



Office of the  
**First Minister and  
Deputy First Minister**  
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**MEMORANDUM OF UNDERSTANDING  
AND  
FINANCIAL MEMORANDUM  
FOR  
THE COMMISSIONER FOR PUBLIC APPOINTMENTS  
FOR NI**

**October 2015**

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## **Definitions**

**In this document:**

**"CPA" means the Commissioner for Public Appointments for NI**

**"C&AG" means the Comptroller and Auditor General for NI**

**"Department" and "OFMDFM" means the Office of the First Minister and Deputy First Minister**

**"DFP" means Department of Finance and Personnel**

**"Ministers" means the First Minister and deputy First Minister.**

**"MOU/FM" means the Memorandum of Understanding and Financial Memorandum document**

**"SAO" means the Senior Accountable Officer, i.e. a senior person in an organisation who is directly accountable to the Departmental Accounting Officer for that organisation**

## **1. INTRODUCTION**

### **This document**

- 1.1 This Memorandum of Understanding and Financial Memorandum (MOU/FM) has been drawn up by the Office of the First Minister and Deputy First Minister (OFMDFM) in consultation with the Commissioner for Public Appointments for NI (CPA).
- 1.2 Subject to the legislation noted below, the Memorandum of Understanding sets out the broad framework within which the CPA will operate, it sets out:
  - CPA's functions, duties and powers;
  - the rules and guidelines relevant to the exercise of CPA's functions, duties and powers;
  - the conditions under which any public funds are paid to CPA; and
  - how accountability will be managed.
- 1.3 The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which CPA shall observe. However, the Memorandum of Understanding and Financial Memorandum do not convey any legal powers or responsibilities.
- 1.4 This MOU/FM shall be reviewed periodically by OFMDFM in consultation with CPA. CPA, OFMDFM, or Ministers, may propose amendments to this document at any time. The guiding principle shall be that the extent of flexibility and freedom given to the CPA shall reflect evolving Departmental policy aims, the legislative basis under which CPA operates, the positioning of the CPA within the OFMDFM accounting boundary and the quality of its internal controls to achieve performance and its operational needs. OFMDFM shall determine what changes, if any, are to be incorporated in the document. Legislative provisions shall take precedence over any part of the document. This MOU/FM may be amended or supplemented from time to time by the issue of new or additional guidance.
- 1.5 This MOU/FM has been agreed by the Department's Accounting Officer and the CPA. Any question regarding the interpretation of the document shall be resolved by OFMDFM and the CPA and, as necessary, with DFP Supply. Copies of this document and any subsequent substantive amendments shall be placed on the CPA website.

### **Policy Framework**

- 1.6 The First Minister and deputy First Minister have overall responsibility for the policy in relation to public appointments, which is based on the overarching principle of selection on merit. Individual Departments are responsible for making Ministerial public appointments in line with the public appointments policy.
- 1.7 The CPA, as part of the policy framework, operates at "arms length" from Government.

## **CPA - Founding Legislation**

- 1.8 The CPA is a statutory office holder established by The Commissioner for Public Appointments (NI) Order 1995 as amended by The Commissioner for Public Appointments (Amendment) Order (NI) 2001. The Commissioner is appointed by the First Minister and deputy First Minister and is not a civil servant. Funding for the Commissioner is provided by the Department and its Accounting Officer is accountable for expenditure incurred by the CPA.

## **The functions, duties and powers of the Commissioner**

- 1.9 The CPA's functions, duties and powers are set out in Article 3 of the 1995 Order:
- 1) "The Commissioner shall, in a manner she considers best calculated to promote economy, efficiency and effectiveness in the procedures for making public appointments, exercise her functions with the object of maintaining the principle of selection on merit in relation to public appointments.
  - 2) The Commissioner shall prescribe and publish a code of practice on the interpretation and application by departments of the principle of selection on merit for public appointments and shall adopt and publish from time to time such additional guidance to departments as the Commissioner shall think fit.
  - 3) The Commissioner shall carry out an audit to review the policies and practices of departments in making public appointments to establish whether the code of practice referred to in paragraph 2 is being observed.
  - 4) The Commissioner may require any department to publish such summary information relating to selection for public appointments as she may specify in writing.
  - 5) The Commissioner may from time to time conduct an inquiry into the policies and practices pursued by a department in relation to any public appointment or description of any public appointment."
- 1.10 The requirement to publish an annual report is set out in Article 4 of the 1995 Order: "The Commissioner shall publish an annual report which shall include:
- (a) information as to the application by departments of the principle of selection on merit in relation to public appointments and as to the observance by departments of the Code of Practice; and
  - (b) an account of the audit of policies and practices of departments in making public appointments.

## **Classification**

- 1.11 For policy / administrative purposes the CPA is classified as a statutory office holder operating at "arms length" from government. For national accounts purposes the Office of the CPA falls within the OFMDFM accounting boundary and is classified to the central government sector.

- 1.12 The Office of the CPA fulfils its statutory remit at arm's length from government but for administrative purposes it forms part of OFMDFM's corporate governance, financial and resource management arrangements. For financial management purposes the CPA sits within the OFMDFM Sponsorship Unit Cost Centre Structure.

## **2. RESPONSIBILITIES AND ACCOUNTABILITY**

### **The First Minister and deputy First Minister**

- 2.1 Relationships between the CPA, Ministers and the Department will be governed by the "arm's length" principle, wherein the role of Ministers is to set the legal and financial framework including appointments and arrangements for the CPA's funding. Within this framework, the CPA determines her activities in accordance with her statutory responsibilities and the requirement of Government policy.
- 2.2 The First Minister and deputy First Minister are accountable to the Assembly for the activities and performance of the CPA. Their responsibilities include:
- approving the policy and agreed remit within which the CPA will operate;
  - keeping the Assembly informed as appropriate on the CPA's performance in delivering her remit;
  - carrying out any responsibilities specified in the Commissioner for Public Appointments Orders including appointment of a Commissioner and approving the terms and conditions of service;
  - approving and signing legislation (Prerogative Orders) to amend the Commissioner's role; and
  - providing resources and services and approving the amount of funding to be provided to the CPA.

### **The Accounting Officer of OFMDFM**

- 2.3 OFMDFM's principal Accounting Officer (the 'departmental Accounting Officer'), is accountable to the Assembly for the issue of any funding to the CPA. OFMDFM's principal Accounting Officer, is responsible for the overall organisation, management and staffing of OFMDFM and for ensuring that there is a high standard of financial management in the Department as a whole.
- 2.4 The Departmental Accounting Officer shall ensure that:
- the functions and duties of the CPA support public appointment policy objectives;
  - the financial and other management controls applied by OFMDFM to the CPA are appropriate and sufficient to safeguard public funds and that the CPA's compliance with those controls is effectively monitored (Public funds

- include not only any funds granted to the CPA by the Assembly but also any other funds falling within the stewardship of the CPA);
  - the internal controls applied by the CPA conform to the requirements of regularity, propriety and good financial management; and
  - Any grant to CPA is within the ambit and the amount of the request for resources and that Assembly Authority has been sought and given.
- 2.5 To this end, the Accounting Officer has access to papers and records of the CPA that relate to the use and control of her resources, but has no special access to other papers.
- 2.6 The responsibilities of a departmental Accounting Officer are set out in more detail in Chapter 3 of Managing Public Money NI (MPMNI).

### **The Sponsorship Unit in the Department**

- 2.7 Within OFMDFM, resources and support services for the CPA are provided through the Sponsorship Unit. The Sponsorship Unit represents the interests of Ministers and the Accounting Officer in relation to the CPA. The sponsoring team in consultation as necessary with the Departmental Accounting Officer is the primary source of advice to the First Minister and deputy First Minister on the discharge of their responsibilities in respect of the CPA, and the primary point of contact for the CPA in dealing with the Department.
- 2.8 The Department shall advise the First Minister and deputy First Minister on:
- an appropriate budget for the CPA in the light of the Department's overall public expenditure priorities; and
  - how well the CPA is undertaking its functions and duties and whether it is delivering value for money.
- 2.9 In support of the Departmental Accounting Officer, the sponsoring team shall:
- monitor the CPA's activities on a continuing basis through an adequate and timely flow of information from the CPA on performance, budgeting, control, and risk management including early sight of CPA's statement of internal control/Stewardship Statement;
  - provide resources as appropriate to enable the CPA to carry out her statutory functions effectively and efficiently;
  - address in a timely manner any significant problems arising with the CPA, whether financial or otherwise, making such interventions in the affairs of the CPA as the sponsor Department judges necessary to address such problems;
  - periodically carry out a risk assessment of the CPA's activities to inform the Department's oversight of the CPA; strengthen these arrangements if necessary; and amend this Memorandum of Understanding and Financial Memorandum accordingly. The risk assessment shall take into account the nature of the CPA activities; the public monies at stake; the corporate governance arrangements; financial performance; internal and external



- auditors' reports; the openness of communications between the CPA and the sponsor Department; and any other relevant matters;
- inform the CPA of relevant Government policy in a timely manner; if necessary, advise on the interpretation of that policy; and issue specific guidance to the CPA as necessary; and
  - bring concerns about the activities of the CPA to the attention of the Commissioner and require explanations and assurances from the Commissioner that appropriate action has been taken.

### **The Commissioner**

- 2.10 The CPA is appointed by the First Minister and deputy First Minister. Whilst it would be inappropriate for the process for appointing the Commissioner to be regulated by the CPA herself it will, as far as is practicable, be in line with the Code of Practice for Ministerial Appointments to Public Bodies issued by the CPA.
- 2.11 The Commissioner is responsible for the value for money delivery of her statutory remit. The Commissioner operates at "arms length" from the Department and exercises her statutory roles in an independent manner, free from direction by the Department, unless contrary to the 1995 Order, as amended. The Commissioner is responsible for the financial, operational and administrative management of her office. She is responsible for the day-to-day management of her staff and for ensuring that the quality of the service delivered is both effective and efficient.
- 2.12 The Commissioner shall carry out her stewardship, corporate governance and management roles in accordance with wider government and OFMDFM policy, procedures and guidance, and will contribute fully to the OFMDFM corporate governance, people, information and financial management arrangements.
- 2.13 The Commissioner is responsible to the First Minister and deputy First Minister through the Departmental Sponsorship Unit for the delivery of her statutory remit in a way which promotes value for money. The Commissioner is accountable to the Departmental Accounting Officer for the regularity, propriety and value for money use of the public funds used by her office.
- 2.14 The Commissioner shall ensure that:
- the overall direction of her office is consistent with the policy, legislation and remit agreed by the Department;
  - high standards of corporate governance, performance and financial management are maintained;
  - effective stewardship of public funds in that all public funds made available to the CPA are used for the purpose intended by the Department and that such monies, together with the CPA's assets, information, equipment and staff are used economically, efficiently and effectively and in accordance with NICS policies and statutory requirements;

- timely forecasts and monitoring information on performance, governance and finance are provided to OFMDFM; that OFMDFM is notified promptly if overspends or underspends are likely and that corrective action is taken;
- any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to OFMDFM in a timely fashion;
- the CPA's annual business plan is drawn up;
- a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- an effective system of programme and project management and contract management is maintained;
- there is compliance with the Public Procurement Policy;
- adequate internal management and financial controls are maintained by the CPA, including effective measures against fraud and theft;
- a comprehensive system of internal delegated authorities are maintained and that these are notified to all staff, together with a system for regularly reviewing compliance with these delegations;
- effective personnel management policies are maintained;
- a Statement of Internal Control/Stewardship Statement regarding CPA's system of internal control is signed;
- effective procedures for handling administrative complaints about the CPA are established and made widely known within the CPA;
- she acts in accordance with the terms of this document and with the instructions and relevant guidance in MPM and other instructions and guidance issued from time to time by OFMDFM and DFP – in particular, Chapter 3 of MPM and the Treasury document regularity and Propriety and Value for Money;
- she supports the Accounting Officer of the OFMDFM, if summoned before the Public Accounts Committee on the use and stewardship of public funds by the CPA; and
- the requirements of the Data Protection Act 1998 and the Freedom of Information Act 2000 are complied with.

### **3. PLANNING & REPORTING**

- 3.1 Each year the CPA will publish a Business Plan. The Business Plan shall reflect the CPA's statutory duties and shall include key targets and milestones for the year immediately ahead.
- 3.2 A draft of the Business Plan will be submitted to OFMDFM by the end of March each year and OFMDFM will provide its comments within three weeks of receipt. The agreed Business Plan shall be published on the CPA website.
- 3.3 After the end of each financial year the CPA will publish an Annual Report. The Annual Report will reflect the statutory requirements of Article 4 of the 1995 Order as set out in paragraph 1.10 of this document.

- 3.4 CPA will provide a copy of her Annual Report to the First Minister and deputy First Minister at least 2 weeks before the proposed publication date which should be no later than the end of June each year.
- 3.5 If presenting her Annual Report to the Assembly the CPA will advise the First Minister and deputy First Minister of her intention to do so and will comply with relevant procedures and guidance.

### **Budgeting Procedures**

- 3.6 The CPA's budgeting procedures are set out in the Financial Memorandum.

### **Internal Audit**

- 3.7 The administrative, financial and governance functions of the CPA shall fall within the OFMDFM's internal audit arrangements and will be audited in accordance with the Government Internal Audit Standards (GIAS). Copies of all final internal audit reports will be copied to OFMDFM's Accounting Officer.

### **Fraud**

- 3.8 The CPA shall report immediately to OFMDFM all frauds (proven or suspected), including attempted fraud. OFMDFM shall then report the frauds immediately to DFP and NIAO. In addition the CPA shall forward to OFMDFM the annual fraud return, commissioned by DFP, on fraud and theft suffered by the CPA.

## **4. STAFF MANAGEMENT**

- 4.1 Administrative support to the Commissioner is provided as necessary by the Department subject to the principle that the level and structure of staffing, including grading and numbers of staff, are appropriate to its functions and the requirements of efficiency, effectiveness and economy.
- 4.2 The staff may be NI civil servants and if so are subject to the same terms, conditions and requirements as apply to all other NI civil servants, but are dedicated to the CPA and responsible solely to the Commissioner. Staff from outside the NI Civil Service may also be used to provide administrative support to the Commissioner's office, for example via the interchange programme.
- 4.3 It is the responsibility of the CPA to ensure that her staff are managed in accordance with relevant HR policies and procedures and the relevant statutory requirements.

## **5. REVIEWING THE ROLE OF THE COMMISSIONER**

- 5.1 The Department has the right to carry out organisational reviews as it considers appropriate and in accordance with its business needs or those of

the CPA, and review the gradings and numbers of support staff in post from time to time. The Department will seek to agree the Terms of Reference with the Commissioner before carrying out such reviews.

## **6. MEETINGS**

- 6.1 There will be regular meetings between the sponsor Division in OFMDFM and the CPA. Two formal sponsorship and accountability meetings will be held each year with other ad hoc meetings convened at the request of the Commissioner or the Department.

## **7. FINANCIAL MEMORANDUM**

### **Introduction**

- 7.1 This Financial Memorandum sets out the financial relationship between the Department, through the Sponsorship Unit, and the CPA with regard to issues such as financial accountability, financial monitoring, the provision of estimates and the submission of in-year bids. Any queries relating to the interpretation of this Memorandum should be referred to the Department.
- 7.2 The CPA is funded by the Department and the Senior Accountable Officer is accountable to the Departmental Accounting Officer for expenditure incurred by her office. The Office of the CPA falls within the Department's Accounting Boundary and its financial performance is consolidated in the Department's resource accounts.
- 7.3 The terms and conditions set out in the combined Memorandum of Understanding and Financial Memorandum may be supplemented by guidelines or directions issued by OFMDFM or DFP. The CPA shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the OFMDFM may from time to time impose.

### **Department's Role and Accountability**

- 7.4 It is the responsibility of the Accounting Officer to:
- a) ensure that the Department applies appropriate financial and other management controls to safeguard the public funds it makes available to the Commissioner in support of his operations;
  - b) ensure that the controls being applied by the Commissioner conform to the requirements of propriety and of good financial management; ensure compliance with the principles set out in MPMNI and the NI Resource Accounting Manual (NIRAM) and any other relevant guidance issued by the Department of Finance and Personnel; and
  - c) monitor overall levels of expenditure.

- 7.5 The Accounting Officer may carry out such examinations of the CPA's internal financial control systems as are required to enable her to discharge her responsibilities.

### **The Commissioner's Responsibilities**

- 7.6 The Commissioner is the Senior Accountable Officer (SAO) and is accountable to the Departmental Accounting Officer for the financial, operational and administrative management of her office.
- 7.7 As SAO the Commissioner shall ensure that:
- a) all resources are used economically, efficiently, and effectively;
  - b) financial and other management controls are appropriate and sufficient to safeguard public funds and conform with the requirements of propriety and good financial management;
  - c) expenditure is maintained within approved budgets and that general guidance issued by the Department is observed; and
  - d) the day-to-day management of staff is in accordance with the Departments standards and requirements.
- 7.8 The Commissioner has a duty to ensure that all expenditure is reasonable and proper and managed within the requirements of the Department. The CPA will provide monitoring information requested by OFMDFM within the relevant timescales.

### **The CPA's Income and Expenditure – General**

- 7.9 The CPA's current and capital expenditure form part of the sponsoring Department's Resource Departmental Expenditure Limits (DEL) and Capital DEL respectively.

### **Budgets & Approvals**

- 7.10 The CPA budget falls within the OFMDFM Sponsorship Unit cost centre structure. The CPA is responsible for providing information to inform the preparation of inputs to the estimates, monitoring and in-year bidding processes. In addition CPA is responsible for delivering agreed efficiency savings.
- 7.11 The CPA as Senior Accountable Officer may approve expenditure on her own authority for individual projects up to the delegated limits set out in table 1 below with the exception of direct award contracts (formerly single tender actions) for external consultancy. Appropriate approvals supported by the relevant business case / justification must be in place for **all** expenditure. Any new expenditure valued at less than £5k, which is not external consultancy, considered novel or contentious, related to a programme or requiring DFP Supply approval, i.e. routine administration expenditure, will not require a formal business case, however, a proportionate justification should be held for

test drilling / inspection purposes. All external consultancy expenditure must be supported by a business case.

| Approval Delegations   |   |
|--|---|
| Goods and Services   | £30k  |
| IT Projects  | £10k  |
| Consultancy  | £5k   |
| Direct Award Contracts (apart from external consultancy which require Accounting Officer approval) | £30k<br>(subject to relevant business case approval for the spend as per the delegations above) |

Table 1 – CPA delegated expenditure limits

7.12 The CPA shall not, without prior written approval from the Department, enter into any undertaking to incur any expenditure which falls outside the scope of the expenditure provided for within the CPA's annual budget as approved by the Department and the delegated limits provided to CPA which are subject to the conditions below.

#### **Novel, Contentious or Repercussive Proposals**

7.13 The CPA must obtain the approval of OFMDFM and DFP before:

- incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future costs implications, including on staff benefits;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously agreed by OFMDFM; and
- 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.

#### **Procurement**

7.14 Any procurement activities of the CPA shall reflect the public procurement policy of the Executive, Procurement Guidance Notes; and any other guidelines or guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. The CPA's procurement activity must be carried out via CPD or other another recognised Centre of Procurement Expertise (CoPE). This will ensure compliance with relevant EU or other international procurement rules.

- 7.15 All procurement above £5,000 should be managed through CPD or a recognised Centre of Procurement Expertise (CoPE). Purchases under £5,000 are not subject to the full range of procurement rules and do not require CPD advice (DAC1 form). However, all purchases below £5,000 (including Direct Award Contracts) are subject to normal value for money considerations and must comply with MPMNI.
- 7.16 Periodic reviews of CPA's procurement activity shall be undertaken as part of reviews of the Departmental expenditure, which may be conducted by DFP, Internal Audit, External Audit or others. The results of any such review will be shared with OFMDFM.

### **Competition & Direct Award Contracts (formerly Single Tender Actions)**

- 7.17 Contracts shall be awarded on a competitive basis and tenders accepted from suppliers who provide best value for money overall. A direct award contract (formerly a Single Tender Action) is the process by which a contract is awarded to an economic operator (i.e. supplier, contractor) without competition. The CPA can approve direct award contracts up to the delegated limits set out in this document with the exception of those relating to external consultancy. **All direct award contracts above delegated limits and those relating to external consultancy require the prior approval of the Departmental Accounting Officer and must be supported by CPD advice (form DAC 1).** All direct award contracts entered into by CPA must be reported to the Department in an annex to the quarterly Stewardship Statement.
- 7.18 Procurement Guidance Note (PGN) 03/11, issued on 30 November 2011, detailed a number of exceptions to the procurement control limits. These will not be regarded as direct award contracts and as a result CPD advice is not required:
- small one-off urgent or operational purchases that are necessary to maintain public services;
  - professional journals, payment of professional membership fees, and attendance at training courses and conferences; and
  - contracts valued at less than £500.

### **Use of External Consultants**

- 7.19 All proposals to engage external consultants must be supported by a proportionate business case. The CPA has authority to appoint external consultants for a single contract up to a total cost of £5,000.
- 7.20 All business cases proposing expenditure of over £5,000 but under £10,000 on consultants must be approved by the Sponsorship Unit. In addition Sponsorship Unit, OFMDFM Finance Division, the Departmental Accounting Officer, Ministerial and DFP approval is required for all expenditure on external

consultants over £10,000. Ministerial approval must be secured before any case can be submitted to DFP for approval.

- 7.21 Any proposal to procure external consultancy support through direct award contract must be supported by a case to the Departmental Accounting Officer via the Sponsorship Unit setting out the rationale and justification for doing so. The case must be supported by CPD advice (form DAC 1) – see paragraphs 12 and 13 for more information. The Departmental Accounting Officers approval is required before proceeding.
- 7.22 The CPA will provide the sponsor Department with an update on the status of all external consultancies completed and/or started through the quarterly monitoring process or on request. The engagement of external consultants is also subject to any additional guidance as may be issued by DFP or the sponsor Department. Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing external consultants.

### **Economic appraisal**

- 7.23 A full business case should be prepared for all consultancy assignments expected to exceed £10,000. A proportionate business case should be prepared for all assignments below this threshold.

### **Best Value for Money**

- 7.24 Procurement by the CPA 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 the Commission's requirements. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

### **Timeliness in paying bills**

- 7.25 The CPA shall pay all matured and properly authorised invoices in accordance with Managing Public Money Northern Ireland and any guidance issued by OFMDFM or DFP.

### **Risk Management and Fraud**

- 7.26 The CPA shall ensure that the risks she faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and should have in place a risk management strategy. The CPA shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with guidance provided by the Department. All cases of attempted, suspected or proven fraud shall be reported to the Department who shall report it to DFP and the NIAO. The CPA 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.



### **Grant or Loan Schemes**

7.27 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 OFMDFM, and where necessary DFP.

### **Setting the Annual Budget**

7.28 Each year, in light of decisions by the OFMDFM, OFMDFM will send to the CPA a formal statement of the annual budgetary provision allocated by OFMDFM in the light of competing priorities across the OFMDFM.

### **General Conditions for Authority to Spend**

- 7.29 Once the CPA's budget has been approved by OFMDFM and subject to any restrictions imposed by the provisions of the 1995 Order and this Memorandum of Understanding, the CPA shall have authority to incur expenditure approved in the budget without further reference to OFMDFM on the following conditions:
- appropriate business cases / justifications are in place to support the expenditure before this is committed;
  - all proposals outside the CPA delegated limits and those for external consultancy Direct Award Contracts have the approval of the Departmental Accounting Officer;
  - the CPA shall comply with the delegations set out in this document. These delegations shall not be altered without the prior agreement of OFMDFM and DFP;
  - the CPA shall comply with the conditions set out in paragraph 10 above regarding novel, contentious and repercussive proposals;
  - the inclusion of any planned and approved expenditure in the CPA's budget shall not remove the need to seek formal departmental, and where necessary DFP, approval where such proposed expenditure is above the delegated limits set out in this document;
  - the CPA shall provide OFMDFM with such information about her operations, performance, individual projects or other expenditure as OFMDFM may reasonably require; and
  - the CPA shall comply with Northern Ireland Procurement policy and carry out procurement via CPD or another recognised CoPE.

### **Providing monitoring information OFMDFM**

7.30 The CPA shall provide OFMDFM with financial spend information as requested as part of the departments' financial monitoring process.

### **Gifts and Hospitality**

- 7.31 The CPA shall adhere to the guidance and procedures issued by OFMDFM in relation to gifts and hospitality.

### **Salaries**

- 7.32 Remuneration and allowances for the CPA are determined by the Department. The remuneration of CPA and the salaries of her staff are processed within the OFMDFM pay and salary arrangements.

### **Audit Arrangements**

- 7.33 The Department's Internal Auditors, or other nominated representatives of the Accounting Officer, shall have access to the CPA's administrative files, systems, data etc, to enable them to provide the necessary level of assurance for the Accounting Officer to fulfil his responsibilities as set out in this document.
- 7.34 NI Audit Office officials also have access to all records as may be required for them to carry out examinations into the regularity and propriety of expenditure and the economy, efficiency and effectiveness with which resources have been used. The CPA shall comply with any relevant recommendations of the Public Accounts Committee or other Assembly authority which are accepted by the Executive whether specific to the CPA or of a more general application.

### **Disposal of Surplus Equipment**

- 7.35 The disposal of surplus equipment is the responsibility of OFMDFM.

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

- 7.36 All IT support for CPA will be provided by OFMDFM unless otherwise agreed.

### **Losses and Special Payments**

- 7.37 The CPA should contact the departmental sponsor branch should any of the following issues arise:
- (a) Cash losses;
  - (b) Stores/Equipment losses;
  - (c) Constructive losses and fruitless payments;
  - (d) Compensation payments;
    - i. Made under legal obligation, e.g. by Court Order
    - ii. For damage to personal property of staff
    - iii. Where written legal advice is that the NDPB should not fight a court action because it is unlikely that it would win
  - (e) Claims abandoned or waiver of claim;
  - (f) Extra contractual payments;
  - (g) Ex gratia payments; and

(h) Extra statutory and extra regulatory payments.

7.38 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 Senior Accountable Officer or the Sponsorship Unit, where appropriate.

### Meetings

7.39 There will be two formal accountability meetings between the Sponsorship Unit in OFMDFM and the CPA per annum. Other ad hoc meetings may be convened by either the Commissioner or the Department.

### Compliance with Instructions and Guidance

7.40 Where applicable the CPA shall comply with the following general guidance documents:

- this document (both the Memorandum of Understanding and the Financial Memorandum);
- Managing Public Money NI (MPM);
- Public Bodies – a Guide for NI Departments issued by DFP;
- the document Managing the Risk of Fraud Issued by DFP;
- relevant DFP Dear Accounting Officer and Finance Director letters;
- Regularity, Propriety and Value for Money issued by Treasury;
- Government Internal Audit Standards, Issued by DFP;
- Other relevant instructions and guidance Issued by central Departments 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 any other Assembly authority, which have been accepted by the government and which are relevant to the Commissions.

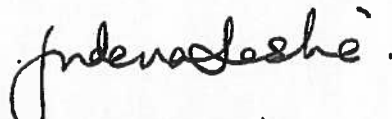
### 8. EFFECTIVE DATE

8.1 This Memorandum of Understanding and Financial Memorandum takes effect from 13 October 2015.



(Signed) Colm Shannon

Office of the First Minister and  
Deputy First Minister  
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Belfast  
BT4 3TT



(Signed) Judena Leslie  
Commissioner for Public Appointments  
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