

**Partnership Agreement between the  
Department for the Economy and  
South Eastern Regional College**

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## Introduction

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### 1. The Partnership Agreement

- 1.1 This document sets out the partnership arrangements between South Eastern Regional College (hereafter called the College) and the Department for the Economy (hereafter called the Department). In particular, it explains the overall governance framework within which the College operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined. Any questions regarding the interpretation of the document shall be resolved via engagement with the Department and, if necessary, Department of Finance (DoF).
  
- 1.2 The partnership is based on a mutual understanding of strategic aims and objectives; clear accountability and a recognition of the distinct roles each party contributes. Underpinning the arrangements are the principles set out in the NI Code of Good Practice ***'Partnerships between Departments and Arm's Length Bodies'*** which should be read in conjunction with this document. The principles which are laid out in the Code are:

## **LEADERSHIP**

*Partnerships work well when Departments and Arm's Length Bodies demonstrate good leadership to achieve a shared vision and effective delivery of public services. Strong leadership will provide inspiration, instil confidence and trust and empower their respective teams to deliver good outcomes for citizens.*

## **PURPOSE**

*Partnerships work well when the purpose, objectives and roles of Arm's Length Bodies and the sponsor department are clear, mutually understood and reviewed on a regular basis. There needs to be absolute clarity about lines of accountability and responsibility between departments and Arm's Length Bodies. In exercising statutory functions Arm's Length Bodies need to have clarity about how their purpose and objectives align with those of departments.*

## **ASSURANCE**

*Partnerships work well when departments adopt a proportionate approach to assurance, based on Arm's Length Bodies' purpose and a mutual understanding of risk. Arm's Length Bodies should have robust governance arrangements in place and in turn departments should give Arm's Length Bodies the autonomy to deliver effectively. Management information should be what is needed to enable departments and Arm's Length Bodies to provide assurance and assess performance.*

## **VALUE**

*Partnerships work well when departments and Arm's Length Bodies share knowledge, skills and experience in order to enhance their impact and delivery. Arm's Length Bodies are able to contribute to policy making and departmental priorities. There is a focus on innovation, and on how departments and Arm's Length Bodies work together to deliver the most effective policies and services for its customers.*

## **ENGAGEMENT**

*Partnerships work well when relationships between departments and Arm's Length Bodies are open, honest, constructive and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement.*

A full copy of the NI Code can be found at Annex 9.

- 1.3 This document should also be read in conjunction with guidance on proportionate autonomy which provides an outline of the principles and characteristics for proportionate autonomy. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance to be established between the College and the Department and this is reflected in this Partnership Agreement.

1.4 The Department and the College are committed to working together within distinct roles and responsibilities through:

- Maintaining focus on successful high quality delivery of Programme for Government outcomes and Ministerial priorities (see also paras 2.6 and 2.7);
- Maintaining open and honest communication and dialogue;
- Keeping each other informed of any issues and concerns, and of emerging areas of risk in a timely fashion e.g. changes to external environment and internal control issues;
- Supporting and challenging each other on developing policy and delivery of the highest quality;
- Seeking to resolve issues quickly and constructively; and
- Acting at all times in the public interest and in line with the values of integrity, honesty, objectivity and impartiality.

1.5 The effectiveness of the partnership and the associated Engagement Plan will be reviewed each year by the Department and the College in order to assess whether the partnership is operating as intended and to identify any emerging issues/opportunities for enhancement. This can be carried out as part of existing governance arrangements. The Department may conduct a review of the risk assessment at any time if there is a significant change in the College's circumstances. The Partnership Agreement document itself will be reviewed formally at least once every three years to ensure it remains fit for purpose and up-to-date in terms of current governance frameworks. The formal review will be proportionate to the College's size and overall responsibilities and will be published on Departmental and College websites as soon as practicable following completion.

1.6 A copy of this Partnership Agreement has been placed in the Assembly Library and is available on the Department's and the College's websites.

## College Establishment and Purpose

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### 2. Statutory Purpose and Strategic Objectives

2.1 The College is a non-departmental public body (NDPB) established in 2007 under the [Further Education \(Northern Ireland\) Order 1997](#) (the '1997 Order'). Under the 1997 Order, the constitution of the College is specified in its Instrument of Government and the functions/responsibilities of its Governing Body (GB) are set out in its Articles of Government. Any company established by the College will be regarded as an integral part of the College and will be subject to the controls set out in this Partnership Agreement. The College must register any company formed as a company under the Companies Act 2006. References to the College include, where they exist, all its subsidiaries and joint ventures that are classified to the public sector for national accounts purposes. If such a subsidiary or joint venture is created, there shall be a document setting out the arrangements between it and the College. The College does not carry out functions on behalf of the Crown. For national accounts purposes the College is classified to the central government sector.

2.2 The following legislation/guidance sets out the College's functions, duties and powers:

- The 1997 Order;
- Articles of Government;
- Instrument of Government;
- Governing Body Standing Orders;
- Guide for Governors; and
- The Code of Governance.

(See Annex 1 for further details)

2.3 The College is an institution of further education, established under the 1997 Order. Its GB is a body corporate.

- 2.4 The Minister for the Department is answerable to the Assembly for the overall performance and delivery of both the Department and the College. Further details on the role of the Minister are available in Annex 7.
- 2.5 The Executive's outcome-based approach to delivery recognises the importance of Delivery Partners and departments working collaboratively and together in a joined up approach to improve overall outcomes and results.
- 2.6 To that end there is strategic alignment between the aims, objectives and expected outcomes and results of the College and the Department.
- 2.7 The general duties of the College Governing Body are set out in Article 13 of the 1997 Order and in summary include:
- Securing the efficient and effective management of the College; and
  - Ensuring the College provides, or secures, the provision of suitable and efficient further and higher education provision in the area in which the College is situated in order to meet the educational needs of industry and commerce, the community and learners.
- 2.8 In addition, the College provides those with low or no qualifications, or who have other barriers to learning, with the skills and qualifications needed to develop their employability, to find employment and to become economically active.
- 2.9 The further education sector is an essential component to supporting delivery of the Department's vision and strategies and the Executive's Programme for Government (PfG) Outcomes.
- 2.10 Each college is required by the 1997 Order to prepare and implement a College Development Plan (CDP) which sets out its objectives, outcomes and performance measures and shall be consistent with the Departmental Corporate Plan and the Department's Programme for Government Commitments.
- 2.11 The CDP shall be approved by the Department.

## **The College Governance Arrangements**

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### **3. Organisational Status**

- 3.1 The College is a legal entity in its own right, employing its own staff and operating at arm's-length from the Department. As a legal entity it must comply with all associated legislation related to its employer status.

### **4. Governance Framework**

- 4.1 The College has an established Corporate Governance Framework which reflects all relevant good practice guidance. The framework includes the governance structures established within the College and the internal control and risk management arrangements in place. This includes its GB and committee structure. The Department should take necessary steps to ensure it is satisfied with the framework.
- 4.2 An account of this is included in the College's annual Governance Statement together with the College GB's assessment of its compliance with the extant Corporate Governance Code of Good Practice (NI). Any departure from the Corporate Governance Code must be explained in the Governance Statement. The extant Corporate Governance Code of Good Practice (NI) is available on the DoF website.
- 4.3 The College is required to follow the principles, rules, guidance and advice in Managing Public Money Northern Ireland (MPMNI). A list of other applicable guidance and instructions which the College is required to follow is set out in Annex 6. Good governance should also include positive stakeholder engagement, the building of positive relationships and a listening and learning culture.

## 5. The College Governing Body

- 5.1 The College is led by a GB. The GB's membership is appointed in accordance with the 1997 Order and the College's Instrument of Government. As public appointees, the appointment process for the GB Chair and Business, Industry and Professional (BIP) GB members complies with the Code of Practice for Public Appointments in Northern Ireland. All other appointments comply with the requirements of the 1997 Order. GB members are classified as office holders rather than College employees. Matters for consideration in dealing with concerns/complaints in respect of GB members are provided in Annex 5.
- 5.2 Responsibility for ensuring that the College complies with this Partnership Agreement and related guidance, rests primarily with the GB.
- 5.3 The purpose of the GB is to provide effective leadership and strategic direction to the organisation and to ensure that the policies and priorities set by the Minister for the Department are implemented. It is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place. This includes responsibility for the employment of all College staff (as set out in the 1997 Order and the Articles of Government) and ensuring there is an internal control framework which allows risks to be effectively identified, managed, and, where necessary, escalated to the Department. The GB sets the culture and values of the organisation and the tone for the organisation's engagement with stakeholders and customers. It is therefore important that the GB obtains adequate assurances, both qualitative and quantitative on the quality of information being provided to the GB.
- 5.4 GB members and senior College staff must be provided with a copy of the Partnership Agreement on appointment and following amendment of the Partnership Agreement. Additionally, the Partnership Agreement and associated Engagement Plan should be tabled for information of GB members annually at a full meeting of the GB. Amendments to the Partnership Agreement should also be brought to the attention of the full GB on a timely basis and disseminated to all relevant College staff. The GB's operating framework and responsibilities,

established under the College's Articles and Instrument of Government should align closely with this Partnership Agreement.

- 5.5 The GB is responsible for holding the Principal/Chief Executive to account for the management of the organisation and the delivery of agreed plans and outcomes. In addition, the GB should support the Principal/Chief Executive in the exercise of their duties, as appropriate.
- 5.6 GB members act solely in the interests of the College and must not use the GB as a platform to champion their own interests or pursue personal agendas. They occupy a position of trust and their standards of action and behaviour must be exemplary and in line with the seven principles of public life (Nolan Principles). The College has a GB Code of Conduct and there are mechanisms in place to deal with any GB disputes/conflicts to ensure they do not become wider issues that impact on the effectiveness of the GB. A GB Register of Interests is maintained, kept up to date and is publicly available to help provide transparency and promote public confidence in the College.
- 5.7 Communication and relationships within the GB must be underpinned by a spirit of trust and professional respect. The GB's culture should fully nurture and encourage constructive debate and support effective GB dynamic.
- 5.8 It is for the GB to decide what information it needs, and in what format, for its meetings/effective operation. If the GB is not confident that it is being fully informed about the organisation this will be addressed by the GB Chair as the GB cannot be effective with out-of-date or only partial knowledge.
- 5.9 In order to fulfil their duties, GB members must undertake initial training, and depending on their development needs, should undertake further necessary training. Review of GB skills and development will be a key part of the annual review of GB effectiveness.
- 5.10 The Lead Official should be invited to attend a GB meeting at least once a year. Detail on the Lead Official is provided in section 14 of this document.

## 6. Audit and Risk Assurance Committee

- 6.1 A further important aspect of the College's governance framework is its Audit and Risk Assurance Committee, hereafter referred to as Audit Committee (AC) in line with the College's Articles, which is required by the 1997 Order and the Articles of Government and established in line with the extant ARAC Handbook (NI).
- 6.2 The AC's purpose/role is to support the College Accounting Officer and GB on governance issues. In line with the extant ARAC Handbook (NI) the AC focuses on:
- assurance arrangements over governance; financial reporting; annual reports and accounts, including the Governance Statement; and
  - ensuring there is an adequate and effective risk management and assurance framework in place.
- 6.3 The College and the Department have agreed arrangements in respect of ARACs which include:
- attendance by Departmental representative(s) in an observer capacity at the College's AC meetings, including the receipt of papers in advance of meetings;
  - input to the College's Internal Audit Plan/Strategy as required;
  - access to the College AC papers and minutes; and
  - any input required from the College's AC to the Departmental ARAC; and
  - attendance at the Departmental ARAC Chair's Forum. This forum is hosted by the Chair of the Department's ARAC and the purpose of the forum is to facilitate co-operation and information sharing between ARAC Chairs from across Departmental Partner Organisations.
- 6.4 Full compliance with the extant ARAC Handbook (NI) is an essential requirement. In the event of significant non-compliance with the Handbook's five good practice principles (or other non-compliance) discussion will be required with the Department and a full explanation provided in the annual Governance Statement.

6.5 The extant ARAC Handbook (NI) is available on the DoF website. It is noted that members of the AC should not be members of any college finance committee or equivalent. The Chair of the Governing Body and the Principal/Chief Executive of the College cannot be a member or Chair of the AC, however they can attend meetings.

6.6 Should the AC require additional skills, not available within the existing AC membership, reference should be made to the extant ARAC Handbook (NI) in the first instance and any individual drafted in as an advisor will not have the status of a member appointed to the GB (i.e. no voting rights).

## **7. The College GB Chair**

7.1 The Chair is responsible for setting the agenda and managing the GB to enable collaborative and robust discussion of issues. The Chair's role is to develop and motivate the GB and ensure effective relationships in order that the GB can work collaboratively to reach a consensus on decisions. To achieve this, the GB should adhere to the responsibilities detailed in the Code of Governance, Instrument of Government and the Articles of Government. The GB Chair should ensure that:

- the GB has an appropriate balance of skills appropriate to its business;
- GB members are fully briefed on terms of appointment, duties, rights and responsibilities;
- GB members receive and maintain appropriate training to keep their skills and knowledge up-to-date;
- GB members receive adequate and timely information including the provision of feedback following Departmental meetings which include meetings with the Minister;
- the Department is advised of the College's needs when GB vacancies arise;
- there is a GB Operating Framework in place setting out the roles and responsibilities of the GB in line with relevant guidance; and

- there is a Code of Conduct for GB members in place, consistent with relevant guidance.

7.2 The role also requires the establishment of an effective working relationship with the Principal/Chief Executive that is simultaneously collaborative and challenging. It is important that the Chair and Principal/Chief Executive act in accordance with their distinct roles and responsibilities as laid out in MPMNI and their appointment letters.

7.3 The Chair has a presence in the organisation and cultivates external relationships which provide useful links for the College. While being mindful of overstepping boundaries and becoming too involved in day-to-day operations or executive activities.

## **8. The Principal/Chief Executive**

8.1 The role of the Principal/Chief Executive is to run the College's business. The Principal/Chief Executive is responsible for all executive management matters affecting the organisation and for leadership of the executive management team.

8.2 The Principal/Chief Executive is designated as the College Accounting Officer by the Departmental Accounting Officer (see section 12). The Accounting Officer is personally responsible for safeguarding the public funds in the post's charge and ensuring they are applied only to the purposes for which they were voted and, more generally, for efficient and economical administration. The Principal/Chief Executive may delegate the day-to-day administration of Accounting Officer responsibilities to other employees in the College for a period of up to four weeks. However, the Principal/Chief Executive may not assign absolutely to any other person any of the responsibilities. For the purpose of Whole Government Accounts, the Principal/Chief Executive is normally appointed by DoF as the College's Consolidation Officer and shall comply with the requirements of the Consolidation Officer Letter of Appointment.

8.3 The Principal/Chief Executive is accountable to the GB for the College's performance against delivery of outcomes and targets whilst also responsible for implementing the decisions of the GB and its Committees. The Principal/Chief Executive:

- maintains a dialogue with the Chair on the important strategic issues facing the organisation and for proposing GB agendas to the Chair to reflect these;
- ensures effective communication with stakeholders and communication on this to the GB; and
- ensures that the Chair is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the organisation.

8.4 The Principal/Chief Executive acts as a role model to other executives by exhibiting open support for the Chair and GB members and the contribution they make. The Chair and Principal/Chief Executive have agreed how they will work together in practice, understanding and respecting each other's role, including the Principal/Chief Executive's responsibility as Accounting Officer.

8.5 Further details on the role and responsibilities of the Principal/Chief Executive are as laid out in MPMNI and the Accounting Officer appointment letter.

8.6 The Principal/Chief Executive is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. This includes advising Further Education Division of any complaints about the College accepted by the Ombudsman for investigation, and about the proposed response to any subsequent recommendations from the Ombudsman.

## **9. Financial Management Responsibilities of the College**

9.1 Annex 8 sets out in detail certain aspects of the financial framework within which the College is required to operate. These should be supplemented by guidelines or directions issued by the Department/Minister in respect of the exercise of any individual functions, powers and duties of the College.

## **10. Staff Management Responsibilities of the College**

10.1 The GB shall comply with the Articles of Government regarding staff management.

## **11. Management Information Responsibilities**

11.1 The 1997 Order requires the College to return data reports and returns to the Department for the purposes of its functions for which a Data Sharing Agreement is in place to cover the transfer of any learner data required, in-line with UK General Data Protection Regulations.

11.2 The GB should ensure that effective controls are in place to provide assurance over the accuracy and reliability of all College data used in the assessment of College performance against College Development Plans and production of management information and statistical bulletins.

11.3 Additional quality assurance is conducted annually by Analytical Services Division for official statistics purposes.

## **12. Media Management Responsibilities**

12.1 There should be a 'no surprise' approach to media announcements which may pose potential reputational damage either to the College or the Department.

12.2 It is important that these announcements be shared with the respective parties providing sufficient time for review in advance of publication/announcement.

## **Role of the Department for the Economy**

### **13. Partnership Working with the College**

- 13.1 The Department and the College are part of a total delivery system, within the same Ministerial portfolio. The partnership between the Department and the College is open, honest, constructive and based on trust. There is mutual understanding of each other's objectives and clear expectations on the terms of engagement.
- 13.2 In exercising its functions, the College has absolute clarity on how its purpose and objectives align with those of the Department. There is also a shared understanding of the risks that may impact on each other and these are reflected in respective Risk Registers and escalated appropriately.
- 13.3 There is a regular exchange of skills and experience between the Department and the College and, where possible, joint programme/project delivery boards/arrangements. The College will also be involved as a partner in relevant policy/strategy development and provide advice on policy implementation/the impact of policies in practice.
- 13.4 The Department will endeavour not to ask for information that it already has, and, as far as possible, it will rely on data and information that the College has produced to meet its own needs. FE Division will compile annual Consolidated Data Return (CDR) data needs of stakeholders within the Department with the aim of avoiding duplication of data requests to the College where possible. Where a request for information is received by the College and the data is readily available from the CDR the College should direct the requestor to the Lead Official to address.
- 13.5 DoF has established, on behalf of the Assembly, a delegated authority framework which sets out the circumstances where prior DoF approval is required before expenditure can be incurred or commitments entered into. The Accounting Officer of the Department has established an internal framework of

delegated authority for the Department and its Delivery Partners which applies to the College. Other specific approval requirements established in respect of the College are set out in Annex 3.

13.6 Once the College's resource and capital budget has been approved by the Minister and subject to any restrictions imposed by statute, the College shall have authority to incur expenditure approved in the budget without further reference to the Department. Inclusion of any planned and approved expenditure in the budget shall not, however, remove the need to seek formal Departmental approval where proposed expenditure is outside the delegated limits (as laid out in Annex 3) or is for new schemes not previously agreed. Nor does it negate the need to follow due processes laid out in guidance contained in MPMNI and the Better Business Cases NI guidance. Further details on financial management responsibilities of the College are included under Annex 8.

#### **14. Lead Official**

14.1 The Department has appointed the Director of Further Education as the Lead Official to manage the relationship with the College and ensure effective partnership working. Engagement between the Department and the College will be co-ordinated, collaborative and consistent. A clear sense of collaboration and partnership will be communicated to staff in both the Department and the College in order to promote mutual understanding and support. The Lead Official is responsible for and supported by FE Division as the Partner Team for the College and the wider FE sector which includes responsibility for financial management, data, governance and accountability. The team, in consultation as necessary with the Departmental Accounting Officer, is the primary source of advice to the Minister on the discharge of ministerial responsibilities in respect of the College, and the primary point of contact for the College in dealing with the Department. FE Division shall carry out its duties under the management of the Lead Official.

14.2 The Lead Official shall advise the Departmental Accounting Officer and/or Minister on:

- an appropriate framework of objectives and outcomes for the College in the light of the Department's wider strategic aims and PfG outcomes;
- an appropriate budget for the College in light of the Department's overall public expenditure priorities; and
- how well the College is achieving its strategic objectives and whether it is delivering value for money.

14.3 The Lead Official has a clear understanding of the College's responsibilities for policy implementation/operational delivery and the relevant audiences/stakeholders involved, however, this does not include being policy lead for all policy areas relating to the College's business.

14.4 The Lead Official will ensure that where there are Departmental staff changes in key roles, time is taken to ensure a full understanding of the College's business and challenges.

## **15. Annual Engagement Plan**

15.1 The Department and the College will agree an engagement plan before the start of each Departmental financial year. The Annual Engagement Plan (Annex 2) will set out the timing and nature of engagement between the College and the Department. The engagement plan will be specific to the College and should not stray into operational oversight.

15.2 Engagement between the Department's Lead Official and all relevant policy areas within the Department and the College will be centred on partnership working, understanding of shared risks and working together on business developments that align with policy objectives.

15.3 In line with the 1997 Order and relevant guidance<sup>1</sup>, the College will work in collaboration and partnership with the Department to prepare a Corporate Plan for further education colleges in Northern Ireland, The Corporate Plan is

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<sup>1</sup> Guidance issued by TEO on NICS Work Programme which includes guidance on business planning for an outcomes-based PfG/ODP

supported by college business plans (CDPs) which should be read in conjunction with this Partnership Agreement. There should be good high level strategic alignment between the Department's vision and strategies, the Executive's PfG Outcomes and the College plans. Once approved by the Department, it will be the GB of the College that primarily holds the Principal/Chief Executive to account for delivery and performance. The Department will engage with the College on areas of strategic interest, linking Departmental policy and the College delivery of policy intent.

15.4 The FE Sector Corporate Plan will be approved by the Minister. CDPs will be approved by the Director of FE.

15.5 The Principal/Chief Executive shall take the initiative in informing the Department of changes in external conditions, which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives as set out in the FE Sector Corporate Plan and CDP.

15.6 The Annual Engagement Plan will also reference the agreed management and financial information (outside of ad hoc Departmental/DoF returns) to be shared over the course of a year. The aim will be to ensure clear understanding of why information is necessary and how it will be used and, where possible, avoid unrealistic or unreasonable requests and deadlines. Where the same, or similar information is required for internal governance, information requirements will try to be aligned so that a single report can be used for both purposes. In addition, the engagement plan should consider opportunities for learning and development, growth and actions which could help achieve better outcomes.

## **16. Departmental Accounting Officer**

16.1 The Departmental Accounting Officer is accountable to the NI Assembly for the issue of grant-in-aid to the College and has designated the Principal/Chief Executive of the College as the College Accounting Officer. The respective responsibilities of the Departmental Accounting Officer and the College Accounting Officer are set out in MPMNI. The Departmental Accounting Officer

may withdraw the College Accounting Officer designation if it is concluded that the College Accounting Officer is no longer a fit person to carry out the responsibilities of an Accounting Officer or that it is otherwise in the public interest that the designation be withdrawn. In such circumstances the College GB will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of College Accounting Officer status would bring into question employment as Principal/Chief Executive and the Chair should engage with the Department should such circumstances arise.

16.2 As outlined in section 8, the College Principal/Chief Executive is accountable to the College GB for stewardship of the College. This includes advising the GB on matters of financial propriety, regularity, prudent and economical administration, efficiency and effectiveness.

16.3 The Departmental Accounting Officer must be informed in the event that the judgement of the College Accounting Officer (on matters for which the College Accounting Officer is responsible) is over-ridden by the College Governing Body. The College Accounting Officer must also take action if the College Governing Body is contemplating a course that would infringe the requirement for financial propriety, regularity, prudent and economical administration, efficiency or effectiveness. In all other regards, the Departmental Accounting Officer has no day-to-day involvement with the College or its Principal/Chief Executive.

16.4 In line with DoF requirements, the College Accounting Officer will provide bi-annual declarations of fitness to act as Accounting Officer to the Departmental Accounting Officer as part of the Department's Assurance Statement process.

## **17. Attendance at Public Accounts Committee**

17.1 The Principal/Chief Executive/College Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of the responsibilities as Accounting Officer (as laid out in the Accounting Officer appointment letter) on issues arising from the Comptroller & Auditor General's (C&AG) studies or reports following the annual audit of accounts.

17.2 The GB Chair may also, on occasion, be called to give evidence to the Public Accounts Committee on such relevant issues arising within the C&AG's studies or reports, in relation to the role and actions taken by the GB, where appropriate.

17.3 In addition, the Departmental Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of the responsibilities as Departmental Accounting Officer with overarching responsibility for the College. In such circumstances, the Departmental Accounting Officer may therefore expect to be questioned to ensure that:

- there is a clear strategic control framework for the College;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated Accounting Officer is fit to discharge the responsibilities of the post;
- there are suitable internal audit arrangements;
- accounts are prepared in accordance with the relevant legislation and any accounting direction; and
- intervention is made, where necessary, in situations where the College Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the College's GB or its Chair.

## Assurance Framework

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### 18. Autonomy and Proportionality

- 18.1 The Department will ensure that the College has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own GB and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between the College and the Department and is reflected in this Partnership Agreement.
- 18.2 A proportionate approach to assurance will be taken based on the College's overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process through which the College Accounting Officer provides written assurance to the Department that the public funds and organisational assets for which the Accounting Officer is personally responsible are safeguarded, have been managed with propriety and regularity, and that the use of public funds represents value for money.
- 18.3 Recognising the governance arrangements in place within the organisation, the College Accounting Officer will arrange for the personal written assurance to be discussed at the College AC and presented to the College GB prior to submission to the Department where possible. If not possible, or practicable, the Chair of the College GB should have sight of the assurance statement, prior to it being submitted to the Department.
- 18.4 The GB Chair will provide written confirmation that the College Accounting Officer's formal assurance has been considered by the GB and that it is reflective of the College's current position. If this is not possible or practicable, written confirmation from the Chair of the College GB will be acceptable.

18.5 In addition to the College Accounting Officer's written assurance, the Department will take assurance from the following key aspects of the College's own governance framework:

- Annual Review of GB Effectiveness;
- Completion of GB Appraisals which confirm GB member effectiveness;
- Internal Audit assurance and External Quality Assessment (EQA) of the Internal Audit function; and
- Externally audited Annual Report and Accounts, reviewed/considered by the College AC.

See **Annex 4** for an illustrative system of assurance.

18.6 Other sources of assurance on the quality of provision are reflected under section 23.

## 19. Governing Body Effectiveness

19.1 The GB Chair will ensure that the GB undertakes an annual review of GB Effectiveness<sup>2</sup> which encompasses committees established by the GB.

19.2 Prior to discussing the outcome of the annual review of GB Effectiveness with the Lead Official, the Chair will notify the Lead Official of the outcome to ensure a partnership approach to any improvements identified. This will inform the annual programme of GB training/development and discussions in respect of GB composition and succession.

19.3 In addition to the annual review of GB Effectiveness, the College will undertake an externally facilitated review of GB effectiveness at least once every three years covering the performance of the GB, its Committees and individual GB members. The Chair will inform the Department of the arrangements to identify and appoint a suitably skilled facilitator for the external review (this can be a peer review and should be proportionate) and will share the findings/outcome of the facilitator's report with the Department on completion of the review.

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<sup>2</sup> NIAO Good Practice Guide on Board Effectiveness

## **20. Governing Body Appraisals**

20.1 The appraisal of the GB Chair and GB members will be completed in-line with established assessment processes which comply with best practice standards. The GB Chair will conduct an annual appraisal in respect of each GB member which will also inform the annual programme of GB training/development. The Chair will engage with the Principal/Chief Executive and/or Lead Official as appropriate on improvements identified through the appraisal process and the annual training/development programme.

20.2 The GB Chair's annual appraisal will be completed by the Lead Official. The appraisal will take account of the Key Characteristics of a good chairperson (particularly for the Chair to have well developed interpersonal skills) set out in the Northern Ireland Audit Office (NIAO) Good Practice Guide on Board Effectiveness available on the NIAO website. There will be close engagement between the Chair and the Lead Official on improvements identified through the appraisal process.

## **21. Internal Audit Assurance**

21.1 The College is required to establish and maintain arrangements for an internal audit function that operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The Department must be satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving appointments are in accordance with PSIAS.

21.2 Where the internal audit function is contracted out, the College shall ensure the Department is satisfied that the contract specification for the internal audit service meets the requirements of PSIAS.

21.3 The College will provide its internal audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control and governance, to the Department. The College will ensure the Department's internal audit team has complete right of access to all relevant

records. This applies whether the internal audit function is provided in-house or is contracted out.

21.4 The College internal audit strategy/periodic audit plans should reflect assurance requirements of the Department, DoF or the Public Accounts Committee as required.

21.5 The College will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department. The College will also liaise with the Department on the EQA of the internal audit function which (in line with PSIAS) is required to be conducted at least once every five years by a qualified independent assessor.

21.6 The College will alert the Department to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. The College will also alert the Department to a less than satisfactory annual opinion from the Head of Internal Audit at the earliest opportunity. The College and the Department will then engage closely on actions required to address the less than satisfactory opinion in order to move the College to a satisfactory position as soon as possible.

21.7 The Department will take assurance from the fact that the College has met the requirements of PSIAS and has a satisfactory annual opinion from the Head of Internal Audit as part of its overall assurance assessment.

## **22. Externally Audited Annual Report and Accounts**

22.1 The College is required to prepare an Annual Report and Accounts in accordance with any relevant statutes and the specific Accounts Direction issued by the Department, and in accordance with the deadlines specified.

22.2 The C&AG will liaise with the College on the arrangements for completing the audit of the College's accounts. This will either be undertaken by staff of the NIAO or a private sector firm appointed by the C&AG to undertake the audit on NIAO's behalf. The final decision on how such audits will be undertaken rests with the

C&AG, who retains overall responsibility for the audit. The G&AG will issue an independent opinion on the accounts. The C&AG passes the accounts to the Department who shall lay them before the NI Assembly together with the College's annual report.

22.3 The C&AG will also provide a Report to Those Charged with Governance (RTTCWG) to the College which will be shared with the Department.

22.4 The College will alert the Department to any likely qualification of the accounts at the earliest opportunity. In the event of a qualified audit opinion or significant issues reported in the RTTCWG the Department will engage with the College on actions required to address the qualification/significant issues.

22.5 The Department will take assurance from the external audit process and an unqualified position as part of its overall assurance assessment.

22.6 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the College has used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of the College.

22.7 For the purpose of audit and any other examinations, the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003. The role of the NIAO is set out in The Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

22.8 Where making payment of a grant, or drawing up a contract, the College should ensure that it includes a clause which makes the grant or contract conditional upon the recipient or contractor providing access to the C&AG in relation to documents relevant to the transaction. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

22.9 In December 2016, the Executive agreed to proceed with the proposals outlined in the 2013 Review of the NI Financial Process (the Review), with the aim of improving transparency in public expenditure by aligning, as far as is practical, the structure of Budgets, Estimates and Accounts. The impact for the Department is that it must produce a consolidated set of Financial Statements incorporating all the entities within the Department's accounting boundary.

22.10 The College is deemed to be a significant component of the Departmental Group and therefore will be required to provide financial statements prepared as at 31 March each year for consolidation alongside the core Department's financial statements. The financial statements as at 31 March will be subject to audit by the Northern Ireland Audit Office (NIAO), and all significant issues must be addressed before the Departmental Group annual report and accounts can be certified.

22.11 The College should ensure that the Financial Statements required for consolidation align to the Department's accounting policies and are produced within the agreed timeframe in line with the Accounts Direction and relevant guidance issued by the Department. The College should also ensure that it engages fully with the Department's finance teams and the NIAO throughout the process.

## **23. Quality Monitoring, Evaluation, Review, Reporting and Assurance**

### **Internal Processes**

23.1 The College is required to submit a Whole College Quality Improvement Plan (QIP), based on robust and evidence-based self-evaluation. This is a biennial plan. The Education and Training Inspectorate (ETI) is commissioned by the Department to report on the quality of the Plan and on its impact on quality improvement in consultation with the Department's Quality Improvement Team.

23.2 When submitting the biennial Whole College QIP, the College provides an overview of its quality management structures and processes and should demonstrate the positive impact of these processes.

23.3 In addition to the biennial Whole College QIP, the college is required to submit a mid-point update at the end of year 1, termed a Quality Monitoring and Evaluation Return Update. The Department may also request further in year self-evaluative submissions that focus on particular areas of provision.

### **The Education and Training Inspectorate**

23.4 The Department commissions inspections and other ETI activity as part of its annual Business Planning process. The purpose of inspection visits is to promote the highest possible standards of education, training and learning in the colleges. Inspections, which cover provision up to and including level 3, inform all those who need to know, such as Governing Body, the learners, parents, employers, the general public, the Department for the Economy, and the Northern Ireland Assembly, how good the further education colleges in Northern Ireland are and what needs to be changed so that they can improve.

### **Higher Education in Further Education**

23.5 The Department holds responsibility for assessing the quality and standards of the higher education providers it funds. In previous years this was done through the Annual Provider Review (APR). A new model to replace the APR is currently under consideration. Until a new model is established, the Department seeks assurance on the College's quality and standards for higher education in further education from the Governing Body via an annual Quality Assessment Return. When a new model is established, this section will be updated accordingly.

## **24. Departmental Statutory Controls: Directions and Reviewing/Amalgamation/Discontinuance of the College**

24.1 The Department has a range of statutory controls, primarily set out in the 1997 Order, which provide its authority on key issues, such as the provision for the efficiency reviews, or the amalgamation/discontinuance of further education colleges. As set out in the 1997 Order, this also allows for the Department to carry out studies designed to improve economy, efficiency and effectiveness in the management or operation of the College and ultimately give directions for the purposes of remedying/implementing recommendations identified.

24.2 In some circumstances the Department may also give directions to a college Governing Body regarding any power conferred on the College, or regarding the performance of any duty imposed on it, by or under any provision of the 1997 Order or other Education Orders. The Department will always consult with the College before issuing any directions.

24.3 The Department will always aim to work closely with the College to jointly resolve significant concerns and/or contentious issues. In this regard, it is critical that where a concern or risk is identified by a college that could impact the Department/Minister, the college should notify the Department at the earliest opportunity. The Department's authority to intervene and instruct the GB to take remedial action(s) regarding such matters will only be considered where the Department and College cannot reach an agreed solution.

## **25. Dispute Resolution Process**

25.1 Where a dispute has not been resolved directly between the College and the Department, the first point of escalation is the Lead Official. Should the dispute remain unresolved it should then be escalated to the Deputy Secretary of Skills and Education Group. Only significant disputes that have not been resolved by the Deputy Secretary should then be escalated to the Permanent Secretary and/or the Minister.

25.2 Only after negotiations have been exhausted between all parties involved through mutual consultation, should disputes be escalated. Open communication should be maintained throughout to ensure that issues are addressed.

## Signatories

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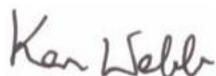
The College and the Department agree to work in partnership with each other in line with the NI Code of Good Practice '**Partnerships between Departments and Arm's Length Bodies**' and the arrangements set out in this Partnership Agreement, which supersedes the previously agreed Management Statement/Financial Memorandum.

The Departmental Accounting Officer will approve the initial Partnership Agreement between the College and the Department and any subsequent variations to the Agreement, if they are, in the Department's Corporate Governance and Equality Branch's view, significant.



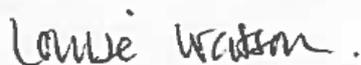
Signed (South Eastern Regional College GB Chair)

Date 19 December 2023



Signed (South Eastern Regional College Principal/Chief Executive)

Date 19<sup>th</sup> December 2023



Signed (Department – Director of Further Education)

Date 1 February 2024

## **Annex 1 - Applicable Legislation**

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**The following founding legislation and other key statutes provide the College with its statutory functions, duties and powers:**

**The 1997 Order:** Provides the statutory basis for further education in Northern Ireland. It establishes the role and powers of the Department and the GB. In terms of governance, all other documents are subordinate to the 1997 Order and subject to its provisions.

**Articles of Government:** Made under the powers of the 1997 Order. The Articles govern the committee structure, the proceedings, and the duties of the GB. They also determine the matters which are reserved to the GB and those which can be delegated to the Principal/Chief Executive.

**Instrument of Government:** Made under the powers of the 1997 Order. The Instrument sets out the composition of the GB and arrangements for the appointment of its members.

**GB Standing Orders:** Made under the powers of the Articles. These may be procedural rules relating to the conduct of GB business. These are internal to the College and are not subject to approval by the Department. However, they must be fully compliant and consistent with the Articles and Instrument and take account of all other regulatory documents.

**Guide for Governors:** This is an information document intended to provide individual members of governing bodies with background information on the sector, its governance framework, and the requirements placed on them as members.

**The Code of Governance:** This sets out the functions, duties and powers of the College and summarises the principles and provisions of the governance arrangements, as set out in the above documents, and includes a scheme of delegation to clarify roles and responsibilities.

## **Annex 2 – Annual Engagement Plan**

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Good engagement is one of the key principles in the Partnership Code, underpinning the other principles of: Leadership; Purpose; Assurance; and Value.

As laid out in the Code, partnerships work well when relationships between departments and Delivery Partners are open, transparent, honest, constructive and based on trust and when there is mutual understanding of each other's objectives and clear expectations about the terms of engagement.

As a key delivery arm of the Department, the College has a pivotal role in delivering Departmental vision and strategies which ultimately contribute towards achievement of the Executive's PfG Outcomes. These include:

- 10X Economy
- Skills Strategy for NI – Skills for a 10X Economy
- Trade and Investment for a 10X Economy
- Tourism Recovery Action Plan

The engagement plan includes requirements for programmes which are covered by Letters of Offer/Service Level Agreements in place with the Department or are covered by an FE Circular.

<b>Partnership Agreement Annual Engagement Plan</b>		
<b>Strategic Planning</b>		
<b>Activity</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
Minister and GB Chairs meeting to discuss performance, current and future activities, and relevant policy developments.	Annually.	Minister GB Chair
Partner Organisation Engagement Events.	Ad hoc.	Permanent Secretary Lead Official Principal/Chief Executive GB Chair
Departmental Engagement with Principals/Chief Executives.	Monthly/Ad hoc.	Lead Official/Departmental Official Principal/Chief Executive
Annual accountability meeting to discuss College performance.	Early February.	Lead Official Principal/Chief Executive GB Chair
Review of Estates Strategy in line with FE 01/21.	Annually in March/April.	FE Capital Projects Team College Estate Managers
<b>Governing Body Appointments</b>		
<b>Activity</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
Appointment of new GB members via DfE public recruitment competition.	From December 2023 to June 2024	DfE public Appointments Unit FE Director GB Chair
<b>Principal/Chief Executive Recruitment</b>		
<b>Activity</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
None planned.		

<b>Assurances</b>		
<b>Action</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
Review of GB Effectiveness.	Annual review with an externally facilitated review at least once every three years.	Lead Official FECGA GB Chair GB Secretary
GB Appraisals and planned training/development for GB members.	Following the end of the Business year.	Lead Official FECGA GB Chair GB Secretary
Chair Appraisal.	Following the end of the Business year. After GB Appraisals have been completed by the Chair and the annual Review of GB Effectiveness has concluded.	Lead Official GB Chair FECGA
Governing Body Meetings (including confidential meetings).	Lead Official to attend at least once per year.  Minutes of meetings to be supplied once approved by GB.	Lead Official GB Chair GB Secretary FECGA
College Audit Committee (AC) meetings (including confidential meetings).	Departmental attendance as an observer at all meetings.  AC papers to be submitted to the Department in-line with circulation to AC members.	FECGA GB Secretary GB AC members
Meeting of DfE ARAC Chair and all Partner Organisations' ARAC Chairs.	October.	DfE ARAC Chair College AC Chair

Assurance Statements for the period 1 April – 31 March.	Year-end: April. Mid-year: October.	FECGA Principal & Chief Executive GB Chair
Annual Report and Accounts (ARA).	In-line with annual Accounts Direction.	FE Finance Branch/FECGA GB Secretary/College Finance Director
DfE Consolidated Financial Statements	Completed financial statements pack as at 31 March submitted to the Department by agreed date at the end of April.	DfE Financial Accounting College Finance Director
Report to those Charged with Governance.	To be submitted as soon as possible after completion by the NIAO.	FECGA College Finance Director GB Secretary
Head of Internal Audit Annual Report/Opinion.	To be viewed via submission of papers to the September AC.	FECGA GB Secretary
Internal Audit Strategy and Plans.	To be viewed via submission of papers to the September AC.  Internal Audit Reports with less than satisfactory opinions to be provided directly to the Department upon completion.	FECGA GB Secretary
Periodic self-assessments of the internal audit function in line with PSIAS to be shared with the Department.	College AC to review the self-assessments annually before sharing with FECGA.	FECGA GB Secretary
Quality Monitoring and Evaluation Return Update.	December  In year self-evaluations on	Quality Improvement Team Principal/Chief Executive

	specific areas of provision to be submitted as may be requested by the Department, and usually within a 12-16 week window from the Departmental request.	
HE Annual Quality Assessment Returns.	Normally returned by end of February.	HE Quality and Governance Branch Principal/Chief Executive
Consolidated Data Return (CDR) Data Assurance.  Final annual CDR to be signed-off by the Principal/Chief Executive.	Completed annually in October.	Analytical Services Division/FESP Principal/Chief Executive
<b>Budget Management</b>		
<b>Item and Purpose</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
Engagement on budget requirements and Forecast Expenditure for the Financial Year.	Periodic (Capital).	FE Capital Projects Team College Finance Team and Project Director
	Periodic based on DoF and DfE Finance requirements.	FE Finance College Finance Team and Finance Director
Departmental approval of the annual budget.	Approved annually once the CDP process has completed.	FE Finance/FECGA Principal/Chief Executive College Finance Director
Monthly Financial Management Returns	Monthly.	FE Finance College Finance Team and Finance Director
Monthly Cash Forecast.	Monthly (Capital).	FE Capital Projects Team College Finance Director
	Monthly (Resource).	FE Finance

		College Finance Team and Finance Director
Monitoring Round Returns.	Three times a year – College requirements reported as part of relevant forecast return with ad hoc requests made to FE Finance.	FE Capital Projects Team FE Finance College Finance Director
Provisional Outturn.	Annually based on March forecast.	FE Finance College Finance Director
Final Outturn.	Annually based on March forecast and updated as appropriate.	FE Finance College Finance Director
<b>Other</b>		
<b>Item and Purpose</b>	<b>Submission Date</b>	<b>Lead Departmental/College Official</b>
Accounting Officer - Fitness to Act as Accounting Officer.	Assurance provided via the bi-annual Assurance Statement process.	Departmental Accounting Officer Principal/Chief Executive
Fraud Reporting.	Immediate reporting of all frauds (proven or suspected including attempted fraud).	DfE Raising Concerns Branch/FECGA Department will report frauds immediately to DoF and C&AG Chief Finance Officer
Fraud Reporting.	Annual fraud return commissioned by DoF on fraud and theft suffered by the College.	FECGA College Finance Director
Whistleblowing cases/Raising Concerns.	To be actioned in-line with policies.	DfE Raising Concerns Branch/FECGA Chief Human Resources Officer
Legal Cases <sup>3</sup> .	Those which give rise to significant financial	FECGA

<sup>3</sup> Includes Industrial Tribunals

	and/or reputational damage to the College and/or Department.	Chief Finance Officer
Submission of space utilisation data.	Annually.	FE Capital Projects Team Principal/Chief Executive and Estate Managers
Pay Remits.	Annually as required for each pay group.	FE Finance College Employers' Forum
Submission of Full-Time Equivalent per metre squared data.	Annually.	FE Capital Projects Team Principal/Chief Executive and Estate Managers
External Consultancy Return.	Bi-annually.	FECGA Principal/Chief Executive
Direct Award Contracts.	Bi-annually.	FECGA College Finance Director
Procurement Plan.	Bi-annually.	FE Capital Projects Team Principal/Chief Executive
Economic Appraisal Database / Completed Post Project Evaluations.	Quarterly.	FECGA College Finance Director
Economic Appraisal Test Drilling Database (Grant Payment Review and Quality of EAs/PPEs).	Annually.	FECGA College Finance Director
Post Project Evaluation – Lessons Learned.	Bi-annually.	FECGA College Finance Director
Annual Expenditure from Accounts to Support Annual Test Drilling Exercise.	Annually - January/February.	FECGA College Finance Director
Annual EA/PPE Process Review Questionnaire.	Annually.	FECGA College Finance Director
Prompt Payments Performance.	Quarterly. Reported through the Resources	FECGA College Finance Director

	Committee and the Audit & Risk Committee.	
Partner Body Governance Performance Update.	Bi-annually.	FECGA College Finance Director
CDR extract dates as per annual schedule which includes notification of early enrolment position.	Monthly CDR. Weekly CDR data lifted during September/October.	FESP Principal/Chief Executive
<b>Review of the Partnership Arrangement</b>		
<b>Item and Purpose</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
Light touch review of the Partnership Agreement.	January 2024.	Lead Official FECGA Principal & Chief Executive GB Chair

## Engagement Plan 1 April 2023 – 31 March 2024

### Policy Development and Delivery

<b>Policy Area</b>	<b>Frequency/Timing</b>	<b>Lead Departmental/College Officials</b>
FE Sector collaboration workshops on existing and new high level strategic priorities.	Meet two -three times per year as a group.	Lead Official Principal/Chief Executive GB Chair
Review of Further Education Student Support.  Implementation of agreed recommendations for improvement.	Working Group committed to meet a minimum of two times per year.  *Sept and Mar (dates are estimated).	FE Policy Branch/FE Finance Branch/Apprenticeship, Careers and Vocation Education Division (ACVED)/Strategic Investment Board  Principal/Chief Executive/College Working Group Representatives
Review of Essential Skills (ES)  Consultation and engagement will continue as the Review of ES progresses through to the final reporting stage.	Project Board and Advisory Group, both expected to meet quarterly.	FE Policy Branch  Principal/Chief Executive/Advisory Group Representative/Heads of Curriculum
Safeguarding, Care and Welfare annual framework review.	Working Group expected to meet twice annually in August and February.	College Working Group representatives, FE Policy Branch and the Safeguarding, Care & Welfare lead from the Education and Training Inspectorate
Evaluation of Skill Up to ensure it meets the needs of the Northern Ireland economy.	May – Oct (DfE Analytical Services Division).  Oct – Mar (Council for the Curriculum, Examinations and Assessment).	Skills Initiatives Branch  Commercial Contracts Manager
Input to work on vocational qualification reform.	Ongoing – as required at key stages as the project progresses.	Vocational Qualification Reform Branch  Principal/Chief Executive

Widening Participation Forum - Engagement and input to thinking about new policy/strategy on widening participation, following the end of the Access to Success strategy.	Ongoing as required but expectation to be quarterly.	HE in FE and Widening Participation  Director of Strategic Planning, Quality and Support
Head Of Civil Service Mission statements – Development and delivery of pilot initiatives – Ignite Your Skills and SME Productivity Booster	Completion date – May 2023.	Skills Initiatives Branch College Representative
<b>Strategic Planning</b>		
<b>Activity</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
Tertiary Education Senior Leaders Forum (TESLF).  Sector representative attendance at working groups and other fora agreed to take forward actions under the auspices of the TESLF.	TESLF – quarterly meetings.  Working groups – ongoing; more frequent.	HE in FE and Widening Participation  Principal/Chief Executive
Sectoral Partnerships.	Monthly.	Apprenticeships Development and Marketing Branch  Chief Training and Contracts Officer
<b>Joint Working</b>		
<b>Activity</b>	<b>Frequency/Timing</b>	<b>Lead Departmental/College Official</b>
Advanced Technical and Traineeship Project Board.	Approx. 3 times per year.	Director of ACVED Principal/ Chief Executive
FE Sector's Advanced Technical Award and Traineeship Implementation Group.	Monthly.	Youth Training, Delivery & Performance Branch Principal/Chief Executive

Review of College Development Planning Process.	Ongoing – expected to cease at the end of June 2024.	FECGA Principal/Chief Executive/GB Chair/College Representative
Review of information reporting and assurance framework of programmes within ACVED.	To be agreed once Task and Finish Group is established.	Governance and Transformation Branch SERC Training Manager College Finance Director
Northern Ireland Finance Officers Network.	Monthly.	FE Finance/FECGA College Finance Director
Management Information Systems (MIS) Working Group.	Six weekly – in-line with the Group’s Terms of Reference.	FE Sector Performance (FESP) /Analytical Service Branch College MIS Manager
<b>Assurances</b>		
<b>Action</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
CDP commissioning.	November 2023.	FECGA Principal/Chief Executive GB Chair
CDP Progress Reports.	As at the end of: November, March and July.	FECGA Principal/Chief Executive
Systems Technology Strategy Change Management Board (STS CMB)	Monthly.	FESP Chief Technology Officer
Curriculum Hubs Action Plan Assurance.	Quarterly Curriculum Hub Oversight Group meetings to review Hub action plans – subject to the outworking of Education and Training Inspectorate Curriculum Hub Review.	FESP on lead/Curriculum Hub managers/Curriculum Development Officer (CDO)

	Bi-annual Curriculum Hub Strategic Governance Group to review Hub progress – subject to the outworking of the ETI Curriculum Hub Review.	Curriculum Hub Strategic Governance Group membership (Directors from FE, Skills and ACVED and CDO and Chairs of Principals’ Curriculum Directors’ and Economic Engagement Groups).
Assurance statements for Assured Skills Academies.	Annually - on completion of financial year delivery, usually Q2 of following financial year.	Employers Skills Branch Principal/Chief Executive
InnovateUs End Year Report.	Annually – following end of financial year.	Employers Skills Branch Commercial Contracts Manager
Baseline Audits (Skills Focus and InnovateUs).	Ongoing.	Employers Skills Branch Commercial Contracts Manager
Skills Focus and InnovateUs Steering Group meeting.	Bi-monthly.	Employers Skills Branch Commercial Contracts Manager
Vouching Visits (Skills Focus and InnovateUs).	Two visits per college per quarter.	Employers Skills Branch Commercial Contracts Manager
Reviews of Skills Focus and InnovateUs by Strategic Investment Board (SIB).	College engagement completed July 2023.	Employers Skills Branch Commercial Contracts Manager
Innovation Programmes Review by Urban Foresight.	College engagement completed June 2023.	Employer Skills Branch Economic Strategy Branch Commercial Contracts Manager
Contract Management Review meetings for ApprenticeshipsNI and Youth Training programmes (including Disability Support provision).	Minimum 2 meetings per annum.	Commercial Services Branch Chief Training and Contracts Officer

Submission of General Service Delivery Reports for AppsNI and Youth Training programmes.	Quarterly.	Commercial Services Branch Chief Training and Contracts Officer
Submission of Record of Control for AppsNI and Youth Training programmes.	Annually.	Commercial Services Branch Chief Training and Contracts Officer
KPI 1 & 2 (Retention and Achievement) validation exercise for AppsNI and Youth Training programmes.	Minimum of 1 per year (Dependent on outcome of validation exercise, may be more frequent if data demonstrates KPIs not on target).	Commercial Services Branch Chief Training and Contracts officer
KPI 3 (Compliance) testing of AppsNI and Youth Training programmes.	One AppsNI inspection and one Youth Training inspection per year.  Two AppsNI Employer Incentive verification exercises.	Commercial Services Branch Chief Training and Contracts Officer
<b>Budget Management</b>		
<b>Item and Purpose</b>	<b>Date</b>	<b>Lead Departmental/College Official</b>
Forecast returns (Skills Focus and InnovateUs).	Monthly.	Employers Skills Branch Contracts Manager
Finance Meetings with Business engagement Teams.  (Skills focus and InnovateUs)	Quarterly.	Employers Skills Branch Contracts Manager
Skill Up Invoices submitted.	At start of delivery of Skill Up course.  At end of achievement of Skill Up qualification.	Skills Initiatives Branch Contracts Manager

Step Up Invoices submitted.	Currently awaiting funding confirmation from NIO before final arrangements with colleges are confirmed.	Economic Social Inclusion Branch/Skills Initiatives Branch College Step Up Co-ordinator
HLA – submission of financial claims.	Ongoing basis.	Skills Budget Co-ordination Branch Chief Training & Contracts Officer
<b>Other</b>		
<b>Item and Purpose</b>	<b>Submission Date</b>	<b>Lead Departmental/College Official</b>
Leases (non-office accommodation) for Nutt's Corner.	Annually.	FECGA College Finance Director
Academy Curriculum & Costings, and subsequent Letter of Offer issued by DfE (Assured Skills Academies).	Ad Hoc, per academy.	Employers Skills Branch Commercial Contracts Manager
Post Academy Evaluation Report (Assured Skills Academies).	Ad Hoc, per academy. Usually submitted with final claim following completion of each academy.	Employers Skills Branch Commercial Contracts Manager
Economic Engagement Working Group Meeting. (Skills Focus, InnovateUs and Assured Skills Academies).	Monthly.	Employers Skills Branch Head of Business Engagement
Proposals submitted for Skill Up.	Ongoing.	Skills Initiatives Branch Commercial Contracts Manager
Proposals for new HLA provision and information on renewal of existing programmes.	Annually (Jan – Mar).	Apprenticeships Delivery and Performance Branch Chief Training and Contracts officer

Careers Service ad hoc referrals from College staff for their learners.	Ad hoc.	Head of DfE Careers Service/Local DfE Careers Operational Managers FE College Head of Careers
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## Annex 3 - Delegations

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A range of specific delegated approval limits have been set for the College. These delegations are in addition to delegations requiring DoF approval as set out in DoF guidance. **All written approvals must be obtained prior to making commitments or incurring expenditure before:**

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the College's annual budget as approved by the Department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications including on staff benefits;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- 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; or
- carrying out policies that go against the principles, rules, guidance and advice in MPMNI.

The College must fully comply with all Governance Bulletins and guidance as issued by the Department and DoF.

A list of Departmental approval limits is available upon request. The College Accounting Officer is responsible for maintaining a comprehensive system of internal delegated authorities that are notified to all staff, together with a system for regularly reviewing compliance with these delegations.

**COLLEGE DELEGATED APPROVAL LIMITS:-**

Type of Commitment	Total Government Expenditure	Level of Approval Required
Capital projects, ICT and new programmes, changes to programmes, revenue projects.	Over £1m	Departmental approval required.
Losses and Special Payments	See 'Losses and Special Payments' section below	
Consultancy	<p>See 'Use of Consultants' section in the Partnership Agreement.</p> <p>The College has authority to appoint external consultants for a single contract without recourse to the Department in line with DoF delegated limits set out in DoF Guidance on the Use of Professional Services Including Consultants.</p> <p>Ministerial approval is required for spend &gt;£10k.</p> <p>Regardless of value, the DoF external consultancy business case template must be utilised.</p>	
Leases	See 'Leases' section below	
See section on Economic Appraisal under Annex 8		

## **Losses and Special Payments**

Prior Departmental approval must be obtained for all losses above the delegated limits for the College as set out below. Reference should be made to the Department's Governance Bulletin on Guidance for Approval of Losses.

The Accounting Officer of the College will have the authority to write off losses and make special payments as follows:

1. Up to £7,000 per case/incident (or £2,000 where fraud is suspected) for:
  - a) Cash Losses;
  - b) Stores/Equipment Losses; and
  - c) Constructive losses and fruitless payments.
  
2. Up to £7,000 per case for:
  - a) Compensation Payments:
    - i. Made under legal obligation, e.g. by Court Order (plus reasonable legal expenses);
    - ii. For damage to personal property of staff; and
    - iii. Where written legal advice is that the College should not fight a court action because it is unlikely that it would win.
  - b) Claims abandoned or waiver of claim; and
  - c) Ex gratia payments (Pensions payments are not covered by this threshold).

Where total losses exceed £2,000 in any financial year, an explanatory note should be included in the College's accounts. Explanations should also be provided for individual losses in excess of £2,000.

Details of all losses and special payments should be recorded in a Losses and Special Payments Register, which should be available to auditors. The Register should be

kept up-to-date and should show evidence of the approval by the College's Accounting Officer and the Department, where appropriate.

## **Leasing**

Prior Departmental approval must be secured for all property leases. The treatment of office accommodation leases must be in line with relevant DoF guidance.

The College must have capital DEL provision for finance leases and other transactions which are, in substance, borrowing (see paragraphs on borrowing in Annex 8).

Before entering into any lease (including an operating lease) the College shall demonstrate that the lease offers better value for money than purchase.

## **Single Tender Action/Direct Award Contracts**

Value	CPD advice	College AO Approval <sup>4</sup>	Perm Sec Approval	Disclosure to DFE Board	Minister Approval
<b>DACs under £10k (Including External Consultancy DACs)</b>					
<£5k	X	✓	X	✓	X
£5-10k	✓	✓	X	✓	X
<b>DACs over £10k which are not External Consultancy</b>					
£10-30k	✓	✓	X	✓	X
£30k+	✓	✓	✓	✓	X
<b>DACs over £10k which are External Consultancy</b>					
>£10k	✓	✓	✓	✓	✓

*All other non- consultancy spend <£5k is not considered a DAC if they are dealt in accordance with Procurement Policy Note PPN 04/21: Procurement Control Limits*

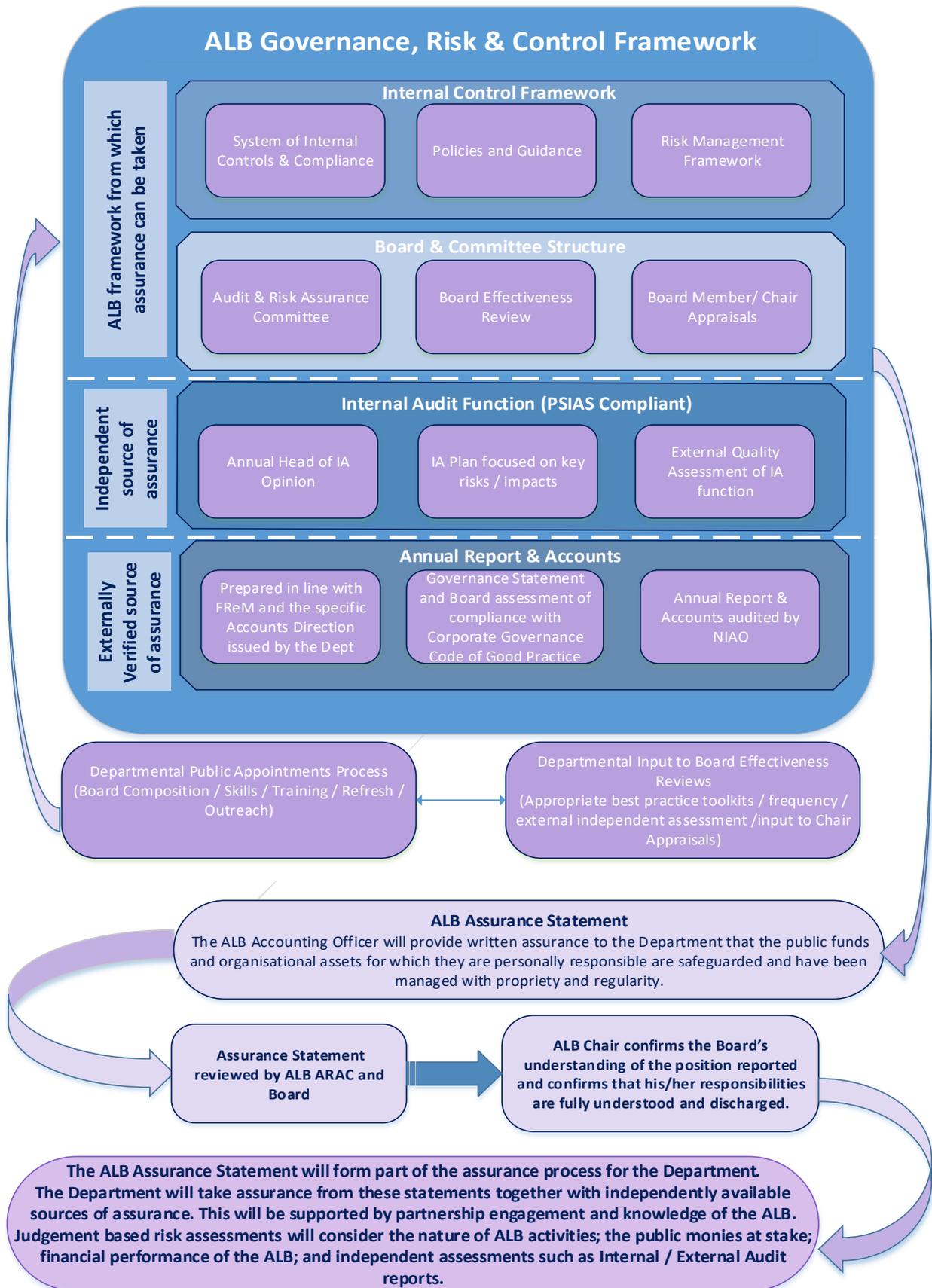
NOTE: DfE approval limits are inclusive of VAT but procurement thresholds are exclusive of VAT.

***These delegations shall not be altered without the prior agreement of the Department and, where applicable, DoF.***

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<sup>4</sup> Procurement Notice 04/18

## Annex 4 – Illustrative System of Assurance



## **Annex 5 – Concerns/Complaints in respect of GB members**

In line with the NI Code of Good Practice and the arrangements in this Partnership Agreement the approach to concerns/complaints raised in respect of the College GB members should be transparent and collaborative. The principle of early and open engagement is important, with the Department made aware of any concerns/complaints as soon as practicable.

While GB members are Public Appointees/office holders rather than College employees, a College employee may utilise the College grievance procedure/other HR procedure to raise a complaint against a GB member. The College employee raising the grievance should expect this to be handled in line with the College's HR procedures.

Concerns/complaints might also be raised through:

- Raising Concerns/Whistleblowing arrangements;
- Complaints processes;
- Directly with the College or the Department.

Where a concern/complaint is received within the College in respect of an individual GB member this should be provided to the GB Chair who should notify the Department at the outset in order that lead responsibility for handling the complaint/concern is clear in advance.

Where a concern/complaint relates to the GB Chair, the College should notify the Department at the outset for the Department to determine the approach to handling the complaint/concern.

Differences of view in relation to matters which fall within the GB's responsibilities are a matter for the GB to resolve through consensus based decision making in the best interests of the College.

Exceptionally a concern/complaint may be raised by a GB member about a fellow GB member or a member of the College staff. The GB Chair should notify the Department

at the outset to ensure that arrangements for handling the concern/complaint are clear. The Department may determine that it should make arrangements to deal with the concern/complaint. This will be agreed at the outset.

In relation to any of the scenarios outlined the Departmental contact point is DfE Fraud and Raising Concerns Branch – [raising.concerns@economy-ni.gov.uk](mailto:raising.concerns@economy-ni.gov.uk) or 028 9025 7422 for the 24hr message service.

Arrangements for concerns/complaints in respect of GB members should be reflected in all relevant procedures, including Standing Orders and GB Operating Frameworks.

## **Annex 6 - Applicable Guidance**

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The following guidance is applicable to the College

### **Guidance issued by the Department of Finance**

- Managing Public Money NI
- Public Bodies – A Guide for NI Departments
- Corporate Governance in central government departments – code of good practice
- DoF Risk Management Framework
- HMT Orange Book
- The Audit and Risk Assurance Committee Handbook
- Public Sector Internal Audit Standards
- Accounting Officer Handbook – HMT Regularity, Propriety and Value for Money
- The Better Business Cases NI guidance
- Dear Accounting Officer Letters, e.g. Gifts and Hospitality guidance
- Dear Finance Director Letters, e.g Issues and Use of Payment Cards
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- The Statement of Recommended Practice for Further and Higher Education
- Guidance for preparation and publication of annual report and accounts (Accounts Directions issued by the Department)
- Procurement Guidance
- Procurement Policy Notes (PPNs)
- Estimates in Northern Ireland
- In-Year Monitoring of Public Expenditure Guidelines
- HM Treasury Consolidated Budgeting Guidance

## **Other Guidance and Best Practice**

- Specific guidance issued by the Department
- Recommendations made by the NIAO/NI Assembly Public Accounts Committee
- NIAO Good Practice Guides
- Guidance issued by the Executive's Asset Management Unit
- NI Public Services Ombudsman guidance
- Equality Commission for Northern Ireland
- Northern Ireland College Employers' Forum Circulars

## **Annex 7 – Role of the Minister**

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### **Role of the Minister**

The Chair of the College is responsible to the Minister. Communication between the GB and the Minister should normally be through the Chair. The Minister should host a meeting of the GB Chairs each year to discuss performance and relevant policy strategy developments.

The Departmental Accounting Officer is responsible for advising the Minister on a number of issues including the College's objectives and targets, budgets and performance.

In addition to being answerable to the Assembly as laid out in paragraph 2.4, the Minister is also responsible for:

- Setting the strategic direction and overall policies and priorities for the College;
- Approving the Corporate Plan;
- Approving the College's budget; and
- Appointment of GB members.

## **Annex 8 – Financial Management Responsibilities of the College**

### **THE COLLEGE'S INCOME AND EXPENDITURE - GENERAL**

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

1. The College's current and capital expenditure form part of the Department's Resource Departmental Expenditure Limits (DEL and Capital DEL respectively).

#### **Expenditure Not Proposed in the Budget**

2. The College shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside the College's delegations or which is not provided for in the College's annual budget (1 April to 31 March) as approved by the Department.

#### **Procurement**

3. The College's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive; Procurement Guidance/Policy Notes; and any other guidelines or guidance issued by DoF.
4. Periodic Internal Audit reviews of the College's procurement activity should be undertaken. The results of any such review will be shared with the Department.

#### **Timeliness in Paying Bills**

5. The College shall collect receipts and pay all matured and properly authorised invoices in accordance with MPMNI and ensure that all appropriate steps are taken to approve and release invoices for payment without unnecessary delay, adhering to the Northern Ireland Executive's commitment to paying suppliers whenever possible, within 10 working days.

## **Risk Management/Fraud**

6. The College shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance: 'The Orange Book – Management of Risk, Principle and Concepts' along with supporting guidance aligned with the Orange Book principles and the NIAO Best Practice Guidance.
7. The College shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract or to which it intends to give grant or grant-in-aid.
8. The college shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with DoF's publication 'Managing the Risk of Fraud (NI) A Guide for Managers' and NIAO's good practice guidance 'Managing Fraud Risk in a changing environment'.
9. As required by MPMNI, all cases of attempted, suspected or proven fraud shall be reported to the Department who shall report it to DoF and the NIAO as soon as it is discovered, irrespective of the amount involved.

## **Wider Markets (An initiative to generate commercial income)**

10. The College shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with:
  - the College's main functions, in-line with the 1997 Order; and
  - the Further Education College's Corporate Plan/CDP as agreed with the Department.

11. The Department will confirm with the DoF Supply Officer that such proposed activity is appropriate.

### **Fees and Charges**

12. Fees or charges for any services supplied by the College shall be determined in accordance with MPMNI.

## **THE COLLEGE'S INCOME**

### **Grant-in-Aid**

13. Grant-in-aid will be paid to the College monthly and shall be on the basis of the College showing evidence of need. The application shall certify that the conditions applying to the use of grant-in-aid have been observed to date and that further grant-in-aid is now required for purposes appropriate to the College's functions.
14. The College should have regard to the relevant DoF guidance and to the general principle enshrined in MPMNI that it should seek grant-in-aid according to need.
15. Cash balances accumulated during the course of the year shall be kept at the minimum level consistent with the efficient operation of the College. This is deemed to be 30 cash days which should ensure the College holds sufficient cash for one month and is approximated by a limit of 10% of prior year income. Grant-in-aid not drawn down by the end of the year shall lapse. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, the Department will make available in the next financial year (subject to approval by the Assembly of the relevant Estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as creditors.

## **Fines and Taxes as Receipts**

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

## **Receipts from Sale of Goods or Services**

17. Receipts from the sale of goods and services (including certain licences), rent of land and dividends normally provide additional DEL spending power. The College may request permission to retain a receipt or utilise an increase in the level of receipts, however it must gain the prior approval of the Department in order to do so. The College should not assume that permission will automatically be granted as the additional cover may be required to meet an existing priority in the Department.
18. If there is any doubt about the correct classification of a receipt, the College shall consult the Department, which may consult DoF as necessary.

## **Interest Earned**

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

## **Unforecast Changes in In-Year Income**

20. If the negative DEL income realised or expected to be realised in-year is less than estimated, the College shall, unless otherwise agreed with the Department, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded. [NOTE: For example, if the College is allocated £100 resource DEL provision by the Department and expects to

receive £10 of negative DEL income, it may plan to spend a total of £110. If income (on an accruals basis) turns out to be only £5 the College will need to reduce its expenditure to £105 to avoid breaching its budget. If the College still spends £110 the Department will need to find £5 of savings from elsewhere within its total DEL to offset this overspend.]

21. If the negative DEL income realised or expected to be realised in the year is more than estimated, the College may apply to the Department to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The Department shall consider such applications, taking account of competing demands for resources, and will consult with DoF in relation to any significant amounts. If an application is refused, any grant-in-aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the NI Consolidated Fund via the Department.

#### **Build-Up and Draw-Down of Deposits (Surpluses/Deficits)**

22. The College shall comply with the rules that any DEL expenditure financed by grant-in-aid counts within DEL and that the build-up of deposits may represent a saving to DEL (if the related receipts are negative DEL in the relevant budgets).
23. The College shall ensure that it has the necessary DEL provision for any expenditure financed by grant-in-aid.

#### **Proceeds From Disposal of Assets**

24. Disposals of land and buildings are dealt with in 'Management and Disposal of Fixed Assets' section below.

## **Gifts and Bequests Received**

25. The College is free to retain any gifts, bequests or similar donations, subject to the paragraph below. These shall be capitalised at fair value on receipt, if applicable, and must be notified to the Department.
26. Before accepting a gift, bequest, or similar donation, the College shall consider if there are any associated costs in doing so or any conflicts of interests arising. The College shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

## **Borrowing**

27. Normally, the College will not be allowed to borrow, but when doing so the College shall observe the principles set out in MPMNI when undertaking borrowing of any kind. The College shall seek the approval of the Department and, where appropriate, the Department will liaise with DoF to seek approval to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long term private sector or foreign borrowing is subject to the value for money test in MPMNI.
28. Where exceptionally the College is allowed to borrow, the spending financed by borrowing scores gross in budgets. This applies whatever the source of borrowing (Department, market, European Investment Bank). The cash raised by borrowing does not score as negative DEL. This means that any expenditure by the College financed by borrowing will need DEL budget cover (provided that this is the normal budgeting treatment for such expenditure).

## **EXPENDITURE ON STAFF**

### **Staff Costs**

29. Subject to its delegated levels of authority, the College shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

### **Pay and Conditions of Service**

30. The staff of the College, whether on permanent or temporary contract, shall be subject to levels of remuneration as approved by the Department and DoF.

31. Current terms and conditions for staff of the College are those set out in the Northern Ireland College Employers' Forum Circulars. The College shall provide the Department and DoF with a copy of all relevant circulars agreed by Negotiating Committees.

32. Annual pay increases of College staff must be in accordance with the annual Dear Finance Director (DFD) letter on Pay Remit Approval Process and Guidance issued by DoF. Therefore, all proposed pay awards must have prior approval of the Department and the Minister for Finance before implementation.

### **Pensions; Redundancy/Compensation**

33. The College staff will be eligible for a pension provided by one of the following:

- Northern Ireland Teachers' Pension Scheme;
- Northern Ireland Local Government Officers' Superannuation Committee; and
- National Employment Savings Trust, (used for auto-enrolment purposes only – staff cannot elect to join this scheme).

34. Staff may opt out of the occupational pension scheme provided by the College. However, the employer's contribution to any personal pension arrangement,

including a stakeholder pension, shall (normally) be limited to the national insurance rebate level.

35. Teaching staff: as per the Teachers' (Compensation for Redundancy and Premature Retirement) Regulations (NI) 2010, the GB of the College is both the Employing Authority and Compensating Authority.

36. Non-teaching staff: all entitlements/payments are a matter for the College as the Employing Authority and the pension administrator.

## **NON-STAFF EXPENDITURE**

### **Economic Appraisal**

37. The College is required to adopt Better Business Cases NI guidance. This guidance must be applied to all proposals that involve spending or saving public money and to all proposed changes in the use of public resources. There are no exceptions to this general requirement. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:

- involve capital or current spending, or both;
- are large or small (in particular it is worth noting that there is no lower monetary threshold below which this guidance does not apply); or
- are above or below delegated limits.

38. It is always vital to apply proportionate effort. The effort required to assess a small expenditure is very much less than that needed to justify a major programme, a new policy or a large project.

39. The key source of guidance around the Five Case Model is the Treasury 'Business Case Guidance for Projects' which is supplemented by additional,

Northern Ireland specific guidance to suit particular types of expenditure and spending proposals via a series of Guidance Notes available on DoF's website. General guidance on economic appraisal that applies to colleges can be found in The HM Treasury Guide, the Green Book: Appraisal and Evaluation in Central Government (2003).

## **Capital Expenditure**

40. Subject to being above the agreed, prevailing capitalisation threshold, as advised by the Department, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis in accordance with relevant accounting standards. Expenditure to be capitalised shall normally include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.
41. Proposals for large-scale individual capital projects or acquisitions must be considered within the College's Estates Strategy as set out in FE Circular FE01/21 and linked to the CDP process. Subject to delegated limits (see Annex 3), applications for approval by the Department and DoF if necessary, shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the GB. All large scale capital investment projects shall be managed through formal governance procedures, including the establishment of Project Boards with oversight through the Department's Capital Projects Steering Group if deemed appropriate.
42. Approval of the annual budget does not obviate the College's responsibility to abide by the economic appraisal process.
43. Within its approved overall resources limit the College shall, as indicated in Annex 3, have delegated authority to spend up to £1m on any individual capital project or acquisition. Beyond that delegated limit, the Department's and, where necessary, DoF's prior authority must be provided through a formal allocation

notification before expenditure on an individual project or acquisition is committed. Please note that there is a separate delegated limit in respect of capital expenditure on IT projects.

### **Transfer of Funds within Budgets**

44. All transfers between budget lines within the total capital budget, or between budget lines within the total revenue budget, require Departmental approval.

### **Lending, Guarantees, Indemnities; Contingent Liabilities; Letters of Comfort**

45. The College shall not, without the Department's and, where necessary, DoF's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in MPMNI), whether or not in a legally binding form.

### **Grant or Loan Schemes**

46. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made, shall be subject to prior approval by the Department, and where necessary DoF. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.

47. The terms and conditions of a grant or loan to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records, in relation to the grant or loan, are readily available for inspection by the College, the Department and the C&AG.

48. See also below under the heading 'Recovery of Grant-Financed Assets'.

## **Gifts Made, Write-Offs, Losses and Other Special Payments**

49. Proposals for making gifts or other special payments (including issuing write-offs) outside the delegated limits (See Annex 3 for college specific delegations) must have the prior approval of the Department and where necessary DoF.
50. Losses shall not be written off until all reasonable attempts to make a recovery have been made and proved unsuccessful.
51. Gifts by management to staff are subject to the requirements of DAO (DFP) 05/03.

## **Leasing**

52. See Annex 3 for further details on leasing.

## **Public/Private Partnerships (or Private Finance Initiatives)**

53. The College shall consult the Department in each case where a Public/Private Partnership (PPP) is contemplated and prior Departmental approval must be obtained before the College enters into a PPP. The College should also ensure that it has the necessary budget cover to meet the full cost of any proposal for the life of the contractual commitment.
54. Any partnership controlled by the College shall be treated as part of the College in accordance with the relevant accounting standards and consolidated with it (subject to any particular treatment required by the relevant accounting standards). Where the judgment over the level of control is difficult the Department will consult DoF (who may need to consult with the Office for National Statistics over national accounts treatment).

## **Subsidiary Companies and Joint Ventures**

55. The College shall comply with FE Circular FE09/15 which sets out the arrangements for the establishment and operation of companies wholly owned by a college; and joint venture companies.

## **Financial Investments**

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

## **Unconventional Financing**

57. The College shall not enter into any unconventional financing arrangement without the approval of the Department and DoF.

## **Commercial Insurance**

58. The College shall not take out any insurance without the prior approval of the Department and DoF, other than third party insurance required by the Road Traffic (NI) Order 1981 (as amended) and any other insurance which is a statutory obligation or which is permitted under MPMNI.

59. In the case of a major loss or third-party claim the Department shall liaise with the College about the circumstances in which an appropriate addition to budget out of the Department's funds and/or adjustment to the College's outcomes might be considered. The Department will liaise with DoF Supply where required in such cases.

60. The FE sector procures sector-wide commercial insurance cover. The approval of the Department and DoF is required for the sector to continue to purchase commercial insurance.

### **Payment/Credit Cards**

61. The College shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards) is in place.

### **Hospitality**

62. The College shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place in line with DoF guidance.

### **Use of Consultants**

63. The College shall adhere to the guidance issued by DoF, as well as any produced by the Department, in relation to the use of consultants. See Annex 3 for college specific delegations relating to the use of consultant.

64. The College will provide the Department with bi-annual return on the status of all consultancies completed and/or started in each financial year.

65. Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

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

### **Register of Assets**

66. The College shall maintain an accurate and up-to-date register of its fixed assets.

## **Disposal of Assets**

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

## **Recovery of Grant-Financed Assets**

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

## **MONITORING INFORMATION TO THE DEPARTMENT**

72. The College shall provide the Department with, as a minimum, information on a monthly basis which will enable the satisfactory monitoring by the Department of:

- the College's cash management;
- its drawdown of any grant-in-aid requirement;
- the expenditure for that month;
- forecast outturn by resource headings; and
- other data required for the DoF Outturn and Forecast Outturn Return.

## **BANKING**

### **Banking Arrangements**

73. The College's Accounting Officer is responsible for ensuring that the College's banking arrangements are in accordance with the requirements of MPMNI. In particular, there should be arrangements that ensures the safeguarding of public funds and that their implementation ensures efficiency, economy and effectiveness.

## Annex 9 – Partnerships between Departments and Arm’s Length Bodies: NI Code of Good Practice

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### NI Code of Good Practice (version 3)



Code of Good  
Practice 2023 - print