



MazeLongKesh  
from peace to prosperity

# MAZE LONG KESH DEVELOPMENT CORPORATION

## Financial Policies and Procedures

Author:	MLKDC Finance & Corp Services Team
Version:	0.7
Date:	18 May 2018
TRIM Ref:	DF1/16/322701
Updated:	18 May 2018
Status:	Approved

---

## GLOSSARY

CoPE	Centre of Procurement Expertise
CPD	Central Procurement Directorate
DEL	Delegated Expenditure Limit
DoF	Department of Finance
MLK	Maze Long Kesh
MLKDC	Maze Long Kesh Development Corporation
MSFM	Management Statement and Financial Memorandum
NIAO	Northern Ireland Audit Office
NIGEAE	NI Guidance to Expenditure Appraisal and Evaluation
NIPPP	Northern Ireland Public Procurement Policy
PfG	Programme for Government
RTTCWG	Report to Those Charged with Governance
TEO	The Executive Office

---

---

## CONTENTS

<b>1</b>	<b>Introduction</b>	<b>1</b>
1.1	Background	1
1.2	Roles and Responsibilities	1
<b>2</b>	<b>Financial Policy Framework</b>	<b>3</b>
2.1	Introduction	3
2.2	Management Statement	3
2.3	Financial Memorandum	3
2.4	Risk Register	3
<b>3</b>	<b>Financial Policies</b>	<b>4</b>
3.1	Introduction	4
3.2	MLKDC Corporate and Business Planning Process	4
3.3	Budgeting Procedures	4
3.4	Accounting System	5
3.5	Reporting Performance	5
3.6	Internal Audit	5
3.7	VAT	5
<b>4</b>	<b>Income</b>	<b>6</b>
4.1	Grant in Aid	6
4.2	Other Income	6
4.3	Receipts	6
4.4	Post	7
<b>5</b>	<b>Expenditure</b>	<b>8</b>
5.1	Scope	8
	<i><u>Business Case Preparation and Approval</u></i>	
5.2	Procedures prior to Business Case Preparation	8
5.3	Preparation of Business Cases	8
5.4	Procedures following Approval	10
5.5	Procurement Control Limits	11

---

---

5.6	EU Tendering Process – Guidelines	14
5.7	Frameworks and Call-Off Arrangements	14
5.8	Roll-Over Contracts	14
5.9	Letters of Appointment/Contracts	15
5.10	Documentation	16
5.11	Evaluation	17
5.12	Summary of Key Points	18
5.13	Delegated Limits for Business Cases	19
5.14	Delegated Limits for Purchase Orders & Supplier Invoices	19
5.15	Receipt of Goods/Services	20
5.16	Payment	20
5.17	Supplier Statements	21
5.18	Fraud Prevention in Supplier Payments	21
<b>6</b>	<b>Cash</b>	<b>23</b>
6.1	Banking Arrangements	23
6.2	Petty Cash	24
6.3	Government Procurement Card	25
<b>7</b>	<b>Fixed Assets</b>	<b>28</b>
7.1	Background and Definitions	29
7.2	Definition of Assets	30
7.3	Non-Current Asset – Criteria for Capitalisation	30
7.4	Asset Additions	30
7.5	Monthly Monitoring of Asset Additions	30
7.6	Interface with Account NI	31
7.7	Standard Life of Fixed Assets	31
7.8	Depreciation and Amortisation	31

---

---

<b>7.9</b>	<b>De Minimus Capitalisation Levels and Depreciation Methodology</b>	<b>31</b>
<b>7.10</b>	<b>Revaluation of Assets</b>	<b>31</b>
<b>7.11</b>	<b>Re-Lifing of Assets</b>	<b>32</b>
<b>7.12</b>	<b>Assets Under Construction (AUC)</b>	<b>32</b>
<b>7.13</b>	<b>Disposal of Fixed Assets</b>	<b>32</b>
<b>7.14</b>	<b>Permanent Diminution and Impairment</b>	<b>33</b>
<b>7.15</b>	<b>Asset Verification</b>	<b>33</b>
<b>7.16</b>	<b>Losses</b>	<b>33</b>
<b>8</b>	<b>Employment</b>	<b>34</b>
<b>8.1</b>	<b>Salaries</b>	<b>34</b>
<b>8.2</b>	<b>Change to Personal Details</b>	<b>35</b>
<b>8.3</b>	<b>Notification of Change of Pay/Award of Bonus</b>	<b>36</b>
<b>8.4</b>	<b>Leavers</b>	<b>36</b>
<b>8.5</b>	<b>Pension</b>	<b>36</b>
<b>9</b>	<b>Travel and Subsistence</b>	<b>37</b>
<b>9.1</b>	<b>Contracted Staff Exclusions</b>	<b>37</b>
<b>9.2</b>	<b>Travel and Subsistence Claim Form</b>	<b>37</b>
<b>9.3</b>	<b>Travel</b>	<b>38</b>
<b>9.4</b>	<b>Subsistence</b>	<b>42</b>
<b>9.5</b>	<b>Other Travel and Subsistence</b>	<b>44</b>
<b>9.6</b>	<b>Professional Subscriptions</b>	<b>45</b>
<b>10</b>	<b>Hospitality Provided to MLKDC Staff</b>	<b>46</b>
<b>10.1</b>	<b>Aide-Memoire</b>	<b>46</b>

---

---

<b>10.2</b>	Acceptance of Gifts and Hospitality	<b>46</b>
<b>10.3</b>	Legal Obligations and Fundamental Principles	<b>47</b>
<b>10.4</b>	Record of Gifts, Hospitality, Invitations, Etc	<b>48</b>
<b>10.5</b>	Acceptance of Gifts	<b>48</b>
<b>10.6</b>	Trade, Loyalty or Discount Cards	<b>49</b>
<b>10.7</b>	Staff Involved In the Procurement or Monitoring of a Contract	<b>49</b>
<b>10.8</b>	Gifts Received In Recognition of Work Done	<b>49</b>
<b>10.9</b>	Reporting Gifts and Approval Process	<b>50</b>
<b>10.10</b>	Offers of Hospitality	<b>51</b>
<b>10.11</b>	Reporting Hospitality and Approval Process to be Followed	<b>52</b>
<b>10.12</b>	Awards of Prizes	<b>52</b>
<b>10.13</b>	Monitoring Arrangements – Hospitality Register	<b>53</b>
<b>11</b>	<b>Provision of Gifts and Hospitality by MLKDC</b>	<b>54</b>
<b>11.1</b>	Aide-Memoire	<b>54</b>
<b>11.2</b>	Guidelines	<b>54</b>
<b>11.3</b>	Hospitality Offered to Visitors from Outside MLKDC	<b>55</b>
<b>11.4</b>	Working Lunches and Refreshments for Official Committees and Other Ad Hoc Meetings	<b>56</b>
<b>11.5</b>	Hospitality Offered During Training Courses, Conferences, Workshops Etc	<b>56</b>
<b>11.6</b>	Drinking and Driving	<b>57</b>
<b>11.7</b>	Expenditure on Official Gifts	<b>58</b>
<b>Appendix 1</b>	Key Requirements for Financial Policies, as Defined in the MLKDC Management Statement	<b>59</b>

---

---

<b>Appendix 2</b>	Key Requirements for Financial Policies, as Defined in the MLKDC Financial Memorandum	<b>61</b>
<b>Appendix 3</b>	Preparation and Approval of Business Cases	<b>63</b>
<b>Appendix 4</b>	Post Project Evaluation Form	<b>64</b>
<b>Appendix 5</b>	Additional Procurement Guidance	<b>71</b>
<b>Appendix 6</b>	Mobile Phone/Taxis – Declaration for Private Use	<b>73</b>
<b>Appendix 7</b>	Use of own vehicle for Official Travel	<b>74</b>
<b>Appendix 8</b>	Standard Mileage Lists	<b>75</b>
<b>Appendix 9</b>	List of Exempt Buildings	<b>76</b>
<b>Appendix 10</b>	Application for Approval to Attend a Training Course or Conference	<b>77</b>
<b>Appendix 11</b>	MLKDC Hospitality Register	<b>78</b>
<b>Appendix 12</b>	Authorisation of Official Hospitality Expenditure (Part 1 & Part 2)	<b>79</b>
<b>Appendix 13</b>	Approval for Expenditure on Hospitality	<b>82</b>
<b>Appendix 14</b>	Acceptance of Hospitality Claim Form	<b>83</b>
<b>Appendix 15</b>	MLKDC Travel Request Booking Form	<b>86</b>
<b>Appendix 16</b>	Checklist for proposed expenditure and for single tenders	<b>91</b>
<b>Appendix 17</b>	EU Procurement Thresholds	<b>93</b>

---

---

## 1 INTRODUCTION

As Accounting Officer, the Chief Executive of the Maze Long Kesh Development Corporation (MLKDC) has responsibility for maintaining a sound system of internal control that supports the achievement of the overall policies, aims and objectives of MLKDC, whilst safeguarding public funds and assets.

This Financial Policies and Procedures manual sets out the system of internal controls within MLKDC.

### 1.1 Background

MLKDC was established by the Strategic Investment and Regeneration of Sites (Maze/Long Kesh Development Corporation) Order (NI) 2011, an order issued under the Strategic Investment and Regeneration of Sites (NI) Order 2003, hereafter referred to as the 2003 SIRS Order. MLKDC's full designated powers took effect from 10 September 2012, with the appointment of the Chairman and Board.

For financial and policy/administrative purposes MLKDC is classified as an executive Non-Departmental Public Body of The Executive Office (TEO) and for national accounts purposes MLKDC is classified to the central government sector.

MLKDC is therefore under the direction and control of TEO, and is financed from within TEO's Departmental Expenditure Limit (DEL). The Board of MLKDC is accountable, through its Chair, to the First and deputy First Minister.

MLKDC does not carry out its functions on behalf of the Crown, it does not enjoy Crown immunity, and the property it holds is not held on behalf of the Crown.

### 1.2 Roles & Responsibilities

MLKDC's statutory object is defined under Article 16(1) of the 2003 SIRS Order, and it is:

***to secure the regeneration of the Maze Long Kesh site.***

The 2003 SIRS Order defines the means by which this is to be achieved, or such of them as MLKDC deems appropriate, under Article 16(2), as the following:

- bringing land and buildings into effective use;
- encouraging public and private investment and the development of industry and commerce;
- creating an attractive environment;
- ensuring that social, recreational, cultural and community facilities are available.

The functions, duties and powers of MLKDC are set out in Schedules I and II of the 2003 SIRS Order. For the purpose of achieving its statutory object, MLKDC is empowered by Article 16(3) to undertake the following functions:



- a) hold, manage and dispose of land and other property;
- b) carry out the development or redevelopment of land, including the conversion or demolition of existing buildings;
- c) carry out building and other operations;
- d) provide services and facilities;
- e) act with other persons, whether in partnership or otherwise;
- f) give financial assistance to other bodies or persons doing or intending to do specified works in line with its objects, or anything which the MLKDC considers will benefit its site;
- g) carry on any business or undertaking;
- h) carry out studies, investigations and research; and
- i) generally do anything necessary or expedient for the purposes of its object or for purposes incidental to those purposes.

---

## **2 FINANCIAL POLICY FRAMEWORK**

### **2.1 Introduction**

The Financial Policies of MLKDC have been formulated with reference to the policy and legislative framework within which it has been created. These include:

- The Northern Ireland Public Procurement Policy (NIPPP);
- The Strategic Investment and Regeneration of Sites (NI) Order 2003 and the Strategic Investment and Regeneration of Sites (Maze/Long Kesh Development Corporation) Order (NI) 2011; and
- MLKDC's Management Statement and Financial Memorandum (jointly referred to as MSFM).

The Board of MLKDC are required to make sure policies and procedures that will ensure the efficient and effective operation of MLKDC while ensuring that all necessary Corporate Governance requirements have been adequately met.

### **2.2 Management Statement**

The Management Statement sets out the broad framework within which MLKDC will operate, including the rules and guidelines relevant to the exercise of MLKDC's functions, duties and powers. The table in Appendix 1 lists the key requirements for financial policies as defined in the Management Statement.

### **2.3 Financial Memorandum**

The Financial Memorandum sets out in greater detail certain aspects of the financial provisions that MLKDC is required to observe. The table in Appendix 2 lists the key requirements relating to financial policies that are contained in the Financial Memorandum.

### **2.4 Risk Register**

The accounting records should meet the requirements for security and integrity of data as laid down in the Department of Finance (DoF) Guidance on Corporate Governance and Systems of Internal Control. There should also be adequate controls over cash and resources to reduce sufficiently the risk of under or over spending of approved budgets. MLKDC's risk register is updated regularly. It describes each risk, what the current controls are in place to mitigate the risk, the MLKDC official responsible for monitoring the risk and any action required.

---

## 3 FINANCIAL POLICIES

### 3.1 Introduction

MLKDC has established Financial Policies that address areas of risk as well as operational efficiency and effectiveness. This document intends to act as a reference point detailing all Financial Policies that have been approved by the MLKDC Board.

### 3.2 MLKDC Corporate and Business Planning Process

Consistent with the timetable for public spending reviews, MLKDC normally submits to TEO a draft corporate plan, covering three years ahead, and a business plan for the year immediately ahead, on an annual basis. MLKDC agrees with TEO the issues to be addressed in the plans and the timetable for their implementation and delivery. The plans reflect MLKDC's statutory duties and within those duties, the priorities set from time to time by TEO Ministers. In particular the plans demonstrate how MLKDC contributes to the achievement of the Executive's Programme for Government (PfG) outcomes and TEO's targets.

These plans are approved by the Board and, following approval by TEO, will be made available to the public via the MLKDC website ([www.mazelongkesh.com](http://www.mazelongkesh.com)).

The Business Plan will typically include, for the relevant 1-year period:

- Key objectives, associated performance targets and the strategy for achieving them;
- Forecast of income and expenditure;
- Forecast efficiency savings;
- Alternative scenarios to take account of uncertainty.

The Corporate Plan should typically include, for the relevant 3-year period:

- Strategic context, Vision;
- Themes and planning assumptions underpinning MLKDC's activities;
- Strategic Objectives, Key Targets, Priorities and Summary Resources;

### 3.3 Budgeting Procedures

Each year, in light of decisions by TEO on the MLKDC corporate plan, the Department will send to MLKDC:

- A formal statement of any funding provision planned by TEO as approved by the Minister in the light of competing priorities across the department; and
- A statement of any change in policies affecting MLKDC.

MLKDC's approved annual Business Plan will take account of its approved funding provision and any other forecast receipts, and will include a budget of estimated payments and re-

---

ceipts, together with a profile of expected expenditure and of draw-down of departmental funding and/or other income over the year.

### **3.4 Accounting System**

MLKDC currently operates a computerised accounting system and business case register. The computer system used is Sage 200 with the added benefit of the Project Accounting module. IT Assist host the MLKDC Virtual Server. The financial management system will be backed up by IT Assist each day, with separate weekly and monthly backups also taken.

### **3.5 Reporting Performance**

MLKDC produces monthly management resource accounts. These are reviewed by the CEO and presented to the Board regularly; a copy is also available for TEO. Under paragraph 3.6.3 of the MSFM, MLKDC is required to report to TEO on its progress in helping to achieve TEO's policy objectives. This operational report meets the requirements and covers performance against the business plan approved by TEO. An agreed template is used each quarter.

At the end of each financial year, MLKDC publishes an annual report of its activities, together with its audited annual accounts. The Northern Ireland Audit Office (NIAO) carry out the annual external audit and presents a Report to Those Charged with Governance (RTTCWG) to the Board, outlining any weaknesses found during the course of their audit.

### **3.6 Internal Audit**

MLKDC has established arrangements with an external firm of Chartered Accountants for the provision of internal audit services. This is in accordance with Treasury's Government Internal Audit Standards adopted by the Department of Finance (DoF) with effect from 1 April 2013. This was further revised with effect from 1 April 2016.

The audit plan is prepared by the internal audit provider in conjunction with the Chief Executive and approved by the Audit & Risk Assurance Committee each year. Any Internal Audit reports produced are presented to the Audit & Risk Assurance Committee for review.

### **3.7 VAT**

MLKDC is VAT registered in relation to its VATable activity. MLKDC's VAT registration number is GB152 8801 10.

## **4 INCOME**

### **4.1 Grant in Aid**

As stated above, MLKDC receives a formal statement from TEO outlining the year ahead funding provision. In order to meet liabilities as they arise, MLKDC must request, on a regular basis, a draw-down from these funds.

The Director of Finance and Corporate Services reviews the cash balance on a regular basis. An estimate is made of the current liabilities of MLKDC, including trade creditors and accrued expenditure. This estimate of current liabilities is then taken away from the cash balance of MLKDC and a draw-down request is prepared for the shortfall.

The CEO reviews all requests for draw-downs and signs the request as authorisation; a copy is taken along with the supporting documentation and retained on file. The originals are e-mailed to TEO.

The Finance Manager is responsible for ensuring adequate funds are kept in the bank to meet liabilities as they arise and that MLKDC complies with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest Act) 1998 as amended and supplemented by the Late Payment of Commercial Debt regulations 2002.

### **4.2 Other Income**

Although the majority of MLKDC's income comes in the form of Grant in Aid, a small proportion arises from other sources, including:

- Payments due under licence and development agreements with tenants on site;
- Recharging of certain activities on the site; and
- Recharging of staff, where seconded to other organisations on other duties.

Any income that is to be charged, is emailed to (copied to the Director of Finance & Corporate Services of the charge) to the Finance Officer who raises the sales invoice to the relevant body, posts to the sales ledger, and posts / emails to the relevant body for payment.

### **4.3 Receipts**

It can take approximately two weeks after the request for draw-down has been submitted to TEO for the monies to be transferred into MLKDC's bank account. A remittance advice slip is received from TEO which is entered onto Sage by the Finance Officer.

Receipts from sales invoices can be received either by cheque or paid direct into MLKDC's bank account. Where a remittance advice is received from the relevant body, this will be entered onto the sales ledger by the Finance Officer.

---

MLKDC's bank account is reviewed by the Finance Manager on a monthly basis. Receipts consist of Grant-in-aid from TEO and other sales invoices. Any lodgements greater than two weeks old are investigated. A monthly review is carried out to identify any debtors.

A reconciliation of the debtors report to the debtors control account is completed, an investigation of debts greater than one month old is performed and reminders are issued if required.

#### **4.4 Post**

MLKDC's post is opened daily by the Finance Officer, and distributed to the appropriate person. All receipts are recorded in a receipts ledger.

---

## 5 EXPENDITURE

### 5.1 Scope

All expenditure (outside of salaries, security and normal day to day accommodation costs) should be supported by an approved business case, in line with the delegated limits outlined at Appendix 3, before procurement decisions are taken.

Following business case approval, all procurement shall comply with NI Public Procurement Policy. The Central Procurement Directorate (CPD) acts as the Centre of Procurement Expertise (CoPE) for MLKDC and all procurement will be undertaken under the terms of MLKDC's Service Level Agreement (SLA) with CPD.

This section is therefore structured into two sections, to cover:

- Business Case preparation and approval; and
- Procurement of goods or services.

### *Business Case Preparation and Approval*

### 5.2 Procedures prior to Business Case Preparation

Before a Business Case is prepared a High Level Project Proposal pro forma should be completed and submitted to the Senior Management Team for review and approval. Only after approval is granted should a Business Case be prepared. The approved Pro Forma will be sent to the Finance Officer for onward transmission to TEO.

The template for the pro forma can be found at HPRM Ref: F11/16/324066.

### 5.3 Preparation of Business Cases

All expenditure (outside of salaries, security and normal day to day accommodation costs) must be subject to a business case (as per para 1.2.1 of the NI Guidance to Expenditure Appraisal and Evaluation). The principles of appraisal apply to all decisions and proposals involving expenditure or resources, applying equally to policies, programmes and projects.

DoF requires the principles of economic appraisal to be applied, with appropriate and proportionate effort, to all decisions and proposals for spending or saving public money, including EU funds, and any other decisions or proposals that involve changes in the use of public resources.

The NI Guidance to Expenditure Appraisal and Evaluation (NIGEAE) (see [www.finance-ni.gov.uk/topics/finance/northern-ireland-guide-expenditure-appraisal-and-evaluation-nigeae](http://www.finance-ni.gov.uk/topics/finance/northern-ireland-guide-expenditure-appraisal-and-evaluation-nigeae)) provides detailed guidance to assist in the drafting of business cases, economic appraisals and evaluations, and should be referred to, as required.

---

There are essentially ten key steps in the production of a business case/economic appraisal, which are explained in detail in the NIGEAE guidance, on the DoF website, as referenced above. These are:

- *Step 1 Explain the Strategic Context;*
- *Step 2 Establish the Need;*
- *Step 3 Define the Objectives and Constraints;*
- *Step 4 Identify and describe Options;*
- *Step 5 Identify and Quantify the Monetary costs and benefits of Options;*
- *Step 6 Appraise risks and adjust for Optimum bias;*
- *Step 7 Weigh up non monetary cost and benefits;*
- *Step 8 Calculate Net Present Values (NPVs);*
- *Step 9 Assess arrangements for financing, management, procurement, marketing, monitoring and ex post evaluation; and*
- *Step 10 Assess balance between options and present conclusions and recommendations.*

Templates are available to assist in the completion of the consultancy business cases and other business cases with proposed expenditure of less than £1m. These templates should be used for all expenditure to this value with proportionate effort applied where appropriate. These templates can be found as detailed below and links to guidance on proportionate effort can be found at DF1/13/524005. DF1/15/564989 (Spend < £1m)

DF1/12/199244 (*Consultancy, Internal and External*)

Completed business cases/economic appraisals must be submitted to the Director with the appropriate delegated authority for review and approval. The Director approving or recommending the case must ensure that the funding is available within their resource or capital budget and advise finance of the business case and the likely timing of the spend. The director approving the case must also advise the finance team of all of the relevant details of the business case for logging of same on the business case register and formal approval letters are to be issued through the Finance Officer.

Where a business case falls outside of the Directors delegated authority the Director must submit the business case to the Director of Finance and Corporate Services who will review the case and will make a recommendation to the CEO who will provide the approval or alternatively recommend to the MLKDC Board for their approval and onward transmission to TEO, Ministers and DoF where appropriate.

All business cases which require TEO, Ministers and DoF approval must follow the same process and be approved by the CEO and approved by the MLKDC Board before they are sent to TEO / Ministers / DoF for approval.



---

MLK Finance and Corporate Services will forward the MLKDC approved business case to the Department and will co-ordinate all queries in relation to same.

The sponsor branch in TEO will prepare Ministerial submissions liaise with TEO Finance and Economists who in turn will liaise with DoF.

The process of procuring / tendering for any type of work cannot commence until the appropriate Business Case approval has been secured.

Appendix 3 to this document summarises the approval process that applies to the MLKDC.

#### **5.4 Procedures following Approval**

Once the Business Case has been approved, a formal letter will be issued and each budget holder must adhere to the terms of approval and the procurement guidance outlined below. All procurement should be managed through CPD where possible in line with the guidance below.

Advice relating to applicable legislation, inviting tenders, agreeing contracts, briefing etc, can be obtained from CPD. MLKDC procurement manager within CPD will provide advice on the tendering and procurement process.

Staff should be aware that CPD estimate that the procurement process will take on average 6 to 8 weeks from first contact with CPD to the award of contract. When contacting CPD MLKDC will be expected to supply clear terms of reference for the job and should factor into their planning adequate time for tender responses and evaluation. Initial guidance on the evaluation procedures will be supplied by CPD along with the relevant paperwork.

CPD will not take a procurement exercise forward in the absence of evidence of an approved Business Case.

In cases where actual costs or other assumptions vary by more than 10% by comparison to the estimates given in the original business case, or if implementation is delayed by more than 24 months, fresh approval for the spend must be sought.

The MLKDC Finance & Corporate Services team should be notified of any substantial changes to the project and to actual outturn (variance of 10%) which occur after approval is granted. Following receipt of this information, the MLKDC Finance & Corporate Services Team will decide what follow up action is required ie a letter, an addendum - a more substantial change may require a revision to the business case.

Post Project Evaluations (PPEs) should be completed usually 6-12 months after a project is completed and should be approved by the CEO and forwarded to the MLKDC Finance &

---

Corporate Services Team for logging and onward transmission to TEO as appropriate. . If there are significant issues arising (good or bad), these may be forwarded for consideration at higher level or disseminated throughout the organisation where this would be beneficial. Within MLKDC there are templates to aid the completion of PPEs. (See Appendix 4) *PPE Non-consultancy template (DF1/11/128271)* *PPE Consultancy template (DF1/11/128272)*.

Failure to complete PPEs or long delays in their completion is indicative of weak internal control and will provoke investigation by TEO and possibly DoF and NIAO.

## **GUIDANCE NOTE ON THE APPLICATION OF NORTHERN IRELAND PUBLIC PROCUREMENT POLICY**

Following business case approval, all procurement shall comply with MLKDC's Procurement Procedures and CPD procurement controls in line with NI Public Procurement Policy. Where appropriate, Central Procurement Directorate (CPD) will act as the Centre of Procurement Expertise (CoPE) for MLKDC and all procurement will be undertaken under the terms of MLKDC's Service Level Agreement (SLA) with CPD. Details of NI Public Procurement Policy and Guidance Notes (PGN's) are available on CPD's website [www.finance-ni.gov.uk/cpd](http://www.finance-ni.gov.uk/cpd) further helpful links and guidance can be found at Appendix 5 with current EU Procurement Thresholds available at Appendix 17.

### **5.5 Procurement Control Limits**

The following procurement procedures are used by MLKDC according to the estimated value of contracts at pre-tender stage. A decision to procure goods or services must demonstrate best value and records must be kept to support the decision made. Further information is available in the MSFM.

---

**PURCHASING ALL GOODS AND SERVICES - (All costs exclude VAT)**

---

<b>Delegated Authority for the Purchase of Goods, Services and Works - Tendering Process</b>	
<b>THRESHOLDS</b>	<b>NUMBER / TYPE OF TENDER REQUIRED</b>
Up to £5,000	MLKDC must demonstrate that value for money has been secured. In meeting this requirement MLKDC must ensure that: <ul style="list-style-type: none"> <li>• the purchase is not covered by an existing framework, call-off arrangement, standing lists or e-catalogue;</li> <li>• the purchase is a one-off requirement;</li> <li>• the total spend, which must be less than £5,000 must cover the combined costs of all purchases associated with the initial requirement;</li> <li>• the requirement is clearly specified; and</li> <li>• MLKDC should obtain quotes from at least 2 suppliers to ensure value for money has been achieved.</li> </ul>
Between £5,000 and £30,000	A minimum of two tenders invited by the person authorised to procure for their organisations in accordance with a Service Level Agreement (SLA) with a Centre of Procurement Expertise (CoPE); <b>or</b> <ul style="list-style-type: none"> <li>• a tender process undertaken by a CoPE.</li> </ul>
More than £30,000 and less than EU Thresholds	Advertise on eSourcingNI. Tender process must be conducted in line with <b>PGN 05/12 – Procurement of Goods, Works and Services Over £30,000 and Below EU Thresholds.</b>

In certain circumstances, these procedures may be waived and Direct Award of Contract (DAC) permitted. However, such instances will be rare and always require prior approval by the CEO, MLKDC Audit & Risk Assurance Committee, MLKDC Board and the TEO Accounting Officer depending on delegations applicable. The circumstances where DAC **may** be appropriate are:

- The proposed supplier is the only one known to possess unique or specialised capacity, or the articles are unobtainable from any other source and there are no satisfactory alternatives;

- 
- When, for technical or artistic reason, or for reasons connected with the protection of exclusive rights, the public contract may be awarded to a particular economic operator;
  - For work of exceptional urgency caused by unforeseeable circumstances where competitive tendering would cause unacceptable delay;
  - For reasons of commercial confidentiality.

In all cases where DAC is undertaken the reason for such action should always be documented on the file. A note of all DACs undertaken will be forwarded to TEO as part of the quarterly reporting by MLKDC. All proposals to use DAC procedures must be supported by a business case and submitted for approval by the MLKDC Board. DACs will also be notified to the Audit & Risk Assurance Committee at each committee meeting. The budget holder must also notify CPD of the intention to use DAC procedures and document their response in the submitted business case. A helpful checklist is available at Appendix 16 to ensure all of the relevant steps are followed in the DAC approval process.

MLKDC may enter into lease and/or rental agreement for the provision of goods and services. These should be open to competitive tendering in the same way as purchases unless there are convincing reasons to the contrary.

The delegations above will also apply to lease and rental agreements with the cash value relating to the annual cost of the arrangement.

In order to obtain the required number of selected tenders, purchasing officers should always aim to invite more than the stipulated number.

If the estimated value of the purchase is close to the upper limit then it would be advisable to invite the number of quotations/tenders required in the next level. Orders should not be split so as to avoid the need for competitive tendering.

For any purchase or contract where the minimum number of quotations/tenders was not obtained, MLKDC may permit the purchase to proceed if satisfied that every attempt has been made to obtain competitive offers and that the value for money will be achieved. In these cases a report should be submitted to the CEO.

Evidence of quotations received or a tendering process having been performed **must** be retained on the internal MLKDC records management system (TRIM) and be made available

---

for audit purposes. Copy evidence may also be held by a third party agent/facilitator (e.g. CPD).

## **5.6 EU Tendering Process – Guidelines**

The purchasing of goods and service is subject to the relevant EU legislation. Advice on the application of particular legislation/regulations can be obtained from CPD. When MLKDC is procuring goods and services likely to be valued in excess of EU thresholds there is a requirement to advertise in the Official Journal of the European Union (OJEU). In such instances, the services of the CPD – or another specialist advisor – should be retained. CPD will maintain the records of the procurement and will normally manage the process.

## **5.7 Frameworks and Call-Off Arrangements**

Frameworks are lists of suppliers who have been pre-qualified to tender for a particular type or types of work. When MLKDC wishes to invite tenders for work covered by the framework then all suppliers on the list must be offered the opportunity to bid. There must be no substantial amendments to the terms laid down in the framework agreement.

The advantages of using a framework in preference to other routes to procurement are:

- Speed: a competition run off a framework can be completed within three weeks;
- Compliance: the process is approved by the EU and entirely defensible;
- Partnership: the process encourages the development of strategic partnerships with suppliers.

Call-off arrangements are a particular type of framework agreement where the list contains only a single supplier who has agreed a set of rates for particular types of work. Where a call-off arrangement is used, no competitive tendering is required. However, a business case must be approved and authorised before any contract is let.

Frameworks and call-off arrangements must be established by CPD or a CoPE. They take at least five months to establish.

## **5.8 Roll-Over Contracts**

The use of rolling contracts is not regarded as best practice. Approval of the CEO must be obtained before an extension is granted to an existing contract.

---

## 5.9 Letters of Appointment/Contracts

When entering into an arrangement with a third party for the provision of goods and services (including consultancy work) a formal agreement will be entered into. This may take the form of a letter of appointment /engagement or a formal contract between MLKDC and the relevant party(ies). In all cases the budget holder is obliged to exercise a duty of care in ensuring that MLKDC resources and reputation are safeguarded. He/she may exercise discretion as to whether legal advice is required. CPD will normally issue the Letter of Appointment as part of the CoPE role. CPD have been instructed not to issue any letters of appointment without obtaining prior approval from the MLKDC CEO who will ensure approval has been given before the letter is issued. Under no circumstances should a letter of appointment be issued without the CEO's approval.

The following details should be included in the document:

- a) All parties to the agreement;
- b) The title of the project;
- c) Timescales – e.g. milestones, contract term and completion dates;
- d) The methods of payment and the daily rates of charge, what they cover (including a definition of the working day) and whether inclusive of VAT;
- e) The agreed basis for defraying hotel and travel costs. (Actual costs up to the limits of the appropriate current Civil Service rates though it may be possible to avoid payment of travel and hotel expenses for GB based consultancy staff if the consultancy charge includes accommodation and travel);
- f) Which office, secretarial and other facilities will be provided by the consultant and which by MLKDC. (It should be made clear whether any secretarial facilities include typing and duplication of the report);
- g) Payment Schedules including arrangements for the provision of accrual data—where appropriate;
- h) Essential requirements for the conduct of the study for example, who leads it, the reporting arrangements, the participation of any MLKDC staff in the work, and the day to day liaison arrangements;
- i) Any requirements for follow up action including debriefing and further consultation, and whether there will be a related charge;
- j) Conditions under which the arrangement can be terminated;

- k) Confidentiality – where appropriate;
- l) Appropriate clauses on insurance – where appropriate;
- m) Conditions under which the agreement can be amended or varied and
- n) Record keeping arrangements.

All budget holders should also give due consideration to the following before engaging third parties to provide consultancy/other services. Depending on the nature of the services to be provided the documentation may require entries covering the following items:

- Ceilings (Caps) on expenditure – where consultants/suppliers are retained to provide services in increments or units a cap or ceiling should be placed on their fees/charges and noted in the file/paperwork/business case;
- Where intellectual property rights may be generated by the work unless a pre-agreed arrangement has been made, ownership or copyright should default to MLKDC;
- If the work is likely to include significant events e.g. launch, road show, conferences, newspapers, articles etc the communications adviser must be advised well in advance of the date of the event.

The formal contract with the consultant should contain a specific clause(s) outlining the penalties to be incurred should the objectives from the assignment not be met satisfactorily.

#### **5.10 Documentation**

The following documents should be consistently utilised and filed in adherence to the MLKDC's records management system in addition to being retained by CPD. This documentation must be available for ad hoc inspection by appropriate personnel and for audit purposes, copies of items b, c and e must be retained on the relevant MLKDC TRIM file:

- a) Copy of Terms of Reference for the study/consultancy;
- b) Proposal or tender from the consultant;
- c) Business Case/Justification sheet detailing the reason/basis for undertaking the study/consultancy should be completed, the SLA and terms of reference as agreed with the client department.

- d) File notes supporting the decision to appoint and the agreed terms and conditions;
- e) Letter(s) of appointment/engagement, including their terms;
- f) Reports of any meetings held with the consultant/supplier during the course of the assignment together with copies of any interim/final reports provided by the consultants/suppliers;
- g) File notes in support of the evaluation/assessment of the report including the payment of the final fee; and
- h) In the event that the total cost of providing the services exceeds the original estimate and/or contract cost, an explanation note is prepared by the budget holder and signed off by the CEO **in advance of the previously agreed budget being exceeded.**

### 5.11 Evaluation

It is a DoF requirement that all government consultancy assignments should be evaluated, at their conclusion. The Consultancy Evaluation form at Appendix 4 must be completed at the conclusion of all consultancy assignments. This should, either be completed:

- By the budget holder who managed the assignment; or
- By the appropriate departmental/customer manager if the budget holder did not supervise the work.

A copy of the completed Consultancy Evaluation form should be filed in adherence with the MLKDC records management system protocol. This documentation must be available for ad hoc inspection by appropriate personnel and for audit purposes.



---

## 5.12 Summary of Key Points

- MLKDC approval is required for *all* expenditure proposals (outside of salaries, security and normal day to day accommodation costs) both below and above our delegated limits. All proposals must be supported by a business case;
- All business cases which require TEO approval must be signed off by MLKDC before they are sent to TEO for approval;
- You are encouraged to familiarise yourself with the following documents notably DAO (DFP) 06/12 Departmental Delegations /Requirements for DoF Approval, FD (DFP) 07/12 (20 April 2012) Guidance on the Use of Professional Services and FD (DFP) 07/12 Attachment (Revised 10 January 2013) DFP Guidance – Use of Professional Services Including Consultants;
- All procurement should be managed through CPD where necessary;
- Any proposal to procure through DAC must be supported by a case to the CEO, the MLKDC Audit & Risk Assurance Committee, and MLKDC Board. Where the case is in excess of £150k or an external consultancy assignment, departmental Accounting Officer (AO) approval. All DAC proposals must include DSO or CPD advice, setting out the rationale and justification for the DAC. Both approvals are required before awarding any contract through a DAC;
- Post project evaluations (PPEs) should be completed usually 6-12 months after a project is completed;
- **If in doubt ask.**

### 5.13 Delegated Limits for Business Cases

All business cases must be approved internally regardless of whether they will subsequently require approval by TEO or DoF. MLKDC's delegated limits are set out in the tables below. These delegations apply to all capital or resource regeneration projects and are inclusive of VAT.

TEO Delegated Limit for Authorisations within MLKDC				
RRI Capital	Non RRI Capital	Resource	External Consultancy	Direct Award Contracts
£1,000,000	£1,000	Annual Budget	Up to 5,000	Up to £150,000 <sup>1</sup>

MLKDC Internal Business Case Delegated Limits	
Value of Business Case	Approval Required
1. Up to £100,000	Chief Executive
2. Over £100,000	MLKDC Board

All consultancy projects will require the approval of the CEO irrespective of value. Consultancy projects greater than £5,000 require TEO approval and those greater than £10,000 require both TEO and DoF approval.

### 5.14 Delegated Limits for Purchase Orders & Supplier Invoices

Invoice approvers must fall within the delegated limits detailed below.

MLKDC Purchase / Invoices Approval Limits	
Total Cost	Approval By
Less than £1,000	Staff Officer or Above
£1,000 to £25,000	DP or Above
£25,000 to £75,000	Director or Above
Over £75,000	Chief Executive

<sup>1</sup> There is no delegated authority for External Consultancy DACs. All require Departmental Accounting Officer Approval.

---

## 5.15 Receipt of Goods/Services

On receipt of goods/services, the person receiving the goods/services must check them thoroughly to ensure everything is present, undamaged and fit for use. Goods/services delivered should be agreed to the delivery note. Any shortages or damages should be clearly marked on the delivery note.

## 5.16 Payment

MLKDC is committed to the prompt payment of bills for goods and services received in accordance with DAO 04/13 "*Prompt Payment of Invoices*" which introduced a prompt payment target of ten days, with effect from December 2008. Unless otherwise stated in the contracts payment is due within ten days of the receipt of the good or services, or on the presentation of a valid invoice or similar demand, whichever is later.

Once an invoice is received:

- a) Finance Officer will date stamp invoice and record invoice with unique reference number;
- b) Match up any orders, delivery dockets if appropriate;
- c) Stamp 'Approve' on invoice;
- d) Finance Officer will record invoice with business case number (if applicable) nominal account code, cost centre and directorate;
- e) Pass to relevant officer for approval and signature;
- f) Input to Sage financials to the supplier account, nominal ledger and project accounting where appropriate.

## Electronic Payments

- a) Invoices are processed through Danske Bank;
- b) Once all invoices are keyed on, print suggested payments report;
- c) Pass to Finance Manager with original invoices to be paid, to check the invoice/supplier details and appropriate approvals;
- d) The Bank transfer of payments file is then prepared and uploaded to the bank.

- 
- e) Finance Manager will then pass to Finance Director/Directors/CEO for final checking and authorisation of payment file;
  - f) The payments are then authorised on the bank by both the Finance Director and CEO in accordance with the Sage reports and bank reports.
  - g) Once all payments are authorised the Finance Director passes all paperwork back to Finance Officer to stamp paid on invoices and for filing.
  - h) Invoices are then filed in unique number order in the invoice file;
  - i) Bank reports are filed in bank file.

### **Cheque**

If a supplier hasn't provided MLKDC with their bank details, MLKDC will follow up with the supplier for bank details in an effort to make an electronic bank payment. However in the event that these are not forthcoming, MLKDC have the facility to pay creditor by cheque as follows;

- a) Process cheque with correct payee and amount information;
- b) Record all cheque details on SAGE;
- c) Pass to Finance Director for final checking and authorised signatures;
- d) Once all payments are authorised the Finance Director passes all paperwork back to Finance Officer to stamp 'Paid' on invoices.
- e) Invoices are then filed in unique number order in invoice file.

### **5.17 Supplier Statements**

All supplier statements received are reconciled to the financial accounting system by the Finance Officer, with any variances investigated.

### **5.18 Fraud Prevention in Supplier Payments**

Following the publication of FD (DFP) 19/11, MLKDC finance staff must follow the guidelines below with respect to verifying supplier bank details and requests for changes:

- Closely scrutinise all requests for changes in payment details, no matter how minor.

- As part of standard procedures suppliers should be independently contacted to verify that any change of bank details or contact details is genuine.
- Verification should **not** be made using the document/letter which has been received requesting the change (which may contain false contact information) but should be done using existing contact details held on file or information obtained from directory enquiries. It may also be useful to check details provided via an Internet search of the company name. It may also be necessary, and prudent, to follow up this initial verbal contact by obtaining further written confirmation from a known contact in the supplier's firm before making changes.
- Finance staff and others dealing with any changes to suppliers' details should be made aware of this fraud risk. Staff should also be advised that they must be careful about the information they give out to callers regarding the organisation's payment processes and any unique supplier identifiers, etc. which may be held. Such callers may not be genuine and may help the fraudsters by making their subsequent requests more authentic looking.

## 6 CASH

### 6.1 Banking Arrangements

MLKDC's bank accounts are currently held at the Danske Bank, 8/9 Donegall Square North, Belfast BT1 5GJ.

MLKDC download and print monthly bank statements. The Finance Officer posts all lodgements from the remittances received and posts all payments as a direct result of the weekly payment run. The Finance Officer reconciles the bank accounts through the SAGE 200 Accounts package. Monthly reconciliations are produced and maintained in the management accounts file.

MLKDC can also reprint statements and review cash balances on the [www.danskebank.co.uk](http://www.danskebank.co.uk) website via authorised usernames and passwords.

#### Processing of Electronic Payments

MLKDC processes payments through Danske Bank Business E'Banking.

The Board has approved the use of the Business E'Banking and the following details the authorised users and access rights for the MLKDC bank account.

Authorised Users and Access Rights to Danske Bank E'Banking		
User	Responsibilities	Approver Authority
Chief Executive	Create & Approve	Two persons jointly
Director of Finance & Corporate Services	Create & Approve	Two persons jointly
Director of Development	Create & Approve (up to £100k)	Two persons jointly
Finance Manager	Create & Approve (up to £100k)	Two persons jointly
Finance Officer	Create	-

The joint authorisers of payments over £100k must be the CEO and the Director of Finance and Corporate Services, The CEO can delegate his authorisation to another officer in his absence. Such a delegation must be documented and filed appropriately.

---

## Processing of Cheque Payments

All cheques issued by MLKDC should have two signatories. CEO, or officer delegated by the CEO are the mandatory signatories on all cheques presented to the bank by MLKDC.

Along with the mandatory signature of the CEO, the other authorised signatories proposed are the:

- Director of Finance and Corporate Services;
- Director of Development.

The mandatory signatories for any cheque written for a value greater than £100k are the CEO and the Director of Finance and Corporate Services.

### 6.2 Petty Cash

MLKDC holds petty cash. The petty cash is the responsibility of the Finance Officer.

Cash is stored in cash box, key of which is held in the secure key cabinet and kept separate from the cash box. (Spare key held in by the Director of Finance and Corporate Services) The cash box must be kept locked and stored in secure cabinet at all times when not in use and the key stored in the secure key cabinet.

Petty Cash Voucher must be completed for each payment, authorised by Line Manager and signed by officer receiving payment.

Receipts must be produced for all petty cash expenses and attached to Petty Cash Voucher for audit/checking purposes. If receipts are unavailable this should be clearly marked on the voucher.

Delegated officer is responsible for recoument of petty cash expenses. Schedule of Receipts must be completed with relevant Cash Vouchers and receipts. Requests must be retained on file.

If the delegated officer is taking leave and responsibility is passed to another officer, the petty cash must be reconciled before responsibility is handed over.

If, a member of staff has to be reimbursed for an amount greater than the petty cash currently held, the delegated officer should inform them when sufficient funds are available to reimburse them. **At no times should receipts be held prior to re-imbusement.**

**IMPORTANT - AT NO TIME SHOULD MONIES BE LEFT UNATTENDED**

---

## Reconciliation

Petty cash should be reconciled on a monthly basis. Details should be entered in the Petty Cash Reconciliation Book, signed and dated by the delegated officer then checked and countersigned by the line manager. Line manager should Initial receipts to show that they have seen them and agreed the dates and amounts.

### Recoupment of Petty Cash

Petty Cash should be recouped when the balance has fallen to £50.00.

A Schedule of Receipts should be prepared by the delegated officer and checked by the Line Manager. Cheque should be made payable to 'Cash' and taken to the Danske Bank by the delegated officer along with the Letter of Authorisation .

### 6.3 Government Procurement Card

The Government Procurement Card (GPC) has been introduced as an alternative method of procuring and paying for relatively low value goods and services. The GPC (Barclay Card) looks, and is used, much like any other credit card with two exceptions. It cannot be used to withdraw cash and the GPC is a charge card, not a credit card. Card balances are paid by direct debit on the seventh of the following month. Only the Board Secretary and the Finance Officer have government procurement cards. If another member of staff needs to make a purchase using a company card, they may do so through the finance and corporate services team.

Guidance can be found in FD11/16 *"Issues and Use of Payment Cards"*.

### Use of Cards

Procurement cards should only be used to acquire goods and services for MLKDC business. The GPC does not alter normal tendering requirements and procurement policy must be adhered to.

Receipts or invoices must be obtained to support every item of expenditure and if the purchase contains any charges for VAT; a proper VAT receipt or invoice should be obtained. Signed delivery dockets should also be retained.

Finance and Corporate Services must maintain a transaction log of each purchase as it is made. This log will be used in the verification of the statement when it is received.



---

All procurement card statements will be checked monthly by the Finance & Corporate Services Team who will certify the statement to confirm that it has been checked. The Finance & Corporate Services Team will reconcile the statements with the transaction logs and supporting documents to ensure adequate records are being maintained. Transactions and supporting documents must be kept for a period of six years plus the current financial year so that they can be produced if an audit is carried out.

The deliberate misuse of a card for personal gain will be treated as fraud in accordance with the disciplinary rules and procedures set out in MLKDC's staff handbook.

### **Restrictions**

Procurement cards cannot be used to obtain cash from a cash dispenser or to guarantee any cheque or obtain cheque encashment.

Procurement cards must not be used for any non MLKDC business or personal expenses.

Whilst cards must not be used for any unofficial business or personal expenses, there may be occasions when using the card for accommodation or official hospitality charges that unavoidably include elements relating to personal incidentals, newspapers, bar charges etc. The cardholder will be expected to reimburse MLKDC for these items and must obtain a MLKDC receipt as confirmation.

Only secure sites should be used to make purchases via the internet (for example the site shows the padlock symbol, Verisign, Bobby or another secure pay site). If staff is in any doubt whether it is a secure site they should not make a purchase.

### **Security**

Every effort must be made to keep the card secure at all times and either held personally or stored in a drawer or filing cabinet. These must be kept secured.

Barclay Card recommend for security reasons that wherever possible transactions are processed in front of the user, rather than out of sight.

PIN numbers must be kept secure and not disclosed to anyone else.

Barclay Card must be notified immediately if the card is lost, stolen or fraudulent use is suspected. The number to phone is 0844 822 2140. If the card is subsequently found, it must be destroyed and the bank informed.

The cardholder will surrender the card to the Finance Manager when the cardholder leaves the employment of MLKDC or if circumstances change so that a card is no longer required.

---

## **Payment**

GPC payments are made via direct debit to ensure that MLKDC avails of the interest free period. A reconciliation is performed by the Finance & Corporate Services Team each month to ensure proper approval is documented on file for all transactions.

---

## 7 FIXED ASSETS

MLKDC is responsible for the management and maintenance of accounting procedures for all Non-Current Assets owned by MLKDC. This section details the applicable accounting policies and specific procedures that must be followed regarding Non-Current Assets.

The purpose of the 'Non-Current Assets' procedures is to ensure that MLKDC assets such as land, buildings and other property, including stores and equipment are properly and well managed.

In applying best practice MLKDC follows the standards detailed in Managing Public Money Northern Ireland (MPMNI) 2008, Annex 4.8.

### **FReM**

The Government Financial Reporting Manual (FReM) is the technical accounting guide to the preparation of financial statements. It complements guidance on the handling of public funds published separately by the relevant authorities in England and Wales, Scotland and Northern Ireland. The manual is prepared following consultation with the Financial Reporting Advisory Board (FRAB) and is issued by the relevant authorities.

The following accounting standards and UITF Abstracts deal with accounting for tangible non - current assets:

- a) IAS 16 Property, Plant and Equipment;
- b) IAS 17 Leases;
- c) IAS 20 Accounting for Government Grants and Disclosure of Government Assistance;
- d) IAS 23 Borrowing Costs;
- e) IAS 38 Intangible Assets
- f) IAS 40 Investment Properties;
- g) IAS 41 Agriculture
- h) IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

---

## 7.1 Background and Definitions

The objective of IAS 16 Property, Plant and Equipment is to prescribe the accounting treatment for property, plant and equipment so that users of the financial statements can discern information about an entity's investment in its property, plant and equipment and the changes in such investment. The principal issues in accounting for property, plant and equipment are the recognition of assets, the determination of their carrying amounts, depreciation charges and impairment losses to be recognised in relation to them, (FREM, chapter 6).

Similarly, the objective of IAS 38 Intangible Assets is to prescribe the accounting treatment for intangible assets that are not dealt with specifically in another standard. This standard requires an entity to recognise an intangible asset if, and only if, specific criteria are met. The standard also specifies how to measure the carrying amount of intangible assets and requires specified disclosures about intangible assets. When capitalising internally generated intangible assets, such as software, only directly attributable costs, including staff costs and staff-related costs, should be capitalised (FREM, Chapter 7).

In applying IAS 16 and IAS 38 each government department must identify in its resource accounts all of the assets and take responsibility for properly managing their Non-Current Assets. This includes full asset recording and maintenance of a fixed asset register.

## 7.2 Definition of Assets

An asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. (IASB)

Tangible Non-Current Assets are assets held for use on a continuous basis. The asset has a physical identity and an expected economic life of more than one year.

Intangible Non-Current Assets do not have a physical entity but are identifiable and are controlled by the entity through custody or legal rights.

The Finance Manager has responsibility for managing and maintaining MLKDC assets.

---

### **7.3 Non Current Asset – Criteria for Capitalisation**

Non-Current Assets that are owned by MLKDC should be capitalised, when they meet all of the following criteria –

- Purchased for at least £1,000.
- Purchased with the intention of using it for at least one year.
- Is not intended for sale in the ordinary course of the business.
- Is used in the production or supply of goods and services or for administrative purposes and may include items held for the maintenance or repair of such items.

The use of pooling or grouping of assets within MLKDC is to ensure that the value of the assets held is fairly stated; MLKDC may own a significant number of items whose individual value fall below the capitalisation thresholds mentioned earlier, but collectively have a material value.

The establishment of asset pools within the corporation will predominately relate to Furniture & Fittings, and Floor Coverings, where these are entered as a group onto the Fixed Asset Register, rather than as individual desks, chairs, etc. A new pool is generated each year, as all furniture purchased during the year is grouped together and capitalised as one asset.

There is currently no capitalisation threshold for assets entering the pool.

### **7.4 Asset Additions**

Where the Finance Officer has determined that a purchase meets the definition of a fixed asset they should code it to the Fixed Asset Clearing Account code (80020) using the normal procurement procedures.

### **7.5 Monthly Monitoring of Asset Additions**

As part of the monthly management accounts process, the Finance Officer will run a SAGE report and check for capital expenditure wrongly coded on the General Ledger and adjust as appropriate.

If capital has been incorrectly coded Budget Holders should inform the Finance Manager for correction of coding.

---

## **7.6 Interface with Account NI**

The MLKDC fixed asset register is maintained and managed by Account NI. Periodically throughout the year the MLKDC Finance team notify Account NI of updates and additions to the Fixed Asset Register via the completion of bespoke templates for uploading the additions, disposals, transfers, reclassifications and re-lifing of assets. This is reconciled to the nominal ledger as and when required.

## **7.7 Standard Life of Fixed Assets**

Standard Useful Economic Lives (UEL) are set for categories of Non-Current Assets. This determines the amount of years over which the asset will be depreciated/amortised and the amount to be charged annually in the accounts. These lives should be reviewed and if it becomes clear that an asset will continue in use after its standard life, an adjustment will be required on the Fixed Asset Register (see section on Re-lifing).

## **7.8 Depreciation and Amortisation**

Depreciation/amortisation is the amount of expense charged to write off the cost of a Non-Current Asset over its useful economic life, giving consideration to wear and tear, obsolescence, and residual value.

As a general rule, MLKDC's assets are depreciated evenly over the asset's life by the straight line method. Where there is a change in depreciation policy for a particular asset the Finance Officer must inform the Finance Manager who will review and ensure that the appropriate changes are made and Account NI are informed accordingly.

## **7.9 De Minimis Capitalisation Levels and Depreciation Methodology**

The threshold for capitalisation as a fixed asset is £1,000 (ex VAT) where the asset does not form part of a pool.

## **7.10 Revaluation of Assets**

Professional revaluations of land and buildings are undertaken every year, undertaken by Land and Property Services (LPS). Between professional valuations, land and buildings are revalued using indices provided by LPS and the Office for National Statistics (ONS). Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

---

With the exception of land & buildings and items under construction, fair value is estimated by restating the value annually through indexation, by reference to indices compiled by the ONS.

These revaluations are recorded on the Fixed Asset Register by the Finance Manager at the end of the financial year.

### **7.11 Re-lifing of Assets**

No asset should still be in use at the end of its useful economic life. The implication of this policy is that assets, particularly significant assets, should be periodically reviewed and given extended lives where appropriate. Similarly, assets that have been damaged or overtaken by new technology, should be written off over a shorter timescale.

The Finance Manager, with assistance from the Finance Officer will conduct re-lifing exercises on an annual basis.

Standard category lives should be kept under review and where assets of a particular category are regularly being re-lifed it may be necessary to change the standard life for the category.

### **7.12 Assets Under Construction (AUC)**

An Asset Under Construction (AUC) is an asset constructed over a period of time, rather than purchasing a finished asset. As an AUC asset is not in use, it is not depreciated. “Depreciation should commence from the time at which the asset is brought into use”.

An AUC must be recorded in the system as soon as work on the construction commences. The normal procedure regarding asset additions will apply.

When an asset under construction is completed, the asset will then be capitalised and normal depreciation rules will apply.

### **7.13 Disposal of Fixed Assets**

When a disposal occurs, the asset and all balances associated with it are removed from the Fixed Asset Register and from the General Ledger. This includes asset cost, accumulated depreciation and revaluation reserve. The difference between the net current cost and the cash received is the profit/loss on disposal, which will be reported in the Statement of Consolidated Net Expenditure. Disposals are not depreciated in the period of disposal.

---

There are a number of events that could give rise to a disposal of an asset, such as:

- a) Selling the asset;
- b) Permanent decommission;
- c) Theft;
- d) Replacement.

Once the Budget Holder becomes aware of any disposals or retirements they need to inform Finance who will then ensure that appropriate disposal procedures are followed.

#### **7.14 Permanent Diminution and Impairment**

An impairment occurs where the recoverable amount of an asset is lower than its carrying amount. If on revaluation or valuation there is found to be a permanent diminution in the amount recoverable from a fixed asset to below its carrying amount, then the amount of diminution should be charged to the Statement of Net Comprehensive Expenditure in the period in which the diminution occurs or is first perceived.

#### **7.15 Asset Verification**

MLKDC will carry out and document an Asset Verification every six months.

#### **7.16 Losses**

As soon as assets cannot be located they should be brought to the attention of the appropriate finance officials immediately for the purpose of reporting a loss.

All losses should be entered onto the losses register and the TEO should be notified.



---

## 8 EMPLOYMENT

### 8.1 Salaries

When a person has been appointed to a post within MLKDC, they are sent the following which must be returned to the Finance and Corporate Services Team:

- Standard appointment letter (as agreed with DoF pensions). (The Director of Finance and Corporate Services scans this and provides a copy for the individual's own record).
- Security questionnaire.
- Pension information sheet.
- Payroll - New employee data capture form.

The payroll starter form includes the following information; this is signed by the Director of Finance and Corporate Services and CEO as correct and passed to the Finance Manager:

- a) Name:
- b) Date of Birth:
- c) Gender:
- d) Marital Status:
- e) Address & contact details:
- f) National Insurance Number:
- g) Bank details:
- h) Emergency Contact Details:

The individual signs the hard copy and returns to the Finance Manager. The Finance Manager reviews the form, signs the hard copy and passes to the Finance Officer who enters the details onto the payroll module on SAGE. The Finance Officer, checks the information inputted and signs the form in agreement.

In time for payment on the third last working day of the month (with the exception of December) the Finance Officer will process the monthly payroll using Sage Payroll. Any changes

---

relevant to that month such as maternity pay, sick pay, acting up allowances, overtime etc will be added/deducted. This sheet is signed by the Finance Manager as proof of preparation and checked by the Director of Finance and Corporate Services. The CEO signs the sheet as approval of the proposed pay.

The Finance Officer inputs the information onto SAGE and then runs the following reports:

- This period summary;
- Year to date summary:
- Payslips.

The Finance Officer reconciles the current month pay to the previous month, detailing all variances. This reconciliation is passed to the Director of Finance and Corporate Services, recommending payment of salaries. The Director of Finance and Corporate Services and the CEO sign the above summary reports and payslips as approval.

The Finance Officer runs:

- the “Update Records” feature on sage payroll;
- the “Full Payment Submission Report” to HMRC;
- the “Nominal Link” to transfer all payroll information directly to Sage 200; and
- uploads the e-banking file to Danske Bank for approval.

### *Overtime*

No overtime will be paid unless authorised by the CEO in advance. Any employee who carries out overtime and expects payment must complete the “Overtime Sheet” and obtain authorisation from the CEO. Once authorised the sheet is passed to the Finance Officer who adds this to the proposed pay spreadsheet before obtaining the approvals above.

## **8.2 Change to Personal Details**

If an employee changes their home address, bank details or any other personnel details, they must notify the change in writing. This is passed to the Finance Officer who updates SAGE. The Finance Manager checks SAGE and signs the form as approval.

---

### **8.3 Notification of Change of Pay/Award of Bonus**

Any changes in pay or award of bonus must be notified by the Director of Finance and Corporate Services on the “Notification of change of pay/award of bonus” form, signed as approved by the CEO and given to the Finance Officer. This is added to the proposed pay spreadsheet for that month before obtaining the approvals above.

### **8.4 Leavers**

All leavers are notified by the Director of Finance and Corporate Services to the Finance Officer. This confirms the employee’s last working day along with the number of any holiday days accrued. Any other benefits to be paid upon leaving must also be stated or any reimbursements required from the employee.

The Finance Officer updates SAGE with this detail and this is checked by the Finance Manager who signs the form as evidence of review.

### **8.5 Pension**

MLKDC is a member of the Civil Service Pension (NI) Scheme. The Finance Officer prepares the monthly pension contribution files and uploads them to CSP’s secure server. For information purposes a remittance advice is sent to Account NI on a monthly basis, detailing monthly employee and employer contributions. The Director of Finance and Corporate Services reviews employee and employer pension contributions, and signs it as reviewed and approved. Once approved this is paid to the pension provider via Electronic Payment. If an employee wants to make any additional employee pension contributions they must write to CSP directly outlining the amount and timing of these contributions.

NICS Pensions issue Employer Pension Notices (EPNs) on a regular basis. The EPNs are reviewed regularly with the Finance Director, Finance Officer and HR representative to assess for the impact on staff and MLKDC. Actions arising from the EPNs are noted and follow up initiated. The Finance Director approves the action outlined and evidences the review of same.

---

## 9 TRAVEL AND SUBSISTENCE

All MLKDC staff members and Board Members (this includes both full and part time employees of MLKDC along with any seconded and contracted staff) who incur travel, subsistence or other expenditure in the course of carrying out MLKDC business will be reimbursed for this expenditure within the rates and regulations outlined below.

### 9.1 Contracted Staff Exclusions

#### Inclusive Rates

It is desirable that contractors' and consultants' fees should be inclusive of all personal expenses. In the absence of any explicit agreement to charge personal expenses separately, MLKDC will assume that these are included in fees.

#### Non-Inclusive Rates

Where fees do not include personal expenses, and the contract explicitly states that these may be recharged, the following rules and limits, (with the exception of subsistence) will apply at all times.

### 9.2 Travel and Subsistence Claim Form

Each month, a staff member, both employed staff and contracted staff should complete a travel and subsistence claim form for expenses incurred. This must be given to the Finance and Corporate Services Team for processing and payment. Payment of travel and subsistence expenses will be made by electronic payment into your designated bank account. Travel and subsistence claims must be submitted to the Finance and Corporate Services Team within **three** months of the month where the expense was incurred.

All flights and accommodation must be made by the designated travel bookers within MLKDC. These cannot be booked direct by a staff member and reclaimed on their travel and subsistence claim form. The travel bookers have been instructed to seek prior approval from the CEO before making any of the following bookings:

- Flights/accommodation for any member of the team;
- Any flights/accommodation outside UK/ROI;
- Any first class travel / business class;

- 
- Any accommodation in excess of £95 NI, €120 euros ROI, £180 London and £125 rest of UK.

Where accommodation costs exceed these rates additional prior approval from the CEO is required.

### 9.3 Travel

**Before travel, staff should always consider whether the journey is actually necessary; or whether there is a more efficient or cost effective way of meeting that specific objective.** Having decided that the travel is necessary, staff should always aim for best value for money.

#### Airfares

The Finance and Corporate Services Team is responsible for the booking of all airfares. If any MLKDC member needs to book any flight they should contact the travel bookers and give him/her the following information on the travel booking form attached at Appendix 15:

- a) Name:
- b) Date of flight required:
- c) Preferred time of flight:
- d) Departing Airport:
- e) Destination:
- f) Date of return flight if relevant:
- g) Preferred time of return flight:

The travel Booker will be used to source the cheapest flight available. The travel Booker will e-mail the individual details of the flight booked in their name. The use of business class or first class flights is prohibited without the prior approval of the CEO.

If for any reason, the individual's schedule changes, the travel Booker must be contacted immediately so that other arrangements/cancellation can be made. It is the responsibility of the individual to inform the travel Booker if a booked flight needs changed/cancelled.

---

## **Public Transport**

MLKDC recommends that all staff avail of public transport when travelling on business. A receipt should be obtained for each journey and reclaimed on their monthly travel and subsistence claim form.

Staff should take advantage of the most economic ticket options, such as day returns, monthly or season tickets.

The most economic fares should be obtained for train travel. The use of first class tickets is not permitted without the approval of the CEO.

## **Taxis**

MLKDC staff may only use taxis when there is no other suitable method of public transport available, saving of official time is important or when heavy luggage has to be transported to or from the place of departure or arrival. Staff members should ensure all public transport options are considered before ordering a taxi. Taxis should not be used for travel between home and airports, unless this can be demonstrated to be the most economical mode of transport. Where taxis have been used and there is a personal use element, the cost of the personal use must be reimbursed to MLKDC by the completion and submission of Appendix 6 to the Finance Officer.

## **Use Of Own Vehicle for Official Travel**

Every staff member can claim a standard rate of motor mileage for any journey that they make in their own private motor vehicle in the carrying out of MLKDC duties. Generally this excludes any home to work journeys.

“Part time appointments: payments of expenses for travel and subsistence”

This states that any mileage expenses paid to the Chairman and board members for travel between home and the MLKDC site will be subject to PAYE and NIC.

Further guidance and clarification on what constitutes a staff member’s home can be obtained from the Finance Manager.

Each staff member is also able to claim a standard mileage rate for any passengers that they take on official travel.

### **Example**

In the morning, A travels by private car from home in Bangor to MLKDC site (26 miles), then in the afternoon A travels to Belfast City for a meeting (13 miles), after the meeting A travels home (13 miles).

The only amount that A may claim is:

MLKDC site to Belfast i.e. 13 miles @ £0.45 per mile

Work to home travel generally is not allowed.

Guidance on this can be found at the HMRC website "[EIM32356 - Travel expenses: travel in the performance of the duties: home to work travel](#)".<sup>1</sup>

Please see Appendix 7 for mileage rates.

In Appendix 8 standard miles between MLKDC site and regular journey destinations are set out. While on official travel, each staff member can also re-claim any toll or ferry charges that they incur.

### **Home to office travel**

Journeys on official business that, for whatever reason, originate or end at the staff member's home raise particular issues because, under current HMRC rules, they are treated without exception as a benefit in kind that must be declared on an individual's tax return.

Staff may travel to and from home on official business in the following circumstances:

- When this is the most economical journey to a temporary place of business (e.g. another office, an airport, a conference etc); or
- When attending hospitality events solely for business purposes in the evenings or weekends; or
- When an individual attends an official evening function, and is then taken home afterwards; and then on the following morning transport is required to return that individual to the office to collect his/her own car.

It is assumed that individuals declare these journeys as benefits in kind in line with HMRC guidance.

---

<sup>1</sup> <http://www.hmrc.gov.uk/manuals/eimanual/EIM32356.htm>

---

Staff in MLKDC who use a taxi or other transport provided by MLKDC for journeys strictly on official business that begin or end at home will not be billed personally for such journeys, and MLKDC will meet the cost.

Such journeys are, however, treated as a taxable benefit and MLKDC reports them to HMRC, who make appropriate amendments to the individual's tax code.

The tax payments for such official business travel (both those where the cost is reclaimed through an expenses claim and where a bill is settled directly by MLKDC) made by MLKDC to HMRC will be paid back to the individual, grossed up so that he or she is not out of pocket as a result of having attended the business engagement or meeting.

Staff who use their own transport for such journeys may reclaim the cost at the prevailing Public Service rates.

### **Unofficial Drivers**

There may be times when staff are dropped off at or picked up from airports; railway stations etc by a non-official driver e.g. a family member. Provided that the driver meets all of the insurance requirements and provided it is a value for money decision, you can claim the mileage for the full return journey.

#### **Example**

A's spouse or partner takes A to the airport in the morning, drives home and then picks A up in the evening and drives them home. Provided that all the insurance requirements are met and it would not have been cheaper to say, leave the car at the airport and pay for parking, A can claim the mileage for both return journeys made by their spouse or partner.

### **Official Drivers**

In exceptional circumstances the CEO may use a car with driver where it is clearly demonstrated in advance that this mode of transport offers the best value for money. A value for money assessment to support the use of a car with driver should contain comparative costings for alternative modes of transport as well as detailed narrative explaining the rationale for making the decision. The incidence of using a car with driver should be monitored by the Audit & Risk Assurance Committee on a regular basis.



---

## **Self-Drive Hired Vehicles**

Where it is necessary for a staff member to be provided with a short term hire car for a particular journey or journeys, MLKDC may, at its discretion, meet all hiring and running costs incurred by the staff member on using the vehicle on that journey.

### **Car Parking Fees**

Staff members using their own vehicles on official business are entitled to re-claim the cost of any car parking fees that they incur. Contractors and staff members parking at airports must ensure they use the most economical parking rate available, (i.e. using long stay parking where this is cheaper).

## **9.4 Subsistence**

If staff incur extra living expenses because they are working away from their normal office, MLKDC will either pay the lower of a subsistence allowance or reimburse them for actual expenditure in accordance with the policy set out below. Subsistence allowances will only be paid based on receipted actuals.

### **Hotels or Similar Accommodation**

The Finance and Corporate Services Team or travel booker is responsible for booking all hotel accommodation for MLKDC both at home and abroad. If any MLKDC staff member needs to book a hotel they will have to contact the Finance and Corporate Services Team and give them the following information:

- Date of arrival:
- Location:
- Date of departure:

The Finance & Corporate Services Team will pass this information onto the designated travel booker who will source the best value for money room available or make the booking themselves.

No staff member, either employee or contracted should make a booking direct with a hotel without the approval of the CEO. All bookings must be made via the Finance and Corporate Services Team. Only in exceptional circumstances will MLKDC reimburse any staff mem-

---

ber, either employed or contracted, for hotel accommodation on the monthly travel and subsistence claim forms.

### **Day Subsistence – Employed Staff Only**

A daily subsistence allowance is payable to any employed staff member who is required to work away from home or the office for more than five hours. The place visited must be over five miles away.

Included in Appendix 9 is a list of buildings that do not give rise to a claim for subsistence allowance, this is taken from the NICS staff handbook.

The daily subsistence allowance that can be claimed while in NI or the UK is as follows:

- Working away from the office for more than 5 hrs (with the exception of those buildings listed in Appendix 9): up to £4.25 per day based on receipted actuals.
- Working away from the office for more than 10 hrs (with the exception of those buildings listed in Appendix 9): up to £9.30 per day based on receipted actuals.

While in the Republic of Ireland (ROI) or abroad actual meal costs will be reimbursed on the production of valid receipts up to the limit agreed by the CEO for that location. There is no set allowance that can be claimed.

### **Night Subsistence – Employed Staff Only**

A nightly subsistence allowance is payable to any employed staff member who is required to stay overnight away from their home on official duty as above.

The nightly subsistence allowance that can be claimed while in NI or the UK is up to £21.20 for each 24 hours based on receipted actuals. This is to cover lunch, dinner and any personal expenses. If lunch or dinner is provided while on official business, then the nightly subsistence allowance is reduced to up to £12.20 based on receipted actuals.

While in the ROI or abroad, actual meal costs will be reimbursed on the production of valid receipts up to the limit agreed by the CEO for that location. There is no set allowance that can be claimed.

### **Example**

A leaves MLKDC at 10am on Tuesday 1 February to go to a meeting in Leeds. A stays in a hotel overnight on the 1 and 2 of February and returns to MLKDC at 1pm on the 3 February.

A can claim overnight subsistence for two nights at up to £21.20 per night when substantiated by receipts.

In the above example, if A had returned to MLKDC at 4pm on the second day, they would also be able to claim one daily subsistence allowance of up to £4.25 if accompanied by receipts, as this is more than 5 hours.

### **Subsistence – Contracted Staff**

MLKDC will refund, on presentation of proper receipts, the cost of an evening meal up to a limit where a consultant is obliged to stay away from home overnight. No refunds will be provided for alcoholic drinks. MLKDC will not refund for any other meals/refreshments.

MLKDC will consider refunding other personal expenses which have been incurred solely and exclusively as a result of a contractor's employment by MLKDC. Such expenses should normally be approved in advance by the CEO.

## **9.5 Other Travel and Subsistence**

### **Training Courses/Conferences**

Any staff member who wishes to attend any training course or conference must obtain **prior approval** from the CEO. The approval forms are attached in Appendix 10. Once training courses are booked, staff must ensure that they are able to attend.

Training courses and conferences (both internal and external); should be treated in the same way as official business. Travel to the course and the return journey at the end of the course is official travel and the rules above regarding travel and subsistence apply.

---

## 9.6 Professional Subscriptions

MLKDC is committed to attracting, developing and retaining quality staff and supports continuous professional development.

As such MLKDC may reimburse the cost of any professional subscription paid to any full or part time employee of MLKDC who occupies a post where:

- Membership of a professional body or society was defined as an essential criteria in the job specification for the post at the time of appointment.

Staff cannot claim reimbursement for the cost of additional journals, publications, etc, that they may wish to purchase or donations they may wish to make to the professional organisation's benevolent fund.

Within two months following the renewal date of a professional subscription, an invoice or a receipt (if already paid) must be given to the Director of Finance and Corporate Services who will obtain the CEO's approval. A cheque / payment will then be raised for the authorised amount.

Please note that if staff receive reimbursement for their professional fees they cannot apply for a tax deduction from HMRC.

---

## **10 HOSPITALITY PROVIDED TO MLKDC STAFF**

### **10.1 Aide-Memoire**

#### **Staff must:**

- Apply in advance, using the appropriate form, for permission to accept all hospitality (except light refreshments and working lunches on the contact's premises);
- Only accept hospitality where there is a clear, justifiable and documented benefit to MLKDC;
- Complete the Hospitality Register for every invitation they receive (including those you decline).

#### **Staff must not:**

- Accept hospitality from consultants, bidders or contractors who are involved with a contract in which you play an oversight or advisory role.

### **10.2 Acceptance of Gifts and Hospitality**

MLKDC recognises that contractors and other customers of our services may extend from time to time offers of gifts and hospitality to staff. MLKDC also recognises that its employees have a responsibility, in the interests of public confidence, to exhibit high standards of propriety, and carry out their role with dedication and a commitment to the organisation and its core values: integrity, honesty, objectivity and impartiality.

The MLKDC staff handbook indicates that staff members should conduct themselves with honesty and impartiality in the exercise of their duties. As a consequence, they should never receive benefits of any kind from a third party which might reasonably be thought to compromise their personal judgement or integrity. In this field, perception is as important as reality.

The fundamental principle is that no member of staff should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other consideration to show bias for or against any person or organisation while carrying out official duties.

External people acting on behalf of the MLKDC (for example, consultants, contracted staff etc.) must also abide by the policy. If it is believed that an external person may have breached the policy, the matter should be reported to the CEO, who will take the matter for-

---

ward with the individual or his/her company. This requirement should be notified to external staff before they start work within MLKDC.

This guidance should also be seen as applying to spouses, partners and other family members if it can be argued or perceived that the gift or hospitality is in fact for the benefit of the official.

Guidance can be found in DAO (DFP) 10/06 “Guidance on the Acceptance of Gifts and Hospitality”

Any breach of the rules of conduct can lead to disciplinary action including dismissal and in some circumstances can be a criminal offence. This Guidance focuses on the key issues and the specific rules applicable to MLKDC staff

### **10.3 Legal Obligations and Fundamental Principles**

There are offences under the Bribery Act 2010 (“the Act”) that employees should be aware of. In summary, it is an offence to:

- Request, agree to receive or accept a financial or other advantage, the purpose being that a relevant function or activity should be performed improperly;
  - i. Request, agree to receive or accept a financial or other advantage, and
  - ii. The request, agreement or acceptance itself constitutes the improper performance by you of a relevant function or activity
- Receive or accept a financial or other advantage as a reward for the improper activity;
- In anticipation of or as a result of you requesting, agreeing to receive or accepting a financial or other advantage, a relevant function or activity is performed improperly by you, or someone else at your request or with your agreement.

Under the [Prevention of Corruption Act 1906](#)<sup>3</sup> and the [Prevention of Corruption Act 1916](#)<sup>4</sup> it is an offence for a public servant in his/her official capacity:

---

<sup>3</sup> <http://www.legislation.gov.uk/ukpga/Edw7/6/34>

<sup>4</sup> <http://www.legislation.gov.uk/ukpga/Geo5/6-7/64/contents>

- 
- To corruptly accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in that capacity; or
  - To show favour or disfavour to any person; or
  - To receive money, gifts or consideration from a person or organisation holding or seeking to obtain a Government contract.

All of these are deemed by the Courts to have been received corruptly unless it is proven otherwise.

#### **10.4 Record of Gifts, Hospitality, Invitations, Etc.**

MLKDC will maintain a Register of Gifts and Hospitality which will from time to time be reviewed by the MLKDC Board. The purpose of the register will be to counter any possible accusations or suspicions of breach of the rules of conduct by staff. The registers are subject to Freedom of Information (FOI) queries and staff should bear this in mind when deciding on the acceptance of any gift or hospitality.

The template attached at Appendix 14 (Acceptance of Hospitality Claim Form) will be used to register gifts, hospitality, invitations etc.

It will be the responsibility of the CEO to ensure all staff are made aware of this guidance and that registers are in place and properly maintained and updated.

#### **10.5 Acceptance of Gifts**

**The general principle is that all gifts offered should be refused.** However seasonal, promotional or trivial gifts (such as calendars, diaries, pens etc), which bear Company names and/or logos of the provider of the gift and have a value of less than £50, may be accepted by individuals without the need for these to be reported or approved in advance, Acceptance of any other gift must have been approved by the CEO in advance and must be declared by the member of staff in the register

More expensive or substantial items, valued at £50 or more and gifts of lottery tickets, cash, gift vouchers or gift cheques, cannot on any account be accepted. All gifts offered (apart from those which are trivial or inexpensive); even if they are declined/returned need to be recorded in the register.

---

## 10.6 Trade, Loyalty or Discount Cards

Trade, loyalty or discount cards by which a staff member might **personally** benefit from the purchase of goods or services at a reduced price are classified as gifts and should be refused or returned to sender.

Frequent flyer cards used by airlines can be used by staff to avail of special departure lounges and priority booking and check-in. They must **not** make private use of any flights/air miles, which derive from flights paid for from the public purse.

## 10.7 Staff Involved In the Procurement or Monitoring of a Contract

Apart from trivial / inexpensive seasonal gifts, such as diaries, no gifts or hospitality of **any** kind from any source directly or indirectly associated with a contract should be accepted by anyone involved in the procurement or monitoring of that contract. This will ensure that no criticism can be made regarding bias to a particular company or supplier.

## 10.8 Gifts Received In Recognition Of Work Done

On no account should a gift or gratuity be solicited or requested. Where gifts by way of gratuities, vouchers or book tokens etc for lectures, broadcasts or similar occurrences are offered, then acceptance should be based on how much of the preparatory work for the event was done in the officer's own time, how much in official time and the extent to which MLKDC resources, other than, for example, use of an officially issued laptop at home, were used in the preparation.

The following guidelines should be applied:

- a) If the preparation was carried out entirely in the individual's own time and the event took place outside normal working hours at no expense to MLKDC, it would be acceptable for the individual officer to retain the whole fee, token or other gift;
- b) If, however, the preparation was done wholly in MLKDC time with use of MLKDC resources, no gifts or fee should be accepted unless the event is carried out outside of normal working hours when a gift or token to the value of up to £50 is acceptable; and
- c) If the preparation was carried out and the lecture etc, delivered in a staff members own time but MLKDC facilities were used for typing, preparation of Power-



---

Point / overheads etc, then a gift or token to the value of not more than £75 is acceptable.

In the case of either b) or c) above, MLKDC can, if they so choose charge the organisation or body a fee based on the salary costs of the individual and/or the use of resources. If a series of gifts from the same source exceed the monetary limits set out above the same rules apply.

## 10.9 Reporting Gifts and Approval Process

If gifts (apart from those trivial or inexpensive gifts, or with a value deemed less than £50, for which approval is not required) are received, the approval of the CEO should be sought using the form that is attached at Appendix 14.

In each case submitted to him, the CEO will decide in writing or email, whether to:

- Allow the recipient to keep the gift;
- Return the gift to the donor with a suitably worded letter explaining why the gift cannot be accepted<sup>5</sup>;
- Use or dispose of it, if possible, in or by MLKDC; or
- Donate the gift to a nominated charity.

The CEO will ensure that the details of the case and his decision are recorded in the Gifts and Hospitality Register.

---

<sup>5</sup> Below is some example text for use in a letter to decline a gift or offer of hospitality. (The content of this text should be tailored to suit each circumstance):

The Maze Long Kesh Development Corporation operates a Gift and Hospitality Policy to ensure the highest standards of propriety in the conduct of its business.

To maintain public confidence, perception is as important as reality and because of this I am obliged to decline your offer of [ ... ].

This is not in any way meant to offend or to imply that your [ ... ] was offered in anything but the utmost good faith, but is designed to protect both individual members of staff and the Maze Long Kesh Development Corporation. I hope you will accept our response in that spirit and that we can look forward to continued effective working relationships.

---

## 10.10 Offers of Hospitality

The handling of offers of hospitality is recognised as being much more difficult to regulate but it is an area in which staff must exercise careful judgement. In exercising this judgement it is acknowledged that there can be difficulty in distinguishing between a “gift” and “hospitality”. It is also recognised that it can be as embarrassing to refuse hospitality, as it can be to refuse a gift

The acceptance of what would be accepted as conventional hospitality, for example working lunches, should, in the main, cause no problem especially if there is some official means of reciprocity and provided that it is limited to isolated occasions and its acceptance is in the interests of MLKDC. Hospitality, which would not be acceptable, would include invitations to frequent or more expensive social functions where there is no direct link to official business (sporting events, the theatre, opera or ballet etc), particularly where these come from the same source, and those which involve travel, hotel or other subsistence expenses.

It can be argued that if staff members are to achieve the best value for money in dealings with suppliers or consultants then they need to build up contacts and that it is quite legitimate for them to have a close working relationship with organisations or individuals, which may involve a degree of hospitality. There may also be instances where staff receive invitations to events run by voluntary organisations such as annual conferences or dinners.

Attendance at such events is considered an integral element in building and maintaining relationships with these sectors and any hospitality received is likely to be reasonable and proportionate, and therefore acceptable. Additionally, very occasional acceptance of meals or tickets to public sporting, cultural or social events may be accepted if attendance is justified as being in MLKDC business interest. But it will be for the staff member to demonstrate clearly that acceptance was in MLKDC interest.

The main point is that in accepting hospitality staff need to be aware of and guard against, the dangers of misrepresentation or perception of favouritism by a competitor of the host.

To sum up, in deciding whether hospitality can be accepted, staff should consider if it:

- a) Is likely to help business effectiveness;
- b) Places no obligation or perceived obligation on the recipient;
- c) Is not frequent, lavish or prolonged;

- 
- d) Is unconnected with any decision affecting the organisation or the individual offering it;
  - e) Can be justified; and
  - f) Provides benefits to MLKDC, which outweigh the risk of possible misrepresentation of the hospitality.

### **10.11 Reporting Hospitality and Approval Process to be Followed**

When in doubt about accepting hospitality or an invitation the CEO should be consulted. In all instances where other than conventional hospitality (infrequent working lunches) is offered, the approval of the CEO should be sought using the form which is attached at Appendix 14. It is particularly important to ensure that MLKDC is not over-represented at an event or function and care should be taken to ensure that this does not happen, for example, by enquiring from the host as to other staff who have received similar invitations. To guard against the multiple acceptances of invitations to the same event, MLKDC should make arrangements to ensure that corporate consideration is given to all invitations.

### **10.12 Awards or Prizes**

Staff should consult with the CEO if they are offered an award or prize in connection with their official duties. They will normally be allowed to keep it provided:

- There is no risk of public criticism;
- It is offered strictly in accordance with personal achievement;
- It is not in the nature of a gift nor can be construed as a gift, inducement or payment for a publication or invention to which other rules apply.

The process outlined in Section 10.9 *“Reporting Gifts and Approval Process”* on page 57 should be followed.

---

### **10.13 Monitoring Arrangements – Hospitality Register**

The MLKDC Hospitality Register Appendix 11 will be subject to the following monitoring arrangements.

- The CEO will be responsible for monitoring the register on a quarterly basis.
- The Chair of the Audit and Risk Assurance Committee will be responsible for monitoring the register on a quarterly basis.
- The MLKDC Board will review the register on an annual basis.

---

## **11 PROVISION OF GIFTS AND HOSPITALITY BY MLKDC**

### **11.1 Aide-Memoire**

#### **Staff must:**

- Apply in advance, using the correct form, for permission to offer hospitality;  
Events / Functions – Appendix 12  
Working Lunches – Appendix 13
- Only offer hospitality where there is a clear, justifiable and documented benefit to MLKDC;

#### **Staff must not:**

- Spend more than £30 per person;
- Spend more than 30% of the bill on alcoholic drinks;
- Offer hospitality to public servants unless these comprise 50% (or fewer) of the total number of attendees.
- Offer hospitality to consultants or contractors working for MLKDC (except light refreshments such as tea or coffee).

In exceptional circumstances where spend is expected to exceed £30 per person the authorisation of the CEO must be obtained in advance.

### **11.2 Guidelines**

The purpose of these guidelines is to outline for staff the principles and requirements governing the provision of hospitality, official gifts and entertainment and to provide advice and guidance on the procedures to be followed by all staff in MLKDC where such expenditure is likely to be incurred.

As the expenditure of taxpayers' money on official hospitality is a sensitive matter which can lead to public criticism, care must be taken to avoid exposing the individual or MLKDC to allegations of extravagance or impropriety. Staff must not use public resources for personal benefit.

Expenditure on official hospitality should only be incurred where it can be shown to be in direct support of MLKDC's business. To this end, and bearing in mind the varied nature of

---

MLKDC's activities and working patterns, it is recognised that such expenditure may arise more frequently in some areas of MLKDC than in others. The scale of hospitality should be appropriate to the needs of the occasion and the status of the guests.

Staff should always consider the justification for (and the form and extent of) any hospitality to be offered and should exercise economy in incurring expenditure for this purpose. It is important to note that approval must be obtained at the appropriate level prior to hospitality being offered or provided. Final decisions will lie with the CEO.

Hospitality should be in the form of food and refreshments appropriate to the occasion. There should normally only be a charge on public funds where two or more persons present are not Civil Servants. However, where the provision of tea/coffee/bottled water and biscuits/scones enables the business of large meetings to continue, there may be a charge on public funds where the alternative would be an interruption of business.

Full details specifying the purpose of each function, the number of guests and MLKDC officials attending, together with the itemised costs of food, refreshments, room hire, etc should be shown on the hospitality approval form at Appendix 12. Approval must normally be obtained on this form prior to the event taking place and the names of all attendees must be listed on the form or an attached sheet. This information must be held with the original invoice in the Finance & Corporate Services Team.

Official hospitality should be limited within approved budgets.

The following guidelines cover the range of circumstances in which expenditure on hospitality might be expected to arise within MLKDC.

### **11.3 Hospitality Offered to Visitors from Outside MLKDC**

MLKDC will normally meet expenditure for the provision of lunch/dinner to visitors (including those from other NI and GB Departments) or for a working lunch where a benefit will accrue to MLKDC or where such an occasion allows for the conduct of urgent business. In such circumstances approval must be granted in advance and:

- a) Approval should not normally be granted when only NI Civil Servants are in attendance. In cases where those NI Civil Servants attending outnumber external (i.e., non-NI Civil Service) guests, the approval of the CEO should be obtained.
- b) The number of people invited should be kept to a minimum;

- 
- c) Any hotels or restaurants used should be appropriate to the purpose. Government establishments should be used wherever possible;
  - d) Any meal should be on a modest scale, with the total cost per head not exceeding £30 and the element for refreshments must not exceed 30% of the total bill; prior approval should be obtained for any parties of five or more.
  - e) Where no service charge is included, a tip of 10% is considered reasonable;
  - f) No spouses or guests of MLKDC staff are eligible to receive official hospitality other than in exceptional circumstances and with the specific agreement of the CEO; and
  - g) Except where such hospitality constitutes MLKDC business, MLKDC funds are not available for visits to theatres or to other forms of public entertainment.

#### **11.4 Working Lunches and Refreshments for Official Committees and Other Ad Hoc Meetings**

The provision of a working lunch at public expense (hospitality approval form at Appendix 13) will be acceptable only where it is impossible to accommodate urgent meetings other than at lunch time and:

- There is a need to make provision for non NI Civil Service guests;
- It is necessary for participants to remain together during lunch; or
- Pressure of work is likely to be such as to make it impractical to allow a break long enough to give participants reasonable time to obtain lunch elsewhere (although such cases are likely to be rare).

The nature of the lunch should be appropriate to the purpose, with costs kept to a minimum.

If morning or afternoon breaks are warranted, light refreshments (tea/coffee/bottled water/biscuits/scones) may be provided, at public expense, at the discretion of CEO.

#### **11.5 Hospitality Offered During Training Courses, Conferences, Workshops, Etc.**

A measure of hospitality at public expense may be offered to those participating in training courses, both residential and non-residential. This facility may also be extended to cover conferences, seminars, approved team building sessions, workshops, etc. The following guidelines apply:

---

## **Residential Events**

Residential means that at least one night's accommodation is being provided and paid for as an integral part of the course, etc.

- Whilst it is normal practice to meet the cost of meals and light refreshments, i.e. bottled water/biscuits/scones, this facility should not be extended to include payments for alcoholic refreshments:.
- Expensive hotels should be avoided:
- The total cost of food and refreshment per person should be appropriate to the purpose and costs should be kept to a minimum.

## **Non Residential Events**

Depending on the duration of the course/event, hospitality should be restricted to the provision of morning and afternoon tea/coffee (or bottled water) with biscuits/scones. The provision of snacks or a buffet-type meal at lunch time will be at the discretion of the CEO who should take into account factors such as the background and number of attendees, the availability of alternative facilities and the benefits (if any) which such provision might offer in terms of the running of the course/event. Where lunch and light refreshments are provided, subsistence expenses will not be payable.

Government establishments should be considered as a first choice of venue and expensive hotels should be avoided.

### **11.6 Drinking and Driving**

Staff will recognise the need to set an example in terms of preventing drinking and driving. To this end, and bearing in mind the possibility that MLKDC might be perceived as being at fault if an attendee at an event was found to be driving with an alcohol level in excess of the legal limit, the following guidelines should be followed at relevant functions/events:

- Consideration should be given to providing low alcohol alternatives to alcoholic drinks; and
- An adequate selection and supply of soft drinks should always be made available.

Official funds are not available for expenditure on casual alcoholic drinks outside departmental premises.



---

## 11.7 Expenditure on Official Gifts

The regulations governing expenditure on official gifts are contained in Annex 4.12 “Gifts”<sup>6</sup> of Managing Public Money Northern Ireland (MPMNI).<sup>7</sup> Official gifts should not be regarded as part of the normal conduct of MLKDC business and should involve only modest expense.

MLKDC has a delegated limit from TEO of £100 (inclusive of VAT) in all but exceptional circumstances where the expenditure could be deemed to be novel or contentious. The CEO may therefore approve the purchase of corporate gifts up to the value of £100. For gifts over £100, a case should be made, to TEO who will consider the proposal and pursue clearance with DoF Supply.

---

<sup>6</sup> See <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/a.4.12-gifts.pdf>

<sup>7</sup> Managing Public Money Northern Ireland (MPMNI) has now replaced Government Accounting Northern Ireland (GANI) as the authoritative guide to the principles for dealing with resources used by public sector organisations in NI. See <https://www.finance-ni.gov.uk/articles/managing-public-money-ni-mpmni>

**APPENDIX 1 KEY REQUIREMENTS FOR FINANCIAL POLICIES, AS DEFINED IN THE MLKDC MANAGEMENT STATEMENT**

MANAGEMENT STATEMENT REFERENCE	DESCRIPTION
MS 3.3.3	Report to RST on performance, budgets, control and risk management, including early sight of the Governance Statement.
MS 3.5.2	Board to establish strategic Direction of MLKDC, appoint a CEO, review financial information etc.
MS 3.5.3	Members to comply with MLKDC rules on acceptance of gifts and hospitality.
MS 3.6.3	Prepare Corporate and Business Plans.
MS 3.6.3	Report timely financial info to TEO.
MS 3.6.3	Report to Board on performance and financial results.
MS 3.6.3	Maintain a system of risk management.
MS 3.6.3	Ensure public funds correctly expended.
MS 3.6.3	Regularly review compliance with delegated authorities.
MS 3.6.3	CEO to sign accounts, statement of Accounting Officer's responsibilities, and Governance Statement.
MS 3.7.1	CEO to be responsible as Consolidation Officer.
MS 3.7.2	CEO to prepare consolidation information.
MS 4.1.1	Submit draft Corporate Plan to TEO covering 3 years.
MS 4.1.3	Corporate & Business Plan to be consistent with TEO PfG outcomes and indicators.
MS 4.3.1	Publish Corporate and Business plans on internet.
MS 4.6.1	Set up an Internal Audit function.
MS 4.6.2	Audit strategy, periodic audit plans, annual audit report to TEO.
MS 4.6.2	Periodic quality reviews of Internal Audit.
MS 4.7.1	Set up an Audit Committee i.t.o. Cabinet Office Guidance.
MS 4.8.1	Report frauds to TEO immediately.
MS 5.1.1	Publish annual report together with audited annual accounts.
MS 5.1.1	Draft report to be submitted to TEO.
MS 5.1.4	Annual report to be laid before NI Assembly.

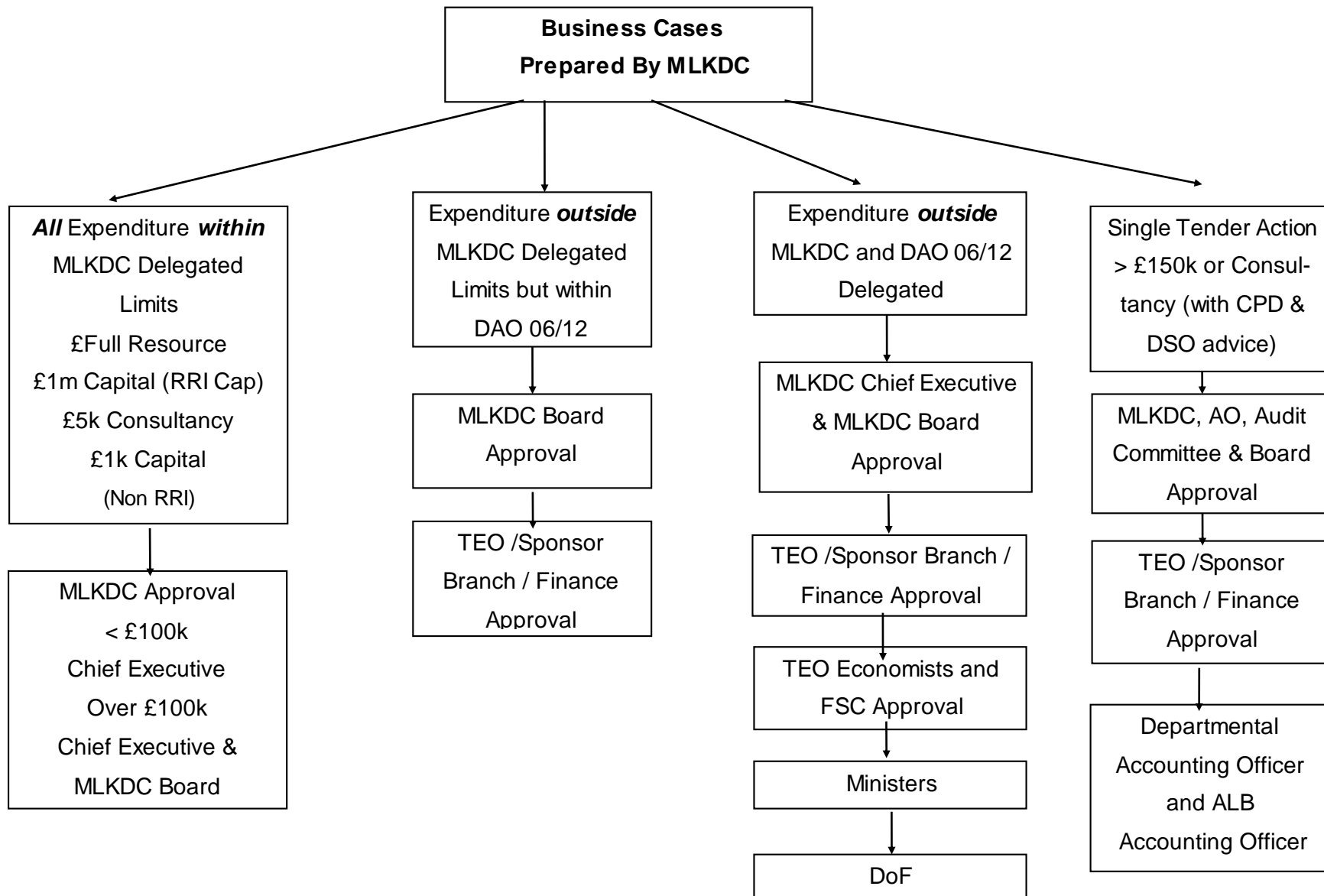
---

<b>MANAGEMENT STATEMENT REFERENCE</b>	<b>DESCRIPTION</b>
MS 5.2.3	Auditors to send copies of RTTGWG and MLKDC responses to TEO.

**APPENDIX 2 KEY REQUIREMENTS FOR FINANCIAL POLICIES ARISING FROM THE FINANCIAL MEMORANDUM**

<b>FINANCIAL MEMORANDUM REFERENCE</b>	<b>DESCRIPTION</b>
FM 5	Prior written approval from TEO for expenditure not in budget.
FM 9	Obtain advice from CPD for Direct Award Contracts.
FM 9	Quarterly reports on all Direct Award Contracts to TEO.
FM 11	Timeliness in paying bills guidance to be followed.
FM 12	Obtain approval of TEO and DoF prior to entering into novel, contentious or repercussive proposals.
FM 13	Develop a Risk Management Strategy.
FM 14	Appraise financial standing of firms MLKDC does business with.
FM 15	Adopt and implement policies and practices to safeguard against fraud and theft.
FM 19	Grant-in-Aid application to be done quarterly.
FM 33	Borrowing to be pre approved by TEO.
FM 43	Changes to pension arrangements, redundancy etc to be approved by TEO and DoF.
FM 51	Capital projects over £1,000,000 to be approved by TEO.
FM 57	MLKDC shall not lend without prior approval of TEO and DoF.
FM 61	Gifts outside delegated limits require prior TEO and DoF approval.
FM 64	Property and finance leases require prior TEO approval.
FM 68	Establishment of subsidiaries require prior approval of TEO and DoF.
FM 70	Investments in traded financial instruments require prior TEO approval.
FM 71	Unconventional financing arrangements require prior TEO and DoF approval.
FM 72	Insurance policies other than 3rd party require prior approval of TEO and DoF.

<b>FINANCIAL MEMORANDUM REFERENCE</b>	<b>DESCRIPTION</b>
FM 82	Fixed asset register to be maintained.
FM 85	All receipts from sale of assets must be declared to TEO.
FM 92	Provide info as reasonably required by TEO.
FM 95	Financial reporting to TEO each quarter.
FM 97	Review banking arrangements every 2 years.



#### **APPENDIX 4 POST PROJECT EVALUATION FORM**

For all projects (where a business case will have been completed –) a **Post Project Evaluation Form must be completed** by the relevant budget holder.

The templates below have been approved by the CEO and must be used on all occasions.

These templates can be found at the following TRIM locations:

DF1/11/128271 (*Non - Consultancy*)

DF1/11/128272 (*Consultancy Projects*)

---

**POST PROJECT EVALUATION  
(Consultancy)**

**Title of Consultancy Assignment:**

**Name of Consultant Appointed:**

**Cost of Consultancy:**

**Prepared By:**

**Approved By:**

**Signed:**

**Signed:**

**Date:**

**Date:**

---

**Section 1: Background**

Provide a brief description of the assignment including:

- What was the purpose of the assignment?
- What was the need for the assignment?
- Who was the appointed consultant and when were they appointed?

---

**Section 2: Assessment of Costs**

This section should provide a comparison of the actual costs of the external consultancy with the agreed contract value.

Where the variation between contract value and actual costs is greater than 10%, an explanation for the variation must be provided. [Note where actual costs exceed the cost approved by DoF by more than 10%, then DoF must be informed].



**Expected Cost**

**Total Cost**

**Percentage variation between expected cost and total cost:**

**Explanation of variation in costs:**

---

### **Section 3: Assessment of Deliverables**

This section should provide detail on what was delivered by the consultants. The extent to which projected deliverables, as outlined in the Terms of Reference, were met by the consultants, and the quality should be assessed.

---

### **Section 4: Assessment of Benefits**

This section should provide detail on the benefits provided by the consultancy assignment. For example:

- Were the deliverables achieved within the timescale specified in the contract?
  - Reasons for any delays and the impact on expected benefits should be explained.
  - Was the consultancy assignment used for the purpose originally intended?
  - How were the outputs delivered by the assignment used?
- 

### **Section 5: Division of Work**

This section should provide details of the division of work between in-house staff and the consultants. Evidence should be provided of whether the in-house assistance provided matched what was in the business case.

---

### **Section 6: Skills Transfer**

---

- What mechanisms were put in place to allow the transfer of skills and knowledge to happen?
  - Assess the extent to which transfer of skill and knowledge to in-house staff has taken place and what impact has this had on in-house capability?
  - Has the need for future consultancy support diminished as a result of skills transfer?
- 

### **Section 7: Assessment of Project Management Arrangements**

This section should provide an assessment of the project management arrangements. For example:

- Were the monitoring arrangements put in place to manage the consultant's satisfactory?
  - Was there an opportunity to influence performance interim stages?
  - Was the project managed effectively?
- 

### **Section 8: Conclusions and Recommendations**

#### **Conclusions**

Provide a summary of what value was added by this assignment and assess whether, on balance, value for money was achieved.

#### **Recommendations**

Provide a summary of the lessons learnt and provide details on how these will be disseminated within the Department/Agency.

---

---

**POST PROJECT EVALUATION  
(NON CONSULTANCY)**

**Title of Assignment:**

**Name of Supplier Appointed:**

**Cost of Assignment to Date:**

**Retention to Follow:**

**Total Cost of Assignment:**

**Prepared By:**

**Approved By:**

**Signed:**

**Signed:**

**Date:**

**Date:**

---

**Section 1: Background**

Provide a brief description of the assignment including:

- What was the purpose of the assignment?
- What was the need for the assignment?
- Who was the appointed supplier and when were they appointed?

## Section 2: Assessment of Costs

This section should provide a comparison of the actual costs of the assignment with the agreed contract value.

Where the variation between contract value and actual costs is greater than 10%, an explanation for the variation must be provided. [Note where actual costs exceed the cost approved by DoF by more than 10%, then DoF must be informed].

**Expected Cost:**

**Total Cost:**

**Cost Per Head (where applicable):**

**Percentage variation between expected cost and total cost:**

**Note: Alcohol was:**  **% of the total cost (where applicable)**

**Explanation of variation in costs:**

---

## Section 3: Assessment of Deliverables

This section should provide detail on what was delivered by the project provider. The extent to which projected deliverables, as outlined in the Terms of Reference, were met by the supplier, and the quality should be assessed.

---

---

#### **Section 4: Assessment of Benefits**

This section should provide detail on the benefits provided by the assignment. For example:

- Were the deliverables achieved within the timescale specified in the contract?
  - Reasons for any delays and the impact on expected benefits should be explained.
  - Was the assignment used for the purpose originally intended?
  - How were the outputs delivered by the assignment used?
- 

#### **Section 5: Assessment of Project Management Arrangements**

This section should provide an assessment of the project management arrangements. For example:

- Were the monitoring arrangements put in place to manage the project provider satisfactory?
  - Was there an opportunity to influence performance interim stages?
  - Was the project managed effectively?
- 

#### **Section 6: Conclusions and Recommendations**

##### **Conclusions**

Provide a summary of what value was added by this assignment and assess whether, on balance, value for money was achieved.

##### **Recommendations**

Provide a summary of the lessons learnt and provide details on how these will be disseminated within the Department/Agency.

---

---



## APPENDIX 5 ADDITIONAL PROCUREMENT GUIDANCE

- Current EU Thresholds – [http://www.cpdni.gov.uk/eu-thresholds\\_guidance-for-purchasers.pdf](http://www.cpdni.gov.uk/eu-thresholds_guidance-for-purchasers.pdf) .
- Northern Ireland Public Procurement Policy – [http://www.cpdni.gov.uk/pdf-public\\_procurement\\_policy.pdf](http://www.cpdni.gov.uk/pdf-public_procurement_policy.pdf).
- Guidance on integrating social, economic and environmental issues into the procurement process – <http://www.cpdni.gov.uk/social-integration-03.pdf>.
- Setting Standards Improving Performance... Best Practice in Finance and Governance in the Voluntary & Community Sector –
- Evidencing Best Value for Money – <http://www.cpdni.gov.uk/evidencing-vfm-02.pdf>.
- Achieving Excellence – <http://www.cpdni.gov.uk/index/guidance-for-purchasers/index/guidance-for-suppliers/achieving-excellence.htm>.
- The OGC Gateway Review Process – [http://www.cpdni.gov.uk/index/guidance-for-purchasers/gateway\\_review\\_process.htm](http://www.cpdni.gov.uk/index/guidance-for-purchasers/gateway_review_process.htm).
- The use of Grant for Procurement – [http://www.cpdni.gov.uk/01-07\\_the\\_use\\_of\\_grant.doc](http://www.cpdni.gov.uk/01-07_the_use_of_grant.doc).

**APPENDIX 6 MOBILE PHONE/TAXIS – DECLARATION FOR PRIVATE USE**

Re-payment of Personal Calls or Personal Taxi Journeys

Name: .....		Mobile No. ....	
INVOICE NUMBER	DATE	INVOICE TOTAL	PERSONAL CALL / JOURNEY TOTAL
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
<b>TOTAL:</b>			.....
<b>VAT:</b>			.....

Payment covers period up to: .....

Signature of user: .....

Authorised by: .....

(Print Authoriser's Name:)

OR

Email confirmation to the Corporate Services/Finance Assistant stating:

**Please accept this email as confirmation that I have checked the attached spreadsheet and highlighted any personal calls and agree to the subsequent amount being deducted from my next salary payment\* / being a cash reimbursement to MLKDC\***

\* Delete as appropriate [Template DF1/13/46959 MLKDC Mobile Phone or Taxis – Declaration for Private Use]



## **APPENDIX 7 USE OF OWN VEHICLE FOR OFFICIAL TRAVEL**

### **Mileage Allowances**

#### **Standard rate of mileage allowance payable for use of private motor cars:**

All Engine capacities

Up to 10,000 miles ..... 45p

Over 10,000 miles ..... 25p

#### **Standard rate of mileage allowance payable for use of private motor-cycles:**

All engine capacities

Unlimited mileage ..... 24p

**Standard rate of mileage allowance payable for use of pedal cycle: .... 20p**

### **Passenger Mileage Allowances**

5p per mile for passengers.

**APPENDIX 8 STANDARD MILEAGE LISTS**

**Official Standard Mileage List (Return Journeys)**

<b>OFFICIAL STANDARD MILEAGE LIST (Return Journeys) FROM MLKDC SITE</b>				
<b>DESTINATION</b>	<b>Return Mileage</b>		<b>DESTINATION</b>	<b>Return Mileage</b>
Antrim	38		Dungiven	119
Armagh	58		Dunmurry	15
Ballycastle	126		Enniskillen	143
Ballyclare	50		Glengormley	40
Ballygalley	74		Hillsborough Castle	4
Ballygowan	33		Holywood	37
Ballykelly	141		Kesh	166
Ballymena	69		Kilkeel	77
Ballymoney	109		Larne	68
Ballynahinch	23		Limavady	137
Banbridge	30		Lisburn	7
Bangor (Rathgael)	51		Londonderry	158
Belfast - Castle Buildings	35		Lurgan	22
Belfast - Parliament Buildings	36		Maghera	94
Belfast City Hall	26		Magherafelt	84
Carrickfergus	46		Magilligan Prison	154
Carryduff	22		Mallusk	36
Coleraine	126		Moira	13
Comber	35		Newcastle	53
Cookstown	75		Newry	55
Craigavon	35		Newtonabbey	36
Crawfordsburn	45		Newtownards	48
Downpatrick	42		Omagh	115
Dromara	19		Portadown	39
Dromore (Down)	16		Portaferry	64
Dublin	188		Strabane	153
Dungannon	61		UU Jordanstown	38

The miles listed above are the return distances from each destination to the MLK site. They are to be used only as a guide, since the mileage actually claimed may vary according to the route taken.

---

## APPENDIX 9 LIST OF EXEMPT BUILDINGS

### Locations which are deemed not to give rise to a claim for subsistence allowance:

Ann Street	Gas Works	State Building
Arches Centre	Great Northern Tower	Temple Court
Armagh House	Hampden House	Victoria Hall
Atlantic Buildings	Hill Street	Works Unit, Stoney Road
Bradford Square	Hollywood Road	Yorkshire House
Brookmount Buildings	Hurst House	
Bulloch House	InvestNI Head Office	
Calvert House	Ladas Drive	
Canada House	Lagan House	
Castle Court	Lancashire House	
Castleview Terrace	Law Courts	
Cawood House	Lincoln Buildings	
Chamber of Commerce House	Lindsay House	
Chichester House	Linenhall Street	
Churchill House	Londonderry House	
City Hall	Longbridge House	
Clarence Court	Magnet House	
Clarendon House	Mark Royal House	
Cleaver House	Maryfield	
College Street	Netherleigh	
Commonwealth House	Northern House	
Computer House	Oxford House	
Connsbrook Avenue	Park House	
Corporation Street	Permanent House	
Design Centre	Plaza Buildings	
Donegall Street	Progressive House	
'Duniris' Galway Park	Queens Court	
Elizabeth House	RAC House	
Ferguson House	River House	
Fermanagh House	Rosepark House	
Franklin House	Royston House	
Frances House	Scottish Amicable Building	

---

**APPENDIX 10 APPLICATION FOR APPROVAL TO ATTEND A TRAINING COURSE OR CONFERENCE**

Approval to be sought from Chief Executive prior to booking training course/conference

<b>Name</b>	
<b>Details of Training/Conference to be attended</b>	
<b>Date of Training/Conference</b>	
<b>Cost of Training/Conference (Inc VAT)</b>	
<b>Reason for attending Training/Conference</b> <i>(Briefly explain how this course contributes to your role)</i>	
<b>Chief Executive Approval</b>	
<b>Line Manager Approval</b>	
<b>Finance Approval</b>	
<b>Date</b>	

[Template DF1/12/578686 MLKDC - Application for Approval to Attend a Training Course or Conference]

## APPENDIX 11 MLKDC HOSPITALITY REGISTER

### Maze Long Kesh Development Corporation Gifts & Hospitality Register FY2017/18

**Please Note:** A gift with the value of £50 or more **must** be declined, however, this does not apply to offers of hospitality.

Date of Hospitality/Event/Gift Offered	Gift or Hospitality	Offered To	Ultimate recipient (if different)	Offered From	Description of Offer	Reason for Offer	Details of Contracts - Current or Potential	Less Than £50	Greater Than £50	Action Taken: Accepted/Declined/Returned	Entered by	Entered Date	Notes and Ref (if any)
01/01/2016	Gift	A N Other		Company A	Gift 1	Networking	None	Y		Accepted	ABC	31/01/16	
01/01/2016	Hospitality	A N Other		Company B	Evening Function	Networking	None		Y	Accepted	ABC	31/01/16	

[Template DF1/12/617393 – MLKDC Hospitality Register]

**APPENDIX 12 AUTHORISATION OF OFFICIAL HOSPITALITY EXPENDITURE**

**Maze Long Kesh Development Corporation**

**Part 1 - Request for Prior Authorisation of Event**

Name:	.....		
Date of Event:	.....	Venue:	.....
Business Purpose of Event:	.....		
Names of Attendees:			
Planned Number of Attendees:	.....		
<p>I certify that:</p> <ul style="list-style-type: none"> <li>• The hospitality is required to further the government or taxpayer's interests.</li> <li>• The hospitality expenditure will deliver value for money.</li> <li>• No more than half of the attendees will be Public Sector employees.</li> <li>• I understand that only expenditure of less than £30 per head, of which no more than 30% may be for alcoholic drinks, will be reimbursed.</li> </ul>			
Applicants Signature:	.....		
Authorised by:	Chief Executive Officer / Authorised Person (Delete as appropriate and print name below) .....		
Authorising Signature:	.....		
Date Authorised:	.....		

**Part 2 - Authorisation of Reimbursement / Expenditure from Hospitality Budget**

Type of hospitality: (delete as applicable)	Refreshments at Business Meeting  Breakfast / Lunch / Dinner  Other: (specify).....		
<b>Expenditure Claimed</b>		<b>£</b>	
Food & Non-alcoholic Drinks:			
Alcoholic Drinks:			..... % (As a Proportion of A)
<b>Sub-Total A:</b>			
Number of Attendees – B			
Cost per Head (A/B):	£		
Room Hire:			
Other (specify): .....			
VAT:			
<b>Sub-Total C:</b>			
<b>Grand Total (A + C):</b>			
I certify that: <ul style="list-style-type: none"> <li>This expenditure was authorised in advance.</li> <li>No more than half of the attendees were public sector employees.</li> <li>The expenditure on food and drink was less than £30 per head.</li> <li>Expenditure on alcoholic drink was less than 30% of the total bill.</li> </ul>			
Applicants Signature:	.....		
Date of Claim:	.....		
Reimbursement Authorised by:	Chief Executive Officer or Authorised Person (print name)		

Authorising Signature:	.....
	.....
	.....
Date:	.....

Both Parts 1 and 2 of this form **must** be submitted before expenditure can be reimbursed.

[Template DF1/13/743400]



**APPENDIX 13 APPROVAL FOR EXPENDITURE ON HOSPITALITY**

**Please indicate the type of hospitality:-**

- Hospitality offered to visitors from outside the Department
- Working lunches and refreshments for official committees and other ad hoc meetings
- Hospitality offered during training courses, conferences, workshops etc.

**Details of event:-**

- Date of Event
- Venue :
- Purpose of Event
- Names of attendees (attach separate sheet if necessary):

**% of MLKDC Staff in attendance** \_\_\_\_\_

**Costs:**

- Food:
- Refreshments
- Room hire
- Other (please specify)
- Vat
- Total Cost

Applicants Signature:	.....
Authorised by:	Director.....
Authorising Signature:	.....
Date Authorised	

**Template: DF1/13/743365 MLKDC Approval for Expenditure on Hospitality**

**APPENDIX 14 ACCEPTANCE OF HOSPITALITY CLAIM FORM**

(Part 1 to be completed by recipient – part 2 to be completed by the Chief Executive Officer)

<b>GIFT/HOSPITALITY FORM (PART 1)</b>	
<b>AUTHORISATION</b> <input checked="" type="checkbox"/> – <b>OFFER:</b> <b>ACCEPTED:</b> <input type="checkbox"/> <b>DECLINED:</b> <input type="checkbox"/>	
Name of recipient:	.....
Name of ultimate recipient if not as above (i.e. if gift or hospitality is passed on to someone else):	.....
Date of offer:	.....
Who made the offer:	..... .....
Description of offer:	..... .....
Why was the offer made:	..... .....
Estimated / actual value of offer:	..... .....
<b>Was the offer accepted or declined?</b> <input checked="" type="checkbox"/> <b>ACCEPTED:</b> <input type="checkbox"/> <b>DECLINED:</b> <input type="checkbox"/>	

<p>Is there a current / potential contract with the donor? (☑)</p> <p>If yes provide details.</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>Signed:.....</p> <p style="text-align: center;"><i>(Signature of recipient)</i></p>		<p>Date:.....</p>

<b>GIFT/HOSPITALITY FORM (PART 2)</b>					
<b>AUTHORISATION ( <input checked="" type="checkbox"/> ) –</b>	<b>OFFER:</b>	<b>ACCEPTED:</b>	<input type="checkbox"/>	<b>DECLINED:</b>	<input type="checkbox"/>
Reasons why approval has/has not been granted:	..... ..... .....				
Is gift being returned? If so, a letter should be issued.	..... ..... .....				
Has the gift been used or disposed of? If so give details.	..... ..... .....				
Has the gift been donated to a nominated charity?	..... ..... .....				
Has the Gifts and Hospitality register been updated?	.....				
Signed: ..... <div style="text-align: center;"><i>(Signature of Chief Executive Officer)</i></div>				Date:.....	

[Template: F11/17/1046323 MLKDC - Acceptance of Hospitality Claim Form.]

## APPENDIX 15 MLKDC TRAVEL REQUEST BOOKING FORM

In accordance with the MLKDC Travel and Subsistence Policy, all travel and accommodation arrangements on official business must be made by the most efficient and economic method. Only where there is an approved business need will alternative arrangements be made to book business class travel or accommodation at a higher cost.

Please complete this form with your travel details. This form once completed should be forwarded to your travel authoriser.

**Journey Details** – (you **must** complete all white boxes if applicable or your form will be returned)

### 1. Traveller Details *(as shown on Travel ID)*

Title	
Forename(s)	
Surname	
Grade	
Directorate	
Branch	
Cost Centre	
Telephone Extension	
E-mail Address	
Car Registration	
Contact Number	
(in event of flight changes)	

### 2. Travel Details

Departure Address (work/home town)		Destination Address (event)	
Post Code:		Post Code:	
		Event Date:	
		Start Time:	
		Finish Time:	

**Sustainability** – (you **must complete** the detail requested in each box below or the form will be returned)

Reason for travel:

Was teleconferencing considered? Why were these facilities not used?

### 3. Air Travel

Date of Departure	Departing From	Arriving At	Departure Time

**Special requirements** (i.e. luggage requirements):

In accordance with the MLKDC Travel and Subsistence Policy, all air travel must be booked by the most efficient and economical flight option available (economy).

Only where there is a clear business need can Business Class/ Flexible Economy air travel be approved.

Please record below details of the business need for flight option other than economy.

**Is car parking required at the Departure airport?**

Yes  No

### 4. Rail/Tube Tickets

Departure Date	Departing From	Arriving At	Departure Time

**Airport Rail** – (indicate 'X' if required)

<b>Heathrow Ex-</b>	
<b>Gatwick Express</b>	
<b>Stansted Express</b>	

In accordance with the MLKDC Travel and Subsistence Policy, rail travel must be booked by the most efficient and economical method possible (economy).

Only where there is a clear business need can First Class rail travel be approved. Please record below, details of the business need for first class rail travel.

**5. Ferry Tickets**

Date of Departure	Departing From	Arriving At	Departure Time

**Car Details**

<b>Make</b>	
<b>Model</b>	
<b>Registration No.</b>	

**Is overnight cabin required?** – (indicate with 'X')

Yes  No

**6. Car Hire** – (The named driver will be required to produce their full driving license when picking up the car.)

<b>Named Driver:</b>	
<b>Number of Passengers</b>	

Pick Up Point	Date	Drop Off Point	Date

<p><b>7. <u>Do you require hotel accommodation to be booked? Please indicate</u></b></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>Please specify any special requirements:</b></p> <div style="border: 1px solid black; height: 40px; margin: 5px 0;"></div> <p>If you are planning on staying with friends/family please inform your line manager and provide the address below.</p> <p><b>Address when staying with friends or relatives:</b></p> <div style="border: 1px solid black; height: 100px; margin: 5px 0;"></div>			

I, the authorising officer, confirm that the above journey on official business is necessary. I confirm that where an overnight stay is involved it is more cost effective than returning on the same day and the total hours away from the office have been taken into consideration.

<b>Authorised by*:</b>	
<b>Grade:</b>	
<b>Date:</b>	

\*Authorisation for this journey must be obtained from the Chief Executive Officer and in accordance with your MLKDC approvals.

**Please note that if submitting by e-mail - This form must be forwarded by the authorising officer.**

<b><u>For MLKDC Travel Section use only:</u></b>			
<b>Booked by (MLKDC):</b>	<input type="text"/>	<b>Flights Confirmation received:</b>	<input type="checkbox"/>
<b>Booked by (SIB):</b>	<input type="text"/>	<b>Rail Confirmation received:</b>	<input type="checkbox"/>
<b>Booking Date:</b>	<input type="text"/>	<b>Hotel Confirmation received:</b>	<input type="checkbox"/>
<b>Booking Reference:</b>	<input type="text"/>	<b>Departmental Records updated:</b>	<input type="checkbox"/>



[Template DF1/13/367016]

## APPENDIX 16 CHECKLIST FOR PROPOSED EXPENDITURE AND FOR DIRECT AWARD CONTRACT

Please ensure that your Business Case addresses the following.

<b>1 Have you prepared a Business Case for all expenditure or single tender?</b>	<input checked="" type="checkbox"/>
1.1 Have you used the appropriate Business Case template?	<input type="checkbox"/>
1.2 Do all figures included in the Business Case state that they are inclusive of VAT	<input type="checkbox"/>
1.3 Have you included that one of the options is “Do Nothing”?	<input type="checkbox"/>
1.4 Business Cases can only be prepared for a single consultant. If more than one consultant is to be procured have you a separate business case for each?	<input type="checkbox"/>
1.5 Have you clearly identified who will manage the proposed expenditure?	<input type="checkbox"/>
1.6 Have you clearly identified how the proposed expenditure will be funded?	<input type="checkbox"/>
1.7 Have you obtained Central Procurement Division guidance / advice and clearly stated its response in the business case? (Your Business Case will be rejected if this is not clearly stated).	<input type="checkbox"/>
1.8 If a single tender option is proposed, have you stated convincing reasons why this is the preferred method and considered what your response will be if challenged by other suppliers?	<input type="checkbox"/>
1.9 Even if single tender is the preferred option, points 1.5,1.6 and 1.7 are still relevant – have you included these in the Business Case?	<input type="checkbox"/>
1.10 Have you signed and dated the Business Case?	<input type="checkbox"/>
1.11 Have you passed the Business Case to the appropriate Director/Chief Executive for approval and onward submission to TEO / DOF for approval.	<input type="checkbox"/>

<b>2 Once the Business Case is approved, have you done the following?</b>	
2.1	Received the appropriate business case back from the approver? <input type="checkbox"/>
2.2	Have you passed the approved Business Case to the MLKDC Finance Team for filing and obtained a Business Case reference number so that you can state this on all invoices relating to the Business Case? <input type="checkbox"/>
<b>3 If MLKDC is managing the procurement process, have you considered the following?</b>	
3.1	Requested Central Procurement Division to manage the process instead? <input type="checkbox"/>
3.2	If the procurement process is managed by MLKDC have you adhered to all the criteria in Chapter 5? <input type="checkbox"/>
<b>4 No matter who is managing the procurement process, have you given to the MLKDC Finance Team for filing the signed Letter of Appointment/Engagement and the Contract?</b> <input type="checkbox"/>	
<b>5 If MLKDC is managing the contract, have you done the following?</b>	
5.1	Has the contract been extended and, if so, was a Business Case prepared and approved for the contract extension? <input type="checkbox"/>
5.2	If one or more contracts were extended, do any of them now include unrelated work and, if so, has this been approved by the appropriate Director/Chief Executive? <input type="checkbox"/>
<b>6 At the end of the contract, have you completed a Consultancy Evaluation Form using the approved template, DF1/11/234176 “<i>Consultancy Evaluation Form Template</i>” (DN – Cannot trace this on TRIM.) and given this to the MLKDC Finance Officer for filing and onward submission to TEO.</b> <input type="checkbox"/>	

## APPENDIX 17 EU PROCUREMENT THRESHOLDS

Thresholds applicable from 1 January 2016 are given below.

Thresholds are net of VAT.

Council Regulation 2015/2170 (L307/5 25/11/15).

### PUBLIC CONTRACTS REGULATIONS 2012 - FROM 1 JANUARY 2016

	SUPPLIES	SERVICES	WORKS
Entities listed in Schedule 1 <sup>1</sup>	£106,047 (€135,000)	£106,047 <sup>2</sup> (€135,000)	£4,104,394 <sup>3</sup> (€5,225,000)
Other public sector contracting authorities	£164,176 (€209,000)	£164,176 (€209,000)	£4,104,394 <sup>3</sup> (€5,225,000)
Indicative Notices	£589,148 (€750,000)	£652,253 (€750,000)	£4,104,394 (€5,225,000)
Small lots	£62,842 (€80,000)	£62,842 (€80,000)	£785,530 (€1,000,000)

<sup>1</sup> Schedule 1 of the Public Contracts Regulations 2006 lists central government bodies subject to the World Trade Organisation's (WTO) Government Procurement Agreement (GPA). These thresholds will also apply to any successor bodies.

<sup>2</sup> With the exception of the following services which have a threshold of £164,176 (€209,000):

<sup>3</sup> Including subsidised works contracts under regulation 3

#### Part B (residual) services

- Research & Development Services (Category 8)
- The following Telecommunications services in Category 5
  - PC 7524 - Television and Radio Broadcast services
  - CPC 7525 - Interconnection services
  - CPC 7526 - Integrated telecommunications services
- Subsidised services contracts under regulation 34.