relate to the role and function of Commissioners, as set out in **Appendix 6**
  - attend as many meetings as is reasonably practicable
  - act in a professional manner in carrying out their roles and responsibilities and work in the best interests of the Commission regardless of age, religious belief, political opinion, race, sex, marital status, colour, ethnic origin, sexual orientation, or disability
  - undertake training provided by the Commission in respect of their corporate governance role

- conduct her/himself/ themselves, individually, and collectively, in such a manner that does not bring the Commission into disrepute
  - publicly champion the work of the Commission
  - undertake additional duties as requested by the Chief Commissioner, appropriate to the role of Commissioner, such as chairing committees, participating on panels and public speaking engagements
  - support the Chief Commissioner and Chief Executive in building and maintaining positive and effective working relationships with stakeholders
  - not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations
  - declare publicly and register any interests which may be perceived to conflict with their public duties, and
  - ensure that they comply with the Commission's rules on the acceptance of gifts and hospitality.
- 9.3 Commissioners are expected not to occupy paid party political posts or hold particularly sensitive or high-profile unpaid roles in a political party during their terms of office.
- 9.4 Subject to this, Commissioners are free to engage in political activities, provided that they are conscious of their general public duty responsibilities and exercise a proper discretion, particularly in regard to the work of the Commission. On matters directly affecting the work of the Commission, they should not make political speeches or engage in political activities, other than pursuing the agreed policies of the Commission.

## **10. Collective responsibility**

- 10.1 Commissioners have collective responsibility for decisions of the Commission and any public statement arising from these decisions. At times, this may result in having to support Commission decisions that may be contrary to individual

positions. The Commission seeks to debate issues to achieve consensus on major decisions. The Commission should strive through discussion to reach consensus. However, where this is not possible, collective decisions will be based on a simple majority vote, with the Chief Commissioner as chair holding a casting vote.

- 10.2 Where a Commissioner has a strong objection to a decision, at their request, her/his dissent may be recorded in the minutes. Where a Commissioner feels strongly about an issue and/or a public statement arising from it, she/he should seek to resolve this in good faith with the Chief Commissioner. If the issue is not resolved, the Commissioner should in line with her/his corporate governance responsibilities, avoid speaking publicly against the Commission.
- 10.3 A matter that has been agreed at an ordinary or special meeting of the Commission may not be re-opened at a subsequent meeting within three months, unless the majority of Commissioners agree to do so.
- 10.4 If a Commissioner resigns as a result of a disagreement with Commission policy, she/he may state the basis for the resignation, but will be expected to maintain confidentiality regarding the discussions around the issue of resignation.

## **11. Confidentiality**

- 11.1 Commissioners are required to maintain confidentiality in respect of information relating to the Commission's business, unless disclosure is expressly authorised by the Commission.

## **12. Handling conflicts of interests**

- 12.1 The Chief Commissioner, Commissioners and relevant senior staff should declare any personal or business interests, which may conflict with their responsibilities as Commissioners. The Commission has developed rules of conduct for Commissioners to ensure that such conflicts are identified at an early stage and that appropriate action can be taken to resolve them.
- 12.2 The Commission maintains a Register of Interests, which is open to the public. Commissioners are required to register pecuniary interests, which members of the public might reasonably think could influence a Commissioner's judgement,

and non-pecuniary interests that relate closely to the Commission's activities, and interests of close family members and persons living in the same household as the Commissioner.

- 12.3 Indirect pecuniary interests arise from connections with bodies which have a direct pecuniary interest or from being a business partner of, or being employed by, a person with such an interest. Non-pecuniary interests include those arising from membership of clubs and other organisations. Close family members include personal partners, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.
- 12.4 Commissioners may be exempted from listing an interest in the Register if such a disclosure could compromise the security of the Commissioner or their family. This exception will be at the discretion of the Chief Commissioner. A record of all such exceptions will be maintained by the Chief Executive.
- 12.5 In the absence of specific statutory provisions, the common law requires that members of public bodies (that is, Commissioners) should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and that when an interest is not of a direct pecuniary kind, members should consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that Commissioners might either unwittingly or otherwise unfairly regard with favour or disfavour, the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, Commissioners should assess whether they, a close family member, a person living in the same household as the Commissioner, or a firm, business or organisation with which the Commissioner is connected are likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a Commissioner was connected was significantly better placed than others to win it. For the avoidance of doubt, this paragraph does not preclude the Commission from deciding to issue an indemnity in the terms of paragraph 13.2 below.
- 12.6 Where a conflict of interest may exist, Commissioners should normally withdraw from the meeting, even if it is held in public. This is because the continued presence of someone

who had declared an interest might be thought likely to influence the judgement of the other members present.

- 12.7 Whether or not Commissioners are able, in the light of the considerations set out above, to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests in it of which they are aware on the part of close family members and persons living in the same households as the Commissioner. In addition, Commissioners should consider whether they need to disclose relevant interests of other persons or organisations, which members of the public might reasonably think, could influence the Commissioner's judgement.
- 12.8 Commissioners must facilitate compliance with the need, under financial reporting standards, for material transactions with related parties to be disclosed in financial statements. 'Related parties' include (in addition to business contacts) close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

### **13. Personal liability of Commissioners**

- 13.1 Although any legal proceedings initiated by a third party are unlikely to be brought against the Commission, in exceptional circumstances cases (civil or, in certain cases, criminal proceedings) may be brought against the Chief Commissioner or other individual Commissioners. For example, a Commissioner may be personally liable if she/he makes a fraudulent or negligent statement, which results in loss to a third party.

**13.2 However, the Government has indicated that individual Commissioners who have acted honestly and in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their functions, save where the person has acted recklessly. Subject to its own specific statutory powers, the Commission can issue to Commissioners suitable indemnities consistent with this paragraph.14. Openness and responsiveness**



- 14.1 Commissioners should conduct all their dealings with the public in an open and responsible way, and ensure full compliance with the Data Protection Act (1998) and the Freedom of Information Act (2000). The Commission must make publicly available annual reports and, where practical and appropriate, the Commission should hold open conferences and meetings, release summary reports of meetings and invite evidence from members of the public on matters of public concern.
- 14.2 The Commission should seek to follow best practice in making available information to the public, particularly through the internet, and co-operate with other bodies, such as local authorities, to place relevant information in the public domain. The Commission, where practical and appropriate, should aim to consult its users on a wide range of issues by means of questionnaires, public meetings, or other forms of consultation.

## **15. Accountability for public funds**

- 15.1 Commissioners have a duty to ensure the safeguarding of public funds – which for this purpose should be taken to include all forms of receipts from fees, charges and other sources – and the proper custody of assets, which have been publicly funded. They must take appropriate measures to ensure that the Commission at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance.
- 15.2 Commissioners are responsible for ensuring that the Commission does not exceed its powers, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure. They will normally be advised on these matters by the Chief Executive and the Commission's legal advisers.

## **16. Annual Report and Accounts**

- 16.1 As part of its responsibilities for the stewardship of public funds, the Commission must ensure that it includes a full statement of the use of such resources in its Annual Report and Accounts. Such accounts have to be prepared in accordance with the Accounts Direction issued by the sponsor

Department and such other guidance as may be issued by other relevant authorities (for example, HM Treasury).

- 16.2 The Commission's Annual Report and Accounts will be audited by the Comptroller and Auditor General (C&AG).
- 16.3 The Commission will provide access to C&AG to documents as provided under Section 5 (8) of the Government Resources and Accounts Act and Section 8 of the National Audit Act 1983.
- 16.4 The Commission will provide, in conditions to grants and contracts awarded by it, access to the C&AG to documents held by grant recipients and contractors.

## **17. The role of the Chief Executive and Accounting Officer**

- 17.1 The Chief Executive has responsibility, under the Commission, for the overall organisation, day-to-day management of the Commission and for its procedures in financial and other matters, including conduct and discipline. The Chief Executive is given delegated authority for the efficient operation of the Commission and is empowered to make decisions and delegate authority to staff for the day-to-day operation of the Commission. This involves the promotion by leadership and example of the values embodied in the Seven Principles of Public Life (referred to in **Appendix 1**). Commissioners should support the Chief Executive in undertaking this responsibility.
- 17.2 The Chief Executive is designated as the Accounting Officer for the Commission. Accounting Officers are responsible to Parliament and the principal Accounting Officer of the sponsor Department for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in their charge. The Accounting Officer has a responsibility to see that appropriate advice is made available to the Commission on all these matters. Satisfactory performance of these responsibilities is fundamental to the role of the Chief Executive.
- 17.3 More detailed guidance on the role of an Accounting Officer is set out in the Treasury's publication 'Managing Public Money'.

All Commissioners should ensure that they have a copy of this document.

- 17.4 The Chief Executive should establish an effective working relationship with the Chief Commissioner, informing and consulting her/him on key developments in a timely manner and seeking advice and support as appropriate, including advice and support in her or his role.
- 17.5 An effective relationship between Commissioners and the Commission staff should be characterised by openness and integrity. This will be largely defined through the synergy between the Chief Commissioner and the Chief Executive. The Chief Executive has overall responsibility for delivering the Commission's strategic objectives approved by Commissioners, and collective and corporate leadership for the efficient business planning and overall delivery and operation of the Commission.

## **18. Audit and Risk Management Committee**

- 18.1 The Commission has established an Audit and Risk Management Committee. The Committee consists of Commissioners and is chaired by an external member recruited through open competition, who has experience of governance and financial matters. It is envisaged that the Accounting Officer will normally attend all meetings of the Committee, unless, exceptionally, her/his own performance is being discussed.
- 18.2 The Audit and Risk Management Committee reports to the Commission and is independent of the senior management team of the Commission.
- 18.3 The Commission, through the Audit and Risk Management Committee will establish and maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards.

## **19. Public comment**

- 19.1 The Chief Commissioner is the official media spokesperson for the Commission. In the absence of the Chief Commissioner, her/his designate is authorised to act as spokesperson for the Commission within agreed policy positions. All communications by Commissioners on behalf of the Commission with the media should be agreed with the Chief

Commissioner or, in her/his absence, the Chief Executive or the Director of Communications and Education.

- 19.2 Commissioners require the express permission of the Chief Commissioner to represent the Commission in dealings with outside individuals or bodies and must report back to the Commission on all such dealings.
- 19.3 When Commissioners are asked by the media to participate in a personal or professional capacity, they should make it clear that they are not commenting on behalf of the Commission and that the public comment cannot be seen as compromising their ability to carry out their role within the Commission in an unbiased and apolitical manner. This applies equally, where Commissioners are invited in a personal or professional capacity to participate in a conference, seminar, meeting or other external event.

## **20. Non-compliance: Process for investigations**

- 20.1 If an incident occurs where there may be a breach of the Code, or if there is an allegation of a breach by a Commissioner, it will be referred to the Chief Commissioner in the first instance for informal resolution. If the incident or allegation involves the Chief Commissioner, the Chief Executive will intervene to seek an informal resolution. If informal resolution is not appropriate, or does not prove possible, the incident or allegation will then be referred for formal investigation by an independent person. The Chief Commissioner, or the Chief Executive in the case of the Chief Commissioner, will require details of any alleged contravention of the Code in writing in order to determine whether there is sufficient evidence of a potential breach of the Code as to warrant investigation.
- 20.2 Where the Chief Commissioner has commissioned an independent investigation, s/he will receive the report and decide whether it should be forwarded to the Secretary of State for Northern Ireland for a decision.
- 20.3 Where there is, following an investigation, an allegation of a breach of the Code of Governance by the Chief Commissioner, the independent Chair of the Audit and Risk Management Committee together with a panel of three Commissioners will receive the report and determine whether it should be forwarded to the Secretary of State for a decision.

- 20.4 The Secretary of State for Northern Ireland may remove a Commissioner in accordance with the terms and conditions of her/his appointment, if they are considered unable or unfit to discharge the functions of a Commissioner. This includes failing to perform the duties required of a Commissioner to the standards expected of persons who hold public office and failing to meet their obligations and responsibilities as described in this document.

## **21. Arrangements for review**

- 21.1 Any queries relating to the application of this Code should be directed to the Chief Executive.
- 21.2 This Code will be reviewed by Commissioners at least every three years, in conjunction with a review of Standing Orders, to ensure it continues to meet the needs of the Commission or as authorised by the Commission.

## **Appendix 1**

### **STANDING ORDERS FOR COMMISSION MEETINGS**

#### **Introduction**

1. These Standing Orders (SOs) have been prepared to ensure the effective and efficient conduct of business at meetings of the Commission (Board meetings). The procedures also apply to committees, amended as appropriate.
2. Commissioners shall be bound by the Code of Governance and the policies pertaining to their role and function, and shall undertake training provided by the Commission in respect of their corporate governance role. Commissioners shall act in a professional manner in carrying out their roles and responsibilities and have a duty to work in the best interests of the Commission regardless of sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, properly, birth or other status.
3. Commissioners shall be aware that they are bound by the provisions of legislation. Particular attention is drawn to Section 75 of the Northern Ireland Act (1998), Freedom of Information Act (2000) and Data Protection Act (1998).

#### **Chairing meetings**

4. The Chief Commissioner will normally chair Board meetings. In the absence of the Chief Commissioner at a Board meeting, the Commissioners present will appoint, by a simple majority, one of their number to act on behalf of the absent Chief Commissioner.
5. It shall be the responsibility of the Chief Commissioner, or in the Chief Commissioner's absence, the Commissioner presiding, to:
  - maintain order in the meeting
  - decide the order in which Commissioners and staff shall speak ensuring that all views are fairly represented
  - ensure that all the agenda items are addressed in the most efficient and effective way, whilst encouraging participation
  - decide, where necessary, the order in which agenda items will be taken

- direct a Commissioner or other attendee to modify their behaviour or leave the meeting (as appropriate) if, in the opinion of the Chairperson, it is necessary to do so to maintain order, and
- adjourn the meeting if in the Chairperson's view this is necessary, for whatever period of time the Chairperson thinks is appropriate.

## **Membership and attendance**

6. Attendance at Board meetings will normally be limited to Commissioners, the Chief Executive and staff requested to attend by the Chief Executive. The Commission, through the Chief Executive, can request the attendance of staff as appropriate. The Commission may also invite, through the Chief Executive, other persons to attend its meetings or parts thereof.
7. The Chair of the Audit and Risk Management Committee can through the Chief Executive, request the attendance of staff as appropriate. The Chair of the Audit and Risk Management Committee, through the Chief Executive, can also invite the attendance of other persons at Audit and Risk Management Committee meetings or parts thereof.
8. Commissioners are expected to attend as many meetings as is reasonably practicable. Attendance is defined as attending for more than half of the agenda items tabled for discussion at the meeting. Attendance will be recorded in the minutes of meetings and each Commissioner's attendance record will be published. The Chief Commissioner will inform the Secretary of State for Northern Ireland if, without good reason, a Commissioner is absent from three consecutive Board meetings. The contribution and performance at meetings by individual Commissioners will be reviewed in an annual appraisal by the Chief Commissioner.

## **Frequency of meetings**

9. The Commission will normally meet formally as a Board on a monthly basis.
10. The Commission will issue an annual schedule of Board meetings.
11. Except for residential events (see below), meetings will normally be held during office hours to demonstrate the Commission's commitment to work / life balance considerations. Reasonable adjustments (for example, to overcome the effects of disability, to

fulfil caring responsibilities, etc) will be made to enable Commissioners to participate fully in meetings.

12. The Chief Commissioner may convene additional 'special' Board meetings as deemed necessary. Such special meetings will normally be arranged during an ordinary meeting, but may be called at any time by the Chief Commissioner, or if the Chief Commissioner receives a request to that end from a majority of the other Commissioners.
13. The Commission will normally hold its ordinary and special Board meetings at its own premises in Belfast (Temple Court). Overnight residential events may be used to enable extensive discussions to take place.
14. More than 50% of Commissioners must be present at the meeting or attending by telephone or through other technology for a Board meeting to be deemed quorate.

### **Agendas, papers and minutes**

15. The agenda for Board meetings, and reports and discussion papers, will be prepared by, or at the request of the Chief Commissioner, and will normally be available to all Commissioners, together with relevant papers, no later than five working days before the date of the meeting. Where an item has been added to the agenda fewer than five days prior to a meeting, and is of a matter of particular significance, consideration should be given to the time afforded to Commissioners to make an informed decision before deciding the issue.
16. Matters that Commissioners wish to have included in the agenda for a Board meeting should normally be notified to the Chief Commissioner at least 10 working days before the meeting, although late or urgent matters and any relevant papers may be raised at the meeting provided there is consensus at the meeting that the matter and/or paper should be discussed at that meeting.
17. Matters relating to the conduct of individual staff shall not be discussed at any Board meeting other than a disciplinary, grievance or other meeting properly convened for that purpose in accordance with the appropriate procedures, unless in exceptional circumstances when it is necessary and proper to do so. Any confidential matters relating to staff will be recorded in the minutes of a closed Board meeting.



18. The written comments of any Commissioner unable to be present at a Board meeting will, at the request of the Commissioner, be circulated by the Chief Commissioner or Chief Executive to all Commissioners attending the meeting.
19. The Chief Commissioner will request a member of the Commission's staff to keep the minutes of Commission meetings.
20. The minutes of meetings will record all decisions made and the reason(s) for such decisions. Where a Commissioner has a strong objection to a decision, at their request, the Commissioner may have her/his dissent from that decision recorded in the minutes.
21. Any amendments to the draft minutes of a Board meeting will be proposed at the next Board meeting before the minutes are considered for adoption. Matters arising from the minutes, other than matters listed elsewhere on the agenda for the meeting, will be taken immediately after the minutes have been adopted.
22. Once the minutes of Board meetings have been adopted, they will be published on the NIHRC website subject to the provisions of the FOI Act 2000 and the DPA 1998.
23. All reports for decision must be sent in advance to the Chief Executive for financial and legal observations, which shall be included in reports, before submission to Board meetings.

### **Decision-making**

24. The Commission operates on the basis of collective responsibility. All Commissioners should agree to abide by and implement decisions taken at Board meetings.
25. The Commission will strive to reach decisions by consensus on points discussed at meetings. 'Consensus' means that all Commissioners taking part in the discussion accept the proposed decision. If, after thorough discussion consensus is not reached the Chairperson will rule in favour of the majority view.
26. Decisions to be made by the Commission will only proceed to a vote if necessary. A Commissioner who is not present at the meeting, nor attending by telephone or through other technology, at the time a vote is taken is not entitled to have their vote counted. Where a vote is taken, and the result is tied, the Chairperson will have the casting vote, which must be cast in favour of the status quo.

27. A matter which has been agreed at an ordinary or special Board meeting will not be re-opened within three months at a subsequent ordinary or special Board meeting, unless a majority of the Commissioners attending the subsequent meeting so agree.
28. The nature of the deliberations of the Commission at ordinary and special Board meetings will not be disclosed outside the Commission by Commissioners, except for what is made available to the public through the minutes of Commission meetings. Commissioners are required to maintain confidentiality in respect of information relating to the Commission's business, unless disclosure is expressly authorised by the Commission.
29. The Chief Executive is required to escalate high risk and / or high impact issues for the timely attention and consideration of the Board.
30. Where, in the opinion of the Chief Commissioner, and considering advice from the Chief Executive, significant operational or other matters require approval by the Board between meetings, papers may be circulated for approval by correspondence, using the Resolutions in Writing procedure.
31. A Resolution in Writing shall be supported by a report from the Chief Executive or in her/his absence the relevant Director on the issues for decision by the Board.
32. In order for a decision to be taken under this procedure, a Resolution in Writing in identical terms must be considered and consented to by a simple majority of all Commissioners who would have been entitled to vote on the subject of such resolution, as if it had been proposed at a meeting duly convened and held for that purpose.
33. No amendments may be made to a resolution considered under this procedure. For a decision to be validly taken under this procedure, a quorum of Commissioners must indicate whether they consent to the proposed resolution or objects to it or wishes to abstain. The Commissioner's wishes (consent, objection or abstention) will be recorded in the minutes of the next scheduled meeting of the Commission.
34. The Resolutions in Writing procedure may not be used to revoke or substantively vary the Governance Framework or any decision reserved to the Board.

## **Challenge**

35. A ruling of the Chairperson shall only be challenged if a majority of the Commissioners who are present and voting support the challenge. The Commissioner offering the challenge shall speak in favour and the Chairperson against. No one else may speak. A challenge to the Chairperson's ruling shall be deemed to have been carried if more than two-thirds of those members present vote in favour.

### **Openness and transparency**

36. The Commission operates on the basis of openness and transparency. All papers and reports tabled, unless covered by an exemption under the Freedom of Information Act or the Data Protection Act, will be available for access by the public. All papers and reports prepared for the Commission by Commissioners, staff, or its consultants and advisers, will be the property of the Commission.

### **Registering and declaring interests**

37. The Commission will maintain a register, available for inspection by the general public, of the interests of Commissioners. The register will be updated annually, although Commissioners are obliged to notify the Commission of significant changes in their interests as soon as they occur.
38. If a matter arises at an ordinary or special Board meeting in which a Commissioner or any other person present at the meeting has a financial or professional interest, that interest will be declared and recorded in the minutes of the meeting. Normally, the person in question will take no further part in the discussion of that matter and, where appropriate, will leave the room.
39. In the event of the Chairperson having a conflict of interest, or alleged to have a conflict of interest, with an item under discussion, the chair will be reassigned for the duration of that discussion to another Commissioner.

### **Committees and working groups of the Commission**

40. The Commission can decide to establish one or more committees or, where appropriate, working groups, to further the purposes of the Commission. The terms of reference of each committee will be approved by the Commission.

41. The Commission can invite persons who are not Commissioners to attend committees and working groups as appropriate.
42. The minutes of committee meetings and, where relevant, working groups, once approved, will be noted at the following Board meeting.

### **Urgent actions**

43. Any urgent matter requiring a Commission decision between Board meetings, which is outside the delegated authority of the Chief Executive, must be referred by her/him to the Chief Commissioner for action. In the absence of the Chief Commissioner, action can only be taken where any such matter involves reputational or financial risk to the Commission and it is not possible to convene a special Board meeting of the Commission, in which case the Chief Commissioner may take action, but must consult with at least two Commissioners.

### **Making, altering and suspending Standing Orders**

44. These Standing Orders and any alteration or amendment to them will require the agreement of at least two-thirds of the total cohort of Commissioners.
45. Any proposal to suspend one or more of the Standing Orders for a specified purpose at a Commission meeting will be carried if supported by at least two-thirds of the Commissioners attending the meeting.

### **Interpreting Standing Orders**

46. The Chairperson's ruling on the interpretation of the Standing Orders will prevail unless she/he is overruled at an ordinary or special Board meeting by at least two-thirds of the Commissioners attending the meeting.
47. In the event of any situation arising not being covered by the Standing Orders, then the Chairperson shall rule on the procedure to be adopted. Such ruling shall be subject to the approval of at least two-thirds of the Commissioners attending the meeting.

## **Appendix 2**

## **STATUTORY AUTHORITY**

### ***Extract from the Northern Ireland Act 1998***

#### **Functions of the Commission**

69. (1) The Commission shall keep under review the adequacy and effectiveness in Northern Ireland of law and practice relating to the protection of human rights.
- (2) The Commission shall, before the end of the period of two years beginning with the commencement of this section, make to the Secretary of State such recommendations as it thinks fit for improving –
- (a) its effectiveness;
  - (b) the adequacy and effectiveness of the functions conferred on it by this Part; and
  - (c) the adequacy and effectiveness of the provisions of this Part relating to it.
- (3) The Commission shall advise the Secretary of State and the Executive Committee of the Assembly of legislative and other measures which ought to be taken to protect human rights –
- (a) as soon as reasonably practicable after receipt of a general or specific request for advice; and
  - (b) on such other occasions as the Commission thinks appropriate.
- (4) The Commission shall advise the Assembly whether a Bill is compatible with human rights –
- (a) as soon as reasonably practicable after receipt of a request for advice; and
  - (b) on such other occasions as the Commission thinks appropriate.

- (5) The Commission may –
- (a) give assistance to individuals in accordance with section 70; and
  - (b) bring proceedings involving law or practice relating to the protection of human rights.
- (6) The Commission shall promote understanding and awareness of the importance of human rights in Northern Ireland; and for this purpose it may undertake, commission or provide financial or other assistance for-
- (a) research; and
  - (b) educational activities.
- (7) The Secretary of State shall request the Commission to provide advice of the kind referred to in paragraph 4 of the Human Rights section of the Belfast Agreement.
- (8) For the purpose of exercising its functions under this section the Commission may conduct such investigations as it considers necessary or expedient.
- (9) The Commission may decide to publish its advice and the outcome of its research and investigations.
- (10) The Commission shall do all that it can to ensure the establishment of the committee referred to in paragraph 10 of that section of that Agreement.
- (11) In this section –
- (a) a reference to the Assembly includes a reference to a committee of the Assembly;
  - (b) “human rights” includes the Convention rights.

## **Assistance by the Commission**

70. (1) This section applies to –
- (a) proceedings involving law or practice relating to the protection of human rights which a person in Northern Ireland has commenced, or wishes to commence; or
  - (b) proceedings in the course of which such a person relies, or wishes to rely, on such law or practice.
- (2) Where the person applies to the Northern Ireland Human Rights Commission for assistance in relation to proceedings to which this section applies, the Commission may grant the application on any of the following grounds –
- (a) that the case raises a question of principle;
  - (b) that it would be unreasonable to expect the person to deal with the case without assistance because of its complexity, or because of the person's position in relation to another person involved, or for some other reason;
  - (c) that there are other special circumstances which make it appropriate for the Commission to provide assistance.
- (3) Where the Commission grants an application under subsection (2) it may –
- (a) provide, or arrange for the provision of, legal advice;
  - (b) arrange for the provision of legal representation;
  - (c) provide any other assistance which it thinks appropriate.
- (4) Arrangements made by the Commission for the provision of assistance to a person may include provision for recovery of expenses from the person in certain circumstances.

***Extract from the Justice and Security (Northern Ireland) Act 2007***

**Powers of the Commission**

14. Legal proceedings

(2B) In relation to the Commission's instituting, or intervening in, human rights proceedings –

- (a) the Commission need not be a victim or potential victim of the unlawful act to which the proceedings relate,

15. Investigations: evidence

(1) For the purpose of an investigation under section 69(8) the Commission may by notice in writing require a person –

- (a) to provide information in his possession
- (b) to produce documents in his possession, or
- (c) to give oral evidence.

16 Investigations: access to prisons

(1) For the purpose of an investigation under section 69(8) a person authorised in writing by the Commission may enter a specified place of detention in Northern Ireland on one or more occasions during a specified period.



## Appendix 3

### CABINET OFFICE

### CODE OF CONDUCT FOR BOARD MEMBERS OF PUBLIC BODIES

JUNE 2011

#### FOREWORD

The Government expects all holders of public office to work to the highest personal and professional standards. In support of this, all non-executive board members of UK public bodies<sup>1</sup> must abide by the principles set out in this Code of Conduct. The Code sets out, clearly and openly, the standards expected from those who serve on the boards of UK public bodies and should form part of individual members' terms and conditions of appointment. Any breach of the Code should be viewed as a breach of those terms and conditions of appointment.

This *Code* replaces *Guidance on Codes of Practice for Board Members of Public Bodies* issued by the Cabinet Office in 2004.

Any questions on the *Code* should be directed to:

Propriety and Ethics Team  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS  
Tel: 020 7276 0269/0387

Copies of the *Code* can be downloaded from:

[www.cabinetoffice.gov.uk/content/public-bodies-and-appointments](http://www.cabinetoffice.gov.uk/content/public-bodies-and-appointments)

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<sup>1</sup> The principles set out in this Code should apply to all non-executive members on the boards of Government Departments, non-Ministerial Departments, Executive Agencies, Executive and Advisory non-department public bodies (NDPBs) and national public corporations.

## **CODE OF CONDUCT FOR BOARD MEMBERS OF PUBLIC BODIES**

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# CODE OF CONDUCT FOR BOARD MEMBERS OF PUBLIC BODIES

## 1. INTRODUCTION

- 1.1 As a public office-holder, your behaviour and actions must be governed by the principles set out in this Code of Conduct. It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the Code.

## 2. KEY PRINCIPLES OF PUBLIC LIFE

- 2.1 The key principles upon which this Code of Conduct is based are the Seven Principle of Public Life<sup>2</sup>. These are:

### **Selflessness**

You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family or your friends.

### **Integrity**

You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your official duties.

### **Objectivity**

In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit.

### **Accountability**

You are accountable for your decisions and actions to the public and must submit yourself to whatever scrutiny is appropriate for your office.

### **Openness**

You should be as open as possible about the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

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<sup>2</sup> *Standards in Public Life: First Report of the Committee on Standards in Public Life*. Volume 1: Report. CM 2850-I.

## **Honesty**

You have a duty to declare any private interests relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

## **Leadership**

You should promote and support these principles by leadership and example.

- 2.2 These principles should inform your actions and decisions as a board member.

## **3. GENERAL CONDUCT**

### **Use of Public Funds**

- 3.1 You have a duty to ensure the safeguarding of public funds<sup>3</sup> and the proper custody of assets which have been publicly funded.
- 3.2 You must carry out your fiduciary obligations responsibly – that is, take appropriate measures to ensure that the body uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government or political parties.

### **Allowances**

- 3.3 You must comply with the rules set by the board and the public body regarding remuneration, allowances and expenses. It is your responsibility to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

### **Gifts and Hospitality**

- 3.4 You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or place you under an improper obligation.
- 3.5 You must never canvass or seek gifts or hospitality.

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<sup>3</sup> This should be taken to include all forms of receipts from fees, charges and other sources.

- 3.6 You must comply with the rules set by the body on the acceptance of gifts and hospitality. You should inform the Chief Executive (or equivalent) of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a public register in line with the rules set by the body.
- 3.7 You are responsible for your decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring the public body into disrepute.

### **Use of Official Resources**

- 3.8 You must not misuse official resources<sup>4</sup> for personal gain or for political purposes. Use of such resources must be in line with the body's rules on their usage.

### **Use of Official Information**

- 3.9 You must not misuse information gained in the course of your public service for personal gain or for political purpose.<sup>5</sup>
- 3.10 You must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after you have left the board.

### **Political Activity<sup>6</sup>**

- 3.11 In your public role, you should be, and be seen to be, politically impartial. You should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. You should abstain from all controversial political activity and comply with Cabinet Office rules on attendance at Party Conferences<sup>7</sup>.

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<sup>4</sup> This includes facilities, equipment, stationery, telephony and other services.

<sup>5</sup> Board members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation

<sup>6</sup> If you are an MP, Member of the House of Lords, Member of a Devolved Administration or Local Councillor, you are exempt from these requirements - although you should still exercise proper discretion on matters directly related to the work of the body and recognise that certain political activities may be incompatible with your role as a board member.

<sup>7</sup> [www.cabinetoffice.gov.uk/content/public-bodies-and-appointments](http://www.cabinetoffice.gov.uk/content/public-bodies-and-appointments)

- 3.12 On matters directly related to the work of the body, you should not make political statements or engage in any other political activity.
- 3.13 In your official capacity, you should be even-handed in all dealings with political parties.
- 3.14 Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a board member and exercise proper discretion. You should inform the Chair and/or the parent Department before undertaking any significant political activity.

### **Employment and Appointments**

- 3.15 If you wish to take up new employment or appointments during your term of office, you must inform the Chair and/or the relevant parent Department.
- 3.16 On leaving office, you must comply with the rules of the body on the acceptance of future employment or appointments.

## **4. MEMBERS' INTERESTS**

- 4.1 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests – financial or otherwise.
- 4.2 You must comply with the rules of the body on handling conflicts of interests. As a minimum, these will require you to declare publicly any private interests which may, or may be perceived to, conflict with your public duties<sup>8</sup>. The rules will also require you to remove yourself from the discussion or determination of matters in which you have a financial interest. In matters in which you have a non-financial interest, you should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias.<sup>9</sup>
- 4.3 It is your responsibility to ensure that you are familiar with the body's rules on handling conflicts of interests, that you comply with these rules and that your entry in the body's register of members' interests is accurate and up-to-date.

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<sup>8</sup> In general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions.

<sup>9</sup> These are common law provisions.

## **5. RESPONSIBILITIES AS A BOARD MEMBER**

- 5.1 You should play a full and active role in the work of the body. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of the body.
- 5.2 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.
- 5.3 You must comply with any statutory or administrative requirements relating to your post<sup>10</sup>.
- 5.4 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the board has made a decision, you should support that decision.
- 5.5 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.

## **6. RESPONSIBILITIES TOWARDS EMPLOYEES**

- 6.1 You will treat any staff employed by the body with courtesy and respect. It is expected that employees will show you the same consideration in return.
- 6.2 You will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

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<sup>10</sup> In the case of a body incorporated under the Companies Act or the Companies (Northern Ireland) Order, you will also be subject to the duties of directors under company law. In the case of a body that has charitable status, you will also be subject to the duties of trustees under charities law.



Northern  
Ireland  
Office

## Appendix 4



NORTHERN  
IRELAND  
HUMAN  
RIGHTS  
COMMISSION

# Northern Ireland Human Rights Commission

## Framework Document

Version 1.2  
January 2017



<b>Version</b>	<b>Date</b>	<b>Reason for Update</b>
1	August 2015	Final version signed off.
1.1	January 2017	Version control table incorporated and minor amendments to paragraphs 2.5, 2.6 & 2.7

**VERSION CONTROL**

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## **1. Introduction**

### **Status of this document**

1.1. The Northern Ireland Office (NIO) has drawn up this framework document, which replaces any earlier versions, in consultation with the Northern Ireland Human Rights Commission (NIHRC). This document sets out the broad framework within which the NIHRC will operate. This document does not convey any legal powers or responsibilities.

1.2. The document will normally be reviewed by the NIO and NIHRC every three years, and immediately after any review of the NIHRC's status (see 5.15). The next document review will take place in 2018.

1.3. The document may, however, be reviewed at any other time. NIO will manage the provision of amendments, which will be agreed with the NIHRC. Major changes or significant departures from the existing document may require the approval of the NIO's Principal Accounting Officer (PAO) and, as required, Her Majesty's Treasury (HMT).

1.4. The document is signed and dated by NIO and the NIHRC. Copies of the document and any subsequent amendments should be placed on the NIHRC's website.

## **2. Founding legislation and role of the NIHRC**

### **Founding legislation and classification**

2.1. The NIHRC is an Executive Non Departmental Public Body of the NIO. Its powers and duties stem from the Northern Ireland Act 1998 (1998 Act) and the Justice and Security (Northern Ireland) Act 2007 (2007 Act).

2.2. The NIHRC's powers and duties are set out in detail in sections 69-70 of the 1998 Act and sections 14-16 of the 2007 Act.

2.3. The NIHRC is recognised at the United Nations as a 'Paris Principles' compliant national human rights institution – the 'Paris Principles' were adopted by the United Nations in 1999. The 'Paris Principles' list various requirements to be met by a national human rights institution. National human rights institutions are required to be independent of government and not be subject to financial control which might effect this independence. National human rights institutions must also be competent to promote and protect human rights on the basis of a broad mandate, which must be set forth in the fundamental legislative text, and the institution must take a stand on any violation of human rights which it decides to address. The institution must appear as a professional body, and this is only possible when its fundamental framework builds on its own identity and a certain measure of financial and structural security.

## Role

2.4. The NIHRC was provided for in the Belfast (Good Friday) Agreement and was formally established on 1 March 1999 to promote awareness of the importance of human rights, to review law and practice and to advise the government what steps need to be taken to fully protect human rights in Northern Ireland.

2.5. As the national human rights institution (NHRI) in Northern Ireland, the Commission has a range of duties and responsibilities including contributing to the monitoring of international human rights treaties in Northern Ireland. The core aspects of its daily operation are fundamental to fulfilling its mission. They are key to its compliance with the United Nations Paris Principles on the role of a national human rights institution and the Nolan principles of ethical standards in public life. The NIHRC statutory functions include:

- Advising the Westminster government, the Northern Ireland Executive and Assembly, and key agencies on legislation and compliance with human rights frameworks
- Work to promote awareness of human rights through education, training and research
- International treaty monitoring work
- Legal advice work including taking strategic legal cases
- Engagement with other national human rights institutions in the UK
- Its work as part of the Joint Committee with the Irish Human Rights and Equality Commission (IHREC)

2.6. The NIHRC has set itself a number of strategic objectives which have been grouped under three pillars:

- Pillar 1: Delivering Human Rights through Excellent Services to the Public
- Pillar 2: Human Rights and Building the Future in Northern Ireland
- Pillar 3: Social and Economic Rights in a Time of Change

2.7. The NIHRC's mission is to champion and guard the rights of all those who live in Northern Ireland. It is Northern Ireland's centre of excellence on human rights. The NIHRC hold government, elected representatives, statutory and other relevant organisations to account. To do this, it works in partnership with these organisations and civil society. The NIHRC works to build strong relationships through local community engagement, to understand the issues affecting people.

### **3. Governance and responsibilities**

#### **Corporate governance**

##### *Appointments and composition*

3.1. The NIHRC Commissioners are appointed under Section 68(2) of the Northern Ireland Act 1998 by the Secretary of State for Northern Ireland.

3.2. The NIHRC Chief Commissioner and Commission members are appointed for a period of 5 years and 3 years respectively by the Secretary of State for Northern Ireland. Appointments will comply with the principles of the Code of Practice of the Office of the Commissioner on Public Appointments (OCPA) and be in line with the Cabinet Code of Practice of Corporate Governance in central government departments.

3.3. The Director is appointed by the Chief Commissioner in consultation with and agreement of the Commissioners.

3.4. In line with best practice, it is recommended that the NIHRC should appoint an independent non-executive director to Chair of the NIHRC's Audit and Risk Committee. Whoever is appointed as Chair should have relevant experience and be able to provide support and constructive challenge to the NIHRC board of Commissioners.

#### **NIO Responsibilities**

##### *Ministerial responsibility*

3.5. The Secretary of State for Northern Ireland (SoS) will account for the NIHRC's business in Parliament. He or she may delegate responsibility for day-to-day matters to the Minister of State for Northern Ireland (MoS). Ministerial responsibilities also include:

- appointing the Chief Commissioner and Commission members as specified in the Act;
- overseeing the policy and resources framework within which the NIHRC is required to operate; and
- paying the NIHRC such sums, through grant-in-aid, grant or other funds, as deemed appropriate for meeting the NIHRC's expenditure and securing Parliamentary approval.

##### *NIO Principal Accounting Officer's specific accountabilities and responsibilities*

3.6. The NIO's Principal Accounting Officer (PAO) responsibilities are set out in Chapter 3 of Managing Public Money. The Permanent Secretary as PAO of the NIO is accountable to Parliament for the issue of any grant-in-aid to the NIHRC. The PAO also advises the Secretary of State and Parliamentary Under Secretary of State on:

- how the NIHRC's strategic aims and objectives contribute to the wider strategy and priorities of the NIO;
- an appropriate budget for the NIHRC in the light of NIO's overall public expenditure priorities; and
- how well the NIHRC is achieving its strategic objectives and whether it is delivering value for money.

3.7. Where the NIHRC is engaged in delegating activities within its remit to external providers, whether they be public sector or private providers, the PAO nonetheless retains ultimate accountability for the regularity, propriety and value for money of the application of public money.

*NIO's responsibilities as sponsor*

3.8. The senior sponsor in the NIO is the Deputy Director of the Constitutional and Political Group; and is the primary contact for the NIHRC. The sponsor is the main source of advice and support to the responsible minister and the PAO on the discharge of their responsibilities in respect of the NIHRC. The sponsor oversees the working relationship between the NIO and the NIHRC and, with other NIO teams, secures the necessary financial, management and operational information required to monitor the NIHRC's performance. In particular, the sponsor will:

- monitor the NIHRC's activities on a continuing basis, ensuring that such monitoring is relevant and proportionate to the risks posed to NIO by the NIHRC's business;
- address significant problems in the governance or management of the NIHRC making such interventions as are judged necessary. More information on the criteria for intervention is provided at paragraphs 4.24 & 4.25. Where urgent issues or difficulties arise in the relationships or other activities between the NIO and the NIHRC, the sponsor will work with relevant officials to resolve matters satisfactorily. Where the issues cannot be fully resolved, matters will be escalated to the Deputy Director or, if required, the Permanent Secretary of the NIO.
- support the development of positive and effective working relationships between the NIHRC and all parts of NIO, ensuring that the stewardship relationship is tailored and proportionate to the needs of both organisations;
- periodically carry out an assessment of the risks both to the NIO and NIHRC objectives and activities. The risk assessment must take into account the public money at stake, the NIHRC's corporate governance arrangements; its financial performance; internal and external auditors' reports; the openness of communications between the NIO and the NIHRC and any other relevant matters;
- inform the NIHRC of relevant government policy in a timely manner, determining how ministerial policies in relation to the NIHRC's activities can best be delivered in terms of policy and strategy implementation. In doing so NIO will work closely with the NIHRC who will determine how policy can best be delivered in terms of frontline services; and
- bring concerns about the activities of the NIHRC to the Director, requiring explanations and assurances that appropriate action has been taken.

3.9. Accountability meetings will take place quarterly between the sponsor and the NIHRC to discuss financial management and progress against the NIHRC's strategic aims and objectives. Any potential conflicts between policy and operational delivery should immediately be brought to the attention of the NIO.

## **NIHRC responsibilities**

### *Responsibilities of the NIHRC Commission*

3.10. The Commission should ensure that effective systems and arrangements are in place to provide assurance on risk management, governance and internal control. The Commission must set up an Audit Committee (see conditions at 3.4). The Commission shall also:

- establish and take forward the strategic aims and objectives of the NIHRC consistent with its overall strategic direction and within the policy and resources framework determined by the responsible minister;
- inform the responsible minister of any changes likely to impact on the NIHRC's strategic direction, the attainability of its targets or the reputation of the NIO, determining the steps needed to deal with such changes;
- ensure compliance with any statutory or administrative requirements for the use of public funds. The NIHRC must operate within the limits of its statutory authority and any delegated authority agreed with the NIO, as well as in accordance with any other conditions and/or HM Treasury guidance relating to the use of public funds. In reaching decisions, the Commission must take into account guidance issued by the NIO.
- regularly review financial information about the management of the NIHRC, ensuring they are informed in a timely manner about any concerns about the activities of the NIHRC; and can assure NIO that appropriate action has been taken on such concerns;
- demonstrate high standards of corporate governance, using the independent audit committee to help address key financial and other risks;
- appoint a Director in consultation with the NIO and with appropriate Departmental and Ministerial approval. Job objectives should be linked to those of the NIHRC, and remuneration should be consistent with that of similar appointees across NIO, demonstrably provide value for money in the use of public resources and be no more than is necessary to attract, retain and motivate able staff, on a sustainable basis, to deliver public functions; and
- comply with any open government or transparency policies, initiatives and guidance issued by the NIO, HM Treasury or Cabinet Office.

### *The Chief Commissioner's personal responsibilities*

3.11. The Chief Commissioner shall be accountable to the responsible minister. Communications between the NIHRC and the responsible minister should normally be through the Chief Commissioner. He or she should ensure that policies and actions are consistent with the NIHRC's statutory functions and remit, comply with Cabinet Office and HM Treasury policies and that the NIHRC's affairs are conducted with probity. Where appropriate, these policies and actions should be clearly

communicated and disseminated throughout the NIHRC. In addition, the Chief Commissioner has the following leadership responsibilities:

- formulating the NIHRC's strategy;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the Commission to the general public.

3.12. The Chief Commissioner shall also ensure that:

- the work of the Commission and its members is reviewed and is working effectively;
- the Commission has a balance of skills appropriate to directing the NIHRC's business, as set out in the Government Code of Good Practice on Corporate Governance and the relevant legislation;
- Commission members are fully briefed on terms of appointment, duties, rights and responsibilities and receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible minister is advised of NIHRC needs when Commission vacancies arise;
- assessments of individual Commission members are carried out at least once a year throughout the term of appointment to ensure an individual continues to develop and add value to the organisation. The Chief Commissioner will also carry out appraisals for the Director. Assessments will be linked to objectives for each year of the appointment and to the performance of the NIHRC; and
- there is a code of practice for Commission members in place consistent with the Cabinet Office model Code.

#### *Individual Commission member responsibilities*

3.13. Individual Commission members should:

- engage fully in collective consideration of all issues;
- comply at all times with their terms of appointment;
- comply with the NIHRC's code of practice and with the rules relating to the use of public funds and to conflicts of interest; and
- act in good faith and in the best interests of the NIHRC.

#### *Responsibilities of the NIHRC Director*

3.14. The PAO has designated the Director as the NIHRC's Accounting Officer (AO) with responsibilities as set out in Chapter 3 of Managing Public Money. As AO, the Director is personally responsible for safeguarding the public funds for which he or 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 NIHRC. In addition, he or she should ensure that the NIHRC as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that



are set out in Managing Public Money, in particular Box 3.1, and this framework document.

3.15. Where the NIHRC has decided to delegate activities within its remit to external providers, whether they be public sector or private providers, the Director shall ensure that such delegation is subject to a robust governance regime, evidenced in a statement of accountability, seeking to provide the following:

- clearly defined outcomes for the activity in question;
- robust and transparent mechanisms for information about performance and financial management which permit the provider to be held to account for the regularity, propriety and value for money of the activity delegated;
- where appropriate, a single, recognised Senior Responsible Owner for the activity delegated with a reporting line to the NIHRC's AO;
- clear decision making lines, allocating authority appropriately in the context of the AO's responsibility to the POA;
- a clear system for dealing promptly with failure, including the advance definition of the triggers for intervention; and,
- a funding allocation process that is explicit and independently audited, supported by a thorough evaluation of outcomes.

3.16. In providing the above, the Director shall ensure that any such regime is supported by a process of regular review and monitoring, to ensure that governance arrangements are current and fit for purpose and comply with government accounting principles.

#### *AO as Consolidation Officer*

3.17. For the purposes of Whole of Government Accounts, the Director of the NIHRC is, as appointed by HM Treasury, the Consolidation Officer. As the NIHRC's Consolidation Officer, the Director is personally responsible for preparing the consolidation information and shall comply with all requirements of the Consolidation Officer as set out by HM Treasury.

#### *Delegation of duties*

3.18. The Director may delegate the day-to-day administration of his/her Accounting Office and Consolidation Officer responsibilities to other employees in the NIHRC. However, he or she cannot assign absolutely to any other person any of the responsibilities set out in this document.

#### *Responsibilities for accounting to Parliament*

3.19. As AO, the Director's responsibilities to Parliament include:

- ensuring that the NIHRC operates within the legislation governing its operations;
- signing the accounts and ensuring they are prepared according to section 4 of this document;

- publication and signature of an annual report and accounts prepared in compliance with HM Treasury's accounting direction and independently audited;
- ensuring that effective procedures for handling complaints about the NIHRC are established and made widely known within the organisation;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by NIO, the Treasury and the Cabinet Office; and
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on the NIHRC's stewardship of public funds.

### *Responsibilities to the NIO*

3.20. Particular responsibilities to the NIO include:

- providing to the NIO's sponsor deputy director, the NIHRC's corporate and business plans in accordance with statutory requirements;
- informing the NIO of progress against plans including how resources are being used to achieve those objectives;
- ensuring NIO is provided with timely forecasts and monitoring information on performance and finance, is notified of likely over or under spends (and of corrective action taken) or of any other significant financial or other problems; and
- notifying NIO at the earliest opportunity if there is a risk of legal challenge against the NIHRC.

### *Responsibilities to the Commission*

3.21. The Director is responsible for:

- advising the Commission on the discharge of the NIHRC's responsibilities as set out in this document, the founding legislation or in any other relevant instructions and guidance that may be issued from time to time;
- advising the Commission on the NIHRC's performance against its aims and objectives;
- assisting the Commission in the development of and oversight of the NIHRC's strategic direction.
- ensuring that financial considerations are taken fully into account by the Commission at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- taking action as set out in Managing Public Money if the Commission, or its Chief Commissioner, is contemplating a course of action involving a transaction which the Director considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

### *Sustainable development*

3.22. The NIHRC will comply with policies and guidance issued by the NIO, the Treasury or other relevant bodies in relation to sustainable development.

## **4. Financial planning and reporting**

### **NIO requirements**

4.1. Unless otherwise agreed by the NIO and, as necessary, HM Treasury, the NIHRC shall follow the principles, rules, guidance and advice in Managing Public Money or any other relevant guidance issued by HM Treasury, referring any difficulties or potential bids for exceptions to the NIO in the first instance. A list of current guidance and instructions with which the NIHRC should comply is attached at Appendix 1. The NIHRC should also ensure that it complies with the requirements of the Financial Memorandum as set out in Appendix 2.

### **Budgeting procedures**

4.2. Each year, in the light of decisions by the NIO on the updated draft business plan, the NIO will send to the NIHRC by as close to the end of the financial year as possible:

- a formal statement of the annual budgetary provision allocated by the NIO in the light of competing priorities across the NIO and of any forecast income approved by NIO. This budget allocation will set out the NIHRC's net expenditure limits within Resource Departmental Expenditure Limits (DEL) (split by administration and programme spend), Capital DEL, Resource Annually Managed Expenditure (AME) and (if relevant) Capital AME. A limit will also be set on cash spend. While the NIHRC remains an NDPB this cash payment will be made in the form of grant-in-aid; and
- a statement of any planned change in policies affecting the NIHRC.

4.3. The annual business plan will take account both of approved funding provision and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

### **Grant-in-aid and any ring-fenced grants**

4.4. Grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The NIHRC will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the NIHRC. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at year-end, the NIO will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

4.5. In the event that NIO provides the NIHRC separate grants for specific (ring-fenced) purposes, it will issue the grant as and when the NIHRC needed it on the basis of a written request. The NIHRC will provide evidence that the grant will be used for the purposes authorised by the NIO. The NIHRC shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

4.6. Once the budget has been approved by the NIO, the NIHRC shall have authority to incur expenditure approved in the budget without further reference to the NIO, on the following conditions:

- the NIHRC shall comply with the delegations set out in Appendix 3 and these shall not be altered without the prior agreement of the NIO;
- the NIHRC shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
- the NIHRC shall provide the NIO with such information about its expenditure as the NIO may reasonably require.

## **Capital**

4.7. If any capital expenditure is needed, this must be agreed, sufficiently in advance to allow the NIO to comply with HM Treasury deadlines.

4.8. The approval of the NIO will be sought for any requests for capital spend above the delegation limit based on a submitted business case for the spend. As the NIHRC will recover amounts through the levy equivalent to the depreciation charge each year, any grant-in-aid advanced for capital spend will be repaid according to the depreciation policy of the capital asset it was used to purchase.

4.9. Expenditure and decisions on estates and IT issues must comply with central government guidelines and controls on the use of public money in these areas.

## **Cash holding**

4.10. The NIHRC will use the services of the Government Banking Service and will retain only those funds necessary for the efficient operation of the NIHRC.

## **Procurement**

4.11. The NIHRC shall:

- ensure its procurement policies are consistent with Government guidance, including Annex 4.4 of Managing Public Money, and NIO procurement guidelines and policies;
- put in place a procurement framework which sets out its procurement processes and control mechanisms under the statement of delegated authority for general procurement provided by the NIO; and

- periodically and wherever practicable undertake benchmarking against best practice elsewhere.

4.12. The NAO and the NIO's Internal Auditors may carry out procurement audit and inspection at their discretion. The internal auditors will have recourse to NIO procurement as required to fulfil their functions on behalf of the NIHRC.

### **Delegated thresholds**

4.13. The NIHRC's delegated thresholds are set out in Appendix 3. The NIHRC shall obtain the NIO's prior written approval before exceeding or varying any of these delegations.

### **Business and Corporate plans**

4.14. The NIHRC shall submit annually to the NIO a draft strategic plan covering three years. The plan shall reflect and demonstrate how the NIHRC will achieve its statutory duties and, within those duties, any priorities agreed with the NIO in the light of wider public expenditure decisions and strategic aims.

4.15. The first year of the strategic plan, amplified as necessary, shall form the business plan. 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 the NIO. Subject to any commercial considerations, the strategic and business plans should be published by the NIHRC on their website and separately made available to staff. Copies should also be made available in line with the NIHRC's publication scheme and any statutory duty to publish.

4.16. The following key matters must be included in the plans:

- key objectives and associated key performance targets and the strategy for achieving those objectives;
- key non-financial performance targets;
- a review of performance in the preceding financial year, together with comparable outturns for the previous 2 years and an estimate of performance in the current year;
- an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- other matters as agreed by the NIO and the NIHRC.

### **Risk management**

4.17. The NIHRC shall ensure that the risks that 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 current HM Treasury guidance, Management of Risk: Principles and Concepts ([http://www.hm-treasury.gov.uk/d/orange\\_book.pdf](http://www.hm-treasury.gov.uk/d/orange_book.pdf)) and NIO policies, including a reference to risk in the Governance Statement. Risks should be subject to regular

review at accountability meetings and, where the risk is capable of impacting on the NIO itself, escalated to the NIO as appropriate.

4.18. The NIHRC should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the HM Treasury's current guide: Managing the Risk of Fraud ([http://www.hm-treasury.gov.uk/...fraud\\_guide\\_for\\_managers.pdf](http://www.hm-treasury.gov.uk/...fraud_guide_for_managers.pdf)). It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or give grant or grant-in-aid.

### **Reporting performance to NIO**

4.19. The NIHRC shall operate relevant systems that enable timely and effective reviews of financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The NIHRC shall report to NIO on a quarterly basis achievement of objectives and targets. The NIHRC shall also inform the NIO of any changes that make achievement of objectives more or less difficult.

4.20. The NIHRC's performance shall be formally reviewed by the NIO annually. The responsible minister will, unless other arrangements have been agreed, meet the Chief Commissioner of the NIHRC at least once a year to discuss the NIHRC's performance and current issues.

### **Providing financial monitoring information to the NIO**

4.21. The monitoring information required will be proportionate to the NIHRC's activities and the risks posed to the NIO. As a minimum, however, the NIHRC shall provide NIO with information monthly that will enable the NIO satisfactorily to monitor:

- the NIHRC's cash management;
- its draw-down of grant-in-aid;
- forecast outturn by resource headings; and
- other data required for HM Treasury reporting.

### **NIHRC/NIO working level liaison arrangements**

4.22. The NIO sponsor unit will liaise regularly with NIHRC officials to review NIHRC financial performance against plans, achievement against NIHRC targets and the NIHRC expenditure against its DEL and AME allocations. All parties agree to communicate openly and often on an informal basis, ensuring 'no surprises' in their dealings with each other. Arrangements for dealing with urgent issues and problems will be agreed between the NIO and the NIHRC, with the sponsor team Deputy Director being kept informed of any developments in this regard.

4.23. A NIO representative will attend NIHRC Audit Committee meetings in an observer capacity and may attend a Commission meeting if attendance is agreed in advance.

### *Consequences of failure to comply with NIO requirements*

4.24. The routine accountability meetings between the NIO sponsor group and the NIHRC are the means by which performance, financial performance and the financial position of the NIHRC are evaluated. This monitoring framework and the application of NIO risk management procedures by the NIHRC should be sufficient to avoid the need for NIO intervention in the affairs of the NIHRC. There may, however, be a need for intervention in circumstances where:

- there are early indications that a risk of material failure may occur in the NIHRC and the judgement of the NIO is that additional input is needed to prevent the risk materialising;
- external or NIO decisions mean that the activities need to be transferred, altered or stopped quickly;
- operational performance is compromised and the risk to the NIO requires urgent intervention;
- the financial performance of the NIHRC is deteriorating and there are concerns within corporate finance over financial control; and
- broadly, an adverse situation arises and it appears that the attention of the NAO is likely – this could include a situation beyond poor financial control, poor performance or issues relating to regularity or propriety.

4.25. In such circumstances the NIO will discuss with relevant officials in the NIHRC, escalating to senior levels within NIO and the NIHRC Commission as appropriate.

### **Annual report and accounts**

4.26. The NIHRC must publish an annual report of its activities together with its audited accounts after the end of each financial year. The NIHRC shall provide the NIO with its finalised accounts and consolidation information as appropriate within the timetable issued by the NIO Finance team each year. The NIHRC should also submit a draft of the annual report to NIO two weeks before the proposed publication date.

4.27. The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- be delivered against all relevant financial reporting requirements including HM Treasury's Financial Reporting Manual (FReM);
- comply with any requirements set out in the founding legislation; and
- outline main activities and performance during the previous financial year and set out in summary form any forward plans.

4.28. The report and accounts shall be laid in Parliament by the Secretary of State for Northern Ireland and made available on the NIHRC website, in accordance with the ruling HM Treasury direction.

### **Internal audit**

4.29. The NIHRC shall:

- establish and maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS), setting up an audit committee of its Commission in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook. The Chair of the Audit Committee shall have access to the NIO Audit Committee Chair and his or her performance shall be subject to annual review;
- consult the NIO to ensure they are satisfied with the competence and qualifications of those fulfilling the internal audit function;
- forward the audit strategy (including details of coverage/audit days), periodic audit plans and annual audit report, including the internal audit opinion on risk management, control and governance as soon as possible to the NIO. The annual internal audit report should also be provided to the NIO Audit Committee;
- keep records of, and prepare and forward to the NIO, including the NIO Audit Committee, an annual report on fraud and theft suffered by the NIHRC and notify the NIO of any unusual or major incidents as soon as possible; and
- establish suitable working relationships with colleagues in the NIO to ensure that advice on audit matters can be obtained flexibly so that issues can be avoided through timely remedial action.

4.30. The NIO internal audit service has a right of access to all documents prepared by the NIHRC's internal auditor, including where the service is contracted out.

### **External Audit**

4.31. The Comptroller & Auditor General (C&AG) audits the NIHRC annual accounts.

4.32. The C&AG will:

- consult the NIO and the NIHRC on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG. For audit purposes, the C&AG has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from the NIHRC; and
- share with NIO at the end of the audit, information identified during the audit process and the audit report (together with any other outputs), in particular on issues impacting on the NIO's responsibilities in relation to financial systems within the NIHRC.

4.33. The C&AG has also agreed, where asked, to provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

4.34. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the NIHRC 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 section 8 of the National Audit Act 1983. In addition, the NIHRC



shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

## **Rights of access**

4.35. The NIO has the right of access to all NIHRC records and personnel for sponsorship audits and investigations and for any other purpose subject to NIHRC agreement.

## **5. Organisation management**

### **Broad responsibilities for NIHRC staff**

5.1. Subject to the provisions of the Act and within the arrangements approved by the responsible minister the NIHRC is responsible for the recruitment, retention and motivation of its staff. To this end the NIHRC will ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender or sexual orientation;
- there is an effective equality and diversity policy and statement in place. Equality must be embedded into business planning processes and must demonstrate how the NIHRC is meeting the legal responsibilities to pay due regard to the public sector equality duty including carrying out proportionate quality impact assessments where appropriate;
- it complies with the all relevant statutory requirements to publish information and set equality objectives;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and the NIHRC 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 NIHRC'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 Disclosure Act 1998 are in place; and
- a code of conduct for staff is in place.

### *Staff costs*

5.2. Subject to its delegated authorities, the NIHRC shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

### *Pay and conditions of service*

5.3. NIHRC staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the NIO and HM Treasury. The NIHRC has no delegated power to amend these terms and conditions. The NIHRC's pay strategy should be submitted for approval by NIO.

5.4. Staff terms and conditions must be set out in an Employee Handbook, which must be provided to the NIO together with any subsequent amendments.

### *Pensions, redundancy and compensation*

5.5. NIHRC staff shall normally be eligible for a pension provided by PCSPS. Staff may opt out of the occupational pension scheme provided by the NIHRC and are entitled to a PCSPS partnership pension.

5.6. Any proposal by the NIHRC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of NIO. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

### **Complaints**

5.7. Where complaints are received about the NIHRC or matters within the NIHRC's remit, the NIO will refer these to the NIHRC to deal with. NIO retains the authority, however, to manage a complaints process directly in the most serious cases. Complaints about the personal conduct of the Commission's Chief Commissioner will be considered by the responsible minister. If the responsible minister decides the complaint should be investigated, he will appoint an independent person to investigate the issues and make recommendations to him about the complaint resolution.

5.8. The NIHRC is subject to the jurisdiction of the Parliamentary and Health Service Ombudsman. Responsibility for handling any matters concerning the NIHRC's services will fall to the NIHRC Director. Contentious cases should be brought to the attention of the NIO at an appropriate stage.

5.9. The NIHRC will manage any litigation arising from its operational activities, involving lawyers and other officials at the earliest appropriate stage.

### **Access**

5.10. The NIO will have a right of access to all the NIHRC's records as required to discharge the obligations of the NIO and the PAO.

## **Security and information assurance**

5.11. The NIHRC is required to provide an annual assurance report to the NIO in support of the Permanent Secretary's accountability for security arrangements across the NIO, including its Arm's Length Bodies. The report will be initiated by the NIO Departmental Security Officer.

## **Freedom of Information and Data Protection**

5.12. The NIHRC will maintain a central monitoring record of FOI and DPA requests received and answered. The NIO may require this information for inclusion in the departmental statistics.

## **Parliamentary Business**

5.13. When replying to a Parliamentary Question or speaking in a Parliamentary debate on an issue that falls within the remit of the NIHRC, the responsible minister will either request that the NIHRC respond directly or, if information is provided, the minister will make it clear that they are answering on behalf of the NIHRC and on the basis of information supplied by the NIHRC. The NIHRC will provide such information and, where necessary, advice in a timely manner and to the best of its ability.

## **Review of NDPB status**

5.14. In accordance with Cabinet Office guidance the status of Executive NDPBs should be reviewed every three years (Triennial Review). However, as the NIHRC is a body that arose from the 1998 Act the decision to conduct a Triennial Review will only be taken following discussions with Cabinet Office and the Irish government.

## **Arrangements in the event that the NIHRC is wound up**

5.15. The NIO shall put in place arrangements to ensure the orderly winding up of the NIHRC where this results from a Triennial Review or in other circumstances. In particular it will ensure that the assets and liabilities of the NIHRC are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to the NIO who will make arrangements for the effective wind-up and closing of accounts.

Signed .....

Signed .....

Date .....

Date .....

(On behalf of the NIO)

(On behalf of the NIHRC)

## APPENDIX 1

### COMPLIANCE WITH GOVERNMENT-WIDE CORPORATE GUIDANCE AND INSTRUCTIONS

Current guidance with which the NIHRC must comply:

- this document;
- appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice [http://www.hm-treasury.gov.uk/d/corporate\\_governance\\_good\\_practice\\_july2011.pdf](http://www.hm-treasury.gov.uk/d/corporate_governance_good_practice_july2011.pdf)
- Managing Public Money (MPM);
- Government Internal Audit Standards, [http://www.hm-treasury.gov.uk/psr\\_governance\\_gia\\_guidance.htm](http://www.hm-treasury.gov.uk/psr_governance_gia_guidance.htm);
- Management of Risk: Principles and Concepts: [http://www.hm-treasury.gov.uk/d/orange\\_book.pdf](http://www.hm-treasury.gov.uk/d/orange_book.pdf);
- Managing the Risk of Fraud, [http://www.hm-treasury.gov.uk/...fraud\\_guide\\_for\\_managers.pdf](http://www.hm-treasury.gov.uk/...fraud_guide_for_managers.pdf);
- Government Financial Reporting Manual (FReM), [www.hm-treasury.gov.uk/frem\\_index.htm](http://www.hm-treasury.gov.uk/frem_index.htm);
- Fees and Charges Guide, Chapter 6 of MPM;
- Departmental Banking: A Manual for Government Departments, annex 5.7 of MPM;
- relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money, [www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm);
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>;
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions;
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office);
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- other relevant instruction and guidance issued by the central Departments;
- specific instructions and guidance issued by the NIO as sponsor department; and
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the NIHRC.
- Cabinet Office Control Limits <https://www.gov.uk/government/publications/cabinet-office-controls-guidance-version-3-1>

## **APPENDIX 2**

### **FINANCIAL MEMORANDUM**

#### **Introduction**

1. This financial memorandum, which forms part of the Framework Document for the NIHRC, sets out the details of the financial relationship between the NIHRC and the NIO and the financial framework within which the NIHRC is required to operate.
2. This financial memorandum should be read in conjunction with the Framework Document, but may be supplemented by guidelines or directions issued by the Secretary of State in respect of the exercise of any individual functions, powers and duties of the NIHRC.
3. The NIHRC shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Secretary of State or HM Treasury may from time to time impose. The NIHRC are entitled to expect that the NIO will conduct its business with them at all times to the highest standards and the NIO will act reasonably on the basis of evidence available and objective analysis of this evidence and will give reasons for any decisions that may impact on the NIHRC.

#### **Responsibilities of the NIHRC**

4. The NIHRC's Director has been designated its accounting officer. The NIHRC's accounting officer is responsible and accountable to Parliament for ensuring that the uses to which the NIHRC puts its funds are consistent with the purpose for which the NIHRC were given the funds and that the uses comply with the conditions attached to them. The NIHRC's accounting officer is also responsible for the regularity and propriety of expenditure for those uses and for securing the best possible value for money from them. The full responsibilities of the NIHRC are set out at section 3 of the Framework Document.

#### **Expenditure not proposed in the annual budget**

5. The financial planning, reporting and budgeting requirements are set out at section 4 of the Framework Document.
6. The NIHRC shall not, without prior written NIO approval, enter into any undertaking to incur any expenditure which falls outside the NIHRC's delegations or which is not provided for in the NIHRC's annual budget as approved by the NIO.

#### **Timeliness in paying bills**

7. The NIHRC shall collect receipts and pay all properly authorised invoices in accordance with the terms of contracts and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended. The NIHRC must adopt the principles of the government's prompt payment code and aim to pay all invoices within 5 working days.

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

8. The NIHRC shall obtain the approval of the NIO 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 the NIO, or
  - 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.

### **Fees and charges**

9. Fees or charges for any services supplied by the NIHRC shall be determined in accordance with the Treasury's *Fees and Charges Guide*.

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

10. If there is any doubt about the correct classification of a receipt, the NIHRC shall consult the NIO, who will consult the Treasury as necessary.

### **Fines, taxes and other receipts**

11. Such receipts shall either be surrendered to the NIO or, if retained, shall either reduce the need for grant-in-aid or, if used to finance additional expenditure by the NIHRC, shall require additional DEL cover from the NIO.

### **Interest earned**

12. If receipts are used to finance additional expenditure by the NIHRC, the NIO will need to ensure it has the necessary DEL cover. Any interest earned on cash balances arising from grant in aid or other Exchequer funds shall be treated as a receipt from an Exchequer source. Depending on the budgeting treatment of this receipt, and its impact on the NIHRC's cash requirement, it may lead to commensurate reduction of grant in aid or be required to be surrendered to the Consolidated Fund via the NIO.

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

13. The NIHRC may receive grants from other sources, with the NIO's approval, to fund additional work consistent with its statutory function, which would not otherwise have been funded from grant-in-aid. This negative DEL income must be used only for discrete projects approved by the NIO.

14. If the negative DEL income realised or expected to be realised in-year is less than estimated, the NIHRC shall, unless otherwise agreed with the NIO, ensure a corresponding reduction in its gross expenditure, so that the authorised provision is not exceeded.

15. If the negative DEL income realised or expected to be realised in the year is more than estimated, the NIHRC Director may apply to the NIO to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The NIO shall consider such applications, taking account of competing demands for resources. 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 NIO.

### **Borrowing**

16. The NIHRC shall not undertake borrowing of any kind.

### **Reserves**

17. No grant or grant-in-aid shall be paid into any reserve held by the NIHRC. Funds in any reserve may be a factor for consideration when grant-in-aid is determined.

### **Capital expenditure**

18. 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.

19. Proposals for large scale individual capital projects or acquisitions will normally be considered within the NIHRC's corporate planning process. Applications for approval by the NIO and, if necessary, HM Treasury shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the NIHRC. Regular reports on the progress of projects shall be submitted to the NIO.

20. Within its approved overall resources limit, the NIHRC shall, as indicated in the attached **Appendix 3** on delegated authorities, have delegated authority in relation to capital expenditure. Beyond that delegated limit, the NIO's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

### **Transfer of funds within budgets – virement**

21. Unless financial provision is subject to specific controls (e.g., where provision is ring-fenced for specific purposes), transfers within admin or programme or within the total capital budget do not need the NIO's approval.

22. However, all other transfers are subject to the NIO's approval.

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

23. The NIHRC shall not, without the NIO'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 *Managing Public Money*), whether or not in a legally binding form.

24. Any losses incurred by the NIHRC in the event of it losing a court case will be met by the NIHRC.

## **Gifts and bequests received**

25. The NIHRC should adopt a policy that is consistent with the NIO's procedures in relation to Gifts and Hospitality received and will maintain their own register.

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

26. Proposals for making gifts or other special payments (including write-offs) outside the delegated limits set out in **Appendix 3** must have the prior approval of the NIO.

27. Gifts by the NIHRC to its employees are subject to the requirements of *Managing Public Money* and Cabinet Office guidance on non-pay rewards.

## **Leasing**

28. Prior NIO approval must be secured before the NIHRC enters into any leasing agreement.

29. Before entering into any lease (including an operating lease), the NIHRC shall demonstrate that the lease offers better value for money than purchase.

## **Commercial insurance**

30. The NIHRC shall not take out any insurance without the prior approval of the NIO, other than third-party insurance required by the Road Traffic Acts and any other insurance which is a statutory obligation or which is permitted in *Managing Public Money*.

## **Management and disposal of fixed assets**

### **Register of assets**

31. The NIHRC shall maintain an accurate and up-to-date register of its fixed assets.

### **Disposal of assets**

32. The NIHRC shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. High value assets shall be sold by auction or competitive tender (unless otherwise agreed by the NIO), and in accordance with *Managing Public Money*.

33. The NIHRC may normally retain any benefit derived from the sale of assets provided that:

- the NIO and HM Treasury are content for the NIHRC to retain this benefit;



- it is used to finance other capital spending;
- the NIO receives prior notification of individual sales; and
- total sales in any financial year do not exceed a specified limit to be agreed in advance with the NIO.

34. If, notwithstanding the above, the NIHRC disposes of assets which have been purchased, improved or developed with Exchequer funds and the benefits amount to more than £1 million, or where the disposal has unusual features of which Parliament should be aware, Parliamentary approval shall be secured for the benefit to be reinvested. Any receipts shall therefore be surrendered to the NIO, which shall then submit an Estimate seeking approval for any new arrangements for reinvestment.

35. If the criteria in paragraph 34 above are not met, any receipts shall be dealt with in line with the rules on surplus in-year receipts.

### **Review**

36. This financial memorandum will normally be reviewed by the NIO and NIHRC as set out in section 1 of the Framework Document.

## APPENDIX 3

### SCHEDULE OF DELEGATED AUTHORITIES

RESOURCE CATEGORY	EXTENT OF DELEGATION
<p><b>Capital Expenditure:</b></p> <ul style="list-style-type: none"><li>• Capital projects* or</li><li>• IT Equipment*</li></ul> <p>* for each separate project</p>	£15k
<p><b>Revenue Expenditure:</b></p> <p>Marketing and Advertising</p> <p>Employment of consultants</p> <p>Legal fees</p> <p>Losses</p> <p>Gifts</p>	<p>£15k</p> <p>£15k</p> <p>£50k and NIO to be informed of any cases which are likely to attract public interest.</p> <p>£2k</p> <p>Within the limits set in the NIO Gifts and Hospitality policy.</p>

**NOTE:** the amounts indicated represent the limit of the delegated authority unless otherwise agreed in advance with the NIO. None of the above overrules the requirement to seek approval for any matter which might be deemed novel or contentious regardless of cost or which may be outside normal NIO and HM Treasury guidance such as *Managing Public Money*, Cabinet Office's control limits or NIO policy on Gifts and Hospitality.

## Appendix 5

### OUR MISSION AND THE PRINCIPLES THAT UNDERPIN OUR WORK

#### Our Mission:

The Northern Ireland Human Rights Commission champions and guards the rights of all those who live in Northern Ireland.

#### The Principles that Underpin Our Work:

We promote and abide by the following core principles:

**Building a Culture of Human Rights:** A goal of human rights is to establish a society that embeds such rights at its heart. A culture of human rights is one where human rights values demonstrably guide society. The Commission is committed to fostering this culture in Northern Ireland. In doing so, it recognises the challenges presented in a society moving forward that has experienced a protracted and tragic conflict and where community divisions can run deep.

**Legality and Independence:** The Commission operates on the basis of international human rights law, in compliance with a statutory mandate and independently of the State. The Commission works for the promotion and protection of those human rights to which the United Kingdom is legally committed at the national, regional and international levels, and does so on the basis of the mandate conferred on it by law and in conformity with the UN Paris Principles.

**Non-Discrimination and Equality:** Human rights require that they can be enjoyed by everyone on the basis of non-discrimination and equality, a principle that is reinforced in Northern Ireland by the provisions of the Belfast (Good Friday) Agreement. The Commission honours this principle, above all, by protecting the most powerless in society addressing the needs of vulnerable individuals and those who are marginalised.

**The Equal Status of Civil, Political, Economic, Social and Cultural Rights:** Human rights, as recognised in the international treaties, have equal value and status and must be implemented in an integrated manner. The Commission respects this principle in its work and promotes full implementation in all engagements with the State and other partners.

**Participation:** Meaningful enjoyment of human rights must be based on the participation by those affected in any processes that may impact on their well-being. The Commission is committed to involving rights-holders in all relevant areas of its activities and it strives to promote broader participation across society.

**Accountability:** Accountability is central to human rights enforcement so decision making must be transparent. The Commission honours this requirement in its own actions. It demands similar standards in public life and calls to account all those with responsibility for the promotion and protection of human rights. The Commission promotes human rights compliant independent oversight and accountability mechanisms.

**Partnership:** The promotion and protection of human rights needs the commitment of all who live in Northern Ireland, mindful that rights are balanced with responsibilities. It requires the engagement of government (central, regional and local) elected representatives, statutory bodies and civil society. As a Paris Principles 'A' Status NHRI, the Commission plays a pivotal role in building and sustaining the necessary partnerships. The Commission recognises the importance of its partnerships with the other UN-accredited human rights institutions in developing human rights values.

## Appendix 6

### **HUMAN RESOURCE MANAGEMENT POLICIES AS THEY RELATE TO THE ROLE AND FUNCTION OF COMMISSIONERS**

It is intended that so far as is reasonably practicable the Commission will seek to mirror, as appropriate, the policies and procedures adopted and amended from time to time by the Northern Ireland Civil Service (NICS).

While Commissioners have no executive or managerial responsibility for the day-to-day work of Commission staff (apart from the supervision of the Chief Executive through the Chief Commissioner), Commissioners should refer to the NICS policies and procedures at <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-handbook>

NICS policies and procedures address the following:

- Joining and Transferring
- Leaving the Service
- Leave and Attendance
- Recording, Reporting and Planning
- Learning and Development
- Employee Relations
- Health and Safety
- Pay and Reward
- Travel and Subsistence
- Performance Management

## **APPENDIX 7**

### **Terms of reference for the Audit and Risk Management Committee**

#### **AUDIT AND RISK MANAGEMENT COMMITTEE**

##### **TERMS OF REFERENCE**

The Commission has established an Audit and Risk Management Committee as a Committee of the Commission to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Commission and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

##### **MEMBERSHIP**

The members of the Audit and Risk Management Committee are:

- Commissioner 1  
Commissioner 2  
Commissioner 3
- Independent External member:  
Joe McKnight appointed from 1 August 2017 to 31 July 2020.
- The Audit and Risk Management Committee will be chaired by Joe McKnight.
- The Audit and Risk Management Committee will be provided with a secretariat function by the Director (Finance, Personnel and Corporate Affairs).

##### **REPORTING**

- The Audit and Risk Management Committee will report to the Commission meeting and Accounting Officer after each meeting.
- The Audit and Risk Management Committee will provide the Commission and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

##### **RESPONSIBILITIES**

The Audit and Risk Management Committee will advise the Commission and Accounting Officer on:

- The strategic processes for risk, control and governance and the Governance Statement;
- The accounting policies, the accounts, and the annual report of the Commission, including the process for review of the accounts prior to submission for audit, levels of errors identified, and management's letter of representation to the external auditors;
- The planned activity and results of both internal and external audit;
- Adequacy of management response to issues identified by audit activity, including external audit's management letter;
- Assurances relating to the management of risk and corporate governance requirements for the organisation;
- (Where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services;
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; and
- The Audit and Risk Management Committee will also periodically review its own effectiveness and report the results of that review to the Board.

## **RIGHTS**

The Audit and Risk Management Committee may:

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board.

## **ACCESS**

The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit and Risk Management Committee.

## **MEETINGS**

- The Audit and Risk Management Committee will meet at least four times a year. The Chair of the Audit and Risk Management

Committee may convene additional meetings, as they deem necessary;

- A minimum of three members of the Audit and Risk Management Committee will be present for the meeting to be deemed quorate;
- Audit and Risk Management Committee meetings will normally be attended by the Chief Executive who is the Accounting Officer, the Director (Finance, Personnel and Corporate Affairs), Head of Internal Audit, a representative of External Audit and a representative of the Commission's sponsor department the Northern Ireland Office;
- The Audit and Risk Management Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter;
- The Audit and Risk Management Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters;
- The Commission or the Accounting Officer may ask the Audit and Risk Management Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

## **INFORMATION REQUIREMENTS**

**For each meeting the Audit and Risk Management Committee will be provided (well ahead of the meeting) with:**

- A report summarising any significant changes to the organisation's strategic risks and a copy of the strategic/corporate Risk Register;
- A progress report from the Head of Internal Audit summarising:
  - Work performed (and a comparison with work planned);
  - Key issues emerging from the work of internal audit;
  - Management response to audit recommendations;
  - Changes to the agreed internal audit plan; and
  - Any resourcing issues affecting the delivery of the objectives of internal audit;
- A progress report (written/verbal) from the External Audit representative summarising work done and emerging findings (this may include, where relevant to the organisation, aspects of the wider work carried out by the NAO, for example, Value for Money reports and good practice findings);



- Management assurance reports; and
- Reports on the management of major incidents, “near misses” and lessons learned.

**As and when appropriate the Committee will also be provided with:**

- Proposals for the terms of reference of internal audit / the internal audit charter;
- The internal audit strategy;
- The Head of Internal Audit’s Annual Opinion and Report;
- Quality Assurance reports on the internal audit function;
- The draft accounts of the organisation;
- The draft Governance Statement;
- A report on any changes to accounting policies;
- External Audit’s management letter;
- A report on any proposals to tender for audit functions;
- A report on co-operation between internal and external audit; and
- The organisation’s Risk Management strategy.

*The above list suggests minimum requirements for the inputs which should be provided to the Audit and Risk Management Committee. In some cases more may be provided. For instance, it might be agreed that Audit and Risk Management Committee members should be provided with a copy of the report of every internal audit assignment, or with copies of management Stewardship Reports (or equivalents) if these are used in the organisation.*

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