

Parades Commission NI 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 Parades Commission for Northern Ireland (PCNI) 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 PCNI and the NIO operate. It sets out the PCNI's core responsibilities, describes the governance and accountability framework that applies between the roles of the NIO, PCNI and other parties as relevant and sets out how the day-to-day relationship 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 PCNI include any subsidiaries or joint ventures that are classified to the public sector and central government for national accounts purposes. If the PCNI establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the PCNI 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 PCNI 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 PCNI'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 PCNI. The latest date for review and updating of this document is 31 August 2025.

2. Objectives

2.1 The NIO and the PCNI share the common objective to help bring about a situation in which parades can take place peacefully in an atmosphere of mutual respect. To achieve this, the PCNI and the NIO will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the PCNI to achieve its objectives through the promotion of partnership and trust and ensuring that the PCNI also supports the strategic aims and objective of the department and wider government as a whole.

3. Classification

3.1 The PCNI 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 PCNI was established in March 1997, initially as a non-statutory body.

5. Powers and Duties

5.1 The PCNI's powers and duties derive from the Public Processions (Northern Ireland) Act 1998 as amended by the Public Processions (Amendment) (Northern Ireland) Order 2005.

5.2 The PCNI's statutory duties are to:

- promote a greater understanding by the general public of issues concerning public processions;
- promote and facilitate mediation as a means of resolving disputes concerning public processions;
- keep itself generally informed as to the conduct of public processions and protest meetings; and
- keep under review and make such recommendations as it thinks fit to the Secretary of State concerning the operation of the Public Processions (Northern Ireland) Act 1998.

5.3 In pursuit of the above statutory duties the PCNI may:

- facilitate mediation between parties to particular disputes concerning proposed public processions and take such other steps as appear to the Commission to be appropriate for resolving disputes;
- issue determinations in respect of proposed public processions;
- provide financial or other assistance to any person or body on such terms and conditions as the Commission may determine; and
- commission and undertake research.

6. Aims

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

6.2 The PCNI's strategic aims and objectives are reviewed every three years following the appointment of a new set of commissioners and published on the PCNI website: www.paradescommission.org

GOVERNANCE AND ACCOUNTABILITY

7. Governance and Accountability

7.1 The PCNI shall operate corporate governance arrangements that, as far as is 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 PCNI 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 PCNI 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 PCNI 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 PCNI. The Secretary of State is supported across the range of NIO responsibilities by the Minister of State.

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

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

Appointments to the Commission

8.3 The Chair and the Commissioners are appointed by the Secretary of State. 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 Commissioners are appointed for a period of up to three years, with the exact length of appointment specified in the Terms and Conditions offered by the Secretary of State. Such appointments will comply with the [Code of Practice of the Office of the Commissioner for Public Appointments](#). The Secretary is appointed by the NIO Principal Accounting Officer (PAO) and will normally be seconded from the HCS or NICS or through Interchange.

8.5 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.

Other Ministerial powers and responsibilities

8.6 The minister is also responsible for:

- the policy framework within which the PCNI operates;
- setting the performance framework within which the PCNI will operate including approving PCNI's strategy and annual plan;
- 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.

NIO Principal Accounting Officer's specific accountabilities and responsibilities

9.2 The PAO has designated the Secretary to the PCNI (hereafter known as 'the Secretary') as the PCNI's Accounting Officer (AO). 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 PCNI.

9.5 The PAO is also responsible, usually via the sponsorship team, for advising the responsible minister on:

- how the PCNI's strategic aims and objectives contribute to the wider strategy and priorities of the NIO;
- an appropriate budget for the PCNI in light of the sponsor department's overall public expenditure priorities;
- how well the PCNI is achieving its strategic objectives and whether it is delivering value for money; and
- the exercise of the minister's statutory responsibilities concerning the PCNI 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 PCNI's activities on a continuing basis;
- address significant problems in the governance or management of the PCNI, making such interventions as are judged necessary;
- support the development of positive and effective working relationships between the PCNI 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 PCNI objectives and activities in line with the wider departmental risk assessment process;
- inform the PCNI of relevant new or revised government policies in a timely manner; and
- bring concerns about PCNI governance activities to the Secretary, 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 Political Affairs Group; and is the primary contact for the PCNI. 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 PCNI. The sponsor oversees the working relationship between the NIO and the PCNI and, with other NIO teams, secures the necessary financial, management and operational information required to monitor the PCNI's performance.

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

11. Resolution of disputes between the PCNI and the NIO

11.1 Any disputes between the NIO and the PCNI will be resolved in as timely a manner as possible. The NIO and the PCNI 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 PCNI 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 PCNI shall notify the sponsor of the existence of any active litigation 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 PCNI, the parties will agree to 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 NIO 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 Secretary

Responsibilities of the PCNI Secretary as Accounting Officer

14.1 The Secretary of the PCNI, as designated accounting officer, is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds and for the day-to-day operations and management of the PCNI. In addition, they should ensure that the PCNI 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 Secretary's responsibilities to Parliament include:

- signing the PCNI accounts and ensuring that proper records are kept relating to the accounts and the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- as Consolidation Officer preparing the PCNI 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 PCNI are established and made widely known within the PCNI;

- 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 PCNI 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 AO of the NIO, if summoned before the Public Accounts Committee (PAC) on the PCNI's stewardship of public funds.

Responsibilities to the NIO

14.3 The Secretary is responsible for ensuring that the PCNI'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 PCNI. Their responsibilities also include:

- establishing, in agreement with the NIO, the PCNI'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 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 PCNI.

Responsibilities to the PCNI

14.4 The Secretary's responsibilities to the PCNI include:

- advising the PCNI on the discharge of the responsibilities set out in this document, in the governing legislation and in any other relevant instructions and guidance that may be issued from time to time;
- formulating the PCNI'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 Secretary should follow the advice and direction of the chair and commission members, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

14.6 If the PCNI is contemplating a course of action involving a transaction which the Secretary 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 Secretary in their role as AO should reject that course of action and ensure that the commission have a full opportunity to discuss the rationale for that rejection.

14.7 Such conflicts should be brought to the attention of the PAO 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 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 as set out in *Managing Public Money*.

15. Composition of the PCNI

15.1 In line with the Public Processions (NI) Act 1998, the Commission will consist of a chair together with no more than six other members¹ that collectively have a balance of skills and experience appropriate to directing the PCNI business.

16. The Chair's Role and Responsibilities

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

16.2 The Chair must ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control and the Commission is expected to assure itself of the effectiveness of the internal control and risk management systems.

¹ Although the Secretary of State has the power to vary the number of additional members by Order

16.3 The Chair must set up an Audit Committee chaired by an independent and appropriately qualified non-executive member of the Board or suitably qualified independent person from outside the PCNI.

16.4 The PCNI Chair is responsible for ensuring that:

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

16.5 The PCNI Chair is also responsible for:

- formulating the PCNI strategy;
- ensuring that the PCNI 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 PCNI to the general public.

16.6 The PCNI Chair also has an obligation to ensure that:

- the work of the PCNI and its members are reviewed and working effectively including ongoing assessment of the performance of individual Commissioners with a formal annual evaluation and more in-depth assessments of the performance of individual members when being considered for re-appointment. The PCNI Chair will also carry out appraisals for the Secretary. Assessments will be linked to objectives for each year of the appointment and to the performance of the PCNI;
- that the PCNI has a balance of skills appropriate to directing the PCNI's business, and that they and individual members continually update their skills, knowledge and familiarity with the PCNI to fulfil their roles. 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;
- Individual members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with other 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 PCNI's needs when Board vacancies arise; and
- there is a code of practice consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

17. Individual Commission Member Responsibilities

17.1 Individual commission members 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 and includes the Nolan Principles of Public Life 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 Commission's rules on the acceptance of gifts and hospitality, and business appointments; and
- act in good faith and in the best interests of the PCNI.

MANAGEMENT AND FINANCIAL RESPONSIBILITIES

18. Delegated Authorities

18.1 The PCNI 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 PCNI 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 PCNI'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 NIO and subject to any restrictions set out in the delegation letter, the PCNI shall have authority to incur expenditure approved in the budget without further reference to the NIO on the following conditions:

- the PCNI shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the sponsor department and as agreed by HM Treasury and Cabinet Office as appropriate;
- the PCNI 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 PCNI shall provide the NIO with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require.

20. Banking and Managing Cash

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

20.2 The PCNI 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 PCNI has a banking policy as set out in *Managing Public Money* and ensuring that policy is complied with.

21. Procurement

21.1 The PCNI 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 PCNI 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 PCNI 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 PCNI 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 PCNI shall comply with relevant functional standards. These standards apply to planning, delivery, 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 PCNI 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 PCNI 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 PCNI should adopt and implement policies and practices to safeguard itself against fraud and theft.

23.2 The PCNI should act in line with guidance issued by the Counter Fraud Function and in compliance with the procedures and considerations as set out in *Managing Public Money Annex 4.9* and 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 PCNI should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by PCNI and notify the sponsor department of any unusual or major incidents as soon as possible. The PCNI 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 the Counter Fraud Functional Standard.

24. PCNI Staff

24.1 PCNI staff are seconded civil servants from the Home Civil Service (HCS) / or Northern Ireland Civil Service (NICS) or are recruited via Interchange arrangements and as such contractual arrangements are stipulated by each member of staff's home department.

Pay and conditions of service

24.2 PCNI staff are subject to levels of remuneration and terms and conditions of service in accordance with the pay structure of their home department. The PCNI has no delegated power to amend these terms and conditions without prior approval from the NIO.

24.3 The travel and subsistence expenses of Commissioners and staff shall be tied to either HCS or NICS rates. Details of appropriate rates will be set out in terms of appointment or secondment agreements.

Pensions, redundancy and compensation

24.3 PCNI staff shall be eligible for pensions under the contractual arrangements of the HCS / NICS or relevant home organisation.

BUSINESS PLANS, FINANCIAL REPORTING AND MANAGEMENT INFORMATION

25. Business Plans

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

25.2 The plan should include key performance measures for the discharge of the PCNI'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 PCNI on their website and separately made available to staff.

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.

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;
- alternative scenarios and an assessment of the 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 PCNI.

26. Budgeting Procedures

26.1 Each year, the NIO will send to PCNI:

- 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 planned change in policies affecting PCNI.

26.2 The approved annual business plan will take account both of approved funding provision and any forecast receipts. It will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

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

28. Annual Report and Accounts

28.1 The PCNI must publish an annual report of its activities together with its audited accounts after the end of each financial year. The PCNI 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 PCNI 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 financial performance is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament by the SoS and made available on the PCNI website, in accordance with HM Treasury directions and any other relevant guidance or procedures.

29. Reporting performance to the NIO

29.1 The PCNI 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 Commission's corporate and business plans.

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

29.3 The PCNI'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 PCNI Chair at least once a year to discuss the PCN's performance and current issues.

29.5 The PAO should meet with the Secretary once a year.

30. Information Sharing

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

30.2 The PCNI 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 department and HM Treasury may request the sharing of data held by the PCNI in such a manner as set out in the central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

30.4 As a minimum, the PCNI shall provide the department with information that will enable the department satisfactorily to monitor:

- PCNI cash management;
- drawn-down of grand-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 PCNI shall:

- establish and maintain arrangements for internal audit in accordance with the *Public Sector Internal Audit Standards (PSIAS)*; setting up an audit committee in accordance with the Cabinet Office's *Code of Good Practice for Public Bodies* and the *Audit Committee Handbook*;
- 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 an annual report on fraud, theft suffered by the PCNI 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 PCNI.

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

32. External Audit

32.1 The Comptroller and Auditor General (C&AG) audits the PCNI 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 with the NIO and PCNI on whom – the NAO or a commercial auditor – shall undertake the audits(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, held by another party in receipt of payments or grants from the PCNI;
- will share with the NIO information identified during the audit process and the audit report in particular on issues impacting the NIO responsibilities in relation to the financial systems within the PCNI; 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 PCNI 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 PCNI shall provide, in conditions to grants and contracts, 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 PCNI's status

33.1 The PCNI 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 PCNI will be periodically reviewed in line with this guidance.

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

34.1 The NIO shall put in place arrangements to ensure the orderly winding up for the PCNI. In particular, it should ensure that the assets and liabilities of the PCNI are passed to any successor organisation and accounted for properly. In the event there is no successor organisation, the assets and liabilities will revert to the NIO who will make arrangements for the effective winding-up and closing of accounts.

34.2 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 PCNI 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 PCNI 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.

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

Signed....S HANFLING.....

Date...02/09/2022.....

(On behalf of the NIO)

Signed...S TEER.....

Date...09/09/2022.....

(On behalf of the Parades Commission)

GENERAL GUIDANCE

Current guidance with which the PCNI 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 – Parades Commission for Northern Ireland

Dear Sarah,

This letter sets out the Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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: £771,156
- CDEL 2022/23: £0

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

The Parades Commission for Northern Ireland 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 £15,000 excluding VAT. Any transactions greater than this require NIO approval in advance, before spend is made. The Parades Commission for Northern Ireland 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 in the first instance if you have any questions regarding this delegation letter.

Yours sincerely,



Madeleine Alessandri

Permanent Secretary

Northern Ireland Office

Annex 1

Parades Commission for Northern Ireland 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 PCNI 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 PCNI are unable to conduct the procurement process in accordance with CPD guidance in the necessary time frame, PCNI

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 PCNI 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 Parades Commission for Northern Ireland 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 PCNI 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 – Parades Commission for Northern Ireland

Dear Sarah,

I am writing to set out the Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland) 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland most recent Spending Review settlement letter and if needed, there will be a quarterly meeting between the Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland.

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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland.

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 Parades Commission for Northern Ireland.

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 Parades Commission for Northern Ireland.

Banking and Cash Management

The Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland should never go overdrawn.

As part of its delegated authority Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland delegation limits will be as in the unamended letter.

ANNEX 3: DETAIL OF THE PARADES COMMISSION FOR NORTHERN IRELAND DELEGATED AUTHORITIES

The Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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 Parades Commission for Northern Ireland 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	£15,000	£15,000
	Capital	£15,000	£15,000
Announcements and policy proposals creating ongoing expenditure	Resource and Capital	£15,000	£15,000
Spending commitments beyond the current Spending Review settlement	Resource and Capital	£15,000	£15,000
Administrative	N/A	£15,000	£15,000

expenditure			
Stock write-offs and impairments	Equipment, SOSP, IS/IT etc.	£15,000	£15,000
Claims waived or abandoned	Any	£15,000	£15,000
Special payments	All special payments (save special severance payments) are included in this category. This includes extra-contractual payments 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.	£15,000	£15,000
Consolatory payments (ex-gratia payments to individuals in respect of incidents which		£500	£500

do not involve financial loss and there is no legal redress available)			
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
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Northern Ireland Office and ALBs	Not exempt	As per guidance		
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ANNEX 5: EXPLANATORY NOTE ON HM TREASURY APPROVAL IN RESPECT OF CONSOLATORY PAYMENTS

Summary

The Parades Commission for Northern Ireland will through NIO seek Treasury approval for any consolatory payment which is over £500, or which is novel, contentious, or percussive, 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 Parades Commission for Northern Ireland.