



Northern
Ireland
Office



NORTHERN
IRELAND
HUMAN
RIGHTS
COMMISSION

Northern Ireland Human Rights Commission

Framework Document

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INTRODUCTION AND BACKGROUND

1. Purpose of document

1.1 This framework document has been agreed between the Northern Ireland Office (NIO) and the Northern Ireland Human Rights Commission (NIHRC) in accordance with HM Treasury's handbook *Managing Public Money (MPM)* as updated from time to time and has been approved by HM Treasury.

1.2 It sets out the broad governance framework within which the NIHRC and the NIO operates and documents the NIHRC's core responsibilities as well as the governance and accountability framework that applies between the NIO and NIHRC and how the day-to-day relationship between them works in practice including in relation to governance and financial matters.

1.3 The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.

1.4 References to the NIHRC include any subsidiaries or joint ventures that are classified to the public sector and central government for national accounts purposes. If the NIHRC establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the NIHRC agreed with the NIO.

1.5 Copies of the document and any subsequent amendments have been placed in the libraries of both Houses of Parliament and made available to members of the public on the NIHRC website and GOV.UK.

1.6 This framework document should be reviewed and updated at least every 3 years and immediately after any review of the NIHRC's status, unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the sponsor department. The NIO will manage the provision of amendments, which will be agreed with the NIHRC. The latest date for review and updating of this document is 31 August 2025.

2. Objectives

2.1 The NIO and the NIHRC share the common objective to promote awareness of the importance of human rights, to review law and practice and to advise the government what steps need to be taken to fully protect human rights in Northern Ireland. To achieve this, the NIHRC and the NIO will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the NIHRC to achieve its objectives through the promotion of partnership and trust and ensuring that the NIHRC also supports the strategic aims and objective of the department and wider government as a whole.

3. Classification

3.1 The NIHRC has been classified as a central government organisation by the ONS/HM Treasury Classifications Team.

3.2 It has been administratively classified by the Cabinet Office as a non-departmental public body (NDPB) of the NIO.

PURPOSES, AIMS AND DUTIES

4. Purposes

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

4.2 The Commission is also designated, with the Equality Commission, under the United Nations Convention on the Rights of Disabled Persons as the independent mechanism tasked with promoting, protecting and monitoring implementation of the Convention in Northern Ireland and engages with other National Human Rights Institutions in the United Kingdom on issues of common interest.

4.3 The NIHRC are jointly responsible with the Equality Commission for Northern Ireland for ensuring that Article 2 of the Northern Ireland Protocol is enforced in line with the UK Governments commitment to 'no diminution of rights, safeguards and equality of opportunity' in Northern Ireland.

5. Powers and Duties

5.1 The NIHRC was established under the Northern Ireland Act 1998 (1998 Act), as amended by the Justice and Security (Northern Ireland) Act 2007 (2007 Act) and the European Union (Withdrawal Agreement) Act 2020.

5.2 The NIHRC's powers and duties are set out in detail in sections 69-70 of the 1998 Act, sections 14-16 of the 2007 Act and Schedule 3 of the 2020 Act.

5.3 The NIHRC is recognised at the United Nations as operating in compliance with the General Assembly resolution 48/134 (the 'Paris Principles'). The 'Paris Principles' list requirements to be met by a National Human Rights Institution. This includes having an infrastructure which is suited to the smooth conduct of its activities, in particular adequate funding. The purpose of this funding should be to enable it to have its own staff and premises, in order to be independent of the Government and not be subject to financial control which might affect its independence.

6. Aims

6.1 The NIHRC contributes to the delivery of the NIO's *Society* outcome which aims to support greater inclusion, tolerance, and openness in Northern Ireland.

6.2 As the National Human Rights Institution in Northern Ireland, the NIHRC statutory duties and functions include contributing to the monitoring of international human rights treaties in Northern Ireland. The core aspects of its daily operation are fundamental to fulfilling its mission. They are key to its compliance with the Paris Principles and the Nolan principles of ethical standards in public life. The statutory functions of the Commission in accordance with the Northern Ireland Act 1998 are:

- keeping under review the adequacy and effectiveness in Northern Ireland of law and practice relating to the protection of human rights;
- advising the Secretary of State and the Northern Ireland Executive of legislative and other measures which ought to be taken to protect human rights—as soon as reasonably practicable after receipt of a general or specific request for advice; and on such other occasions as the Commission thinks appropriate;
- advising the Northern Ireland Assembly whether legislative Bills are compatible with human rights;
- providing advice to the UK government and Westminster Parliament on matters affecting human rights in NI;
- conducting investigations on systemic human rights issues. To do so, we may enter places of detention, and can compel individuals and agencies to give oral testimony or to produce documents;
- promoting understanding and awareness of the importance of human rights in Northern Ireland. To do so, we may undertake or support research and educational activities;
- providing legal assistance to individuals and initiating strategic cases, including own motion legal challenges;
- monitoring the implementation of international human rights treaties and reporting to the United Nations and Council of Europe; and
- working in partnership with the Irish Human Rights and Equality Commission as mandated through the joint committee created in accordance with the Belfast (Good Friday) Agreement.

6.3 The NIHRC's statutory functions in accordance with the European Union (Withdrawal Agreement) Act 2020 are:

- monitoring the implementation of Article 2(1) of the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement (rights of individuals);

- reporting to the Secretary of State and the Executive Office in Northern Ireland on the implementation of Article 2(1)—as soon as reasonably practicable after receipt of a general or specific request for such a report, and on such other occasions as the Commission thinks;
- advising the Secretary of State and the Executive Committee of the Assembly of legislative and other measures which ought to be taken to implement Article 2(1)—as soon as reasonably practicable after receipt of a general or specific request for advice, and on such other occasions as the Commission thinks appropriate;
- advising the Assembly (or a committee of the Assembly) whether a Bill is compatible with Article 2(1)—as soon as reasonably practicable after receipt of a request for advice, and on such other occasions as the Commission thinks appropriate;
- promoting understanding and awareness of the importance of Article 2(1); and for this purpose we may undertake, commission or provide financial or other assistance for—research, and educational activities;
- bringing any appropriate matters of relevance to Article 2(1) to the attention of the Specialised Committee on issues related to the implementation of the Protocol on Ireland/Northern Ireland established by Article 165 of the Withdrawal Agreement; and
- taking judicial review proceedings in respect of an alleged breach (or potential future breach) of Article 2(1) of the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement; or intervening in legal proceedings, whether for judicial review or otherwise, in so far as they relate to an alleged breach (or potential future breach) of Article 2(1).

GOVERNANCE AND ACCOUNTABILITY

7. Governance and Accountability

7.1 The NIHRC shall operate corporate governance arrangements that, so far as practicable and in the light of other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.

7.2 In particular (but without limitation) the NIHRC should:

- comply with the principles and provisions of the *Corporate Governance in Central Government Departments Code of Good Practice* (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report;

- comply with *Managing Public Money*;
- have regard to the relevant Functional Standards, in particular those concerning Finance, Commercial and Counter Fraud, as appropriate; and
- take into account the codes of good practice and guidance set out in **Appendix 1** of this framework document, as they apply to ALBs.

7.3 In line with *Managing Public Money* Annex 3.1, the NIHRC shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that the NIHRC does intend to materially depart from the code, the sponsor should be notified in advance.

ROLE OF THE DEPARTMENT

8. The Responsible Minister

8.1 The Secretary of State for Northern Ireland, is accountable to parliament for all matters concerning the NIHRC. They may delegate responsibility for day-to-day matters to the Minister of State for Northern Ireland (MoS).

8.2 The ministers' statutory powers in respect of the NIHRC include:

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

Appointments to the NIHRC

8.3 The Chief Commissioner and Commissioners of the NIHRC are appointed by the Secretary of State for Northern Ireland (SoS) under Section 68(2) of the Northern Ireland Act 1998. These appointments are subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.

8.4 The NIHRC Chief Commissioner and Commission members are appointed for a period of 5 years and 3 years respectively by the SoS. The Chief Executive is appointed by the Chief Commissioner in consultation and agreement with the Commissioners.

8.5 In line with best practice, the NIHRC should appoint an independent non-executive director to Chair the NIHRC's Audit and Risk Committee. Whoever is

appointed as Chair should have relevant experience and be able to provide support and constructive challenge to the NIHRC Board of Commissioners.

8.6 All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint individuals with a balance of skills and backgrounds.

8.7 The minister is also responsible for:

- the policy framework within which the NIHRC operates;
- matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter; and
- such other matters as may be appropriate and proportionate.

9. The NIO Principal Accounting Officer

9.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of the NIO.

Principal Accounting Officer's specific accountabilities and responsibilities

9.2 The PAO of the NIO designates the Chief Executive as the NIHRC's Accounting Officer (AO) and ensures they are fully aware of their responsibilities. The AO's responsibilities and delegated authorities are set out in the letter of appointment from the PAO.

9.3 The respective responsibilities of the PAO and AO's are set out in Chapter 3 of *Managing Public Money*.

9.4 The PAO is accountable to Parliament for the issue of any grant-in-aid to the NIHRC.

9.5 The PAO is also responsible for advising the responsible minister on:

- how the NIHRC's strategic aims and objectives contribute to the wider strategy and priorities of the NIO;
- an appropriate budget for the NIHRC in light of the sponsor department's overall public expenditure priorities;
- how well the NIHRC is achieving its strategic objectives and whether it is delivering value for money; and
- the exercise of the minister's statutory responsibilities concerning the NIHRC as outlined above.

9.6 The PAO, via the sponsorship team, is also responsible for ensuring arrangements are in place in order to:

- monitor the NIHRC's activities on a continuing basis;
- address significant problems in the governance or management of the NIHRC, making such interventions as are judged necessary;
- support the development of positive and effective working relationships between the NIHRC and the NIO, ensuring that the stewardship relationship is tailored and proportionate to the needs of both organisations;
- periodically, and at such frequency as is proportionate to the level of risk, carry out an assessment of the risks both to the NIO and NIHRC objectives and activities in line with the wider departmental risk assessment process;
- inform the NIHRC of relevant new or revised government policies in a timely manner; and
- bring concerns about the activities of the NIHRC to the Chief Executive, requiring explanations and assurances that appropriate action has been taken.

10. The Role of the NIO Sponsorship Team

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

10.2 Accountability meetings will take place at least quarterly between the sponsor and the NIHRC to discuss financial management and progress against the NIHRC's strategic aims and objectives.

11. Resolution of disputes between the NIHRC and the NIO

11.1 Any disputes between the NIO and the NIHRC will be resolved in as timely a manner as possible. The NIO and the NIHRC will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the senior sponsor, will be used to resolve the issue. Failing this, the senior sponsor will ask the relevant policy director to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the department's Board to review the dispute, mediate with both sides and reach an outcome in consultation with the Secretary of State.

12. Freedom of Information Requests

12.1 Where a request for information is received by either party under the Freedom of Information Act 2000 or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibility.

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

13. Reporting on legal risk and litigation

13.1 The NIHRC shall notify the sponsor of the existence of any active litigation brought against the NIHRC and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the sponsor in a timely manner.

13.2 In respect of each substantial piece of litigation involving the NIHRC as set out in 13.1, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:

- material developments in the litigation are communicated to the sponsor in an appropriate and timely manner;
- legally privileged documents and information are clearly marked as such individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege; and
- circulation of privileged information within government occurs only as necessary.

GOVERNANCE STRUCTURE

14. The Chief Executive

Responsibilities of the NIHRC Chief Executive as Accounting Officer

14.1 The PAO has designated the NIHRC Chief Executive as the NIHRC's Accounting Officer (AO) with responsibilities as set out in *Chapter 3 of Managing Public Money*. The NIHRC Chief Executive as AO is personally responsible for safeguarding the public funds for which they have charge, for ensuring propriety and regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the NIHRC. In addition, they should ensure that the NIHRC as a whole is run on the basis of the standards, in terms of

governance, decision-making and financial management, that are set out in Chapter 3.3 of *Managing Public Money*, this Framework Document and the annual delegation letter from the NIO PAO. These responsibilities include those set out below and in the AO appointment letter issued by the NIO PAO.

Responsibilities for accounting to Parliament

14.2 As AO, the Chief Executive's responsibilities to Parliament include:

- signing the NIHRC accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- as Consolidation Officer preparing the NIHRC consolidation information and complying with the requirements set out in HM Treasury guidance on preparing *Whole of Government Accounts*;
- publication and signing of an annual report preparing and governance statement covering corporate governance, risk management and oversight of any local responsibilities for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the NIHRC are established and made widely known within the organisation;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the NIO, the Treasury and the Cabinet Office;
- ensuring that the NIHRC operates within the legislation governing its operations, this framework document, any delegation letter issued to the body, and any relevant elements of any settlement letter issued to the sponsor department;
- ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents; and
- giving evidence, normally with the PAO, if summoned before the Public Accounts Committee, on the NIHRC's stewardship of public funds.

Responsibilities to the NIO

14.3 The Chief Executive is responsible for ensuring that the NIHRC's policies and actions support the NIO's wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the NIHRC. Their responsibilities also include:

- establishing, in agreement with the NIO, the NIHRC's corporate and business plans in the light of the department's wider strategic aims and agreed priorities;

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

Responsibilities to the NIHRC

14.4 The Chief Executive is responsible for:

- advising the Board of Commissioners on the discharge of the NIHRC's responsibilities as set out in this document, the founding legislation or in any other relevant instructions and guidance that may be issued from time to time;
- formulating the NIHRC's corporate strategy and advising on performance against its aims and objectives;
- promoting the efficient and effective use of resources and ensuring that financial considerations are taken fully into account at all stages in reaching and executing decisions, and that financial appraisal techniques are followed; and
- delivering high standards of regularity and propriety.

Managing Conflicts

14.5 The Chief Executive should follow the advice and direction of the Board of Commissioners, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

14.6 If the Board of Commissioners, or its chair is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility or is unethical, the chief executive in their role as AO should reject that course of action and ensure that the Board of Commissioners have a full opportunity to discuss the rationale for that rejection.

14.7 Such conflicts should be brought to the attention of the PAO via the senior sponsor and the responsible Minister as soon as possible.

14.8 Furthermore, and if agreed with the responsible minister, the AO must write a letter of justification to the chair of the board setting out the rationale for not following the advice and recommendation of the board and copy that letter to the NIO PAO.

14.9 If the responsible Minister agrees with the proposed course of action of the Board it may be appropriate for the Minister to direct the AO in the manner set out in *Managing Public Money*.

15. The Board of Commissioners

Composition of the Board

15.1 The NIHRC Board of Commissioners will operate in line with good standards of corporate governance and as set out in its establishing statute and the guidance at **Annex A**. The role of the Board shall be to run the NIHRC and to deliver the organisation's objectives in accordance with the purposes as set out above, their statutory, regulatory, common law duties and their responsibilities under this framework document. Detailed responsibilities of the board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting Manual (FReM).

15.2 The Board will consist of a Chair, and Commissioners, who together with the Chief Executive as a board attendee, will collectively have a balance of skills and experience appropriate to directing the NIHRC. .

Board Committees

15.3 The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below, at a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board or suitably qualified independent person from outside the NIHRC.

15.4 While the Board may make use of the committees to assist its consideration of appointments, succession, audit, risk and remuneration it retains responsibility for and endorses final decisions in all of these areas. The chair should ensure that sufficient time is allowed at the board for committees to report on the nature and content of discussion, on recommendations and on actions to be taken.

15.5 The Chair should ensure board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not overburdened when deciding the chairs and membership of committees.

Duties of the Board of Commissioners

15.6 The Board of Commissioners is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of the NIHRC consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- informing the responsible minister of any changes likely to impact on the NIHRC's strategic direction, the attainability of its targets or the reputation of the NIO, determining the steps needed to deal with such changes;
- providing effective leadership of the NIHRC within a framework of prudent and effective controls which enables risk to be assessed and managed;
- ensuring that it is kept informed of any changes which are likely to impact on the NIHRC's strategic direction, attainability of its targets or the reputation of the NIO, determining the steps needed to deal with such changes and where appropriate, bringing such matters to the attention of the responsible Minister and PAO via the executive team, NIO sponsorship team or directly;
- regularly reviewing financial information about the management of the NIHRC, ensuring they are informed in a timely manner about any concerns about the activities of the NIHRC; and can assure NIO that appropriate action has been taken on such concerns;
- ensuring the financial and human resources are in place for the NIHRC to meet its objectives;
- ensuring that in reaching decisions, the guidance issued by the NIO is taken into account;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with, that the NIHRC operates within the limits of its statutory authority and any delegated authority agreed with the NIO, as well as in accordance with any other conditions and/or HM Treasury guidance relating to the use of public funds.
- ensuring that as part of the above compliance, they are familiar with this framework document, any delegation letter issued to the body as set out in **Appendix 2**, and that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and the NIHRC act in accordance with their obligations under the above documents;
- demonstrating high standards of corporate governance at all times, in line with the *Corporate Governance Code of Good Practice*, using the independent audit committee to help address key financial and other risks;
- appointing a Chief Executive in consultation with the NIO and with appropriate Departmental and Ministerial approval. The objectives of the role should be linked to those of the NIHRC and remuneration should be consistent with similar roles across NIO, demonstrating value for money, consistent with the need to attract, retain and motivate staff on a sustainable basis; and

complying with any open government or transparency policies, initiatives and guidance issued by the NIO, HM Treasury or Cabinet Office.

15.7 The Board of Commissioners should ensure that effective systems and arrangements are in place to provide assurance on risk management, governance and internal control.

15.8 The Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The board should ensure effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the management of risk- principles and concepts. The board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure the department's audit and risk committee are provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and operation of internal control.

16. The Chief Commissioner's Role and Responsibilities

16.1 The Chief Commissioner is responsible for leading the Board in the delivery of its responsibilities which should be exercised in light of the duties and responsibilities as set out in their appointment letter, the statutory authority governing the NIHRC, this framework document and the documents and guidance referred to within this document.

16.2 Communications between the NIHRC board and the responsible minister should normally be brought through the chair.

16.3 The Chief Commissioner is bound by the code of conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life.

16.4 In addition, the Chief Commissioner is responsible for ensuring that:

- NIHRC affairs are conducted with probity; and
- NIHRC policies and actions support the responsible ministers' wider strategic policies.

16.5 The Chief Commissioner has the following leadership responsibilities:

- formulating the NIHRC strategy;
- ensuring that the NIHRC in reaching decisions, takes proper account of guidance provided by the responsible minister or the department;
- promoting the efficient and effective use of staff and other resources;

- delivering high standards of regularity and propriety; and
- representing the views of the NIHRC to the general public.

16.6 The Chief Commissioner also has an obligation to ensure that:

- the work of the Board and its members are reviewed and working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for re-appointment. The Chief Commissioner will also carry out appraisals for the Chief Executive. Assessments will be linked to objectives for each year of the appointment and to the performance of the NIHRC;
- that the Board has a balance of skills appropriate to directing the NIHRC's business, and that all members including the Chair and Chief Executive continually update their skills, knowledge and familiarity with the NIHRC to fulfil their role both on the Board and Committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with other Board members, receive appropriate training on financial management and reporting requirements and on any differences which may exist between private and public sector practice;
- the responsible minister is advised of NIHRC's needs when Board vacancies arise;
- there is a Board Operating Framework in place setting out the role and responsibilities of the board consistent with the Governance Code of Good Practice for Corporate Governance; and
- there is a code of practice for Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

17. Individual Commissioner Responsibilities

17.1 Individual Commissioners should:

- comply at all times with their terms of appointment and the [Cabinet Office's Code of Conduct for Board Members of Public Bodies](#) which covers conduct in the role as well as the rules relating to the use of public funds, and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;

- comply with the NIHRC rules on the acceptance of gifts and hospitality and business appointments; and
- act in good faith and in the best interests of the NIHRC.

MANAGEMENT AND FINANCIAL RESPONSIBILITIES

18. Delegated Authorities

18.1 The NIHRC delegated authorities are set out in the delegation letter issued annually by the NIO PAO attached at **Appendix 2**. This delegation letter may be updated and superseded by later versions which may be issued by the sponsor department in agreement with HM Treasury.

18.2 In line with *Managing Public Money Annex 2.2*, these delegations will be reviewed on an annual basis.

18.3 The NIHRC shall obtain the NIO's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the NIHRC's annual budget as approved by the NIO;
- incurring expenditure for any purpose that is or might be considered novel or contentious or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the NIO;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; and
- carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

19. Spending Authority

19.1 Once the budget has been approved by the sponsor department, and subject to any restrictions set out in the delegation letter, the NIHRC shall have authority to incur expenditure approved in the budget without further reference to the sponsor department on the following conditions:

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

20. Banking and Managing Cash

20.1 The NIHRC must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).

20.2 The NIHRC should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

20.3 The AO is responsible for ensuring that the NIHRC has a banking policy as set out in *Managing Public Money* and ensuring that policy is complied with.

21. Procurement

21.1 The NIHRC shall ensure its procurement policies are consistent with Government guidance, and comply with any relevant UK or international procurement, in particular the Public Contracts Regulations 2015, including *Annex 4.6 of Managing Public Money*, and NIO procurement guidelines and policies.

21.2 The NIHRC shall put in place a procurement framework which sets out its procurement processes and control mechanisms under the statement of delegated authority for general procurement provided by the NIO.

21.3 Where likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the NIO Sponsor Team.

21.4 Goods, services and works should be acquired by competition. Proposals to let single tender or restricted contracts shall be limited and exceptional and a quarterly report explaining those exceptions should be sent to the department; and

21.5 Procurement by NIHRC of works, equipment, goods and services shall be based on a full option appraisal and value for money i.e the optimum combination and whole life costs and quality.

21.6 The NIHRC shall:

- engage fully with NIO and government wide procurement initiatives that seek to achieve value for money from collaborative projects;
- comply with all relevant Procurement Policy Notes issued by Cabinet Office; and
- cooperate fully with initiatives to improve the availability of procurement data to facilitate the achievement of value for money.

21.7 The NIHRC shall comply with relevant functional standards including those that apply to the planning, delivery and management of government, commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

22. Risk Management

22.1 The NIHRC shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the current HM Treasury guidance, *Management of Risk: Principles and Concepts* and NIO policies, including a reference to risk in the Governance Statement.

22.2 The NIHRC will share its risk register with the NIO and risks should be subject to regular review at accountability meetings and, where the risk is capable of impacting on the NIO itself, escalated to the NIO as appropriate.

23. Counter Fraud and Theft

23.1 The NIHRC should adopt and implement policies and practices to safeguard itself against fraud and theft.

23.2 The NIHRC should act in line with guidance issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in *Managing Public Money Annex 4.9* and the Counter Fraud Functional Standard. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.

23.3 The NIHRC should keep records of and prepare and forward to the NIO an annual report on fraud and theft suffered by the NIHRC and notify the sponsor department of any unusual or major incidents as soon as possible. NIHRC should also report detected loss from fraud, bribery, corruption and error, alongside associated

recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

24. NIHRC Staff

Broad Responsibilities for Staff

24.1 Subject to the provisions of the 1998 Act and within the arrangements approved by the responsible minister and HM Treasury, the NIHRC will have responsibility for the recruitment, retention and motivation of its staff. To this end the NIHRC will ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination against employees with protected characteristics under Section 75 of the Northern Ireland Act 1998;
- there is an effective equality and diversity policy and statement in place demonstrating how the NIHRC is meeting the legal responsibilities to pay due regard to the public sector equality duty including carrying out proportionate equality impact assessments where appropriate;
- the level and structure of its staffing including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and the NIHRC performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the NIHRC's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- a code of conduct for staff is in place, and
- it complies with all relevant statutory requirements.

Staff Costs

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

Pay and Conditions of Service

24.3 NIHRC staff are subject to levels of remuneration and terms and conditions of service in accordance with the Northern Ireland Civil Service (NICS) general pay structure. The NIHRC has no delegated power to amend these terms and conditions without prior approval from the NIO.

24.4 Staff must receive a statement of their main terms and conditions of employment and this should include reference to the relevant policies and procedures.

Pensions, Redundancy and Compensation

24.5 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.

24.6 NIHRC staff shall be automatically enrolled for a pension provided by Civil Service Pensions (CSP). Staff may opt out of the occupational pension scheme provided by the NIHRC and are entitled to a CSP partnership pension.

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

BUSINESS PLANS, FINANCIAL REPORTING AND MANAGEMENT INFORMATION

25. Business Plans

25.1 The NIHRC shall submit annually to the NIO a business plan which should demonstrate how the NIHRC will achieve its statutory duties and, within those duties, any priorities agreed with the NIO in the light of wider public expenditure decisions and strategic aims.

25.2 The plan should include key performance measures for the discharge of the NIHRC's functions aligned as appropriate with the structure and content of the NIO Outcome Delivery Plan (ODP). All financial commitments contained in the plan should be within the limits of the agreed ring-fenced annual budget.

25.3 Subject to any commercial considerations, the business plan should be published by the NIHRC on their website and separately made available to staff.

Copies should also be made available in line with the NIHRC's publication scheme and any statutory duty to publish.

25.4 The annual business plan should also include a budget of estimated payments and receipts together with a profile of expected expenditure. This profile should be updated throughout the year and any significant deviations should be explained through the departmental budget monitoring procedures set out in the annual delegation letter from NIO.

25.5 The plan must also include the following:

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

26. Budgeting Procedures

26.1 Each year the NIO will send to NIHRC:

- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department; and
- a statement of any changes in policies affecting the NIHRC.

27. Grant-in-aid and any Ring-Fenced Grants

27.1 Any grant-in-aid provided by the department for the year in question will be voted in the NIO's supply estimate and be subject to parliamentary control.

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

excess cash balances at year-end, the NIO will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year-end, such as creditors.

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

28. Annual Report and Accounts

28.1 The NIHRC must publish an annual report of its activities together with its audited accounts after the end of each financial year. The NIHRC shall provide the NIO with its finalised accounts and consolidation information as appropriate within the timetable issued by the NIO Finance team each year. The NIHRC should also submit a draft of the annual report to the NIO two weeks before the proposed publication date. The accounts should be prepared in accordance with relevant statutes and specific accounts direction issued by the department as well as the Treasury's Financial Reporting Manual.

28.2 The annual report must:

- comply with all relevant financial reporting requirements including HM Treasury's Financial Reporting Manual (FReM);
- comply with any requirements set out in the founding legislation; and
- outline main activities and performance during the previous financial year and set out in summary form any forward plans.

28.3 Information on performance against key financial targets included within the annual report is subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament by the SoS and made available on the NIHRC website, in accordance with HM Treasury directions and any other relevant guidance or procedures.

29. Reporting performance to the NIO

29.1 The NIHRC shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

29.2 The NIHRC shall inform the NIO of any changes that make the achievement of objectives more or less difficult. The NIHRC shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies and the achievement of key objectives regularly.

29.3 The NIHRC's performance shall be formally reviewed by the NIO bi-annually.

29.4 The responsible minister will, unless other arrangements have been agreed, meet the Chief Commissioner of the NIHRC at least once a year to discuss the NIHRC's performance and current issues.

29.5 The PAO will meet the Chief Executive at least once a year.

30. Information Sharing

30.1 The NIO has the right of access to all NIHRC records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

30.2 The NIHRC shall provide the sponsor department with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require.

30.3 The NIO and HM Treasury may request the sharing of data held by the NIHRC in such a manner as set out in central guidance except insofar as it is prohibited by law.

30.4 As a minimum, the NIHRC shall provide the NIO with information that will enable them to satisfactorily monitor:

- NIHRC's cash management;
- draw-down of grant-in-aid;
- forecast outturn by resource headings;
- other data required for the Online System for Central Accounting and Reporting (OSCAR); and
- data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter.

AUDIT

31. Internal Audit

31.1 The NIHRC shall:

- establish and maintain arrangements for internal audit in accordance with *Public Sector Internal Audit Standards*, setting up an audit committee in accordance with the Cabinet Office's *Code of Good Practice for Public Bodies* and the *Audit Committee Handbook*. The Chair of the Audit Committee shall have access to the NIO Audit Committee Chair and their performance will be subject to annual review by the Chief Executive;

- consult the NIO to ensure they are satisfied with the competence and qualifications of those fulfilling the internal audit function;
- provide the NIO with a copy of the audit strategy, periodic audit plans and annual audit report, including the internal audit opinion on risk management, control and governance. The annual internal audit report should also be provided to the NIO Audit & Risk Committee;
- keep records of, and prepare and forward to the NIO, including the NIO Audit & Risk Committee, an annual report on fraud and theft suffered by the NIHRC and notify the NIO of any unusual or major incidents as soon as possible; and
- share with the NIO information identified during the audit process and at the Annual Audit Opinion Report at the end of the audit, in particular on issues impacting on the department's responsibilities in relation to financial systems within the NIHRC.

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

32. External Audit

32.1 The Comptroller & Auditor General (C&AG) audits the NIHRC annual accounts; which are then submitted to the Secretary of State who will lay the accounts together with the C&AG's report before parliament.

32.2 The C&AG:

- will consult the NIO and the NIHRC on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG.
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from the NIHRC;
- will share with NIO at the end of the audit, information identified during the audit process and the audit report (together with any other outputs), in particular on issues impacting on the NIO's responsibilities in relation to financial systems within the NIHRC; and
- will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion.

32.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the NIHRC has used its resources in discharging its functions. For the purpose of these examinations, the C&AG has statutory access to documents

as provided for under section 8 of the National Audit Act 1983. In addition, the NIHRC shall make provision in grant and contract terms & conditions, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

REVIEWS AND WINDING UP ARRANGEMENTS

33. Review of the NIHRC's status

33.1 The NIHRC will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the responsible minister and their PAO. The UK Government has committed to review all non-departmental public bodies (NDPBs), executive agencies and non-ministerial departments at least once in the lifetime of each Parliament. These administrative reviews are conducted in line with guidance issued by the Cabinet Office, which has responsibility for classifying public bodies.

33.2 As a public body funded by Her Majesty's Treasury and sponsored by the NIO, the NIHRC will be periodically reviewed in line with this guidance.

34. Arrangements in the event that the NIHRC is wound up

34.1 If such a review as outlined above recommends the winding up or merging of the NIHRC's functions with another public body, or the Secretary of State brings forward an Order in Council to make the NIHRC a transferred matter, then this will be subject to public consultation and in the event of devolving the functions consideration must be given to the requirements set out in the Northern Ireland (Miscellaneous Provisions) Act 2014.

34.2 The NIO will consult the Government of Ireland following any review and prior to any changes being brought forward to merge, wind up or transfer the NIHRC's functions.

34.3 The NIO shall put in place arrangements to ensure the orderly winding up of the NIHRC where this results from a review or in other circumstances. In particular the NIO will ensure that the assets and liabilities of the NIHRC are passed to any successor organisation and accounted for properly. To this end, the NIO shall:

- have regard to Cabinet Office guidance on winding up of ALBs;
- ensure that procedures are in place in the NIHRC to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the NIHRC's assets and liabilities;

- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding AO should sign the closing accounts. In the event that the NIO inherits the role, responsibilities, assets and liabilities, the PAO will sign.

34.4 As part of this process the NIHRC shall provide the NIO with full details of all agreements entered into and should also pass on any details of any other forms of claw-back due to the NIHRC.

Signed 

Signed 

Date: 17 February 2023.

(On behalf of the NIO)

Date: 13 February 2023

(On behalf of the NIHRC)

GENERAL GUIDANCE

Current guidance with which the NIHRC must comply:

- This Framework Document and any other specific instructions and guidance issued by the NIO as sponsor department or by central departments;
- Appropriate sections of Corporate Governance in Central Government Departments: [Code of Practice for Public Bodies](#)
- [Code of conduct for Board members of public bodies](#)
- Relevant sections of [Public Bodies: A Guide for Departments](#)
- [The Parliamentary and Health Service Ombudsman's Principles of Good Administration](#)
- Relevant Freedom of Information Act guidance published by the Information Commissioner's Office [[guide-to-freedom-of-information](#)];
- [Managing Public Money](#)
- [Government Financial Reporting Manual \(FrEM\)](#)
- [Relevant Government Functional Standards](#)
- [Relevant Dear Accounting Officer letters](#)
- [Audit Committee Handbook](#)
- [Public Sector Internal Audit Standards](#)
- [Management of Risk: Principles and Concepts](#)
- [Guide to managing fraud for public bodies.](#)
- [Tacking Fraud, issued by the Treasury](#)
- [Cabinet Office Control Limits](#); and
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the Commission.



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19 May 2022

Delegated Authority Letter – Northern Ireland Human Rights Commission

Dear David,

This letter sets out the Northern Ireland Human Rights Commission delegated authorities and budget from the Northern Ireland Office for the 2022/23 financial year. It should be read in conjunction with the Settlement Letter you received following the conclusion of Spending Review 2021 (dated 17th December 2021). In addition, I attach a formal delegation letter in line with HMT guidelines at Annex 2.

Where applicable this letter supersedes any relevant content in your Framework Document, which will now be renewed as necessary by your sponsor team.

It also sets out the Northern Ireland Human Rights Commission responsibilities in regards to how these funds are used and your necessary responsibilities to me as the departmental Principal Accounting Officer.

As the Principal Accounting Officer, I am pleased to confirm that your agreed budget for 2022/23, as per your SR21 Settlement Letter, is:

- RDEL 2022/23: £1,605,391
- CDEL 2022/23: £0
- Dedicated Mechanism 2022/23: £859,000

It is your responsibility to manage within the budget allocation and to meet your corporate objectives and targets where appropriate.

The Northern Ireland Human Rights Commission is responsible for ensuring that all spend is in accordance with the principles of HM Treasury's *Managing Public Money* and complies with the HM Treasury *Consolidated Budgeting Guidance*.

Your new delegated authority limit is £150,000 excluding VAT. Any transactions greater than this require NIO approval in advance, before spend is made. The Northern Ireland Human Rights Commission can set delegation authority limits to named individuals within your organisation subject to recording these limits and meeting the requirements of the National Audit Office (NAO). You are also the authorised signatory for third party contracts for goods and services that have an estimated contract value within the limits of your budget delegation and comply with Government Spending Controls.

The budget is set for the year. Your NIO Sponsorship Team and your NIO Finance Business Partner will provide support to you and your team throughout the financial year, and will meet with you regularly to review progress against budget allocations and forecasts and discuss adherence to your responsibilities - including compliance with Government Spending Controls. Progress against your budget is reported to me as the Principal Accounting Officer on a monthly basis.

Formal financial reviews will be held at M3 and M6, led by the NIO Finance Team. If it is evident that your budget is not being spent as planned, as Principal Accounting Officer I reserve the right to redirect elements of your budget to areas of greatest financial need across the NIO Group. In this eventuality, this will be discussed with you.

There will also be a new six monthly formal review meeting with the NIO Finance Director. Further details regarding this, including your broader responsibilities, are set out in Annex 1.

Please inform your NIO Sponsorship Team and the NIO Finance Business Partner at the earliest opportunity if there are any unforeseen events or changes that impact your financial position.

I would be grateful if you could respond to me by email within ten working days to confirm that you are content that you have adequate arrangements in place to provide assurance for the responsibilities as set out in this delegation letter.

Please contact your NIO Finance Business Partner or NIO Sponsorship Team in the first instance if you have any questions regarding this delegation letter.

Yours sincerely,



Madeleine Alessandri
Permanent Secretary
Northern Ireland Office

ANNEX 1 - NORTHERN IRELAND HUMAN RIGHTS COMMISSION RESPONSIBILITIES

Managing your budget

1. As a budget holder, you are responsible for living within your budget and achieving value for money in compliance with HMT's *Managing Public Money*.

2. Your organisation is required to submit the following Management Information to NIO Finance Team on the 3rd working day of each month:

- Monthly journals - with supporting documentation
- Accruals and prepayments - with supporting documentation. If there is a nil return please complete the return stating this.
- Bank reconciliations
- Regular review of staff access and permissions on Account NI
- Cash requirements to inform the monthly cash forecast
- At year end, provide year-end documentation, calculation, information and evidence as requested by NIO/EY for preparation of year end ARA and audit files.

3. Please note that requests for journals, accruals, and prepayments will not be accepted and actioned by Finance if:

- They are below £500 per transaction (including any applicable VAT)
- Supporting documentation is not provided
- They are submitted beyond the deadline

4. You should ensure your organisation has sufficient resource (with cover arrangements) in managing your budget, including knowledge of Account NI to access financial data.

Monthly reviews will be undertaken by the NIO Finance Business Partner to review in year spending and to scrutinise forecasts. Significant deviations from year to date spend and/or full year forecasts from the budget allocation at the mid-year point must be supported by a recovery plan showing how spend will be brought back in line with budgets. This will be followed by subsequent check-ins with your Finance Business Partner to discuss any developments or changes to your position since the mid-year review.

5. Performance against budgets this year may impact budgetary decisions during the year and in subsequent years.

6. You are responsible for ensuring that policy or operational proposals which will significantly impact the Northern Ireland Office resources or balance sheet (novel, contentious or repercussive items) are approved by your NIO Sponsorship Team and NIO Finance Business Partner before submitting advice to the NIO Permanent Secretary.

7. There are rules and restrictions regarding switches between expenditure categories:

- (i) Switches from (a) Resource into Capital (b) Admin into Programme require approval from the NIO. Your Finance Business Partner must be consulted prior to switches being proposed;

(ii) Any switches can only be approved by the NIO and HMT through the parliamentary Estimates process at the start of the financial year and at Supplementary Estimates (November / December of each year); and

(ii) Switches from (a) Capital into Resource and from (b) Programme into Admin are not permitted, in line with HMT's *Consolidated Budgeting Guidance*.

Special Payments

8. The NIHRC must comply with HMT's *Managing Public Money* (Annexes 4.10 - 4.14) guidance in relation to special payments (including special severance payments), overpayments, losses and write offs, gifts, remedy payments and consolatory payments (£500+). Approval from the NIO Finance Business Partner is required prior to making an offer of a special payment.

9. All payments regardless of value require NIO approval if they are deemed novel, contentious or potentially repercussive. If you have any of these, please discuss with your NIO Sponsorship Team and NIO Finance Business Partner at the earliest opportunity.

Procurement Rules

10. Subject to the value and category of the procurement, different procurement routes are required under Procurement Central Limits :

- i) Up to £5k - Bodies must demonstrate that VFM is secured.
- ii) £5k to £30k - Bodies must seek a minimum of two (2) tenders.
- iii) £30k to EU threshold – Advertise on eSourcingNI through CPD.

Above EU Thresholds – EU Directives apply, and must advertise in the Official Journal of the European Union (OJEU).

11. You must follow your own internal policies for spend approval and contract signature as well as ensuring that you are compliant with Government Spend Controls.

12. You must maintain effective oversight of the following activity and should engage with NIO for guidance if required prior to undertaking any of the following:

- i) Procuring goods and services with an estimated contract value above £5,000 (excl. VAT)
- ii) Varying an existing contract either by term, value or scope
- iii) If you wish to award a contract with a value over £5,000 without competition (Direct Award/Single Tender). This should only be done in exceptional circumstances and will require prior legal approval.
- iv) For any pro-bono, zero charge or trial contracts
- v) If the services procured must commence before a contract has been signed and awarded. This should only be done in exceptional circumstances.

13. Where there is an operational emergency, and NIHRC are unable to conduct the procurement process in accordance with CPD guidance in the necessary time frame, NIHRC

may source external procurement support. This should only be done in exceptional circumstances and be approved by your NIO Finance Business Partner in advance.

Government Spend Controls

14. Spend in the following categories are subject to Government Spending Controls and may require prior approval from the Cabinet Office. Guidance on gaining Approvals can be obtained at the following link:

<https://www.gov.uk/government/publications/cabinet-office-controls-version-6>

- Commercial activity, including dispute disclosure
- Consultancy and professional services (including legal)
- Property, including facilities management
- Grants
- Digital and technology, including identity assurance
- Advertising, marketing and communications
- Learning and development (Civil Service Learning)
- Redundancy and compensation
- External recruitment

15. You must use centrally established and managed corporate contracts where possible where they already exist. These are designed to achieve the best VFM and include favourable terms & conditions.

16. You must first satisfy yourself that interim staff coming to work for your organisation for a temporary period will be meeting their tax and national insurance commitments. To do this, you must formally assess whether appointees are within scope of the Intermediaries (IR35) Regulations.

Commercial Pipeline

17. You are responsible for ensuring that an up-to-date commercial pipeline is maintained, and all planned spend with a third party is recorded; a contract (including variations and extensions) should only be signed if there is a corresponding pipeline entry.

18. Your commercial pipeline should be maintained in line with the standard government template and should be shared with the NIO Finance Business Partner on a quarterly basis and on an ad-hoc basis as requested.

Contract Management

19. Appropriate rigour should be applied to this part of the procurement lifecycle to ensure contracts deliver the value that was originally intended. You are accountable for the effective contract management and delivery of procured services. This includes; ensuring all contracts have named contract managers who are appropriately accredited (or working towards) under the GCO's Contract Management Capability Programme and are actively managing the contracts, including tracking and reporting KPIs and SLAs on any Gold level contracts within your portfolio.

20. At the business case stage, contracts must be tiered (Gold/Silver/Bronze) in accordance with the Contract Tiering Tool guidance and contract management plans produced and maintained in line with prevailing guidance as appropriate for the tier level.

21. Details of live contracts (including KPIs where applicable) should be shared with the NIO when requested.

Contract Publication

22. All contracts with a value of over £10k are legally required to be published on Contracts Finder once awarded, and all contracts with a value over £118k are required to be published on Find a Tender.

Prompt Payment Policy

23. The government commitment is to pay 90% of undisputed and valid invoices from Small and Medium Enterprises (SMEs) within 5 days and 100% of all undisputed and valid invoices to be paid within 30 days. Government departments are required to publish their performance (including its ALBs) against these payment targets on a quarterly basis on gov.uk. This is therefore a collective responsibility and your organisation must ensure it processes invoices in a timely and efficient manner.

Risk and assurance

24. You are responsible for ensuring an effective risk management system is in place to address risks to delivery of the NIHRC objectives.

25. You will report at six monthly intervals to your Sponsorship Team in identifying, assessing, managing and escalating operational risks and in providing an assurance that an effective risk management system is in place and operating to a common standard, including cyber security. This is done via the stewardship statement process.

Propriety & Ethics

26. You have an obligation to disclose conflicts or potential/perceived conflicts of interest and take all reasonable steps to prevent conflicts of interest giving rise to material or perceived risks.

27. Officials within the Northern Ireland Human Rights Commission must not abuse their position by making use of privileged information for personal advantage or to help others to personally gain.

28. When considering whether to accept offers of gifts or hospitality, you must be confident that it involves no reasonable suspicion that personal judgement, impartiality or integrity has been compromised.

29. You must submit to the Permanent Secretary's Office if you or any of your staff are leaving NIHRC and taking any form of full, part-time or fee paid employment falling within the scope of the Business Appointment Rules. Whilst these rules are drafted and labelled for the attention of UKG Civil Servants, your organisation must comply with the spirit of these rules whatever the status of employees.

30. All business appointments must be reviewed by your Leadership Team, and, where applicable in line with your internal processes, your Audit and Risk Committee, to ensure mitigations are discussed and in place for leavers in line with Departmental practice.

Counter fraud responsibilities

31. You have a responsibility for managing fraud within your organisation by acting in accordance with the Civil Service Code, Managing Public Money and the Government Counter Fraud Functional Standard ensuring:

- (i) Accountabilities and responsibilities for managing fraud, bribery and corruption risk are defined across all levels of the organisation;
- (ii) Employees have the skills, awareness and capability to protect the organisation against fraud, bribery and corruption;
- (iii) Controls are in place to mitigate fraud, bribery and corruption risks and are regularly reviewed to meet evolving threats;
- (iv) A counter fraud, bribery and corruption strategy is in place and approved by the organisation's board or executive risk committee; and
- (v) Risk assessments are undertaken for new projects or areas of spend. Appropriate funding should be set aside for fraud and compliance activities from the outset.

32. You should promote a counter-fraud culture within your organisation. This includes highlighting to staff members the appropriate process to report concerns about actual, attempted or suspected fraud in line with whistleblowing legislation.

ANNEX 2 - FORMAL HM TREASURY DELEGATION LETTER



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19 May

2022

Delegated Authority Letter – Northern Ireland Human Rights Commission

Dear David,

I am writing to set out the Northern Ireland Human Rights Commission updated delegated spending authorities. This supersedes all previous communication on delegated authorities, and includes the arrangements for approving:

- new policy proposals and announcements;
- projects and programmes; and
- internal funding allocations

HM Treasury approval for expenditure is one aspect of the convention whereby the Treasury controls all other departments in matters of finance and public expenditure on behalf of Parliament. Formally, Treasury consent is required for all expenditure or resource commitments. In practice, the Treasury delegates to departments the authority to enter into commitments and to spend within predefined limits without specific prior approval from the Treasury (with certain exceptions). Such delegated authorities strike a balance between the Treasury's need for control in order to fulfil its responsibilities to Parliament and the department's freedom to manage within its agreed budget limits and Parliamentary provision. Annex 2.2 of *Managing Public Money* sets this out in further detail.

The delegated authorities set out in this letter give the Northern Ireland Human Rights Commission standing authorisation to commit resources or incur expenditure without specific prior approval from the Northern Ireland Office in specific areas and within specific limits. Where expenditure does not fall within these delegations, Northern Ireland Office consent will be necessary. Details of these delegated authorities are set out in Annex A, alongside a list of the categories of spending which always require Northern Ireland Office approval. These include proposals for expenditure which is novel and contentious, or could cause repercussions elsewhere in the public sector. Expenditure slotting into any of these categories requires Northern Ireland Office consent. If no delegation is set out specifically in the letter, then the delegation is nil and Northern Ireland Office consent will need to be sought. Where appropriate Northern Ireland Office will liaise with HMT in order to seek their approval. Programme specific delegations are also set out in Annex A.

This delegation letter commences from the date of this letter and will be reviewed on annual basis by the Northern Ireland Office. The letter should be read in conjunction with other guidance setting out the parameters of departmental spending authority, such as *Managing Public Money*. Any questions on the contents of this letter should be referred to your Body's sponsor Team in the Northern Ireland Office.

New policy proposals and announcements

New policy proposals and announcements with financial implications must be cleared with the Northern Ireland Office when:

- they are outside your delegated authorities;
- they are included within the list of categories of spending which always require HM Treasury approval (via NIO);
- they are to be submitted to the Cabinet or a Ministerial committee for collective approval.

Cost estimates must be provided to the Northern Ireland Office with an identification of how the costs will be met, including cost impacts for other departments. Except where specifically agreed with the Northern Ireland Office, Arm's Length Bodies are expected to submit a business case using the techniques set out in the Green Book, including cost-benefit analysis, to appraise and evaluate policy announcements and proposals, as well as projects and programmes.

Where proposals with financial implications are to be submitted to the Cabinet or a Ministerial committee for collective approval, Northern Ireland Office approval must be secured well in advance. Where the NIO (on behalf of the Northern Ireland Human Rights Commission) and Treasury cannot agree in advance, any proposal for collective ministerial consideration must record the Treasury's position in terms which are acceptable to the Treasury. Cabinet Committees will not sign-off policy proposals with public expenditure implications unless Treasury ministers are content. Issues will be referred to the Prime Minister, if necessary, for decision, or to Cabinet if the Prime Minister so decides.

Project and programme spending

When approval is required

Projects and programmes require Northern Ireland Office approval where they exceed, or are likely to exceed, the Arm's Length Body delegated authorities. The need for Northern Ireland Office approval extends to the renewal of existing projects and programmes where significant changes are being proposed as well as new projects and programmes. For clarification, Northern Ireland Office approval must be sought where multiple contracts tendered for a programme would, in aggregate, take expenditure over a given delegation limit; contracts must not be broken down in order to avoid the need for Northern Ireland Office approval. It will also be appropriate to seek Northern Ireland Office consent where additional contracts in relation to a programme of activity raise the expenditure above the delegation limit.

Where expenditure is or is likely to be beyond the Arm's Length Body delegated authorities, Northern Ireland Office approval (who will seek Treasury approval) must be given at a minimum at each key stage of the project or programme under the Five Case Model, as set out in the Green Book supplementary business case guidance:

- initial approval at the Strategic Outline Case (SOC) phase;
- approval at the Outline Business Case (OBC) phase, before going out to the market or tender;
- approval at the Full Business Case (FBC) phase before any spending is committed. In the case of projects and programmes procured under the competitive dialogue process, approval is required before close of dialogue; further approval is then required at the FBC stage for any substantive changes since close of dialogue.

Additionally, for major projects as defined by the 'Treasury approvals process' guidance, the following apply:

- NIO, through HM Treasury and the Infrastructure & Projects Authority (IPA) will agree with the Arm's Length Body a set of milestones as part of the project's Integrated Assurance and Approval Plan (IAAP). The Treasury reserves the right to add further approval milestones where necessary;
- the Arm's Length Body must continue to provide the NIO, who will provide Treasury and the Infrastructure & Projects Authority (IPA) with details of projects and programmes after FBC approval until the project or programme is operational, including on project performance, cost and time envelope, on a quarterly basis. This information will be collected via the IPA's Government Major Project Portfolio (GMPP); and
- the Arm's Length Body is required to share its post-implementation review for each project with NIO, who will share with HM Treasury and the IPA.

Where this is not the case, or where the Northern Ireland Human Rights Commission does not accept IPA recommendations, the NIO, and Treasury will consider withholding funding until it is satisfied the recommendations have been properly implemented or considered.

Project Reporting

In addition to setting delegated limits, we are also maintaining lower disclosure thresholds for projects and programmes as set out in Annex A.

To facilitate effective Northern Ireland Office and Treasury oversight and knowledge of Arm's Length Body spending, and Cabinet Office oversight of delivery risk and capability, the Northern Ireland Human Rights Commission is required, on a quarterly basis, to provide the Northern Ireland Office, and relevant IPA contact, with information on projects whose whole life costs fall outside, or are likely to fall outside, delegated authorities or exceed disclosure thresholds. The quarterly GMPP process provides the primary means of collecting the information, which includes:

- project summary;
- the lifecycle stage, the next significant milestone, and when that is likely to take place;
- annual project costs and whole life costs, in government budgeting terms;
- where appropriate, the NPV of the project or programme;
- delivery confidence;
- the relative priority of the project in the department's project portfolio;
- the future timetable; and
- where applicable, the date and amount of any existing approval from HM Treasury.

The Northern Ireland Office and Treasury will normally only approve projects and programmes outside delegated authorities where Arm's Length Bodies comply with this and associated processes to prioritise and rank their portfolio(s).

This process includes all initiatives outside delegated authorities or above disclosure thresholds, including:

- those that are identified within your Arm's Length Bodies as in development, as well as serious options where project or programme initiation is envisaged; and

For any new initiative which is:

- likely to fall outside the relevant delegated authorities; or
- requires specific functional input or technical expertise (e.g. finance; digital; infrastructure; construction etc); or
- is novel, contentious, or is expected to lead to ministerial announcement

You are asked to engage the relevant Northern Ireland Office sponsor at the outset to determine the degree of challenge and whether the initiative and proposed delivery approach would benefit from Major Project status or IPA support. IPA and Treasury engagement in an initiative's transition from policy to delivery should be as early as possible and should not rely on the more formal quarterly cycle. As set out in the Northern Ireland Human Rights Commission most recent Spending Review settlement letter and if needed, there will be a quarterly meeting between the Northern Ireland Human Rights Commission and The Northern Ireland Office, who will liaise with the relevant Treasury spending team, and IPA contact where such matters should be

formally discussed. In addition, the Treasury should be kept informed on a regular basis of details of planned savings measures, especially where they are novel or contentious. This communication will come from The Northern Ireland Office on behalf of the Northern Ireland Human Rights Commission.

Spending commitments beyond Spending Review settlement

In line with *Managing Public Money*, any new spending proposal which would entail contractual commitments to significant levels of spending in future years for which plans have not been set must be approved by the Northern Ireland Office. If necessary the NIO will seek Treasury approval. In addition, the Northern Ireland Office requires Arm's Length Bodies to report on a quarterly basis on the total amount of capital spending which has been committed per financial year beyond the current Spending Review settlement. This applies to capital spending beyond 2022-25. If the Northern Ireland Office has concerns about the level of commitments that have built up, it may require all spending proposals committing money beyond the current Spending Review settlement to have NIO approval, regardless of the level of spending involved.

Process for obtaining approval

Before any expenditure outside the delegated authorities is submitted by the Arm's Length Body to NIO for formal approval, it should already have passed the highest level of scrutiny within the body, which as a minimum will require sign-off by the Principal Accounting Officer (PAO), Finance Director, or other official with full delegated powers. Expenditure submitted to the Treasury via NIO for approval should also have been signed-off by the relevant minister within the Northern Ireland Office (excepting cases related to special payments). Where the PAO assesses that a ministerial direction will likely be needed in relation to the expenditure, the reasons for this should be discussed with Treasury. No direction should be sought in advance of obtaining Northern Ireland Office approval for the expenditure.

Policy proposals and projects

Applications for approval should be submitted to the NIO, who will liaise with HMT spending team, and will then communicate in writing whether approval has been granted. Projects outside delegated authority will be scrutinised through the Treasury Approval Point process, or the Major Projects Review Group for Government's largest and riskiest projects and programmes. You will normally receive a response within 28 days of the business case formally being received.

Cabinet Office controls

The Cabinet Office will continue to operate a subset of spending controls on behalf of the Treasury. They apply to the following types of expenditure:

- Advertising, marketing, and communications;
- Commercial activity, including dispute disclosure;
- Consultancy and professional services;

- Digital and technology, including identity assurance;
- Grants;
- Property, including facilities management;
- External recruitment;
- Learning and development (Civil Service Learning); and
- Redundancy and compensation.

Detailed guidance on their operation and requirements is available at: <https://www.gov.uk/government/publications/cabinet-office-controls>.

The controls apply to your arms-length body, unless exempted. Following a review, most spending control exemptions have been withdrawn or updated (details are set out at Annex B).

Your arms-length body, is required to develop and share spending ‘pipelines’ containing information on proposed commercial procurement, digital and technology, and property spending for at least the next 18 months (publishing commercial procurement pipelines). As well as meeting this requirement your staff should also continue to produce other business cases and seek other NIO consent, (who will seek Treasury and Cabinet Office consent) as required. As it constitutes a delegation from NIO, Treasury consent, spending without the required Cabinet Office approval, or without meeting the conditions set for delegated or Cabinet Office approval, may be considered irregular. The PAO must notify the NIO, (who will notify the Cabinet Office and HM Treasury) as soon as you become aware of a breach of spending controls, and the National Audit Office (NAO) may also need to be informed.

Arm’s Length Body also needs to seek NIO approval for redundancy schemes where these fall outside delegated authorities, including where this involves a request to draw down funding ring-fenced for redundancy costs in the Spending Review. HM Treasury and Cabinet Office are jointly reviewing the operation of these controls and will notify NIO who will notify the Northern Ireland Human Rights Commission of further changes.

In addition, please also note the Cabinet Office Guidance on the use of Settlement Agreements, Special Severance Payments, and Confidentiality Clauses on Termination of Employment. As of 1 February 2015 Accounting Officers are required to seek the prior approval of the Secretary of State for Northern Ireland Office for any use of a confidentiality clause and then the approval of the Minister for the Cabinet Office in specified criteria, one of which is a proposed payment of £100,000 or more (at any grade).

Special payments

Certain categories of transaction require distinct treatment, including special payments, overpayments, losses & write-offs, gifts, and remedy payments. Annexes 4.10 to 4.14 of *Managing Public Money* contain guidance on these categories and the circumstances under which NIO and Treasury approval must be sought. The NIO will liaise with HM Treasury on behalf of the Northern Ireland Human Rights Commission.

You should note that all severance payments outside of normal statutory or contractual requirements require NIO approval (who will seek Treasury approval) and, unless separately agreed with the Treasury Officer of Accounts (TOA), any consolatory payment of above £500 also requires NIO approval (who will seek Treasury approval) (further detail set out in annex C). In addition, all payments, regardless of value, require NIO approval (who will seek Treasury approval) if they are novel, contentious, or repercussive (paragraph 2.3.4 of *Managing Public Money*). Annex A of this letter contains further detail on the delegations relating to special payments, overpayments, losses & write-offs, gifts, and remedy payments.

Contingent Liabilities

NIO consent (who will seek HM Treasury consent) must be sought for all contingent liabilities that are novel, contentious, or repercussive, before they are agreed. In addition, where such proposed contingent liabilities have maximum exposure of £3 million or more, a completed Contingent Liability approval framework checklist must be submitted to the NIO and onward to Treasury alongside the request for approval. This process is also required for remote contingent liabilities. The NIO will liaise with HM Treasury on behalf of the Northern Ireland Human Rights Commission.

New Services and Sole Authority

NIO agreement (who will seek HM Treasury agreement) is also needed to introduce new services on the sole authority of the Supply and Appropriations Acts. New services can never be introduced on a permanent footing without legislation, but there is a temporary services derogation that may be used for services lasting no more than two years in total. Using this derogation requires agreement from the Treasury through NIO.

Fees and Charges

NIO agreement (who will seek HM Treasury agreement) is needed to introduce or modify fees and charges schemes and for any proposal to retain fee and charge income to finance expenditure. The NIO will liaise with HM Treasury on behalf of the Northern Ireland Human Rights Commission.

Banking and Cash Management

The Northern Ireland Human Rights Commission must maximise the use of publicly procured banking services (accounts with commercial banks managed centrally by Government Banking). Arm's Length Bodies should only hold funds outside of the Exchequer where a good business case can be made for doing so. It should also be noted that specific NIO agreement (who will seek HM Treasury agreement) to each commercial account is required before it is established. Further details are set out in the Banking and managing cash annex of *Managing Public Money*. This also provides guidance on banking policy. As a matter of good financial management, the Northern Ireland Human Rights Commission should never go overdrawn.

As part of its delegated authority Northern Ireland Human Rights Commission should plan its own cash management efficiently. Arm's Length Bodies must support central

cash management processes through forecasting of their cashflow via the cash management scheme as set out in guidance on OneFinance and *Managing Public Money*. This captures Arm's Length Bodies inflows and outflows at the point they leave the department's group of accounts within the exchequer.

For effective cash management it is important to distinguish cash flow from accrued budgets. Cash flow should be profiled for each day to inform Exchequer Funds and Accounts (EFA) of the Exchequer's demand for cash and expectations of income on a daily, weekly and monthly basis. The Debt Management Office (DMO) relies on the accuracy of this information to minimise the risks and cost of managing the government's overall cash position daily, and therefore the earliest possible communication with EFA on changes to cash flow is essential.

Sharing information with NIO and HM Treasury

To support the effective monitoring of spend, and to inform decision making, Arm's Length Bodies must provide NIO, with robust spending and forecasting information, and share data to demonstrate whether priority outcomes are being achieved and contribution to key government objectives. NIO will share with HM Treasury as appropriate.

Review of delegated authorities

The Northern Ireland Human Rights Commission delegated authorities will be reviewed by the Northern Ireland Office on at least an annual basis, beginning from the date of this letter. That means that your delegations will be reviewed by **31st March 2023**. Notwithstanding these regular reviews, the NIO reserves the right to withdraw, reduce, or amend these delegated authorities. Before doing this, the NIO will set out its reasons for making the changes and give The Northern Ireland Human Rights Commission the opportunity to comment.

Change of Circumstances

For the avoidance of doubt, where there are material changes to the key metrics (e.g. cost base, forecast benefits, delivery schedule) of a programme, The Northern Ireland Human Rights Commission should consult the NIO for its view on whether the considerations that led to approval should be revisited, and if fresh consent for the continuation of funding should be sought. Failure to do so may lead the NAO to regard spending following the identification of the material change of circumstances, benefits, or costs as irregular.

Change control procedure

Where The Northern Ireland Human Rights Commission delegated authorities are amended a fresh delegation letter must be issued immediately to record this change. If a new delegation letter is not issued within 14 days of the change then it will lapse, and The Northern Ireland Human Rights Commission delegation limits will be as in the unamended letter.

ANNEX 3: DETAIL OF THE NORTHERN IRELAND HUMAN RIGHTS COMMISSION DELEGATED AUTHORITIES

The Northern Ireland Human Rights Commission delegated authorities are set out below. Notwithstanding these delegations, certain categories of spending proposal override any delegated authority and must be submitted to NIO for onward submission to HM Treasury. These are proposals which:

- could create pressures leading to a breach in Departmental Expenditure Limits, administration costs limits, or Estimates provision;
- would entail contractual commitments to significant levels of spending in future years for which plans have not been set;
- could set a potentially expensive precedent;
- could cause significant repercussions for others;
- require primary legislation;
- are novel and contentious; or
- Where Treasury consent is a statutory requirement.

In addition:

- The Northern Ireland Human Rights Commission will always act within the rules of *Managing Public Money*;
- The Arm's Length Body will abide by any specific agreements reached with NIO and Treasury Ministers or officials during Spending Review discussions or otherwise;
- If spending falls under more than one category of delegation, the lower delegated limit applies.

The delegated authorities for The Northern Ireland Human Rights Commission are set out in the following table:

Notes:

1. Approval is required if spending falls outside one or more of the applicable delegated limits. Spending should be measured on a whole life cost basis except where this is not sensible, for example for ongoing annual commitments.
2. This includes all new projects and proposals/announcements, even when they are part of a larger programme or payment that was provided for as part of a Spending Review or other NIO written approval (who will seek Treasury written approval) and that are not covered by prior written approval from the NIO/Treasury.
3. This also includes renewal of existing projects and programmes where significant changes are being proposed.
4. Costs are on current net present value accruals basis.
5. Where relevant, when comparing costs against delegated limits, non-recoverable VAT will count towards the delegated limit (recoverable VAT will not).
6. The cost is the sum of all payments committed to a body, organisation or individual from a single programme over its lifetime (i.e. costs should not be "unbundled" to fall below the delegation).

Nature of delegation		Delegated limit	Disclosure threshold
Novel, contentious, or repercussive spend. This includes where commitments are made that may give rise to such spend in future i.e. novel guarantees, indemnities and contingent liabilities, novel financing techniques, significant departures from standard departmental terms and conditions.		Nil	Nil
Projects and programs, and announcements and policy proposals with a defined timeline	Resource	£150,000	£150,000
	Capital	£150,000	£150,000
Announcements and policy proposals creating ongoing expenditure	Resource and Capital	£150,000	£150,000
Spending commitments beyond the current Spending Review settlement	Resource and Capital	£150,000	£150,000
Administrative expenditure	N/A	£150,000	£150,000
Stock write-offs and impairments	Equipment, SOSP, IS/IT etc.	£150,000	£150,000
Claims waived or abandoned	Any	£150,000	£150,000
Special payments	All special payments (save special severance payments) are included in this category. This includes extra-contractual payments	£150,000	£150,000

	involving departmental default made on appropriate legal or other professional advice, ex-gratia compensation payments made on appropriate legal or other professional advice, extra-statutory payments, and extra-regulatory payments. Managing Public Money should be consulted for appropriate guidance. For the avoidance of doubt these limits can be taken to exclude reasonable costs agreed or estimated and confirmed as reasonable by appropriate legal advice.		
Consolatory payments (ex-gratia payments to individuals in respect of incidents which do not involve financial loss and there is no legal redress available)		£500	£500
Special severance payments, including PILON and CILON, outside of normal statutory or contractual requirements.		Nil	Nil
Other	Charitable grants	Nil	Nil
	Subsidies	Nil	Nil
	Guarantees, indemnities, and loans	Nil	Nil

	Gifts	Nil	Nil
	Losses waived/abandoned claims, write offs: third party is solvent	Nil	Nil
	Losses waived/abandoned claims, write offs: third party is insolvent	Nil	Nil

ANNEX 4: CABINET OFFICE CONTROLS

Controls requirements for the Northern Ireland Office and its arms-length and central government bodies.

Body	Exempt status	Thresholds	Review date	Other conditions
Northern Ireland Office and ALBs	Not exempt	As per guidance		

ANNEX 5: EXPLANATORY NOTE ON HM TREASURY APPROVAL IN RESPECT OF CONSOLATORY PAYMENTS

Summary

The Northern Ireland Human Rights Commission will through NIO seek Treasury approval for any consolatory payment which is over £500, or which is novel, contentious, or repercussive, or which is outside the delegated authority limit for ex-gratia payments agreed with Treasury. There are some exceptions, which are given below.

Definition

Consolatory payments are ex gratia payments made to individuals by organisations in respect of incidents which do not involve financial loss, e.g. stress, inconvenience, embarrassment etc. They are a form of special payment, as defined by *Managing Public Money* (annex 4.13 – Special Payments).

Guidelines

Due to the size of the amounts involved, NIO/Treasury approval is not required for any payment up to £500, which is not novel, contentious, or repercussive, and which is within the delegated authority limit for ex-gratia payments.

Given that there is no measure of financial loss in assessing consolatory payments, any such payment over £500 is liable to be novel and contentious by its nature and as such would require NIO/ Treasury approval in most cases, even if the level of payment is within the delegated authority limit for ex gratia payments for the department or agency concerned.

Exceptions

The following exceptions to these guidelines apply **if and only if** the proposed payment is not novel, contentious or repercussive, and is within the delegated authority limit for ex gratia payments for the department or agency concerned.

- NIO/ Treasury approval is **not** required if a department is in a position to offer to settle a case which would otherwise be determined by the courts (e.g. a personal injury case), and the legal assessment is that the department is likely to lose the case and the proposed consolatory payment is less than the amount the court is likely to award.
- NIO/ Treasury approval is **not** required for cases where an arbiter which has legal authority has made a recommendation for payment. The Parliamentary and Health Service Ombudsman (PHSO) is an example of such an arbiter.
- NIO/ Treasury approval is **not** required if the proposed payment is above £500 but below a limit agreed bilaterally between the department and the Treasury in the context of an independent case examiner (ICE) within the department having made a formal determination of the appropriate level of compensatory payment.

An example of this is the Department for Work and Pensions, which has an ICE which carries out this role. The Treasury has agreed a threshold of £1,000 with the Department for consolatory payments assessed by the ICE.

Process

Submissions for Treasury approval in respect of consolatory payments should be made through the usual NIO contacts, who will liaise with contacts in Treasury spending teams. As appropriate, the HMT spending teams will consult the Treasury Officer of Accounts team (TOA).

We would normally expect a fairly short business case, setting out the circumstances of the maladministration, the level of payment proposed, and justification for the level of payment.

Principles

Given the absence of measurable financial loss in such cases, the NIO/ Treasury seeks to strike a balance between ensuring appropriate levels of scrutiny and avoiding disproportionately heavy clearance procedures for very low value cases.

In accordance with Managing Public Money, Treasury approval is required for any payment which is novel, contentious or repercussive, or which is outside the delegated authority limit for ex gratia payments agreed with NIO/ Treasury. Treasury approval will be sought by NIO on behalf of the Northern Ireland Human Rights Commission.