

**NORTHERN IRELAND SCREEN COMMISSION**

**MANAGEMENT STATEMENT**

**AND**

**FINANCIAL MEMORANDUM**

**23 May 2019**

# MANAGEMENT STATEMENT FOR NORTHERN IRELAND SCREEN

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# MANAGEMENT STATEMENT FOR NORTHERN IRELAND SCREEN

## INTRODUCTION

### This document

1. This *Management Statement* (MS) has been drawn up by the Department for the Economy (DfE), the sponsor Department, in consultation with Northern Ireland Screen. The document is based on a model prepared by the Department of Finance (DoF).
2. The terms and conditions set out in the combined Management Statement and Financial Memorandum (MS/FM) may be supplemented by guidelines or directions issued by the sponsor Department/Minister in respect of the exercise of any individual functions, powers and duties of Northern Ireland Screen.
3. A copy of the MS/FM for Northern Ireland Screen should be given to all newly appointed Board Members, Northern Ireland Screen senior executive staff and departmental sponsor staff on appointment. Additionally the MS/FM should be tabled for the information of Board Members at least annually at a full meeting of the Board. Amendments made to the MS/FM should also be brought to the attention of the full Board on a timely basis.
4. This Management Statement sets out the broad framework within which Northern Ireland Screen will operate, in particular:
  - Northern Ireland Screen's overall aim[s], objectives and targets in support of the sponsor Department's wider strategic aim[s] and the outcomes and targets contained in the Programme for Government (PfG);
  - the rules and guidelines relevant to the exercise of Northern Ireland Screen's functions, duties and powers;
  - the conditions under which any public funds are paid to Northern Ireland Screen; and
  - how Northern Ireland Screen is to be held to account for its performance.
5. The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which Northern Ireland Screen shall observe. However, the *Management Statement* and *Financial Memorandum* do not convey any legal powers or responsibilities.
6. The document shall be reviewed at least every five years or following a review of the functions.
7. Northern Ireland Screen, the sponsor Department, or the Minister, may propose amendments to this document at any time. Any such proposals by Northern Ireland Screen shall be considered in the light of evolving departmental policy aims, operational factors and the track record of Northern Ireland Screen itself.

The guiding principle shall be that the extent of flexibility and freedom given to Northern Ireland Screen shall reflect both the quality of its internal controls to achieve performance and its operational needs. The sponsor Department shall determine what changes, if any, are to be incorporated in the document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with DoF after consultation with Northern Ireland Screen, as appropriate. The definition of "significant" will be determined by the sponsor Department in consultation with DoF).

8. The MS/FM is approved by DoF, and signed and dated by the sponsor Department and Northern Ireland Screen's Chief Executive.
9. Any question regarding the interpretation of the document shall be resolved by the sponsor Department after consultation with Northern Ireland Screen and, as necessary, with DoF.
10. Copies of this document and any subsequent substantive amendments shall be placed in the Library of the Assembly. Copies shall also be made available to members of the public on Northern Ireland Screen's website.

#### **Founding legislation : status**

11. The Northern Ireland Screen Commission (Northern Ireland Screen) is a Company Limited by Guarantee, not having a Share Capital, and having the registered number NI 31997 under the Companies (Northern Ireland) Order 1986. As a company incorporated in Northern Ireland, Northern Ireland Screen is subject to the requirements of Northern Ireland company law. The functions, duties and powers of Northern Ireland Screen are set out in Northern Ireland Screen's Memorandum and Articles of Association. NI Screen was not founded under any direct legislation.
12. Northern Ireland Screen must consult with the sponsor Department, and obtain the approval of the sponsor Department, before amending its Memorandum and Articles of Association.

#### **The functions, duties and powers of Northern Ireland Screen**

##### **Functions**

13. The functions of Northern Ireland Screen are summarised below - this summary should not be taken as definitive:
  - All aspects of supporting the development of the screen industry in Northern Ireland including development and production funding, funding for training and the support of marketing activity;
  - Development and support of the infrastructure underpinning the screen industry in Northern Ireland;

- Company development support initiatives for local production companies;
- Skills development/training for the industry;
- All aspects of support for the cultural aspects of the screen industry in Northern Ireland including audience development, screen festivals and cultural cinema;
- All aspects of preservation of and access to screen archive and audio-visual heritage; and
- Development of moving image and digital education provision.

### **Duties**

14. The duties of NI Screen are summarised below; this summary should not be taken as definitive.
15. NI Screen shall provide financial assistance where, in its opinion:
  - the financial assistance is likely to provide employment within the screen industry in Northern Ireland;
  - the form and amount of assistance is reasonable and represents value for money;
  - the assistance will promote the Screen Industry in Northern Ireland globally; and
  - the assistance will contribute to PfG and Industrial Strategy objectives.

### **Powers**

16. This Management Statement sets out the broad framework within which Northern Ireland Screen will operate, in particular:
  - the rules and guidelines relevant to the exercise of Northern Ireland Screen's functions, duties and powers;
  - the conditions under which public funds are paid to Northern Ireland Screen; and
  - Northern Ireland Screen's performance and accountability arrangements.

### **Classification**

17. For policy/administrative purposes Northern Ireland Screen is classified as an Executive Non-Departmental Public Body (NDPB).

## **AIMS, OBJECTIVES AND TARGETS**

### **Overall aim**

18. The overall aim of Northern Ireland Screen is to assist in the development and growth of a vibrant and sustainable screen sector for the benefit of Northern Ireland and its citizens and in line with the objectives and goals of the Department for the Economy, the Industrial Strategy and the Programme for Government.

## **Objectives and key targets**

19. The sponsor Department determines the performance framework within which Northern Ireland Screen's objectives and targets are set. Northern Ireland Screen's objectives and key targets are to be agreed through the Department's Corporate and Business Planning process, and shall be consistent with the Department's Industrial Strategy, Corporate Plan and Programme for Government commitments.
20. The objectives, targets and performance measures for Northern Ireland Screen shall be set out in its Corporate Plan and annual Business Plan, both of which shall be approved by the Minister.

## **RESPONSIBILITIES AND ACCOUNTABILITY**

### **The Minister**

21. The Minister is accountable to the Assembly for the activities and performance of Northern Ireland Screen. His/her responsibilities include:
  - approving Northern Ireland Screen's strategic objectives and the policy and performance framework within which Northern Ireland Screen will operate (as set out in this Management Statement and Financial Memorandum and associated documents);
  - keeping the Assembly informed about Northern Ireland Screen's performance;
  - approving the amount of funds to be paid to Northern Ireland Screen by the Department and securing Assembly approval; and
  - making appointments to the Board of Northern Ireland Screen (including the Chair), approving terms and conditions of Board members, approval of terms and conditions of staff and presenting the annual reports and accounts before the Assembly.

### **The Accounting Officer of the sponsor Department**

22. The Permanent Secretary, as the sponsor Department's principal Accounting Officer (the 'departmental Accounting Officer'), is responsible for the overall organisation, management and staffing of the sponsor Department and for ensuring that there is a high standard of financial management in the Department as a whole. The departmental Accounting Officer is accountable to the Assembly for the issue of any grant-in-aid funding from the Department to Northern Ireland Screen. The departmental Accounting Officer designates the Chief Executive of Northern Ireland Screen as Northern Ireland Screen's

Accounting Officer, and may withdraw the Accounting Officer designation if he/she believes that the incumbent is no longer suitable for the role.

23. In particular, the departmental Accounting Officer of the sponsor Department shall ensure that:
- Northern Ireland Screen's strategic aims and objectives support the sponsor Department's wider strategic aims and current PfG objectives and targets;
  - the financial and other management controls applied by the sponsor Department to Northern Ireland Screen are appropriate and sufficient to safeguard public funds and for ensuring that Northern Ireland Screen's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to Northern Ireland Screen by the Assembly but also any other funds falling within the stewardship of Northern Ireland Screen);
  - the internal controls applied by Northern Ireland Screen conform to the requirements of regularity, propriety and good financial management; and
  - any funds allocated to Northern Ireland Screen is within the ambit and the amount of the Request for Resources and that Assembly authority has been sought and given.
24. The responsibilities of a departmental Accounting Officer are set out in more detail in Chapter 3 of Managing Public Money Northern Ireland (MPMNI).

### **The Sponsor Branch in the Department**

25. Within the sponsor Department, Business Engagement Sponsor Branch 2 is the sponsor branch for Northern Ireland Screen. The branch, in consultation as necessary with the relevant departmental Accounting Officer, is the primary source of advice to the Minister on the discharge of his/her responsibilities in respect of Northern Ireland Screen, and the primary point of contact for Northern Ireland Screen in dealing with the sponsor Department. The sponsor branch shall carry out its duties under the management of the Head of Branch, who shall have primary responsibility within the branch for overseeing the activities of Northern Ireland Screen. In performing the duties listed below, the sponsor branch may seek support and advice from the following directorates: Strategic Policy 1, Finance, Analytical Services, Corporate Planning and Governance and others, as required.
26. The sponsor branch shall advise the Minister on:
- an appropriate framework of objectives and targets for Northern Ireland Screen in the light of the Department's wider strategic aims and current PfG objectives and targets; and
  - an appropriate budget for Northern Ireland Screen in the light of the Department's overall public expenditure priorities; and



- how well Northern Ireland Screen is achieving its strategic objectives and whether it is delivering value for money.

26. In support of the departmental Accounting Officer, the sponsor branch shall:

***on performance and risk management – [Oversight & Liaison]***

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

***on communication with Northern Ireland Screen -***

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

27. The Department will advise the Minister on the value for money of NI Screen casework requiring Ministerial approval.

**Northern Ireland Screen's Board**

28. The Board Members are appointed by the sponsor Department in liaison with the Department for Communities. In the absence of a Minister, and in the wider public interest, the Permanent Secretary may make appointments to the NI

Screen Board. Appointments of Board Members will normally be for a period of three to five years with the possibility of re-appointment for a further four years. These appointments are made in accordance with the Code of Practice issued by the Commissioner of Public Appointments for Northern Ireland.

29. The Board shall be composed of a Chair and up to 12 members. A position of vice-chair is optional. The Board must have a total of 5 members present to achieve a quorum.
30. The Board has corporate responsibility for ensuring that Northern Ireland Screen fulfils the aim[s] and objectives set by the sponsor Department and approved by the Minister, and for promoting the efficient, economic and effective use of staff and other resources by Northern Ireland Screen. To this end, and in pursuit of its wider corporate responsibilities, the Board shall:
  - establish the overall strategic direction of Northern Ireland Screen within the policy and resources framework determined by the sponsor Department and Minister;
  - constructively challenge Northern Ireland Screen's executive team in their planning, target setting and delivery of performance;
  - ensure that the sponsor Department and other funders are kept informed of any changes which are likely to impact on the strategic direction of Northern Ireland Screen or on the attainability of its targets, and determine the steps needed to deal with such changes;
  - ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account all relevant guidance issued by DoF and the sponsor Department;
  - ensure that the Board receives and reviews regular financial information concerning the management of Northern Ireland Screen; is informed in a timely manner about any concerns about the activities of Northern Ireland Screen; and provides positive assurance to the sponsor Department that appropriate action has been taken on such concerns;
  - demonstrate high standards of corporate governance at all times, including using the independent audit committee, (see paragraph 72) to help the Board to address the key financial and other risks facing Northern Ireland Screen; and
  - appoint, with the sponsor Department's approval, a Chief Executive to Northern Ireland Screen and, in consultation with the sponsor Department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public monies.

31. Individual Board Members shall act in accordance with their wider responsibilities as Members of the Board, namely to:
  - comply at all times with the Code of Practice (see paragraph 3.5.5) that is adopted by Northern Ireland Screen and with the rules and guidance relating to the use of public funds and to conflicts of interest;
  - not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations; and to declare publicly and to the board any private interests that may be perceived to conflict with their public duties;
  - comply with the Board's rules on the acceptance of gifts and hospitality, and of Business appointments; and
  - act in good faith and in the best interests of Northern Ireland Screen.
32. The sponsor Department shall have access to all board papers including minutes in advance of scheduled board meetings.
33. When appropriate, the Sponsor Department will attend Northern Ireland Screen Board meetings in an observer capacity.
34. When appropriate, the Sponsor Department will attend the Audit and Risk Committee in an observer capacity.

### **The Chair of Northern Ireland Screen**

35. The Chair is appointed in accordance with the Code of Practice issued by the Commissioner of Public Appointments for Northern Ireland.
36. The Chair is responsible to the Minister of the sponsor Department. The Chair shall ensure that Northern Ireland Screen's policies and actions support the wider strategic policies of the Minister; and that Northern Ireland Screen's affairs are conducted with probity. The Chair shares with other Board members the corporate responsibilities set out in paragraph 29 and in particular for ensuring that Northern Ireland Screen fulfils the aim[s] and objectives set by the sponsor Department and approved by the Minister.
37. The Chair has a particular leadership responsibility on the following matters:
  - formulating the Board's strategy;
  - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Minister or the sponsor Department;
  - promoting the efficient, economic and effective use of staff and other resources;
  - encouraging and delivering high standards of regularity and propriety;
  - representing the views of the Board to the general public; and

- ensuring that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Board Members.
38. The Chair shall also:
- ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice;
  - advise the Department of the needs of Northern Ireland Screen when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise; and
  - assess the performance of individual Board Members on an annual basis. Board Members will be subject to ongoing performance appraisal, with a formal assessment being completed by the Chair of the Board at the end of each year [and prior to any re - appointment of individual Members taking place]. Members will be made aware that they are being appraised, the standards against which they will be appraised, and will have an opportunity to contribute to and view their report. The Chair of the Board will also be appraised on an annual basis by the Departmental Accounting Officer or an official acting on his or her behalf.
39. The Chair shall also ensure that a Code of Practice for Board Members is in place, based on the Cabinet Office's *Code of Practice for Board Members of Public Bodies*, (FD (DFP) 04/14 refers). The Code shall commit the Chair and other Board Members to the Nolan "seven principles of public life", and shall include a requirement for a comprehensive and publicly available register of Board Members' interests.
40. Communications between the Board, the Minister and the Department shall normally be through the Chair. The Chair shall ensure that the other Board Members are kept informed of such communications on a timely basis.

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

41. The Chief Executive of Northern Ireland Screen is designated as Northern Ireland Screen's Accounting Officer by the departmental Accounting Officer of the sponsor Department. As such, the Chief Executive has access to the Permanent Secretary as Accounting Officer of the sponsor department.
42. The Accounting Officer of Northern Ireland Screen is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring

propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of Northern Ireland Screen.

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

***on planning and monitoring -***

- establish, in agreement with the sponsor Department Northern Ireland Screen's Corporate and Business Plans in support of the Department's wider strategic aims and current PfG objectives and targets;
- inform the sponsor Department of Northern Ireland Screen's progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives;
- ensure that timely forecasts and monitoring information on performance and finance are provided to the sponsor Department as requested that the sponsor Department is notified promptly if overspends or underspends are likely and that corrective action is taken and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the sponsor Department in a timely fashion;
- be responsible for all decisions involving the forward commitment of funds and must ensure that Northern Ireland Screen does not breach its annual budgetary allocation from the Department, having taken fully into account ongoing contractual budgetary commitments.

***on advising the Board -***

- advise the Board on the discharge of its responsibilities as set out in this document and in any other relevant instructions and guidance that may be issued from time to time by DoF or the sponsor Department;
- advise the Board on Northern Ireland Screen's performance compared with its aim[s] and objectives;
- ensure that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed appropriately;
- take action in line with Section 3.8 of MPMNI if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration, efficiency or effectiveness;

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

- ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensure that an effective system of programme and project management and contract management is maintained;

- ensure compliance with the Northern Ireland Public Procurement Policy;
- ensure that all public funds made available to Northern Ireland Screen [including any income or other receipts] are used for the purpose intended by the Assembly, and that such monies, together with Northern Ireland Screen's assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that adequate internal management and financial controls are maintained by Northern Ireland Screen, including effective measures against fraud and theft;
- maintain a comprehensive system of internal delegated authorities that are notified to all staff, together with a system for regularly reviewing compliance with these delegations;
- ensure that effective personnel management and data management policies are maintained;

***on accounting for Northern Ireland Screen's activities –***

- sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Minister, the sponsor Department, or DoF;
- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Governance Statement regarding Northern Ireland Screen's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about Northern Ireland Screen are established and made widely known within Northern Ireland Screen;
- provide to the Departmental Accounting Officer periodic Assurance Statements as requested;
- act in accordance with the terms of this document and with the instructions and relevant guidance in MPMNI and other instructions and guidance issued from time to time by the sponsor Department and DoF - in particular, Chapter 3 of MPMNI and the Treasury document *Regularity and Propriety and Value for Money* (a copy of which the Chief Executive shall receive on appointment). The Compliance with Instructions and Guidance of the Financial Memorandum refers to other key guidance;
- give evidence, normally with the Accounting Officer of the sponsor Department, if summoned before the Public Accounts Committee on the use and stewardship of public funds by Northern Ireland Screen;
- ensure that an Equality Scheme is in place, reviewed and equality impact assessed as required by the Equality Commission and The Executive Office (TEO);
- ensure that Lifetime Opportunities is taken into account;

- ensure that the requirements of the Data Protection Act 1998 and the Freedom of Information Act 2000 are complied with; and
- comply with the introduction of the General Data Protection Regulation (GDPR) effective from 25 May 2018.

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

44. For the purposes of Whole of Government Accounts, the Chief Executive of Northern Ireland Screen is normally appointed by DoF as Northern Ireland Screen's Consolidation Officer.
45. As Northern Ireland Screen's Consolidation Officer, the Chief Executive shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of Northern Ireland Screen; for arranging for its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DoF.
46. As Consolidation Officer, the Chief Executive shall comply with the requirements of Northern Ireland Screen Consolidation Officer Letter of Appointment as issued by DoF and shall, in particular:
  - ensure that Northern Ireland Screen has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process; and
  - prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions ["Dear Consolidation Officer" (DCO) and "Dear Consolidation Manager" (DCM) letters] issued by DoF on the form, manner and timetable for the delivery of such information.

### **Delegation of duties**

47. The Chief Executive may delegate the day-to-day administration of his/her Accounting Officer and Consolidation Officer responsibilities to other employees in Northern Ireland Screen. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.

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

48. The Chief Executive of Northern Ireland Screen is the Principal Officer for handling cases involving the Northern Ireland Commissioner for Complaints. As Principal Officer, he/she shall inform the Permanent Secretary of the sponsor Department of any complaints about Northern Ireland Screen accepted by the Ombudsman for investigation, and about Northern Ireland Screen's proposed response to any subsequent recommendations from the Ombudsman.

## **Consulting customers**

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

## **PLANNING, BUDGETING AND CONTROL**

### **The Corporate Plan**

50. Consistent with the timetable for the NI Executive's Budget process reviews, Northern Ireland Screen shall submit to the sponsor Department a draft of Northern Ireland Screen's Corporate Plan normally covering four years ahead. Northern Ireland Screen shall have agreed with the sponsor Department the issues to be addressed in the Plan and the timetable for its preparation.
51. DoF reserves the right to ask to see and agree Northern Ireland Screen's Corporate Plan.
52. The Plan shall reflect Northern Ireland Screen's statutory duties and, within those duties, the priorities set from time to time by the Minister. In particular, the Plan shall demonstrate how Northern Ireland Screen contributes to the achievement of the Department's strategic aims and PfG objectives and targets.
53. Northern Ireland Screen shall consult with the sponsor Department, key stakeholders and other funders on the preparation of its four year strategy (Corporate Plan), and obtain the approval of the Minister for the Economy.
54. The Corporate Plan shall set out:
  - Northern Ireland Screen's key objectives and associated key performance targets for the period of the plan; and its strategy for achieving those objectives;
  - a review of Northern Ireland Screen's performance in the previous financial year and an estimate of performance in the current year;
  - alternative scenarios to take account of factors which may significantly affect the execution of the Strategy, but which cannot be accurately forecast;
  - a forecast of expenditure and income for the period of the new Plan; taking account of guidance on resource assumptions and policies provided by the Department and other funders at the beginning of the planning period. These forecasts should represent Northern Ireland Screen's best estimate of all its available income not just grant or grant in aid; and



- other matters as agreed between the sponsor Department and Northern Ireland Screen.
55. Determination of the level of Departmental funding in support of the Corporate Plan is subject to an Economic Appraisal, commissioned by Northern Ireland Screen and approved by the sponsor Department. The sponsor Department will agree an appropriate funding package based on the outcome of the Economic Appraisal. Any other non-sponsor Department publicly funded programmes in the Plan will be subject to completion of a separate appraisal and approval process, commensurate with the level of funding requested.
  56. The main elements of the Plan, including the key performance targets, shall be agreed between the sponsor Department and Northern Ireland Screen in the light of the sponsor Department's decisions on policy and resources taken in the context of the Executive's wider policy and spending priorities and decisions.
  57. The Corporate Plan shall be approved by the Minister of the sponsor Department.

### **The Business Plan**

58. Each year of the Corporate Plan, amplified as necessary, shall form the basis of the Business Plan for the relevant forthcoming year. The Business Plan shall include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the sponsor Department. Northern Ireland Screen shall consult with the sponsor Department, key stakeholders and other relevant public funders on the preparation of the Business Plan.
59. DoF reserves the right to ask to see and agree Northern Ireland Screen's annual Business Plan.
60. The Business Plan shall be approved by the Minister of the sponsor Department.

### **Publication of Plans**

61. Northern Ireland Screen's Corporate and Business Plans will be made available to the public in electronic format and published on Northern Ireland Screen's website. A summary version shall also be made available to staff.

### **Reporting performance to the sponsor Department**

62. Northern Ireland Screen shall operate management information and accounting systems which enable it to review in a timely and effective manner its financial

and non-financial performance against the budgets and targets set out in its agreed Corporate and Business Plans.

63. Northern Ireland Screen shall take the initiative in informing the sponsor Department and other funders if appropriate, of changes in circumstances, which may impact on the achievement of objectives, or which may require a change to the budget or objectives as set out in the Corporate or Business Plans.
64. Northern Ireland Screen's performance in helping to deliver Departmental policies, including the achievement of key objectives, shall be reported to the Department on a regular basis, as determined by the Department. Performance will be formally reviewed by officials of the sponsor Department. The Minister may meet the Board formally to discuss Northern Ireland Screen's performance, its current and future activities, and any policy developments relevant to those activities.
65. The Department may, at its discretion, request evidence of progress against key objectives at any time.
66. Senior Departmental officials will hold regular oversight and liaison meetings with Northern Ireland Screen, as determined by the Department. The purpose of these meetings is to discuss Northern Ireland Screen's overall performance, its current and future activities, any policy developments relevant to those activities safety and quality, financial performance and corporate control/risk management performance, and other issues as prescribed by the Department.
67. Northern Ireland Screen's performance against key targets shall be reported in Northern Ireland Screen's annual report and accounts [see paragraph 83 below].

### **Budgeting procedures**

68. Northern Ireland Screen's budgeting procedures are set out in the *Financial Memorandum*.

### **Internal Audit**

69. Northern Ireland Screen shall establish and maintain arrangements for internal audit in accordance with PSIAS (Public Sector Internal Audit Standards).
70. The Department should outline the arrangements that it has determined as appropriate for Northern Ireland Screen taking account of DAO (DoF) 01/10 Internal Audit Arrangements between Departments and Arm's Length Bodies. This will include specifying the Department's requirements in terms of:

- providing input to Northern Ireland Screen's planned internal audit coverage;
  - arrangements for the receipt of audit reports, assignment reports, the Head of Internal Audit's annual report and opinion etc;
  - arrangements for the completion of Internal and External Assessments of Northern Ireland Screen's internal audit function against PSIAS including advising that the sponsor Department reserves a right of access to carry out its own independent reviews of internal audit in Northern Ireland Screen; and
  - the right of access to all documents prepared by Northern Ireland Screen's internal auditor, including where the service is contracted out. Where Northern Ireland Screen's audit service is contracted out Northern Ireland Screen should stipulate this requirement when tendering for the services.
71. Northern Ireland Screen shall consult the sponsor Department to ensure that the latter is satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving the appointment are in accordance with PSIAS and relevant DoF guidance.
72. The sponsor Department will review Northern Ireland Screen's terms of reference for internal audit service provision. Northern Ireland Screen shall notify the sponsor Department of any subsequent changes to internal audit's terms of reference.

### **Audit and Risk Committee**

73. Northern Ireland Screen shall set up an independent Audit and Risk committee as a committee of its Board, in accordance with the current Cabinet Office Guidance and in line with the Audit and Risk assurance Committee Handbook, issued under cover of DAO (DoF) 03/18.
74. The sponsor Department should specify the arrangements it has determined appropriate for Northern Ireland Screen, which may include the need for:
- attendance by departmental representatives at Northern Ireland Screen Audit and Risk Committee meetings in an observer capacity; and
  - any input required from Northern Ireland Screen Audit and Risk Committee to the sponsor Department's own Audit Committee etc.
75. The Audit and Risk Committee's meeting agendas, minutes and papers shall be forwarded as soon as possible to the sponsoring team.
76. The sponsor Department will review Northern Ireland Screen's Audit and Risk Committee terms of reference. Northern Ireland Screen shall notify the sponsor Department of any subsequent changes to the Audit and Risk committee's terms of reference.

## **Fraud**

77. Northern Ireland Screen shall report immediately to the sponsor Department Internal Audit function all frauds (proven or suspected), including attempted fraud. Internal Audit, now part of Group Internal Audit and Fraud Investigation Service shall then report the frauds immediately to DoF and the Comptroller and Auditor General. In addition Northern Ireland Screen shall forward to the sponsor Department the annual fraud return, commissioned by DoF, on fraud and theft suffered by Northern Ireland Screen.
78. The sponsor Department will review Northern Ireland Screen's Anti-Fraud Policy and Fraud Response Plan. Northern Ireland Screen shall notify the sponsor Department of any subsequent changes to the policy or Response Plan.

## **Additional departmental access to Northern Ireland Screen**

79. In addition to the right of access referred to in paragraph 69 above, the sponsor Department shall have a right of access to all Northern Ireland Screen's records and personnel for purposes such as sponsorship audits, operational investigations and for any other purposes.

## **EXTERNAL ACCOUNTABILITY**

### **The Annual Report and Accounts**

80. After the end of each financial year Northern Ireland Screen shall publish as a single document an annual report of its activities together with its audited annual accounts. The report shall also cover the activities of any corporate bodies under the control of Northern Ireland Screen. A draft of the report shall be submitted to the sponsor Department two weeks before the proposed publication date although it is expected that the sponsor Department and Northern Ireland Screen will have had extensive pre-publication discussion on the content of the report prior to formal submission to the Department.
81. The report and accounts shall comply with the most recent version of the Government Financial Reporting Manual (FReM) issued by DoF (Note: this guidance is updated every year). The accounts shall be prepared in accordance with any relevant statutes and the specific Accounts Direction issued by the sponsor Department.
82. The report and accounts shall outline Northern Ireland Screen's main activities and performance during the previous financial year and set out, in summary form, Northern Ireland Screen's forward plans. Information on performance

against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit.

83. The report and accounts shall be presented to the Assembly and made available, in accordance with the guidance on the procedures for presenting and laying the combined annual report and accounts as prescribed in the relevant guidance issued by DoF.
84. Due to the potential accounting and budgetary implications, any changes to accounting policies or significant estimation techniques underpinning the preparation of annual accounts, requires the prior written approval of the sponsor Department.

### **External Audit**

85. The Comptroller and Auditor General (C&AG) audits Northern Ireland Screen's annual accounts and passes the accounts to the sponsor Department who presents them before the Assembly, together with Northern Ireland Screen's Annual Report. For the purpose of audit, the C&AG has a statutory right of access to relevant documents as provided for in Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.
86. The C&AG will liaise with Northern Ireland Screen on the arrangements for completing the audit of Northern Ireland Screen's accounts. This will either be undertaken by staff of the NIAO or a private sector firm appointed by the C&AG to undertake the audit on his behalf. The final decision on how such audits will be undertaken rests with the C&AG, who retains overall responsibility for the audit.
87. The C&AG has agreed to share with the sponsor Departments relevant information identified during the audit process including the report to those charged with governance at the end of the audit. This shall apply, in particular, to issues which impact on the Department's responsibilities in relation to financial systems within Northern Ireland Screen. The C&AG will also consider, where asked, providing Departments and other relevant bodies with reports which Departments may request at the commencement of the audit and which are compatible with the independent auditor's role.
88. Northern Ireland Screen will, on request, provide the sponsoring Department with information on the implementation of Management Letter recommendations. Accepted audit recommendations must be implemented within the external auditor's recommended priority time frame.

## Value for Money (VFM)

89. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which Northern Ireland Screen has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003. Where making payment of a grant, or drawing up a contract, Northern Ireland Screen should ensure that it includes a clause which makes the grant or contract conditional upon the recipient or contractor providing access to the C&AG in relation to documents relevant to the transaction. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

## STAFF MANAGEMENT

### General

90. Within the arrangements approved by the Minister and DoF, Northern Ireland Screen shall have responsibility for the recruitment, retention and motivation of its staff. To this end Northern Ireland Screen shall ensure that:
- its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of gender, marital status, domestic circumstances, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
  - the level and structure of its staffing, including grading and numbers of staff, are appropriate to its functions and the requirements of efficiency, effectiveness and economy;
  - the performance of its staff at all levels is satisfactorily appraised and Northern Ireland Screen's performance measurement systems are reviewed from time to time;
  - its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve Northern Ireland Screen's objectives;
  - proper consultation with staff takes place on key issues affecting them;
  - adequate grievance and disciplinary procedures are in place;
  - whistle blowing procedures consistent with "[Whistleblowing in the Public Sector: A Good Practice Guide for Workers and Employers](#)" and the Public Interest Disclosure (NI) Order 1998 are in place; and
  - a code of conduct for staff is in place based on the [NICS Staff Handbook \(under Standards of Conduct\) Annex 5 A Public Bodies: A Guide for NI Departments](#).

## **REVIEWING THE ROLE OF NORTHERN IRELAND SCREEN**

91. Northern Ireland Screen shall be reviewed periodically, in accordance with the business needs of the sponsor Department, and Northern Ireland Screen. Reference should be made to Chapter 9 of "Public Bodies: a Guide for Northern Ireland Departments".
92. The next review of Northern Ireland Screen will take place as deemed necessary by the sponsor Department and no later than 2022.
93. Northern Ireland Screen shall provide the sponsor Department with full details of all agreements where Northern Ireland Screen or its successors have a right to share in the financial gains of projects that it funds. It should also pass to the Department details of any other forms of claw back due to Northern Ireland Screen.

### **Funding provided by the Department for Communities**

94. The Department for Communities (DfC) may provide funding in respect of Northern Ireland Screen's educational, cultural and exhibition and archive activities. This funding will be issued from DfE to Northern Ireland Screen by way of Grant in Aid although Northern Ireland Screen must continue to request this funding directly from DfC.
95. This funding is managed through the specific Letter of Offer agreed between DfC and Northern Ireland Screen.

# FINANCIAL MEMORANDUM

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## **FINANCIAL MEMORANDUM FOR NORTHERN IRELAND SCREEN**

### **INTRODUCTION**

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

### **NORTHERN IRELAND SCREEN'S INCOME AND EXPENDITURE - GENERAL**

#### **The Departmental Expenditure Limit (DEL)**

- 4 Northern Ireland Screen's current and capital expenditure form part of the sponsoring Department's Resource Departmental Expenditure Limits (DEL) and Capital DEL respectively.

#### **Annually Managed Expenditure (AME)**

- 5 NI Screen's Annually Managed Expenditure (AME) forms part of the sponsoring Department's AME.

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

- 6 Northern Ireland Screen shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside Northern Ireland Screen's delegations or which is not provided for in Northern Ireland Screen's annual budget as approved by the sponsor Department.

#### **Procurement**

- 7 Northern Ireland Screen's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed August 2014); Procurement Guidance Notes; and any other guidelines or guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. Northern Ireland Screen's procurement activity should be carried out by means of a Service Level Agreement with CPD or another

recognised Centre of Procurement Expertise (CoPE) – this should ensure compliance with relevant UK, EU and international procurement rules.

- 8 Periodic reviews of Northern Ireland Screen's procurement activity should be undertaken. The results of any such review will be shared with the sponsor Department.

### **Competition**

- 9 Contracts shall be awarded on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
- 10 A Direct Award Contract (DAC) (Single Tender Action) is the process where a contract is awarded to an economic operator (i.e. supplier, contractor) without competition. In light of their exceptional nature, all DACs should be subject to approval by the Northern Ireland Screen Accounting Officer. DACs over £5,000 should be subject to further approval by Northern Ireland Screen Board, with those over £30,000 requiring approval by the Northern Ireland Screen Board and the Departmental Accounting Officer.
- 11 If the DAC is for external consultancy of £10,000 and over require the approval of the Minister. Northern Ireland Screen must seek an assurance from CPD/CoPE, or their legal adviser, to provide assurance for the Accounting Officer that the use of DAC is legitimate in a particular case. CPD will assess the DAC proposal and provide recommendations to the Accounting Officer regarding the legal implications and the potential risk of challenge in the specific circumstance of the proposed STA/DAC. Further information is published in Procurement Guidance Note 03/11 'Award of Contracts without a Competition'. Procurement Guidance Notes are available on the DoF website.
- 12 Northern Ireland Screen shall put arrangements in place to enable the Department to be provided with details of, and explanations for, all Direct Award Contracts on an annual basis.
- 13 Ministerial approval is required for spend of £10k and over if External Consultants are procured through the normal tendering process.

### **Best value for money**

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

### **Timeliness in paying bills**

- 15 Northern Ireland Screen shall collect receipts and pay all matured and properly authorised invoices in accordance with Annex 4.5 and 4.6 of *Managing Public Money Northern Ireland* and any guidance issued by DoF or the sponsor Department.

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

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

### **Risk Management/Fraud**

- 17 Northern Ireland Screen shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: A Strategic Overview (The "Orange Book")* and should take account of the Northern Ireland Audit Office Report "Good practice in Risk Management" (published in June 2011).
- 18 Northern Ireland Screen shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract or to which it intends to give grant or grant-in-aid.
- 19 Northern Ireland Screen shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with DoF publication *Managing the Risk of Fraud Guide Northern Ireland*.
- 20 All cases of attempted, suspected or proven fraud shall be reported to the sponsor Department who shall report it to DoF and the NIAO (see paragraph

76 in the Management Statement) as soon as they are discovered, irrespective of the amount involved.

### **Wider markets**

- 21 Northern Ireland Screen shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with (a) Northern Ireland Screen's main functions (b) its Corporate Plan as agreed with the Sponsor Department. The sponsor Department will confirm with the DoF Supply Officer that such proposed activity is appropriate.

### **Fees and charges**

- 22 Fees or charges for any services supplied by Northern Ireland Screen shall be determined in accordance with Chapter 6 of MPMNI.

## **NORTHERN IRELAND SCREEN'S INCOME**

### **Grant in Aid**

- 23 Grant-in-aid (GIA) is allocated to enable Northern Ireland Screen to discharge its duties, powers and functions under the agreed operating plan and budget. This will be paid to Northern Ireland Screen in regular instalments as agreed on the basis of a written application from Northern Ireland Screen showing evidence of need. The application shall certify that the conditions applying to the use of grant-in-aid have been observed to date and that further grant-in-aid is now required for purposes appropriate to Northern Ireland Screen's functions.
- 24 Northern Ireland Screen should have regard to the general principles enshrined in Annex 5.1 of *Managing Public Money Northern Ireland* that it should seek grant-in-aid, and grant, according to need.
- 25 Cash balances accumulated during the course of the year shall be kept at the minimum level consistent with the efficient operation of Northern Ireland Screen, deemed to be 30 cash days. This should ensure Northern Ireland Screen holds sufficient cash for one month (estimated at £1 million). Grant in aid not drawn down by the end of the year shall lapse. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, the Department will make available in the next financial year (subject to approval by the Assembly of the relevant Estimates provision) grant-in-aid which is required to meet any liabilities at year end, such as creditors.
- 26 The Department for Communities (DfC) will provide funding in respect of Northern Ireland Screen's educational, cultural and exhibition and archive activities. This funding will be issued from DfE to Northern Ireland Screen by

way of Grant in Aid although Northern Ireland Screen must continue to request this funding directly from DfC.

- 27 This funding is managed through the specific Letter of Offer agreed between DfC and Northern Ireland Screen.

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

- 28 Most fines and taxes (including some levies and licences) do not provide additional DEL spending power and should be surrendered to the sponsor Department.

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

- 29 Receipts from the sale of goods and services (including certain licences), rent of land and dividends normally provide additional DEL spending power. If Northern Ireland Screen wishes to retain a receipt or utilise an increase in the level of receipts, it must gain the prior approval of its sponsor Department.
- 30 If there is any doubt about the correct classification of a receipt, Northern Ireland Screen shall consult the sponsor Department, which may consult DoF as necessary.

#### **Interest earned**

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

#### **Un-forecast changes in in-year income**

- 32 If the negative DEL income realised or expected to be realised in-year is less than estimated, Northern Ireland Screen shall, unless otherwise agreed with the sponsor Department, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded.
- 33 If the negative DEL income realised or expected to be realised in the year is more than estimated, Northern Ireland Screen may apply to the sponsor Department to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The sponsor Department shall consider such applications, taking account of

competing demands for resources, and will consult with DoF in relation to any significant amounts. If an application is refused, any grant shall be commensurately reduced or the excess receipts shall be required to be surrendered to the NI Consolidated Fund via the sponsor Department.

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

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

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

- 36 Disposals of land and buildings are dealt with in paragraphs 79-80 below.

### **Gifts and bequests received**

- 37 Northern Ireland Screen is free to retain any gifts, bequests or similar donations, subject to paragraph 35. These shall be capitalised at fair value on receipt and must be notified to the sponsor Department. *[NOTE: A release from the donated assets reserve should offset depreciation in the operating cost statement. The latest FReM requirements should be applied.]*
- 38 Before accepting a gift, bequest, or similar donation, Northern Ireland Screen shall consider if there are any associated costs in doing so or any conflicts of interests arising. Northern Ireland Screen shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

### **Borrowing**

- 39 Normally, Northern Ireland Screen will not be allowed to borrow. However, should this happen Northern Ireland Screen shall observe the principles set out in Chapter 5 and the associated annexes of MPMNI when undertaking borrowing of any kind. Northern Ireland Screen shall seek the approval of the sponsor Department and, where appropriate, DoF, to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing.



## **EXPENDITURE ON STAFF**

### **Staff costs**

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

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

- 41 The staff of Northern Ireland Screen, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation), as approved by the sponsor Department and DoF. Northern Ireland Screen has no delegated power to amend these terms and conditions.
- 42 Current terms and conditions for staff of Northern Ireland Screen are those set out in its Employee Handbook. Northern Ireland Screen shall provide the Sponsor Department and DoF with a copy of the Handbook and subsequent amendments.
- 43 Annual pay increases of Northern Ireland Screen staff must be in accordance with the annual letter on Pay Remit Approval Process and Guidance issued by DoF. Therefore, all proposed pay awards must have prior approval of the sponsor Department and the Minister of Finance before implementation.
- 44 The travel expenses of Board Members shall be tied to Departmental rates. Reasonable actual costs shall be reimbursed.
- 45 Northern Ireland Screen shall comply with the EU directive on contract workers [Fixed Term Employees Regulations (Prevention of Less Favourable Treatment)].

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

- 46 Northern Ireland Screen's staff shall be eligible for a pension provided by admittance to the NI Local Government Officers Superannuation Committee (NILGOSC).
- 47 Staff may opt out of the occupational pension scheme provided by Northern Ireland Screen. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall be limited to the national insurance rebate level.

- 48 Any proposal by Northern Ireland Screen to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the sponsor Department and DoF. Proposals on severance payments must comply with Annex 4.13 of *MPMNI*.

## **NON-STAFF EXPENDITURE**

### **Economic appraisal**

- 49 Northern Ireland Screen is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, including European Union (EU) funds, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:
- a. involve capital or current spending, or both;
  - b. are large or small;
  - c. are above or below delegated limits (see Appendix A).
- 50 Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal.
- 51 General guidance on economic appraisal that apply to NDPBs can be found in:
- DoF's on-line guide *The Northern Ireland Guide to Expenditure Appraisal and Evaluation* ("NIGEAE", 2009). See <http://www.DoFni.gov.uk/eag>; and
  - The HM Treasury Guide, *The Green Book: Appraisal and Evaluation in Central Government* (2003).

### **Capital expenditure**

- 52 Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis in accordance with relevant accounting standards. Expenditure to be capitalised shall normally include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.

- 53 Proposals for large-scale individual capital projects or acquisitions will normally be considered within Northern Ireland Screen's corporate and business planning process. Subject to paragraph 53, applications for approval within the Corporate/Business Plan by the sponsor Department and DoF, if necessary, shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the Board. Regular reports on the progress of projects shall be submitted to the sponsor Department.
- 54 Approval of the Corporate/Business plan does not obviate Northern Ireland Screen's responsibility to abide by the economic appraisal process.
- 55 Within its approved overall resources limit Northern Ireland Screen shall, as indicated in the attached Appendix on delegations, have no delegated authority to spend on any individual capital project or acquisition. The sponsor Department and, where necessary, DoF's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

#### **Transfer of funds within budgets**

- 56 Northern Ireland Screen must adhere to the annual budgetary allocations from the Department, which are set out in the Department's' annual budget allocation letter and aligned with those set out in the economic appraisal supporting the Northern Ireland Screen Opening Doors Strategy 2 (2018-2022). For Large Scale production only, any variation up to 10% from the amounts set out in the annual budget allocation letter requires Northern Ireland Screen Board approval only, any variation greater than 10% requires both Northern Ireland Screen Board and Departmental approval. For all other funding allocations set out in the annual budget allocation letter, any variation up to 25% requires Northern Ireland Screen Board approval only, any variation greater than 25% requires both Northern Ireland Screen Board and Departmental approval.
- 57 Unless financial provision is subject to specific Departmental or DoF controls (e.g. where provision is ring-fenced for specific purposes) or delegated limits, transfers between budgets, within either the total capital budget or the total revenue budget, do not need Departmental approval. The one exception to this is that, due to HM Treasury controls, any movement into, or out, of depreciation and impairments within the resource budget will require departmental and possibly DoF approval [*NOTE: Under resource budgeting rules, transfers from capital to resource budgets are not allowed*].

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

- 58 Northern Ireland Screen shall not, without the sponsor Department's and, where necessary, DoF's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any

other contingent liability (as defined in Annex 5.5 of MPMNI), whether or not in a legally binding form.

### **Grant or loan schemes**

- 59 Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made shall be subject to prior approval by the sponsor Department and, where necessary DoF. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.
- 60 Northern Ireland Screen administers conditional grants to support film development and production. Each grant's specific terms and conditions will be outlined within an Investment Committee paper and submitted to Northern Ireland Screen's Investment Committee for their approval. Their decisions are then reported to Northern Ireland Screen's Board and the Department. The conditions of the grant must comply with the parameters of the General Block Exemption (GBER).
- 61 The Sponsor Department reserves the right to attend Northern Ireland Screen Investment Committee meetings in an observer capacity.
- 62 The terms and conditions of a conditional grant to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant are readily available for inspection by Northern Ireland Screen, the sponsor Department and the C&AG.
- 63 See also paragraphs 81-83 below under the heading *Recovery of grant-financed assets*.

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

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

## **Leasing**

- 67 Prior Departmental approval must be secured in advance for all property and finance leases. Department of Finance approval will also be required in advance of any property leases. Northern Ireland Screen must have capital DEL provision for finance leases and other transactions which are, in substance, borrowing (see paragraph 36 above).
- 68 Before entering into any lease (including an operating lease) Northern Ireland Screen shall demonstrate that the lease offers better value for money than purchase.

## **Public/Private Partnerships**

- 69 Northern Ireland Screen shall seek opportunities to enter into Public/Private Partnerships where this offers better value for money than conventional procurement. Where cash flow projections may result in delegated spending authority being breached, Northern Ireland Screen shall consult the sponsor Department. Northern Ireland Screen should also ensure that it has the necessary budget cover.
- 70 Any partnership controlled by Northern Ireland Screen shall be treated as part of Northern Ireland Screen in accordance with guidance in the FReM and consolidated with it [subject to any particular treatment required by the FReM]. Where the judgment over the level of control is difficult the sponsor Department will consult DoF (who may need to consult with the Office of National Statistics over national accounts treatment).

## **Subsidiary companies and joint ventures**

- 71 Northern Ireland Screen shall not establish subsidiary companies or joint ventures without the express approval of the sponsor Department and DoF. In judging such proposals the sponsor Department will have regard to the Department's wider strategic aims, objective and current Programme for Government commitments.
- 72 For public expenditure accounts purposes any subsidiary company or joint venture controlled or owned by Northern Ireland Screen shall be consolidated with it in accordance with guidance in the FReM subject to any particular treatment required by the FReM. Where the judgment over the level of control is difficult, the sponsor Department will consult DoF (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the sponsor Department and DoF, such subsidiary companies or joint ventures shall be subject to the controls and requirements

set out in this *Management Statement and Financial Memorandum*, and to the further provisions set out in supporting documentation.

### **Financial investments**

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

### **Unconventional financing**

- 74 Northern Ireland Screen shall not enter into any unconventional financing arrangement without the approval of the sponsor Department and DoF.

### **Commercial insurance**

- 75 Northern Ireland Screen shall not take out any insurance without the prior approval of the sponsor Department and DoF, other than third party insurance required by the Road Traffic (NI) Order 1981 (as amended) and any other insurance which is a statutory obligation or which is permitted under Annex 4.5 of MPMNI.
- 76 In the case of a major loss or third-party claim the sponsor Department shall liaise with Northern Ireland Screen about the circumstances in which an appropriate addition to budget out of the sponsor Department's funds and/or adjustment to Northern Ireland Screen's targets might be considered. The sponsor Department will liaise with DoF where required in such cases.

### **Payment/Credit cards**

- 77 Northern Ireland Screen, in consultation with the sponsor Department, shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards) is in place. Northern Ireland Screen shall comply with the provisions of DAO (DOF) 11/16 – Issue and Use of Payment Cards (including Credit Cards).

## **Hospitality**

- 78 Northern Ireland Screen, in consultation with the sponsor Department, shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place. Reference should be made to DAO (DOF) 10/06 (Revised).

## **Use of Consultants**

- 79 Northern Ireland Screen shall adhere to the guidance issued by DoF, as well as any produced by the sponsor Department in relation to the Use of Consultants. Please see the delegated limits set out in Appendix A.
- 80 Northern Ireland Screen will provide the sponsor Department with regular statements on the status of all consultancies completed and/or started in each financial year.
- 81 Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

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

### **Register of assets**

- 82 Northern Ireland Screen shall maintain an accurate and up-to-date register of its fixed assets.

### **Disposal of assets**

- 83 Northern Ireland Screen shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. Generally assets shall be sold by auction or competitive tender [unless otherwise agreed by the sponsor Department], and in accordance with the principles in MPMNI.
- 84 All receipts derived from the sale of assets (including grant financed assets, see below) must be declared to the sponsor Department, which will consult with DoF on the appropriate treatment.

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

- 85 Where Northern Ireland Screen has financed expenditure on capital assets by a third party, Northern Ireland Screen shall set conditions and make appropriate arrangements to ensure that any such assets are not disposed of by the third party without Northern Ireland Screen's prior consent.
- 86 Northern Ireland Screen shall therefore ensure that such conditions and arrangements are sufficient to secure the repayment of the NI Consolidated Fund's due share of the proceeds of the sale, in order that funds may be surrendered to the sponsor Department.
- 87 Northern Ireland Screen shall ensure that if the assets created by grants made by Northern Ireland Screen cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to Northern Ireland Screen for surrender to the sponsor Department. The amounts recoverable under the procedures in paragraphs 80 and 81 above shall be calculated by reference to the best possible value of the asset and in proportion to the NI Consolidated Fund's original investment(s) in the asset.

## **BUDGETING PROCEDURES**

### **Setting the annual budget**

- 88 Each year, in the light of decisions by the sponsor Department on Northern Ireland Screen's Corporate Plan (paragraphs 49-56 of the Management Statement), the sponsor Department will send to Northern Ireland Screen:
- a formal statement of the annual budgetary provision allocated by the Sponsor Department in the light of competing priorities across the Sponsor Department and of any forecast income approved by the Sponsor Department; and
  - a statement of any planned change in policies affecting Northern Ireland Screen.
- 89 Northern Ireland Screen's approved annual Business Plan will take account both of its approved funding provision and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any sponsor Departmental funding and/or other income over the year. These elements will form part of the approved Business Plan for the year in question (paragraphs 57-59 of the *Management Statement*.)



- 90 Any grant-in-aid provided by the sponsor Department for the year in question will be voted in the sponsor Department's Estimate and will be subject to Assembly control.

### **General conditions for authority to spend**

- 91 Once Northern Ireland Screen's budget has been approved by the sponsor Department and subject to any restrictions imposed by statute, the Minister and this MSFM, Northern Ireland Screen shall have authority to incur expenditure approved in the budget without further reference to the sponsor Department on the following conditions:
- Northern Ireland Screen shall comply with the delegations set out in Appendix A of this document. These delegations shall not be altered without the prior agreement of the sponsor Department and DoF;
  - Northern Ireland Screen shall comply with the conditions set out in paragraph 14 above regarding novel, contentious or repercussive proposals;
  - Northern Ireland Screen shall adhere to the terms and conditions set out in the Department's annual Funding Allocation Letter and agreements with other funders as appropriate;
  - inclusion of any planned and approved expenditure in Northern Ireland Screen's budget shall not remove the need to seek formal Departmental and where necessary, DoF approval where such proposed expenditure is above the delegated limits set out in Appendix A or is for new schemes not previously agreed; and
  - Northern Ireland Screen shall provide the sponsor Department with such information about its operations, performance individual projects or other expenditure as the sponsor Department may reasonably require (see paragraph 87 below); and
  - Northern Ireland Screen shall comply with NI Procurement Policy and carry out procurement via CPD or another recognized CoPE.

### **Providing monitoring information to the Sponsor Department**

- 92 Northern Ireland Screen shall provide the Sponsor Department with, as a minimum, information on a monthly basis which will enable the satisfactory monitoring by the sponsor Department of:
- Northern Ireland Screen's cash management;
  - its draw-down of any grant-in-aid;
  - the expenditure for that month;
  - forecast profiled outturn by resource headings;
  - other data required for the DoF Outturn and Forecast Outturn Return; and
  - any income generated by Northern Ireland Screen including recoupment of monies.

## BANKING

### Banking arrangements

- 93 Northern Ireland Screen's Accounting Officer is responsible for ensuring that Northern Ireland Screen's banking arrangements are in accordance with the requirements of Annex 5.7 of *MPMNI*. In particular, he/she shall ensure that the arrangements safeguard public funds and that their implementation ensures efficiency, economy and effectiveness.
- 94 Northern Ireland Screen is part of the NICS banking pool and as such is subject to tendering and operational arrangements as determined by DoF.

## COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

### Relevant documents

- 95 Northern Ireland Screen shall comply with the following general guidance documents:
- This document (both the Financial Memorandum and the Management Statement);
  - *Managing Public Money Northern Ireland (MPMNI)*;
  - *Public Bodies - a Guide for NI Departments* issued by DoF;
  - *Public Sector Internal Audit Standards*, issued by DoF;
  - The document *Managing the Risk of Fraud Guide Northern Ireland* issued by DoF;
  - The Treasury document *The Government Financial Reporting Manual (FReM)* issued by DoF;
  - Relevant DoF *Dear Accounting Officer* and *Finance Director* letters;
  - Relevant *Dear Consolidation Officer* and *Dear Consolidation Manager* letters issued by DoF;
  - *Regularity, Propriety and Value for Money*, issued by Treasury;
  - *The Consolidation Officer Letter of Appointment*, issued by DoF;
  - Other relevant instructions and guidance issued by the central Departments (DOF/TEO) including Procurement Board and CPD Guidance;
  - Specific instructions and guidance issued by the sponsor Department; and
  - Recommendations made by the Public Accounts Committee, or by other Assembly authority, which have been accepted by the government and which are relevant to Northern Ireland Screen.

## REVIEW OF FINANCIAL MEMORANDUM

96 The Management Statement and Financial Memorandum will normally be reviewed at least every four years or following review of Northern Ireland Screen's functions as provided for in paragraphs 90 and 91 in the Management Statement. However, the Department reserves the right to trigger an earlier review, if it so desires.

97 DoF will be consulted on any significant variation proposed to the Management Statement and Financial Memorandum.

Signed: 

Date: 23/5/19

on behalf of Northern Ireland Screen

Signed: 

Date: 24/5/19

on behalf of the Department for the Economy

## DELEGATED EXPENDITURE LIMITS

### General

- 1 These delegated expenditure limits have been agreed by the Department and the Department of Finance.

### Economic Appraisal

- 2 The principles of economic appraisal should be applied in all cases where expenditure is proposed, whether the proposal involves capital or current expenditure, or both. The effort put into economic appraisal should be commensurate with the size or importance of the needs or resources under consideration. However, Northern Ireland Screen should undertake a proportionate business case for all projects involving expenditure of £100,000 and over.

### Delegations – General Principles

- 3 All delegations and limits exclude VAT and are subject to the provisions of the Management Statement and Financial Memorandum. This Annex conveys delegated authority to commit and incur expenditure subject to the restrictions set out in the following paragraphs, i.e. Northern Ireland Screen has full delegated authority to commit and incur expenditure except in relation to the areas listed in the following paragraphs. The delegations are also subject to the general requirement that DoF approval is always required for any proposal in any of the categories in MPMNI Annex 2.3, Box A.2.3B, i.e. any proposals which:
  - could create pressures which could lead to a breach:
    - in Departmental Expenditure Limits (DEL);
    - in administration cost limits, resource limits, capital limits and capital grant limits; or
    - Estimates provision.
  - would entail contractual commitments to significant levels of spending in future years for which no plans have been set;
  - could set a potentially expensive precedent;
  - could cause repercussions for others;
  - exceed the general threshold for major capital expenditure projects currently in force (unless other delegations specifically allow); or
  - are novel and/or contentious.

### **Northern Ireland Screen - Investment Committee approval**

- 4 The required level of approval for 'Northern Ireland Screen Fund' (the 'Screen Fund') projects is set out in Northern Ireland Screen's "Screen Fund Production and Development Funding Operating Procedures". These will be reviewed and approved by the Department on a regular basis.
- 5 Production and Development applications requesting more than £100,000 support from the Northern Ireland Screen Fund are considered for approval by the Northern Ireland Screen Investment Committee. The Sponsor Department reserves the right to attend Northern Ireland Screen Investment Committee meetings, in an observer capacity.
- 6 Any individual project which requires funding greater than £1m must be approved by both the Northern Ireland Screen Investment Committee and the Department, before any expenditure is incurred, or committed. The process to secure its approval will be determined by the Department. However, as noted in paragraph 8 below, it will not include the DfE Casework Committee process, unless the project is considered to be novel and / or contentious.

### **Department for Economy – Casework Committee approval**

- 7 Northern Ireland Screen must adhere to the funding allocation from the Department, which is set out in the Department's annual Budget Allocation Letter and is aligned with the approved economic appraisal supporting the Northern Ireland Screen Opening Doors Strategy 2: 2018-2022 (ODS2).
- 8 There is no requirement for individual Screen Fund projects, which are fully aligned with ODS2 and approved by the Northern Ireland Screen Investment Committee, to then be subject to the DfE Casework Committee process, unless they are considered to be novel and / or contentious. However, as noted in paragraph 6 above, if the project requires funding greater than £1m, it will require Departmental approval.
- 9 Any proposed project which Northern Ireland Screen and / or the Department considers to be outside the remit of ODS2 will require a proportionate economic appraisal. Before any expenditure is incurred, or committed, this will require approval from both Northern Ireland Screen (either the Investment Committee or other appropriate internal approver) and the Department, irrespective of amount. If the funding

required for such a project is in excess of £1m, the DfE Casework Committee approval process will be required.

- 10 By subjecting the projects to scrutiny and endorsement by the DfE Casework Committee, the process leading to formal approval by the Minister should be streamlined.

**Expenditure not funded from the NI Screen Fund**

- 11 Any proposed expenditure which is within the remit of ODS2, but not funded from the NI Screen Fund, will require a proportionate economic appraisal.
- 12 This requirement excludes overheads and salaries but does include areas such as marketing activity, skills development and production legal costs (screen fund). This listing is not exhaustive.
- 13 If the proposed expenditure is greater than £400k this will require Northern Ireland Screen Investment Committee approval.

**PURCHASING ALL GOODS, SERVICES AND WORKS**

**Procurement Control Limits Utilities, Goods and Non – Construction Services**

**Table 1** Delegated Authority for the Purchase of Utilities, Goods and Non – Construction Services

VALUE	PROCEDURE
Up to £5,000	Northern Ireland Screen must demonstrate that value for money has been secured. Guidance is set out below: 2 or 3 price checks ( fax, telephone or email confirmation should be obtained and retained as an audit trail of action taken).
£5,000 to £30,000	A minimum of two tenders invited by the person authorised to procure for Northern Ireland Screen or in accordance with a Service Level Agreement (SLA) with e-tendersni system ; or a tender process undertaken by e- tendersni

	system or a tender process undertaken by a CoPE A minimum of two tenders will be invited. If the incumbent is to be included, then at least two others should also be invited. Departments should ensure they do not repeatedly favour particular suppliers.
£30,000 to EU Thresholds	Advertise on eTendersNI. Tender process must be in line with PGN 05/12: Procurement of Goods, Works and Services Over £30,000 and below EU Thresholds.
Above EU Thresholds	Advertise on eTendersNI. EU Directives apply – advertise in the Official Journal of the European Union (OJEU).

## GUIDELINES FOR PURCHASES UP TO £5,000

- 14 Purchases up to £5,000 will be classified as procurement expenditure but they are not subject to procurement rules. NI Screen must ensure that all purchases up to £5,000 are subject to value for money considerations and Managing Public Money Northern Ireland. If the goods and services are required again within a 3 year period then the amount should be aggregated over that period, and a procurement may need to take place. Guidance on aggregating spend is contained in PGN 04/12.
- 15 NI Screen should ensure that:
- (i) the purchase is not covered by an existing framework agreement, call-off contract or e-catalogue;
  - (ii) the purchase is a one-off requirement;
  - (iii) the total spend is up to £5,000; and
  - (iv) the requirement is clearly specified.
- 16 When existing arrangements at (i) are not available, then NI Screen should carry out a price check with at least two contractors/suppliers to ensure value for money has been achieved. Price checks should be documented and retained on file for audit purposes.
- 17 In the exceptional circumstance when it is not possible to obtain price checks (eg, emergencies) then an order may be placed directly with a contractor/supplier. In these cases, Accounting Officer approval is not required when the total spend is up to £5,000 but the reasons for the

action should be recorded and retained for audit purposes. **This derogation does not apply to the procurement of consultancy services.**

### **Capital Projects**

- 18 Within its approved overall resources limit, Northern Ireland Screen shall have no delegated authority to spend on any individual capital project or acquisition. The sponsor Department and, where necessary, DoF's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.
- 19 Any novel and/or potentially contentious projects, regardless of the amount of expenditure, require the approvals of the sponsor Department and DoF.

### **Disposal of Surplus Equipment**

- 20 Disposal must be at current market value by public auction or another public process, unless otherwise agreed with the sponsor Department. Prior approval of the sponsor Department is required for disposal of surplus equipment with a value in excess of £1,000.
- 21 Proceeds from the disposal of surplus equipment must be declared to the sponsor Department, which will consult with DoF on the appropriate treatment.

### **Lease and rental agreements**

- 22 Northern Ireland Screen should not enter into any lease or rental agreement without the prior approval of the sponsor Department.

### **Approval of Information Technology Projects**

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



- 25 The purchase of IT equipment and systems should be in line with the guidance on Procedures and Principles for Application of Best Practice in Programme/Project Management (PPM), (available at [www.DoFni.gov.uk/successful-delivery](http://www.DoFni.gov.uk/successful-delivery)) and be subject to competitive tendering unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the project, and in line with the Procurement Control Limits in Table 1. Delegated authority for each IT project is set out in Table 2.

**Table 2** Delegation Arrangements for Information Technology Projects, Systems and Equipment  
(All costs exclude VAT)

THRESHOLDS	AUTHORISATION
Up to £75,000	The Chief Executive
Over £75,000	Prior approval from the sponsor Department and where necessary, DoF.

### Engagement of Consultants

- 26 Northern Ireland Screen has authority to appoint consultants for a single contract, without recourse to the sponsor Department, up to a total cost of £9,999, and subject to any guidance as may be issued by DoF or the sponsor Department.
- 27 A full business case should be prepared for all consultancy assignments. Section 5 of the guidance note attached to FD (DOF) 08/17 explains the nature of the required business case.

### Losses and Special Payments

- 28 The Chief Executive, with prior approval from the sponsor Department, will have the authority to write off losses and make special payments up to:
- Cash losses – up to £500 per case/incident;
  - Stores/Equipment losses – up to £500 per case/incident;
  - Constructive losses and fruitless payments – up to £500 per case;
  - Compensation payments:

- Made under legal obligation, e.g. by Court Order – up to £500 per case plus reasonable legal expenses;
  - For damage to personal property of staff – no delegated authority; and
  - Where written legal advice is that Northern Ireland Screen should not fight a court action because it is unlikely that it would win – no delegated authority.
- Claims abandoned or waiver of claim – up to £500 per case;
  - Extra contractual payments – no delegated authority;
  - Ex gratia payments – up to £100 per case (Pensions payments are not covered by this threshold); and
  - Extra statutory and extra regulatory payments – no delegation, all proposals must be submitted to the sponsor Department for approval.

29 The prior approval of the sponsor Department must be obtained for amounts above these values, or for delegations not stated in the Financial Memorandum. Where total losses exceed £5,000 in any financial year, an explanatory note should be included in Northern Ireland Screen's accounts.

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

### **Investment Returns**

31 Northern Ireland Screen has authority to retain up to £200,000, in any one financial year, of returns from conditional grants / investments made through its Screen Fund, without recourse to the sponsor Department. Any monies received above this amount must be returned to the sponsor Department. Any monies retained by Northern Ireland Screen during the financial year must be spent in that year and cannot be carried forward. Any monies retained by Northern Ireland Screen must be spent on production activities and cannot cover salaries or administrative costs.