DEPARTMENT FOR THE ECONOMY

Board Operating Framework

CONTENTS

INTRODUCTION

1. The [Corporate Governance Code Northern Ireland](#) requires the Department for the Economy (DfE) to have an effective Departmental Board which provides leadership for the Department's business and helps it to operate in a business-like manner. This document sets out in further detail the role of the Departmental Board, its membership and its operating procedures.

PURPOSE

Purpose of the Department

2. DfE was established in May 2016 and its vision is of a 'globally competitive economy that works for everyone'.

3. The Department's mission and purpose is 'to develop and implement agile policies and programmes which promote a competitive, sustainable and inclusive economy through investment in:

   - skills;
   - economic infrastructure;
   - research and innovation; and
   - business development.

4. The work of the Department to deliver its vision and mission is carried out under seven strategic objectives, which are to:

   1) Accelerate innovation and research;
   2) Enhance education, skills and employability;
   3) Drive inclusive, sustainable growth;
   4) Succeed in global markets;
   5) Build the best economic infrastructure;
   6) Deliver a regulatory environment that optimises economic opportunities for business and commerce, while also protecting consumers and workers; and
   7) Ensure the Department has effective governance, including programme and project management arrangements, and manages its resources, both financial and staff.

5. The Minister is ultimately responsible for policy setting, on advice from officials and in line with the Department's budget and resource availability, and is answerable to the Assembly for the exercise of the powers on which the administration of the Department depends. The Permanent Secretary is designated by DoF as the Department's Accounting Officer and must be able to assure the Assembly and the public of high standards of probity in the management of public funds. He or she acts within the authority of the Minister.

Purpose of the Board

6. The purpose of the Board is to provide leadership for the Department's business, bringing together its senior officials (Executive Board Members) along with Non-Executive Board Members (NEBMs) from outside government. It concentrates on advising on strategic, governance and operational issues affecting the Department's performance as well as scrutinising and challenging Departmental policies and performance, with a view to the long-term health and success of the Department.

7. The Board does not decide policy or exercise the powers of the Ministers. The Department's policy is decided by Ministers on advice from officials and in line with budget and resource availability. The Board's role is to provide collective scrutiny and advice on five main areas:

   1) **Strategic Clarity** – setting the vision and/or mission and ensuring all activities, either directly or indirectly, contribute towards it; long-term capability and horizon scanning, ensuring strategic decisions are based on a collective understanding of policy issues; using outside perspective to ensure that the Department is challenged on the outcomes.
   2) **Commercial Sense** – approving the distribution of responsibilities; advising on sign-off of large operational projects or programmes; ensuring sound financial management; scrutinising the allocation of financial and human resources to achieve the plan; ensuring organisational design supports attaining strategic objectives; setting the Department's risk appetite and ensuring controls are in place to manage risk; evaluation of the Board and its members, and succession planning.
   3) **Talented People** – ensuring the Department has the capability to deliver and to plan to meet current and future needs.
   4) **Results Focus** – considering the operational business plan, including strategic aims and objectives; monitoring and steering performance against plan; scrutinising performance of ALBs; and considering the Department's standards and values.
   5) **Management Information** – ensuring clear, consistent, comparable performance information is used to drive improvements.

8. The Board meets at least 10 times per annum and an attendance record of individual Board members will be disclosed in the annual Corporate Governance Report per requirements set out in the Financial Reporting Manual (FReM). This will cover meetings of the Board and its Committees held in the period to which the Resource Accounts relate. Where timescales are such that decisions need to be taken outside the Board's scheduled meetings, a written procedure will be used. Where this cannot be appropriately activated the Accounting Officer will take the decision and advise the Board at the earliest opportunity.

MEMBERSHIP

Executive Members

9. Executive Board membership is normally determined on an ex-officio basis. The Chairperson of the Departmental Board is the Permanent Secretary / Accounting Officer. The remainder of the Board's executive membership should normally comprise:

- All Deputy Secretaries (Grade 3s);
- the Finance Director;
- the Head of Corporate Services Division.
- the Head of Corporate Governance Division; and
- the Department's HR Business Partner and

Non-Executive Members

10. In addition, the Board must comprise at least two NEBMs who will be appointed in line with the Commissioner for Public Appointments for Northern Ireland (CPANI) Code. Central Management Branch is responsible for the recruitment of NEBMs.

11. In the absence of the Permanent Secretary, a Deputy Secretary Member nominated by the Permanent Secretary will act as the Deputy Chairperson.

12. Other Directors will be invited to attend Board meetings where significant items pertaining to their business areas are to be discussed. Such items could include: draft strategies; significant policy developments; or key risks. Other staff from the Department, staff from other Departments or staff from ALBs may also be invited to attend meetings as appropriate.

Conflicts of Interest

13. Board members shall be required to notify and register with the Board Secretariat any issues on which they might have a conflict of interest. The Chair shall require members to declare any issues on which they might have a conflict of interest at the beginning of each meeting. The Board as a whole should consider how matters on which a member may have a conflict of interest will be handled.

14. Board Members are also required to formally complete a declaration of interests form annually. It is the responsibility of the individual to ensure any potential conflicts of interest are brought to the attention of the Chair. When a conflict of interest or perceived conflict of interest is identified, prompt decisions should be taken in order to mitigate risks and manage them appropriately.

Observers

15. In order to promote staff development within the Department and expose staff to strategic decision making and discussions, opportunities will be afforded on

occasion to staff who are interested in the work of the Board and its Committees to attend meetings in an observer capacity. Observers are required to respect the work of the Committee and ensure that confidentiality is maintained.

ROLES

Role of the Chairperson

16. The Chairperson's role includes:
    - appointing all NEBMs in accordance with the CPANI Code;
    - facilitating Board meetings;
    - ensuring that systems are in place to provide Board Members with accurate and timely information of good quality to allow the Board to consider properly all matters before it;
    - ensuring that a Board effectiveness review is performed annually with independent input at least every three years, and the results are acted upon; and
    - ensuring adherence to the comply or explain principle set out in the Corporate Governance Code.

Role of Executive Board Members

17. Executive Board Members are appointed on an ex-officio basis and as such they have clear roles on the Board as the main advisors on areas within their scope of official responsibility, subject to the overall direction of the Permanent Secretary. They should notify the Board of any significant matters within or without their scope of responsibility which:

    - threaten the regularity, propriety or value-for-money with which the Department carries out its business; or
    - impact on the Department's leadership, medium-term capability and significant risks to delivery of policy, along with mitigating actions taken.

18. The Finance Director has a specific role to play as an Executive Board Member. In accordance with MPMNI Annex 4.1, the Finance Director should:

    - be a professional Finance Director (i.e. a professionally qualified accountant);
    - have Board status equivalent to other Board Members;
    - report directly to the Permanent Secretary; and
    - be a member of the Senior Management Team.

19. The role of the Finance Director is outlined in more detail in MPMNI Annex 4.1. In the context of the Board, he or she is the main source of advice on the Department's financial position and should actively challenge expenditure decisions/proposals, especially in relation to affordability and value for money.

20. The Head of Central Services provides the Board with advice on a wide range of Corporate Services issues including Accommodation, Business Contingency Planning, Health and Safety and Corporate Engagement.

21. The Head of Corporate Governance provides the Board with advice on a wide range of Governance and Accountability issues such as Assurance reporting, Risk Management, Business Planning, and on occasion high profile Caseworks.

22. The HR Business Partner has a specific role to play as a Board Member. The HR Business Partner provides an important link between the Board and NICS HR and briefs the Board on Departmental HR performance as well as strategic HR issues

Role of NEBMs

23. NEBMs are appointed in accordance with the CPANI Code. They are appointed based on merit, taking into account their experience and ability. They are appointed for an initial period of 3 years which may be extended by further defined periods by agreement. The maximum total term of appointment is six years. Their primary role is to contribute to the good governance of the Department in an objective and independent manner. In particular, NEBMs should:

- use their experience to challenge/support the Board as appropriate;
- ensure the Board obtains and considers all appropriate information to provide effective advice;
- advise on the operational and delivery implications of policy proposals;
- form and Chair an Audit and Risk Assurance Committee (ARAC);
- be involved in the processes for recruitment and appraisal of senior executives, and succession planning; and
- reporting their views in their own section of the department's Annual Report.

All Members

24. All Members are expected to contribute constructively to the business of the Board and to follow the seven principles of public life as outlined at **Appendix 1**.

COMMITTEES OF THE BOARD

25. The Board has established the following Committees to oversee and provide advice to the Board on specific areas of work.

The Audit and Risk Assurance Committee (ARAC)

26. The ARAC is responsible for providing advice to the Board and Accounting Officer on corporate governance issues. The Committee supports the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the internal control environment and the integrity of financial statements and the Annual Report (including leading the assessment of the Governance Statement for the Board). The Committee also oversees the internal audit strategy and progress against audit plans, and provides

regular advice on governance and performance issues arising in the Department's ALBs.

27. The Committee comprises of at least three Members with at least one Member having recent and relevant financial experience. It is chaired by a NEBM, with remaining Members comprising: at least one other NEBM; and Independent External Members who are senior civil servants drawn from other Departments. The Chair provides regular feedback and assurance to the Board on the work of the Committee, including any particular concerns and/or recommendations raised at meetings, through written and verbal reports at Board meetings.

The Casework Committee

28. The role of the Casework Committee is to deliver better value for the taxpayer by challenging expenditure proposals on the grounds of deliverability, affordability and value for money. The Casework Committee is responsible for the scrutiny (but not approval) of DfE projects involving expenditure above £5,000,000 (or exceeding ALB delegations). A Casework Committee is convened as and when required and comprises a quorum of three staff including a Grade 3 Chair, the Finance Director and the Head of Analytical Services Division. Where a commercial relationship is under consideration, the Director of Corporate Governance will also attend. A Casework Committee considering a proposal from an ALB will also include the Senior Sponsor from the relevant Sponsor Division. NEBMs are also invited to attend Casework Committees in an observer capacity to provide an external, independent perspective. The Chair may also consider inviting an additional G5/6 and/or an external expert with skills/experience pertaining to the proposal. The Chair provides regular feedback and assurance to the Board on the work of the Committee, including any particular concerns and/or recommendations raised at meetings, through written and verbal reports at Board meetings.

The Resourcing and People Committee

29. The Resourcing and People Committee (RPC) provides a strategic view of how the NICS Human Resource policies and procedures can best be applied to ensure that they contribute effectively to the delivery of the Department's business needs, in line with priorities set out in the draft Programme for Government, the draft Industrial Strategy, the DfE Corporate and annual Business Plans and the NICS People Strategy. Within this remit the Committee is responsible for making decisions and recommendations on the implementation of corporate NICS-wide people-related policies in DfE and the effective use of resources across the Department. The Chair provides regular feedback to the Board on the work of the Committee, including any particular concerns and/or recommendations raised at meetings, through written and verbal reports at Board meetings.

The Delivery Committee

30. The Delivery Committee supports the Departmental Board in developing, and managing performance against, the Department's Strategic Work Plans, including corporate and annual business plans and any delivery plans relating to the Programme for Government. It also supports the Board in scrutinising the

effectiveness of the management of key risks to achieving the objectives set out in those plans, as outlined in the Corporate Risk Register. The Committee is chaired by the Head of Management Services and Regulation Group and its membership comprises all other Heads of Group and the Head of Corporate Governance Division. At least three Members are required for the Committee to be quorate. The Chair provides regular feedback to the Board on the work of the Committee, including any particular concerns and/or recommendations raised at meetings, through written and verbal reports at Board meetings.

Ad-Hoc Committees of the Board

31. The Board has discretion to establish additional ad hoc Committees chaired by Board Members, to address particular issues as they arise. Such Committees will report back to the Board on completion of their work and, following this, will be stood down at the discretion of the Board.

32. A Strategic Oversight Group has been established, replacing the DRB, to provide a single point of strategic assessment and assurance on the Department's response to the phases of Covid-19 and its preparations for the end of the transition period following the UK's departure from the EU in January 2020. This recognises the strategic significance and interdependencies in Covid-19 and EU Exit.

DECISIONS AND REPORTING

Matters Always Dealt with by the Board

33. The Board should always deal with and provide advice on the following:

- corporate and annual departmental business plans;
- appropriate operational strategies to best implement policies set by Ministers;
- budget allocation;
- monitoring of departmental resources to ensure the long term capability of the Department (including finance, HR and IT);
- corporate risks and the provision of a view on the level of risk which the Department is prepared to accept (i.e. risk appetite); and
- the shape and coverage of the Governance Statement.

34. The Board also has an important role in reviewing, as appropriate and prior to publication, various Departmental documents including the Annual Report and Accounts. The Board may delegate some of these matters, for example to a Committee of the Board, but in such instances it should be kept informed of decisions and actions taken.

35. The Board's role will not normally include the consideration and scrutiny of policies and strategies set by the Minister and Executive Management; rather, its advice will focus on the effectiveness of the systems in place to achieve their implementation. Separate processes are in place in respect of obtaining Senior Management and/or Ministerial approval for such issues. The Department also

holds formal weekly meetings of the Leadership Team (Permanent Secretary, Grade 3s, Head of Central Services, Head of Central Management Branch and Press Officer) and monthly meetings of the Senior Management Team (Leadership Team, Grade 5s, Grade 6s, Press Officer and Head of Central Management Branch).

Matters delegated by the Board

36. The Board can delegate the following matters:
    - Progress/performance against corporate/business plan and Programme for Government actions;
    - Expenditure proposals challenged on the grounds of deliverability, affordability and value for money;
    - Recommendations on the implementation of corporate NICS wide people related policies in DfE and the effective use of resources across the Department;
    - Review of the internal control environment and reliability of the assurances on governance;
    - Review of risk management processes and procedures; and
    - Management of relationships (e.g. with ALBs).

Types of Information Considered at Board Meetings

37. The main categories of information which should usually be considered at Board meetings are:

    - progress reports against the Department's corporate and business plans as well as Programme for Government;
    - progress reports on the status of big projects;
    - risk management updates;
    - NICS HR Business Partner updates;
    - management information relating to the use of resources compared to budgets, cash flow and balance sheet movements (monthly finance update);
    - reports provided by the Committees of the Board; and
    - topical matters.

EFFECTIVENESS OF, AND SUPPORT TO, THE BOARD

Board Effectiveness

38. The Board will conduct a formal annual evaluation of its performance, including that of its Committees. This will initially be done by way of a self-assessment and will focus in particular on the balance of skills, training needs, succession management and talent development. The annual Board evaluation will be led by the Permanent Secretary and will be informed by individual appraisals of each

Board Member.

Board Support

39. Each Board Member will be supported by an appropriate induction upon appointment (see Appendix 2 for a sample draft Induction Programme), which will include meetings with the Chairperson and other key staff in the Department and the provision of key documents such as this Framework, and the Department's most recent Corporate and Business Plans.

40. The training and development needs of Board Members will also be identified and addressed on an ongoing basis, normally as part of the annual appraisal process.

41. The Board Secretariat which is provided by Central Services Division will act as the focal point for support to the Board. Under the direction of the Permanent Secretary, the Secretariat's responsibilities include:

    1. developing and agreeing the agenda for Board meetings with the chair, ensuring all relevant items are brought to the Board's attention;
    2. ensuring good information flows within the Board and its Committees and between senior management and NEBMs, including:
        i. challenging and ensuring the quality of Board papers and Board information;
        ii. ensuring Board papers are received by Board members according to a timetable agreed by the Board;
        iii. providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements;
    3. ensuring the Board follows due process;
    4. providing assurance to the Board that the Department adheres to the Corporate Governance Code of Good Practice's principles and supporting provisions on a comply or explain basis through the Governance Statement;
    5. acting as the focal point for interaction between NEBMs and the Department, including arranging detailed briefing for NEBMs and meetings between NEBMs and officials, as requested or appropriate;
    6. recording Board decisions accurately and ensuring action points are followed up; and
    7. arranging induction and professional development of NEBMs.

42. The Department's Corporate Governance Division assists the Board Secretariat with a number of these responsibilities, particularly those described at points 2.iii and 4 above.

RELATIONS WITH ARM'S LENGTH BODIES

43. The Board's role should extend to the appropriate oversight of the Department's ALBs. The Department's ALBs are listed in table 1 below.

Table 1 - DfE Arm's Length Bodies

Sponsor Division	ALB	Type of ALB[1]
Further Education Division	Belfast Metropolitan College (BMC)	Executive NDPB
	Northern Regional College (NRC)	Executive NDPB
	North West Regional College (NWRC)	Executive NDPB
	Southern Regional College (SRC)	Executive NDPB
	South West College (SWC)	Executive NDPB
	South Eastern Regional College (SERC)	Executive NDPB
Higher Education Policy and Finance Division	St Mary's University College (St Mary's)	Private Higher Education Institution (HEI)
	The Open University (OU)	Private HEI
	Ulster University (UU)	Private HEI
	Queen's University Belfast (QUB)	Private HEI
	Stranmillis University College (Stranmillis)	Executive NDPB
Tourism, Telecoms, Minerals & Petroleum Division	Tourism Northern Ireland (TNI)	Executive NDPB
	Tourism Ireland	North / South Body
Skills Strategy Policy Division	Construction Industry Training Board	Executive NDPB
Business Engagement Division	Invest Northern Ireland (INI)	Executive NDPB
	InterTradeIreland	North / South Body
	NI Screen	Executive NDPB
Business and Employment Regulation Division	Health and Safety Executive NI (HSENI)	Executive NDPB
	Consumer Council NI	Executive NDPB
	Labour Relations Agency	Executive NDPB

44. The Board should support the Department in defining its relationships with each of its ALBs, including through advice on strategic decisions relating to: establishment; status; structure; changes to status; changes to scope; mergers; and reviews.

45. The Board is responsible for ensuring that the Department oversees and steers the performance and financial positions of its ALBs. The ARAC assists the Board with this, receiving bi-annual assurance statements and bi-annual governance and performance update reports from each ALB with the exception of the private HEIs.

46. The Board provides oversight of the working relationships between the Department and its ALBs, ensuring that an appropriate framework has been established with necessary communication and control mechanisms in place, as outlined in the DfE Sponsorship Manual. The Board should also ensure that any underperformance or drift in ALBs is followed up appropriately. The Department has established dedicated multi-disciplinary Sponsor Teams as the primary source of advice to the Board on ALBs.

[1] Industrial Court and OITFET have not been included in this paper as: OITFET is a Non-departmental statutory tribunal with which an MSFM is not required as the Department provides and manages all its financial resources; and the Industrial Court is a Non-departmental statutory Body with which an MSFM is not required as the Department provides and manages all its financial resources.

47. The Department is required to report annually on the arrangements it has in place for promoting sound working relationships with its ALBs. This is done through the Annual Report and Accounts. Each Body has a written Framework Document to formally document the relationship between it and the Department. In addition each Body has a dedicated Sponsor Team in place within the Department, headed by a Senior Civil Servant (the Lead Official previously known as the Senior Sponsor) to manage and promote effective relationships. Guidance for Sponsor Teams on discharging this role is provided in a Sponsorship Manual maintained by the Department's Corporate Governance Division. Any significant issues arising in a Body are formally reported through an established bi-annual assurance reporting process and, if deemed appropriate following advice from the ARAC, disclosed in the Department's Annual Report and Accounts.

APPENDIX 1 - PRINCIPLES OF PUBLIC LIFE

Selflessness
Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity
In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability
Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.

Leadership
Holders of public office should promote and support these principles by leadership and example.

APPENDIX 2 - SAMPLE INDUCTION CHECKLIST FOR NEW BOARD MEMBERS

Areas to Cover	Addressed?
1. Written material for inclusion in induction (welcome) pack	
Provide essential documents as part of a welcome pack	
Managing Public Money Northern Ireland	
Nolan Principles	
Relevant legislation	
Board Operating Framework	
Board Code of Conduct	
Latest Annual Report and Accounts	
Latest Corporate and Business Plans	
Key Internal and External Audit Reports or other reviews	
Organisational Structure and contact details for the Board	
Board Training Plan	
Details of how evaluations are performed	
Forward programme of Board meetings	
Background information on other Board members	
List of key terms and acronyms commonly used	
Key policies on areas such as: Travel and subsistence; Data protection; Freedom of Information; Media policy; Gifts and hospitality; and Register of Interests.	
2. Meeting with Board Chair/Permanent Secretary	
Explain and discuss the organisation's place in the wider Government structure, including its relationship with its Minister	
Explain the collective role of the Board and its Committee structure	
Explain the expectations of the new Board Member, with reference to the roles set out in the Board Operating Framework ensuring clear understanding of roles, responsibilities and relationships	
Explain the practicalities of the operation of the Board, including: • How information is disseminated to Members; • When and in what format the Board pack arrives; and • Formats and arrangements for Board meetings.	
Explain key issues and current priorities	
Discuss the development needs of the Member, specifically including level of financial literacy (meeting with Finance Director should be tailored based on this discussion)	
Allow time for the new Member to ask questions about the material included in the welcome pack	
Discuss the remit of the Department	
Key issues for management	
Take a physical tour of the organisation	
3. Meeting with Finance Director (this could be expanded to other operational Directors)	
Discuss key concepts and reports	
Discuss the most recent published financial accounts, management accounts and budget, explaining key assumptions and figures within	
4. Hands on Induction	
Shadow / observe a Board meeting prior to commencing officially	
If appropriate, assign a mentor from existing Board membership to offer ongoing support and advice	

APPENDIX 3 - DEPARTMENTAL AUDIT AND RISK ASSURANCE COMMITTEE TERMS OF REFERENCE

Version Control:

Version	Date	Update
1	19 October 2016	*Approved by ARAC for new Department*
2	30 September 2019	*Approved by Board as part of wider Board Operating Framework*

1. Membership

The Audit and Risk Assurance Committee will comprise of at least three members and be chaired by a Non-Executive Board Member.

The Audit and Risk Assurance Committee will be provided with a Secretariat function by the Corporate Governance and Equality Branch.

2. Reporting

- The Audit and Risk Assurance Committee will formally report in writing to the Accounting Officer and Board after each meeting; and

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

3. Responsibilities

The Audit and Risk Assurance Committee will advise the Accounting Officer and Board on:

- strategic processes for risk, control and governance and the Governance Statement;

- accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the External Auditors;

- planned activity and results of both Internal and External Audit;

- adequacy of management response to issues identified by audit activity, including External Audit's Report to those charged with governance;

- assurances relating to the management of risk and corporate governance requirements for the organisation including its ALBs;

- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;

- content of the Governance Statement included in the Annual Report and Accounts; and

- governance and performance issues arising in the Department's non-departmental public bodies (NDPBs) and North/South bodies.

The Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board;

More details of the role of the Chair and Committee Members are outlined in DoF's Audit and Risk Assurance Committee Handbook (NI).

4. Rights

The Audit and Risk Assurance Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and

- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Accounting Officer/Board.

5. Access

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

6. Meetings

- the Audit and Risk Assurance Committee will meet at least four times a year. The Chair of the Audit and Risk Assurance Committee may convene additional meetings, as they deem necessary;

- a minimum of two members of the Audit and Risk Assurance Committee will be present for the meeting to be deemed quorate;

- Audit and Risk Assurance Committee meetings will normally be attended by the Accounting Officer, Head of Management Services and Regulation Group, the Corporate Governance Director, the Finance Director, Head of Corporate Governance and Equality Branch, Head of Internal Audit, and a representative of External Audit;

- the Audit and Risk Assurance Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter;

- the Audit and Risk Assurance Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters; and

- the Accounting Officer or Board may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

7. Information requirements

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

- a report summarising any significant changes to the organisation's strategic risks and a copy of the strategic/corporate Risk Register;

- a progress report from the Head of Internal Audit summarising:

  - o work performed (and a comparison with work planned);
  - o key issues emerging from the work of internal audit;
  - o management response to audit recommendations;
  - o changes to the agreed Internal Audit plan; and
  - o any resourcing issues affecting the delivery of the objectives of Internal Audit;

- a progress report (written/verbal) from the External Audit representative summarising work done and emerging findings (this may include, where relevant to the organisation, aspects of the wider work carried out by the NIAO, for example, Value for Money reports and good practice findings);

- any management assurance reports; and

- reports on the management of major incidents, "near misses" and lessons learned.

As and when appropriate the Committee will also be provided with, as a minimum:

- proposals for the terms of reference of Internal Audit/the Internal Audit charter;
- the Internal Audit strategy;
- the Head of Internal Audit's Annual Opinion and Report;
- quality assessment reports on the Internal Audit function;
- the draft accounts of the organisation;
- the draft Governance Statement;
- a report on any changes to accounting policies;
- External Audit's Report to those charged with governance;
- a report on any proposals to tender for audit functions;
- a report on co-operation between Internal and External Audit; and
- the organisation's Risk Management strategy.

8. Appraisal

The Chair should take the lead in ensuring that Committee members are provided with appropriate appraisal of their performance as a Committee member and that training

needs are identified and addressed. The Chair should seek appraisal of his/her performance from the Accounting Officer (or Chair of the Board, as appropriate).

9. Appointments

The Chair should be involved in the appointment of new Committee members, including providing advice on the skills and experience being sought by the Committee when a new member is appointed. The Chair should also be actively involved in the appointment of the Head of Internal Audit.

10. Conflicts of Interest

Each member of, or attendee at, the Audit and Risk Assurance Committee is personally responsible for declaring, at the start of each meeting, any potential conflicts of interest arising out of business on the Committee's agenda, any interests they have previously declared, and any potential conflicts of interest arising from changes in the member's or attendee's personal circumstances. The Chair will then determine an appropriate course of action with the member or attendee. If the Chair has a conflict of interest, they should bring the matter to the attention of the Board, which will ask another member of the Committee to take the lead in determining the appropriate course of action.

Committee Members are also required to formally complete a declaration of interests form annually, including nil returns. It is the responsibility of the individual to ensure any potential conflicts of interest are brought to the attention of the Chair. When a conflict of interest or perceived conflict of interest is identified, prompt decisions should be taken in order to mitigate risks and manage them appropriately.

11. Review

The Committee will review its Terms of Reference at least every two years in line with the Board Operating Framework, and make recommendations for changes to the Board.

APPENDIX 4 – CASEWORK COMMITTEE TERMS OF REFERENCE

Version Control:

Version	Date	Update
1	30 September 2019	*Approved by Board as part of wider Board Operating Framework*
2	18 June 2020	

Overall Purpose and Objectives

1. The Casework Committee is a formal committee of the Departmental Board responsible for the scrutiny (but not approval) of caseworks submitted. The Board's role is to provide collective scrutiny and advice on the Department's business. Responsibility and accountability for the project and for requesting subsequent Ministerial (or in the current circumstances, Accounting Officer) approval of projects sits with the project SRO (usually the G3 in the business area for internal cases and the ALB Accounting Officer for ALB cases).

2. The aim of the Committee is to deliver better value for the taxpayer by challenging expenditure proposals on the grounds of deliverability, affordability and value for money. In particular, the Committee will seek to ensure that:-

   - all reasonable options have been considered;

   - a rationale exists for the preferred option proposed;

   - risks have been identified; and

   - the proposed expenditure represents value for money.

3. The Casework Committee will add value to DfE's own appraisal and approval process through its collective knowledge and experience of a wide range of expenditure proposals. In particular, the Casework Committee will draw on its members' experience on the identification of options and alternative ways of delivering objectives and outcomes; the assessment of cost effectiveness; the management and mitigation of risk; and, the dissemination of best practice.

4. By subjecting expenditure proposals to scrutiny by the Casework Committee, the process leading to formal approval by the Minister and DoF should be streamlined.

Membership

5. The DfE Casework Committee is comprised as follows:

   - **For DfE core caseworks originating outside of Management Services and Regulation group**, a quorum of three staff comprising Grade 3 Management Services and Regulation group (Chair), Departmental Finance Director and Grade 5 Head of Analytical Services Division;

   - **For DfE core caseworks originating within Management Services and Regulation Group**, a quorum of three staff comprising an alternate G3 (Chair), Departmental Finance Director and Grade 5 Head of Analytical Services Division;

- **For all ALB caseworks**, a quorum of four staff comprising Grade 3 Management Services and Regulation group (Chair), Departmental Finance Director, Grade 5 Head of Analytical Services Division and the appropriate G5 Director (as Lead Official / Senior Sponsor); and

- **For any casework which proposes the creation or continuation of a commercial relationship**, the Director of Corporate Governance.

- The Chair may also consider inviting an additional G5/6 and/or an external expert[4] with skills/experience pertaining to the proposal to join the Casework Committee. Committee members may nominate a Deputy to attend in their absence in exceptional circumstances.

Other Attendees

6. The attendance of the following officials is optional, and when in attendance, they will be present in an observer capacity:
   - DoF Supply (Grade 5 and/or Grade 7);
   - Non-executive member(s) of the Departmental Board; and
   - Secretariat: DfE Accountability & Casework Branch (ACB).

7. When required, the Casework Chairperson will arrange to meet with the other panel members prior to the meeting to discuss the project and identify the roles and responsibilities of the panel members including any specialists required.

Role of the Chair of the Committee

8. The role of the Chair of the Committee is key to achieving committee effectiveness. Key activities in addition to chairing Committee meetings should include the following:

   - ensure the Committee is acting within its powers and terms of reference;

   - provide support and direction to Committee members to ensure their contributions are relevant and effective;

   - review and approve minutes of meetings before they are circulated;

   - Ensure feedback is provided to the Project SRO following Committee scrutiny of the expenditure proposal: and

   - carry out other duties as requested by the Board, depending on need and circumstances.

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[4] A Memorandum of Understanding (MOU) has been agreed between the Department and the Strategic Investment Board (SIB) to deliver such expertise as and when required.

Role of the DoF representative on the DfE Casework Committee

9. The independent nature of DoF's challenge role emanates from Managing Public Money Northern Ireland (MPMNI), which refers to the requirement for DoF approval being a long-standing convention and confirming that formal DoF consent is required for all expenditure and resource commitments.

10. MPMNI reminds Accounting Officers that DoF approval must be confirmed in writing and must be sought in good time to allow reasonable consideration before decisions are required. These requirements underpin the formal process that exists for cases requiring DoF approval.

11. In light of the paragraphs above, it is important to note and be clear that the role of DoF on the Casework Committee will be to observe and advise. DoF attendance does not imply DoF approval. Formal DoF approval must be sought in cases where its approval is required. In practice the involvement of DoF at this stage expedites the approval timelines for cases as issues are normally flagged and addressed at an early stage.

Casework Committee Secretariat

12. The Casework Committee Secretariat (ACB) will be responsible for:-

- Convening meetings of the Casework Committee;

- Circulating papers electronically in advance of each meeting of the Casework Committee no later than **10 working days** before the meeting date;

- A high level review of the papers presented in parallel with the Casework Committee review and presentation of a brief cover sheet in advance of the committee meeting;

- Minuting meetings and obtaining agreement of the Chair of the Committee, evidencing the Casework Committee's decision on the case;

- Circulating agreed minutes;

- All correspondence with DfE Private Office up to and including the formal Ministerial submission;

- All correspondence with DoF up to and including the formal DoF submission; and

- Reporting to the Departmental Board on a monthly basis on the activity of the Casework Committee.

Scheduling Meetings of the DfE Casework Committee

13. As soon as it becomes apparent that an expenditure proposal has progressed to a sufficiently advanced stage, the Division responsible for the proposal will notify ACB who will arrange for a meeting of the Casework Committee to be convened. A meeting of the Casework Committee will only be convened after an expenditure proposal has been considered by the DfE Economists and a value for money conclusion has been provided.

Casework Papers

Submissions to the Casework Committee

14. Within DfE core, the G3 responsible for the business area is responsible for submitting a project to the casework Committee and within an ALB, the Accounting Officer will forward proposals to ACB for Casework consideration (subject to any specific alternative arrangements agreed between the ALB and its sponsor team regarding the sponsor team's role in the development of the project).

15. A full set of papers should be provided to ACB in electronic format (or hard copy if requested) no later than **10 working days** prior to the casework committee meeting to be issued to the panel. Where time pressure is a legitimate and uncontrollable issue, and by exception, the Standing Casework Committee shall have the discretion to consider papers by correspondence should it deem that appropriate.

16. The following papers are required to be submitted to Casework Panel:

    - Signed DfE Fly sheet and Submission;

    - Economic Appraisal;

    - Economist Value for Money Report;

    - Finance Approval;

    - Grade 3 approval and relevant approvals for Sponsor bodies; and

    - Other supporting papers as required.

17. DfE officials recommending the case for approval will be required to attend the Casework Committee meeting to present the case and to provide any further information that the Committee may require. In relation to Sponsored Bodies, the Sponsor Branch, in agreement with the Sponsored Body, will determine who should attend the meeting to present the case. It is the responsibility of the DfE official, among other duties, to ensure that appropriate advice has been sought, that adequate timeframes are available for the review and approvals process, that the route decided on is the most appropriate, that risks have been mitigated where possible and the for quality of the papers presented.

18. The Project SRO, (defined as either G3 or ALB AO), is responsible and accountable for requesting final approval of caseworks, for addressing any conditions attached to approval and the successful implementation of the project. The project SRO submitting the casework papers should also highlight any particular complexities within the proposal which may require specialist skills or expertise to be included when deciding participation of the casework panel. The Division presenting the case may source Specialist's skills to be included in the casework panel from outside the Department if required. ACB should be consulted in the first instance to assist in the identification/procurement of the specialist committee member. ACB will also ask for Grade 3/5/6's specialised skills to be identified if appropriate when seeking availability for casework meetings.

19. On receipt of papers for the casework Committee, ACB will review the proposal and provide a high level analysis of the case to the Committee so as to aid it in its consideration of the issues involved. ACB will carry out a high level review of the papers presented in parallel with the Casework Committee review. ACB will submit a brief cover sheet in advance of the committee meeting on the following areas:

All Papers received on time	YES/NO If NO, reference to date of receipt of missing papers.
Papers completed consistently and in full	For example, errors in fly sheet, mathematical errors in calculations, inconsistency between figures used within various papers.
VFM report and affordability report are based on correct costings	If there are anomalies in figures highlighted above, confirm those used in Economist and Finance Division Reports.
Outline of Proposal *Strategic Context & Need*	Linked to DfE's objectives and policy priorities. Linked to PfG and DfE targets.
Legislative Authority to Spend	The source of legislative authority for proposed expenditure is explicitly stated.
Additionality	Evidence of a range of options considered.
Displacement	Reference made to the level of displacement within the UK/other areas.
Mobility	Evidence of mobility and options for alternative locations considered.
Affordability	Clear evidence that resources are in place within existing budgets, or outline plans to secure the necessary funding and mix.
Key Risk Assessment including stress test	Risk register and table below included. **SUMMARY RISK ANALYSIS** {nested table below}
Project Management & Project Monitoring	Reference made to ongoing project management and consideration of Gateway process.
	Confirmation all approvals and signature are in place

Nested table within *Key Risk Assessment including stress test*:

RISK TYPE	RISK	RISK LEVEL (Low, Medium, High)	HOW MITIGATED

Recommendation & Approvals	from business areas, sponsor branches and sponsor bodies as appropriate.

20. Any omissions or anomalies in above will result in queries being returned to business areas and may cause delays in convening the Casework Committee.

Response and Opinion

21. The role of the Committee is to scrutinise the expenditure proposal and provide feedback to the Project SRO. Where Casework Committee scrutiny results in recommendations to a case, ACB will issue the following proforma to the project SRO for completion along with the minutes of the Casework Committee meeting. The completed proforma will then be included in papers submitted for approval by AO/Minister/DoF.

Project Title	**ACB to complete**
Date of Casework Committee Meeting	**ACB to complete**
Details of Casework Committee Recommendations	**ACB to complete**
Detail of how recommendations have/will be addressed and estimated timescales	**SRO to complete including ongoing monitoring process where appropriate**
Signed and Dated	**SRO**

22. Following scrutiny by the Casework Committee, Permanent Secretary, Ministerial approval and/or DoF approval will be sought where required.

Conflicts of Interest

23. Each member of, or attendee at, the Committee is personally responsible for declaring, at the earliest possible juncture or start of each meeting, any potential conflicts of interest arising out of business on the Committee's agenda, any interests they have previously declared, and any potential conflicts of interest arising from changes in the member's or attendee's personal circumstances. The Chair will then determine an appropriate course of action with the member or attendee. If the Chair has a conflict of interest, they should bring the matter to the attention of the Board, which will ask another member of the Committee to take the lead in determining the appropriate course of action.

Review

24. The Committee will review its Terms of Reference at least every 2 years, and

make recommendations for changes to the Board.

APPENDIX 5 - RESOURCING & PEOPLE COMMITTEE TERMS OF REFERENCE

Version	Date	Update
1	June 2019	*Approved by Leadership Team & Resourcing & People Committee*

Purpose

1. The Resourcing & People Committee (RPC) is a committee of the Departmental Board. Its purpose is to provide a strategic view of how the NICS Human Resource policies and procedures can best be applied to ensure that they contribute effectively to the delivery of the Department's business needs, in line with priorities set out in the draft Programme for Government, the draft Industrial Strategy, the DfE Corporate and annual Business Plans and the NICS People Strategy.

Role

2. The RPC is responsible for decisions and recommendations on the implementation of corporate NICS wide people related policies in DfE and the effective use of resources across the Department. It will provide a 'corporate customer' role as the interface between DfE business areas and the NICS HR Business Partner team to ensure that any proposed NICS policy changes and HR working practices take account of the business needs of the Department and consider the impact on staff/managers. It will also provide a forum for NICS HR (via the HR Business Partner) to seek the views of senior stakeholders on HR policies and associated change programmes. The main areas of work to be considered and reviewed by the Group will include:

- Workforce planning – resource availability, affordability and future needs;
- Vacancy management, talent management and succession planning;
- Managing Attendance & Performance Management – monitor compliance and support actions to reduce absences and embed a high performance culture in the Department;
- Learning and development– ensuring staff are developed to fulfil business priorities;
- DfE People Plan – monitor implementation of actions to support the delivery of the wider NICS People Strategy;
- Staff engagement initiatives, including wellbeing;
- Corporate Health & Safety issues raised by the Departmental Health & Safety Advisor;
- Shaping local staff policy – e.g. core hours, building opening times.

3. The RPC will not become involved in the detail of individual postings, individual casework, or other day to day HR decisions/actions. Individual concerns will be dealt with through existing self-service / NICS HR channels.

4. Colin Lewis, Head of Management Services and Regulation Group will be Chair of the RPC. The Chair has the authority to decide whether the Committee takes an executive decision or refers the relevant issue to the full DfE Board.

Objectives

5. Specifically the RPC will:

    i.   Provide assurance to the Permanent Secretary that the Department is operating within its affordable staffing limit and that staff resources have

been effectively allocated and are being managed in accordance with the standards required for the areas covered by the RPC.

ii.   Consider the internal redeployment of staff to key priority areas, applying a corporate approach and optimising effective use of available resources across the organisation.

iii.   Take decisions on the approval of any new or upgraded posts sought by Divisions within DfE, in line with the **Management Guide to Workforce Planning**. Decisions will be taken within the context of the overall resources available and Departmental priorities taking account of the financial implications in-year, across the budget period and beyond in the assessment of affordability.

[Ref: http://nics.intranet.nigov.net/economy/documents/management-guide-workforce-planning

iv.   Review compliance with managing attendance and performance management requirements to ensure policies are being applied and set targets are being achieved.

v.   Agree and monitor implementation of the DfE People Plan.

Membership

6.   The Committee membership will consist of Head of Management and Regulation Group (Chair), all other DfE Heads of Group (G3s), DfE Finance Director and DfE Strategic HR Business Partner.

7.   Committee secretariat will be provided by the DfE Business Relationship manager.

8.   A quorum of 2 members will be required for any meeting. Deputies should not normally attend but may do so with the prior agreement of the Chair. Relevant speakers may be invited as required to present developments/plans on people related matters.

Frequency of meetings

9.   The Committee will meet at least 4 times a year – urgent or time-relevant matters can be addressed through correspondence if necessary.

RPC Format

10. At each meeting there will be standard agenda items consisting of:

- Current Departmental staffing position including updates on bids for new posts (including de minimis approvals) and anticipated key resourcing issues
- Affordability and future workforce planning considerations
- Update on NICS wide HR policy & operational developments

- Update on DfE HR related data including managing attendance / performance management / temporary promotions
- Progress against business improvement actions/targets set by the Resourcing & People Committee

In addition to standing items other regular updates will include:

- Update on DfE People Plan – formal report 6 monthly; other updates as required
- Information / update on Health & Safety issues – as required

11. Should any member have an item they would like added to the agenda for discussion, they should notify the Committee secretariat at least 10 days prior to the scheduled meeting.

12. DfE Corporate Centre (Business Relations Unit) will provide secretariat support to the RPC. A summary update report will be provided to Departmental Board after each RPC meeting.

13. The Committee will review its Terms of Reference after the first year of operation, and after that at least every 2 years. Any recommendations for change should be made to DfE Departmental Board.

APPENDIX 6 - DELIVERY COMMITTEE TERMS OF REFERENCE

Version	Date	Update
1	July 2019	*Approved by Departmental Board*

Purpose

1. The purpose of the Delivery Committee is to support the Departmental Board in developing, and managing performance against, the Department's Strategic Work Plans, including corporate and annual business plans and any delivery plans relating to the Programme for Government. Related to this, the Committee also supports the Board in scrutinising the effectiveness of the management of key risks to achieving the objectives set out in those plans.

Roles and Responsibilities

2. The Departmental Business Plan and Risk Register are the primary tools by which the Accounting Officer manages the business of the Department, and the Board assists the Accounting Officer to discharge that role. The main role of the Delivery Committee is to assist the Board in clearly demonstrating that it is monitoring and challenging the delivery of initiatives and targets outlined in Business Plans and regularly questioning the adequacy of associated risk management arrangements.

3. Specific responsibilities of the Delivery Committee include:

Strategic and Annual Business Planning
- Providing strategic clarity on business planning;
- Overseeing the development of corporate and annual business plans for approval of the Board and Minister;
- Providing an independent challenge function to the content of plans, including in relation to whether content is sufficiently specific, measurable, achievable, relevant and time-bound (SMART);
- Critically reviewing regular progress reports against plans, challenging where necessary; and
- Reporting regularly to the Board on its work with findings/recommendations as appropriate.

Risk Management
- Overseeing the promotion and development of risk management culture and practice within the Department;
- Regularly reviewing the content of corporate risk registers, including scrutiny of the management of key risks;
- Regularly reviewing the Department's Risk Management Framework, at least every two years;
- Providing advice to the Board on the Department's corporate risk appetite, at least annually;[6]
- Regularly reporting to the Board on its work with findings/recommendations as appropriate; and
- Undertaking specific risk related activities at the request of the Board.

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[6] Per the Corporate Governance Code for Central Government Departments, the Committee should provide advice only in relation to the corporate risk appetite, with the ultimate decision reserved for the Board.

Membership and Attendance

4. The Committee will be chaired by the Head of Management Services and Regulation Group and its membership will comprise all other Heads of Group and the Head of Corporate Governance Division. At least three Members will be required for the Committee to be quorate.

5. The Head of Corporate Governance & Equality Branch will be a regular attendee and report to the Committee on progress against business plans and updates to the corporate risk register. Lead officials at Grade 5 and Grade 6 who are assigned as owners of particular actions/commitments in the Business Plan will also to be required to attend to be held to account for progress and in order to provide explanations and corrective actions which they plan to undertake for those actions/commitments which are not currently on track.

6. Relevant staff assigned with responsibility for actions planned in the Corporate Risk Register will also be asked to attend as necessary.

Role of the Chair

7. The role of the Chair of the Committee is key to achieving committee effectiveness. Key activities in addition to chairing Committee meetings should include the following:
    - Ensuring the Committee is acting within its powers and terms of reference;
    - Providing support and direction to Committee members to ensure their contributions are relevant and effective;
    - Reviewing and approving minutes of meetings before they are circulated;
    - Agreeing in advance the business for each meeting with the Secretary. The Chair should take ownership of and have final say in the decisions about what business will be pursed at any particular meeting;
    - Ensuring, with assistance from the Secretary, that after each meeting appropriate reports are prepared from the Committee to the Board, clearly highlighting any recommendations made by the Committee;
    - Ensuring there is an appropriate process between meetings for action points arising from Committee business to be appropriately pursued;
    - Ensure that members who have missed a meeting are appropriately briefed on the business conducted in their absence (the Chair may rely on the Secretariat to undertake these actions); and
    - Carrying out other duties as requested by the Board, depending on need and circumstances.

Role of the Members

8. Members should:

    - attend committee meetings regularly and attend other events when required;
    - possess the appropriate skills, knowledge, and training in order to effectively contribute to all meetings;
    - contribute proactively to discussions; and

- where necessary, seek clarification or amplification on Committee issues or Committee papers through the Committee secretary.

Secretariat

9. The role of secretariat is to be provided by officials from Corporate Governance and Equality Branch.

10. Their responsibilities include:
   - Developing and agreeing an agenda for Committee meetings with the Chair, ensuring that all relevant items are brought to the Committee's attention;
   - Ensuring good information flows, between the Committee and the Board as well as the Committee and senior management, including
     - Challenging and ensuring the quality of committee papers and committee information;
     - Ensuring committee members receive committee papers according to a timetable agreed by the committee; and
     - Following each committee meeting, draft a paper to the Board updating them on the outworking's of the committees meeting;
   - Recording committee decisions accurately and ensuring action points are followed up; and
   - Arranging induction for new committee members.

Frequency

11. The Committee will meet in alignment with business plan progress updates and quarterly updates to the corporate risk register. Ad hoc meetings may be convened as deemed necessary by the Chair or at the request of the Board.

Record of meetings

12. Formal minutes will be prepared by the secretariat after each meeting and circulated with Committee members / attendees for comment. At each meeting, minutes of the previous meeting will be agreed and finalised.

Reporting

13. The Head of Management Services and Regulation Group will provide quarterly updates to the Departmental Board on the work of the Committee, including any recommendations made to the Board.

Review

14. The Committee will review its Terms of Reference on an annual basis.

APPENDIX 7 - STRATEGIC OVERSIGHT GROUP TERMS OF REFERENCE

Document Control

Summary

This document provides the draft Terms of Reference (ToR) for the Department's **Strategic Oversight Group (SOG)**. This document can be found at HRPM Ref: EC1/20/0213822.

Key personnel

Role	Name	Position	Date
Author	George Cadogan	Programme Management Office (PMO)	
First Approver	Paul Grocott	Senior Responsible Owner	
Second Approver	Mike Brennan	Permanent Secretary / SOG Chair	
Final Approvers	Mike Brennan; Paul Grocott; Diarmuid McLean; Colin Lewis; Heather Cousins; Richard Rodgers; Sharon Hetherington	Strategic Oversight Group	28 July 2020

This ToR and any amendments to it will be subject to consideration and approval by SOG.

Document status history

Version	Issue Date	Reason for Update	Updated by
0.1	22 April 2020	1st Draft	N/A
0.2	18 May 2020	Amendments to reflect EU Exit Transition Readiness Programme	Martin George

Version	Issue Date	Reason for Update	Updated by
0.3	15 June 2020	Revised governance structures	Martin George
1.0	28 July 2020	Content agreed	Una McKeown

Distribution

Version	Name	Responsibility / Branch (or Organisation)	Date
0.1	Paul Grocott	Senior Responsible Owner	23/4/2020
0.3	Paul Grocott	Senior Responsible Owner	18/6/2020
1.0			
2.0			

Table of Contents

Introduction and Context

1.1 The outbreak of coronavirus (COVID-19) was first reported from Wuhan, China on 31 December 2019. The virus steadily spread across the world and brought a halt to a significant portion of global economic activity. Exporting and importing was paused or became difficult, supply chains were disrupted and international travel was restricted.

1.2 In an attempt to curb the spread of the disease, the Prime Minister announced a nationwide lockdown on 23 March 2020. This necessary measure to protect lives has compounded the devastating impact on the Northern Ireland economy with many businesses being forced to cease trading indefinitely. Sectors including manufacturing, tourism, construction and haulage have been the most severely affected in the short term but it is universally acknowledged that the total impact of the pandemic, though not yet clear, will have far reaching and long term consequences.

1.3 The Chancellor of the Exchequer has announced a package of measures to support businesses across the UK. Our Executive will augment these initiatives with Northern Ireland specific interventions to further assist vulnerable sectors and businesses. All NICS Departments will be preparing their response to the crisis but due to the broad remit of the Department for the Economy (DfE), it is arguably one of the most significant as it takes the lead in protecting jobs, safeguarding supply chains and sustaining businesses so that the economy can recover once the health crisis has been controlled.

1.4 In addition to responding to the unprecedented challenges presented by the COVID-19 pandemic the Department must simultaneously lead and deliver economic policy to ensure that Northern Ireland businesses and other stakeholders are as prepared as they can be for the end of the EU Exit transition period on 31 December 2020.

1.5 Whilst there remain significant questions around the outcome of the negotiations and the full detail of the implications of the Ireland/Northern Ireland protocol, the ratification of the Withdrawal Agreement provides the Department with an increased level of clarity upon which to conduct effective planning to ensure it is prepared for all scenarios by the end of 2020.

1.6 The conclusion of the next phase of EU Exit negotiations will set the context for the UK's (and as a consequence Northern Ireland's) future economic, investment, skills, environment, energy and international relations strategies. It is essential the Department is prepared for this.

1.7 The **Strategic Oversight Group (SOG)** will therefore play a critical role in providing assurances to the Permanent Secretary, Departmental Board, the Minister and Executive Committees in relation to the Department's preparations for the end of the EU Exit transition period and its response to the COVID-19 pandemic.

1.8 Whilst the Department's policy response to the COVID-19 pandemic will be delivered in four phases[2], **SOG (and its related programme structures) will bring strategic governance focus principally to Phase 2 (RESTART), Phase 3 (REBUILD) and Phase 4 (RENEW) workstreams and constituent projects/activities**. This approach recognises the fact that scrutiny and oversight of Phase 1 **(RESPOND)** activity was delivered through separate C3 governance mechanisms, including Situational Reporting and the Pandemic Incident Management Team (PIMT).

Justification for the Programmes

2.1 DfE has established two separate but interconnected Programmes of Work;
  ➢ COVID-19 Policy Response Programme
  ➢ EU Exit Transition Readiness Programme

2.2 The purpose of these programmes is to coordinate the policy interventions which Departmental colleagues are developing and delivering at pace to;
  (i)   respond to the unprecedented economic challenges presented by the COVID-19 pandemic; and

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[2] Phase 1 – **RESPOND**
Phase 2 – **RESTART**
Phase 3 – **REBUILD**
Phase 4 - **RENEW**

(ii)   prepare for the end of the EU Exit transition period on 31 December 2020.

2.3 It is important to bring together key personnel to ensure sharing of critical intelligence and details of proposed interventions and preparations so we can deliver a cohesive short term response and strategically consider our longer term actions in relation to both Programmes. It is critical that clear direction is set, progress against delivery is monitored and robust risk and issue management strategies are in place so that our Departmental response can be delivered effectively and in alignment with our strategic objectives for 2020/21. Two separate but interconnected Programmes will centralise this work and provide an effective mechanism for strategic control and direction. This collaborative work ethic will contribute to the Executive's strategic priority of ensuring "our economic wellbeing and preparing to revitalise the economy (in the immediate/short term and the medium to long term)" being achieved.

Organisational Structure, Roles and Responsibilities

3.1 The role of the **Strategic Oversight Group (SOG)** is to monitor and steer, at a strategic level, both the COVID-19 Policy Response Programme and the EU Exit Transition Readiness Programme (the Programmes).

3.2 The SOG will form part of an overall governance structure to ensure the effective delivery of both Programmes and their constituent workstreams / activities, and in particular to ensure robust project management, risk management and assurance, and governance. The governance structure (as at July 2020) is set out at **Annex A**.

3.3 The SOG is chaired by the Permanent Secretary and has overall responsibility for the strategic direction and management of each Programme, and will take key decisions including those regarding the commitment of Programme resources.

3.4 Paul Grocott, Deputy Secretary, EU Exit Preparation and Transition Group, has been appointed as Senior Responsible Owner (SRO) for both Programmes. The responsibilities of the SRO are outlined at **Annex B**.

3.5 An **Operational Delivery Group (ODG)** and an **EU Exit Transition Readiness Group (TRG)** will also be established as part of the governance structure. ODG and TRG will focus on workstream development and implementation, operational delivery, and achievement of objectives to ensure the effective delivery of their respective Programmes.

3.6 In relation to both Programmes, the SOG has responsibility for:

Setting direction

- Acting as the sponsor group and providing overall strategic direction for the Programmes;

- Providing the Programme mandate and overall investment decision;

- Approving Programme initiation and definition and signing off relevant documentation;

- Approving a Programme Blueprint (how each Programme's vision is to be achieved and the means of achieving it);

- Creating an environment in which both Programmes can thrive by demonstrably committing to the successful outcomes of the Programmes;

- Endorsing, advising and supporting the SRO;

- Providing continued commitment to the SRO at Programme milestones;

- Approving the progress of the Programmes against strategic objectives and providing a challenge function if there is any slippage;

- Providing visible leadership and commitment to the Programmes at communication events to encourage by-in from DfE staff across all business areas.

Making decisions

- Resolving conflicts escalated by the SRO;

- Escalating risks and issues to the Minister and Executive if requested by the SRO;

- Confirming successful delivery and sign-off at the closure of the Programmes;

- Setting all tolerances for the SRO to operate within.

Ensuring appropriate governance

- Determining how both the DfE / NICS Boards, Ministers and Assembly Committees will be updated;

- Contributing to internal Programme assurance mechanisms by assessing Programme information and attending SOG meetings;

- Directing the agenda for forthcoming SOG meetings (the agenda for the next two meetings to be agreed as far as possible so that papers can be commissioned, quality assured and shared with colleagues for commentary / input in advance of meetings).

Financial management

- The oversight role of SOG will focus primarily on policy development. All usual Departmental guidance and approval processes apply in regards to expenditure;

- Project/Activity Leads retain full responsibility for the financial management of their Project/Activity.

3.7 Each Programme represents a complex and changeable portfolio of work, in the context of a global health emergency, a national economic crisis and the UK's ongoing negotiations with the EU as the end of the transition period approaches. The SOG recognises that, in some circumstances, monitoring some workstreams with 'light touch' governance may be appropriate. Therefore, commensurate governance arrangements will be applied to support the requirement for flexibility/responsiveness as each Programme progresses and clarity on impact emerges.

Membership & Attendance

4.1 Membership of SOG is comprised of the following:

- Mike Brennan (SOG Chair)
- Paul Grocott (SRO for both Programmes)
- Diarmuid McLean
- Colin Lewis
- Heather Cousins
- Richard Rodgers
- Sharon Hetherington

4.2 A minimum of three members of SOG will be required to be present for the meeting to be deemed quorate. Whilst attendance would generally be limited to those listed above, it is proposed that additional attendees may be invited to attend in accordance with the agenda.

4.3 Attendance of core membership is important but in exceptional circumstances deputies may attend. Deputies should have the full delegated authority to make decisions and approve documentation on behalf of the appropriate member, and be sufficiently briefed to provide accurate and timely information to the Group as required.

4.4 From time to time, additional attendees may be called to present on specific agenda items. This will be at the discretion of the SOG.

4.5 If required, additional permanent members will be appointed. This will be subject to approval of the SOG Chair.

Secretariat

5.1 Secretariat to the Group will be provided by the EU Exit & Covid-19 Programme Management Office (PMO) which will be responsible for the management of all

papers brought before SOG and will establish procedures to ensure their quality, completeness and timeliness.

Meetings – Timetable and Protocol

6.1 The SOG will meet monthly, although the SRO may alter the frequency of meetings as required. As a minimum, the Group will meet to give formal authorisation for each Programme, at the end of each tranche and to approve Programme closure.

6.2 Each member of the Group should take personal responsibility to declare pro-actively any potential conflict of interest arising out of business undertaken by SOG (or ODG and TRG), arising on the Group's agenda or from changes in the member's personal circumstances. The SRO should then determine an appropriate course of action with the member.

6.3 The PMO will be responsible for circulating papers in advance of Group meetings and taking a note at all meetings to include key decision and action points. Minutes will be shared with Group members, ODG and TRG once finalised. Standing items at Group meetings will include:

- Conflicts of Interest

- Action points from previous meeting

- Consideration of Programme Highlight Reports and matters arising from review.

6.4 SOG will agree a Forward Work Plan, and will, as far as possible, confirm key agenda items for the next two meetings in order that colleagues may plan submissions accordingly. The Work Plan will be maintained as a live document and will be subject to change with the agreement of SOG.

6.5 SOG may draw on the advice of advisors as it deems appropriate in order to discharge its responsibilities. This may include independent advisers / subject matter experts and Departmental colleagues, depending on the issues under consideration.

Reporting

7.1 The SRO will formally report to the SOG on ODG and TRG activities at each SOG meeting via a high-level highlight report.

7.2 SOG will report to the DfE/NICS Boards, as deemed appropriate by the Chair.

Terms of Reference – Authority and Review

8.1 The Terms of Reference for the Group is approved by Mike Brennan as Permanent Secretary and Chair of the SOG, and ratified by the SOG.

COVID & EU EXIT PROGRAMMES – GOVERNANCE ARCHITECTURE
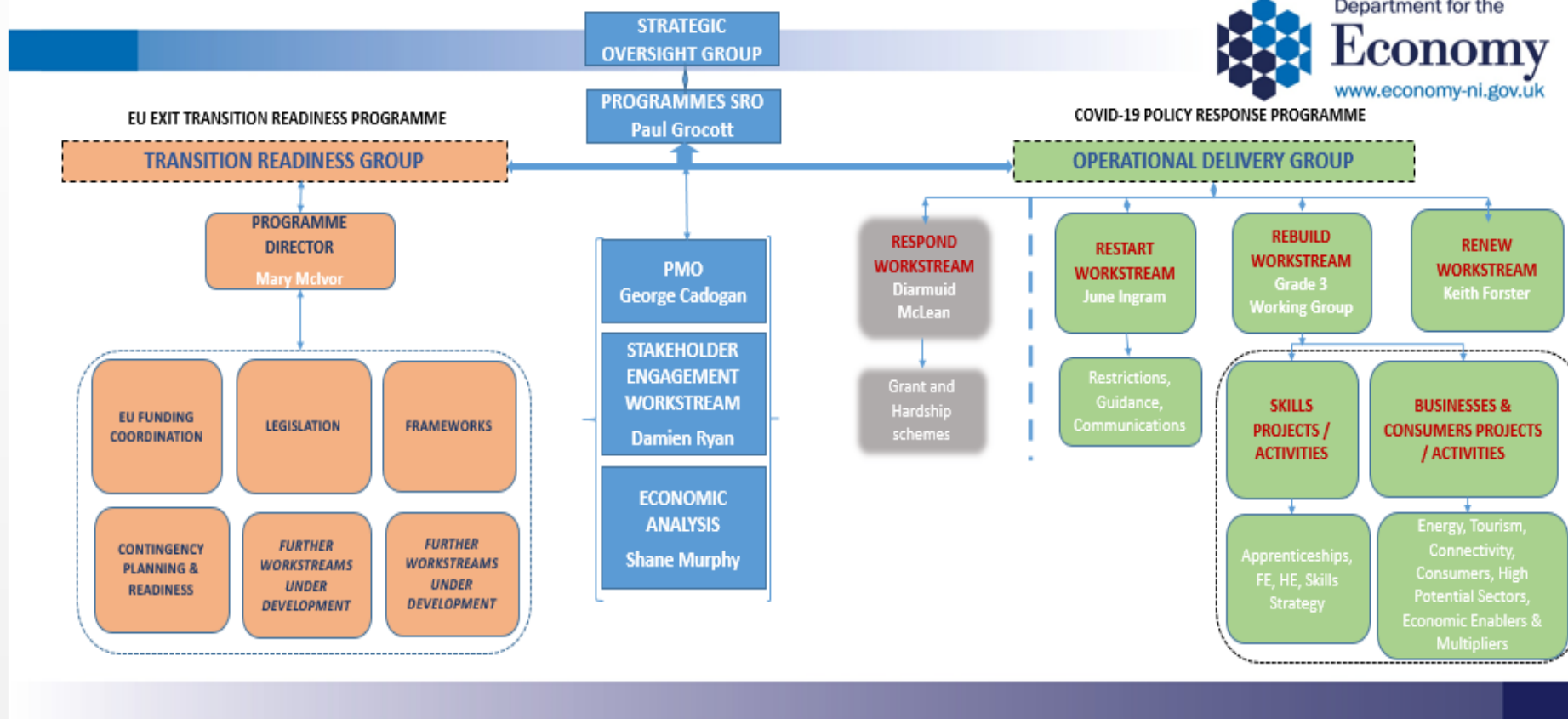
Creating a globally competitive economy that works for everyone

Specific responsibilities of the SRO

1. Chair the Operational Delivery Group (ODG) and the Transition Readiness Group (TRG) and appoint Workstream Leads to manage the EU Exit Transition Readiness Programme Workstreams and the COVID-19 Policy Response Work Stream.

2. Ensure that the Programmes meet their objectives and deliver projected benefits by providing clear leadership throughout the Programme lifecycle including direction on strategies at corporate and Executive level and steers on relevant UKG interventions.

3. Approve the establishment of appropriate Programme frameworks to ensure alignment with strategic objectives at corporate and Executive level.

4. Communicate the vision for the Programmes so that the necessary documentation can be prepared by the Programme Management Office (PMO) and submitted for approval.

5. Review and monitor progress against Programme Plan, Risk and Issues Registers at ODG and TRG meetings to gain satisfaction that DfE is fully compliant with governance guidelines and directions and that there is continuous justification for the Programme. Report on this progress regularly to SOG.

6. Advise and make decisions on key strategic risks or issues which cannot be settled at operational level and have been escalated by the Workstream Leads. Escalate to the Minister and Executive if essential through SOG reporting mechanism. Monitor the implementation of actions arising from decisions.

7. Evaluate and make decisions on change requests which are escalated to ODG and TRG by Workstream Leads.

8. Maintain interface with key senior stakeholders, keeping them engaged and informed in order to obtain their commitment on benefit delivery.

9. Commission assurance and audit review processes including the NI Gateway Review. Make certain that any recommendations or concerns arising from reviews are met or addressed before progressing to the next tranche.

10. Own the Programme documentation.

11. Secure necessary resources and expertise from within DfE as required and when vacancies are flagged by the constituent Workstream Leads and manage the Programme budget.

12. Set tolerances for the Workstream Leads to operate within.

13. Monitor and control the progress of the business change at a strategic level (at an operational level this is the responsibility of the project managers/activity leads within each Workstream, under the supervision of the Workstream Leads).

14. Consult regularly with those delivering change, stakeholders and SOG.

15. Implement appropriate communication processes which are effective so that linkages are maintained between change teams and DfE's strategic direction.

16. Ensure that the post implementation review takes place, the output is forwarded to the appropriate stakeholders and that the benefits have been realised - the SRO is responsible for commissioning and chairing these reviews and ensuring the relevant personnel are consulted and involved in the review process.