

**Illustrative Template for Partnership Agreements between  
Departments and Arm's Length Bodies**

**Not applicable for use by North/South Bodies**

**A tailored Template will be available for use by Corporate Soles (eg  
Ombudsmen, Commissioners etc)**

**Partnership Agreement between  
[Dept] and [ALB]**

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## Introduction

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### 1. The Partnership Agreement

- 1.1 This document sets out the partnership arrangements between [\[ALB\]](#) and the [\[Department\]](#). In particular, it explains the overall governance framework within which [\[ALB\]](#) 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.
- 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 the Code are:

LEADERSHIP
<i>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.</i>
PURPOSE
<i>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.</i>
ASSURANCE
<i>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.</i>

VALUE
<i>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.</i>
ENGAGEMENT
<i>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.</i>

A full copy of the NI Code can be found at Annex 8.

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 [\[ALB\]](#) and the [\[Department\]](#) and this is reflected in this agreement.

1.4 [\[Department\]](#) and [\[ALB\]](#) are committed to:

- Working together within distinct roles and responsibilities;
- Maintaining focus on successful 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;
- Supporting and challenging each other on developing policy and delivery [when developing policy this may cut across more than one department];
- 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 [\[ALB\]](#) 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 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 [\[ALB's\]](#) size and overall responsibilities and will be published on departmental and ALB websites as soon as practicable following completion.
- 1.6 A copy of this agreement has been placed in the Assembly Library and is available on the [\[Department\]](#) and [\[ALB\]](#) websites.

## **[ALB] Establishment and Purpose**

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### **2. Statutory Purpose and Strategic Objectives**

- 2.1 *[ALB] is a non-departmental public body (NDPB) [state type of Body if not an NDPB] established by [insert establishing legislation and the date of establishment, if non-statutory set out the arrangements the Body has been established under]. [Insert - statutory purpose as set out in establishing legislation if appropriate]. For national accounts purposes [ALB] is classified to the [specify central government sector or public corporations sector]. [NOTE: In the latter case, this means that budgetary controls shall apply as for a public corporation.]*
- 2.2 *[ALB's] [statutory] functions, duties and powers are as follows: [add statutory functions, duties and powers as set out in legislation. If not specified in legislation explain where these are set out].*
- 2.3 *[Where relevant state the ALB's legal status, for example, where the body is a Company or Charitable organisation and provide explanatory information on this]*
- 2.4 The Minister for *[Department]* is answerable to the Assembly for the overall performance and delivery of both the *[Department]* and *[ALB]*.
- 2.5 The Executive's outcome-based approach to delivery recognises the importance of arm's length bodies 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 *[ALB]* and *[Department]*. *[NB ALBs may be aligned to more than one department – if so please state/explain]*

2.7 The strategic aims of *[ALB]* are: *[set out strategic aims and explain the link with Departmental aims/PfG outcomes/the Outcomes Delivery Plan] [if aligned to more than one department set this out and explain links].*



## **[ALB] Governance Arrangements**

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### **3. Organisational Status**

- 3.1 *[ALB]* 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 including legislation relating to its employer status. *[Where not a separate legal entity/employer, set out applicable arrangements.]*  
*[Reflect charitable status if appropriate].*

### **4. Governance Framework**

- 4.1 *[ALB]* has an established Corporate Governance Framework which reflects all relevant good practice guidance. The framework includes the governance structures established within *[ALB]* and the internal control and risk management arrangements in place. This includes its Board and Committee Structure. The Department should be satisfied with the framework.
- 4.2 An account of this is included in *[ALB's]* annual Governance Statement together with the *[ALB]* Board'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 *[ALB]* is required to follow the principles, rules, guidance and advice in *Managing Public Money Northern Ireland*. A list of other applicable guidance and instructions which *[ALB]* 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. ALB Board

- 5.1 *[ALB]* is led by a Board, non-executive members of which are appointed by *[insert - Minister for [Department]/ the [Department] - delete as applicable.] [Where Board size, skills and/or constitution is set out in legislation this should be set out here]*. The appointment process for non-executive Board members complies with the Code of Practice on Public Appointments for Northern Ireland. *[Information on the appointment of executive Board members (if applicable) should be set out here]*.
- 5.2 As Public Appointees Board members are office holders rather than employees they are not subject to employee terms and conditions. Board appraisal arrangements are set out in paras 15.1 and 15.2, and matters for consideration in dealing with concerns/complaints in respect of Board members are provided in Annex 5.
- 5.3 The Board's operating framework/terms of reference provides further detail on roles and responsibilities and should align closely with this Partnership Agreement. *[Where the ALB is also constituted as a Company, Standing Orders should also align with the Partnership Agreement]. [Where the ALB is constituted as a Company and/or a Charity extra duties and legal requirements placed on Board members should be set out/referenced here. Where there's a role for executive directors on the Board this should be clearly explained]*.
- 5.4 The purpose of the *[ALB]* Board is to provide effective leadership and strategic direction to the organisation and to ensure that the policies and priorities set by the Minister for *[Department]* are implemented. It is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Board will set the culture and values of the organisation, and set the tone for the organisation's engagement with stakeholders and customers.

- 5.5 The Board is responsible for holding the Chief Executive to account for the management of the organisation and the delivery of agreed plans and outcomes. The Board should also however support the Chief Executive as appropriate in the exercise of their duties.
- 5.6 Board members act solely in the interests of [\[ALB\]](#) and must not use the Board 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). [\[ALB\]](#) has a Board Code of Conduct and there are mechanisms in place to deal with any Board disputes/conflicts to ensure they do not become wider issues that impact on the effectiveness of the Board. A Board Register of Interests is maintained, kept up to date and is publically available to help provide transparency and promote public confidence in [\[ALB\]](#).
- 5.7 Communication and relationships within the Board are underpinned by a spirit of trust and professional respect. The Board recognises that using consensus to avoid conflict or encouraging members to consistently express similar views or consider only a few alternative views does not encourage constructive debate and does not give rise to an effective Board dynamic.
- 5.8 It is for the Board to decide what information it needs, and in what format, for its meetings/effective operation. If the Board is not confident that it is being fully informed about the organisation this will be addressed by the Chair of the Board as the Board cannot be effective with out-of-date or only partial knowledge.
- 5.9 In order to fulfil their duties, Board members must undertake initial training, and regular ongoing training and development. Review of Board skills and development will be a key part of the annual review of Board effectiveness.

## 6. Audit and Risk Assurance Committee

- 6.1 A further important aspect of [\[ALB's\]](#) governance framework is its Audit and Risk Assurance Committee, established in line with the extant Audit and Risk Assurance Committee Handbook (NI).
- 6.2 The Audit and Risk Assurance Committee's purpose/role is to support the Accounting Officer and Board on governance issues. In line with the handbook the Audit and Risk Assurance Committees 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 [\[ALB\]](#) and [\[Department\]](#) have agreed arrangements in respect of Audit and Risk Assurance Committees which may include:
- attendance by departmental representatives in an observer capacity at [\[ALB\]](#)'s Audit and Risk Assurance Committee meetings;
  - Access to [\[ALB\]](#) Audit and Risk Assurance Committee papers and minutes;
  - Any input required from [\[ALB\]](#)'s Audit and Risk Assurance Committee to the departmental Audit and Risk Assurance Committee.
- 6.4 Full compliance with the Audit and Risk Assurance Committee 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 Audit and Risk Assurance Committee Handbook (NI) is available on the DoF website.

## 7. ALB Chair

7.1 The Chair is responsible for setting the agenda and managing the Board to enable collaborative and robust discussion of issues. The Chair's role is to develop and motivate the Board and ensure effective relationships in order that the Board can work collaboratively to reach a consensus on decisions. To achieve this, he or she should ensure:

- The Board has an appropriate balance of skills appropriate to its business;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Board members receive and maintain appropriate training;
- The Minister is advised of [\[ALB's\]](#) needs when board vacancies arise;
- There is a Board Operating Framework in place setting out the roles and responsibilities of the Board in line with relevant guidance;
- There is a code of practice for Board members in place, consistent with relevant guidance.

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

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

## 8. ALB Chief Executive

8.1 The role of the [\[ALB\]](#) Chief Executive is to run [\[ALB's\]](#) business. The Chief Executive is responsible for all executive management matters affecting the organisation and for leadership of the executive management team.

- 8.2 The Chief Executive is designated as [\[ALB\]](#) Accounting Officer by the departmental Accounting Officer (see section 12). As Accounting Officer they are responsible for safeguarding the public funds in their charge and ensuring they are applied only to the purposes for which they were voted and more generally for efficient and economical administration.
- 8.3 The Chief Executive is accountable to the Board for [\[ALB's\]](#) performance and delivery of outcomes and targets and is responsible for implementing the decisions of the Board and its Committees. [\[He/she\]](#) maintains a dialogue with the Chair on the important strategic issues facing the organisation and for proposing Board agendas to the Chair to reflect these. [\[He/she\]](#) ensures effective communication with stakeholders and communication on this to the Board. [\[He/she\]](#) also ensures that the Chair is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the organisation.
- 8.4 The Chief Executive acts as a role model to other executives by exhibiting open support for the Chair and Board members and the contribution they make. The Chair and Chief Executive have agreed how they will work together in practice, understanding and respecting each other's role, including the Chief Executive's responsibility as Accounting Officer.
- 8.5 Further detail on the role and responsibilities of the Chief Executive are as laid out in Managing Public Money NI and their Accounting Officer appointment letter.

#### The Chief Executive's role as Principal Officer for Ombudsman Cases

- 8.6 The Chief Executive is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. He/she shall advise the departmental Accounting Officer of any complaints about [\[ALB\]](#) accepted by the Ombudsman for investigation, and about the proposed response to any subsequent recommendations from the Ombudsman.

## Role of the [Department]

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### 9. Partnership Working with [ALB]

- 9.1 The [Department] and [ALB] are part of a total delivery system, within the same Ministerial portfolio. The partnership between [Department] and [ALB] 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.
- 9.2 In exercising its functions [ALB] has absolute clarity on how its purpose and objectives align with those of [Department]. There is also a shared understanding of the risks that may impact on each other and these are reflected in respective Risk Registers.
- 9.3 There is a regular exchange of skills and experience between [Department] and [ALB] and where possible joint programme/project delivery boards/arrangements. [ALB] may also be involved as a partner in policy/strategy development and provides advice on policy implementation/ the impact of policies in practice.
- 9.4 The Department of Finance (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 occurred or commitments entered into. The Accounting Officer of the [Department] has established an internal framework of delegated authority for the Department and its ALBs [Link] which apply to [ALB]. Other specific approval requirements established in respect of [ALB] as set out at Annex 3.
- 9.5 Once [ALB's] budget has been approved by the [Department/Minister] [and subject to any restrictions imposed by statute] [ALB] 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 Managing Public Money NI and the NI Guide to Expenditure Appraisal and Evaluation.

## 10. Lead Official

- 10.1 The *[Department]* has appointed a lead senior official (usually Grade 5 level) to manage the relationship with *[ALB]* and ensure effective partnership working. Engagement between the Department and *[ALB]* will be co-ordinated, collaborative and consistent. A clear sense of collaboration and partnership will be communicated to staff in both the Department and *[ALB]* in order to promote mutual understanding and support. *[Insert working arrangements as appropriate e.g. the lead senior official will normally be supported by other team members, and key contacts within departments for ALBs such as Finance.]*
- 10.2 The lead senior official is the policy lead for the policy Area relating to *[ALB's]* business *[state alternative if applicable]* and has a clear understanding of *[ALB's]* responsibilities for policy implementation/operational delivery and the relevant audiences/stakeholders involved.
- 10.3 The lead senior official will ensure that where there are departmental staff changes, time is taken to ensure they have a full understanding of *[ALB's]* business and challenges.

## 11. Annual Engagement Plan

- 11.1 The Department and *[ALB]* will agree an engagement plan before the start of each business year. The Annual Engagement Plan (Annex 2) will set out the timing and nature of engagement between *[ALB]* and the Department. The engagement plan will be specific to *[ALB]* and should not stray into operational oversight.



- 11.2 Engagement between the Department's lead official/their teams and [ALB] will be centred on partnership working, understanding of shared risks and working together on business developments that align with policy objectives.
- 11.3 In line with relevant guidance<sup>1</sup>, [ALB] will work in collaboration and partnership with the Department to prepare corporate and business plans. There should be good high level strategic alignment between departmental and [ALB] plans. Once approved it will be the Board of [ALB] that primarily holds the Chief Executive to account for delivery and performance. The Department will engage with [ALB] on areas of strategic interest, linking departmental policy and [ALB] delivery of policy intent. *[Note if aligned to more than one department please state/explain link/alignment to all]*
- 11.4 The Annual Engagement Plan will also reference the agreed management and financial information 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. Where the same, or similar information is required for internal governance information requirements will 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.

## **12. Departmental Accounting Officer**

- 12.1 The departmental Accounting Officer is accountable to the NI Assembly for the issue of grant in aid to [ALB]. He/she has designated the Chief Executive of [ALB] as [ALB] Accounting Officer and respective responsibilities of the departmental Accounting Officer and the [ALB] Accounting Officer are set out in Chapter 3 of Managing Public Money Northern Ireland. The departmental Accounting Officer may withdraw the [ALB] Accounting Officer designation if he/she concludes that the [ALB] Accounting Officer is no longer a fit person to carry out the responsibilities of an Accounting Officer or that it is otherwise in

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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

the public interest that the designation be withdrawn. In such circumstances the [ALB] Board will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of [ALB] Accounting Officer status would bring into question employment as Chief Executive and the Chair should engage with the Department should such circumstances arise.

12.2 As outlined in section 8, the [ALB] Chief Executive is accountable to the [ALB] Board for his/her stewardship of [ALB]. This includes advising the Board on matters of financial propriety, regularity, prudent and economical administration, efficiency and effectiveness.

12.3 The departmental Accounting Officer must be informed in the event that the judgement of the [ALB] Accounting Officer (on matters for which they are responsible) is over-ridden by the [ALB] Board. The [ALB] Accounting Officer must also take action if the [ALB] Board 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 [ALB] or its' Chief Executive.

12.4 In line with DoF requirements, the [ALB] Accounting Officer will provide a periodic *[period to be specified]* declaration of fitness to act as Accounting Officer to the departmental Accounting Officer *[this could be included as part of existing stewardship reporting arrangements]*.

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

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

13.2 The 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 Board, where appropriate.

13.3 In addition, the [\[Department\]](#) Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as departmental Accounting Officer with overarching responsibility for [\[ALB\]](#). In such circumstances, the departmental accounting Officer may therefore expect to be questioned on their responsibilities to ensure that:

- there is a clear strategic control framework for the ALB;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated Accounting Officer is fit to discharge his or her responsibilities;
- 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 ALB Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the body's Board or its Chair.

## Assurance Framework

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### 14. Autonomy and Proportionality

- 14.1 The [\[Department\]](#) will ensure that [\[ALB\]](#) has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own Board and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between [\[ALB\]](#) and the [\[Department\]](#) and is reflected in this agreement.
- 14.2 A proportionate approach to assurance will be taken based on [\[ALB's\]](#) overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process through which the [\[ALB\]](#) Accounting Officer provides written assurance to the Department that the public funds and organisational assets for which they are personally responsible are safeguarded, have been managed with propriety and regularity, and use of public funds represents value for money.
- 14.3 Recognising the governance arrangements in place within the organisation, the [\[ALB\]](#) Accounting Officer will arrange for their written assurance to be discussed at the [\[ALB\]](#) Audit and Risk Assurance Committee and presented to the [\[ALB\]](#) Board prior to submission to the Department where possible. If not possible, or practicable, the Chair of the ALB Board should have sight of the assurance statement, prior to being submitted to the Department.
- 14.4 The [\[ALB\]](#) Chair will provide written confirmation that the [\[ALB\]](#) Accounting Officer's formal assurance has been considered by the Board and is reflective of [\[ALB's\]](#) current position.
- 14.5 In addition to the [\[ALB\]](#) Accounting Officer's written assurance, the Department will take assurance from the following key aspects of [\[ALB's\]](#) own governance framework:
- Annual Review of Board Effectiveness;

- Completion of Board Appraisals which confirm Board member effectiveness;
- Internal Audit assurance and External Quality Assessment of the Internal Audit function;
- Externally audited Annual Report and Accounts, reviewed/considered by the [\[ALB\]](#) Audit and Risk Assurance Committee.

## 15. Board Effectiveness

15.1 The [\[ALB\]](#) Chair will ensure that the [\[ALB\]](#) Board undertakes an annual review of Board Effectiveness<sup>2</sup> which encompasses committees established by the Board.

15.2 The Chair will discuss the outcome of the annual review of Board Effectiveness with the lead official to ensure a partnership approach to any improvements identified. This will inform the annual programme of Board training/development and discussions in respect of Board composition and succession.

15.3 In line with any parameters set out in founding (or other) legislation, the Chair in conjunction with the Department, and Ministers where appropriate, will consider the size and composition of the [\[ALB\]](#) Board, proportionate to the size and complexity of [\[ALB\]](#) and keep this under review.

15.4 In addition to the annual review of Board Effectiveness [\[ALB\]](#) will undertake an externally facilitated review of Board effectiveness at least once every three years covering the performance of the Board, its Committees and individual Board members. The Chair will liaise with the Department to identify a suitably skilled facilitator for the external review (this can be a peer review, and should be proportionate) and will share the findings/outcome report with the Department on completion of the review.

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

## 16. Board Appraisals

- 16.1 The Chair of *[ALB]* will conduct an annual appraisal in respect of each Board member which will also inform the annual programme of Board training/development. The Chair will engage with the Chief Executive/lead official as appropriate on improvements identified through the appraisal process and the annual training/development programme.
- 16.2 The Chair's annual appraisal will be completed by *[Insert details of the senior official who will undertake the appraisal]* within the Department. 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 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.

## 17. Internal Audit Assurance

- 17.1 *[ALB]* 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.
- 17.2 [In the event that the internal audit function is contracted out *[ALB]* shall ensure the *[Department]* is satisfied that the contract specification for the internal audit service meets the requirements of PSIAS.]
- 17.3 *[ALB]* 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. *[ALB]* will ensure the *[Department]*'s internal audit team have complete right of access to all relevant records. This applies whether the internal audit function is provided in-house or is contracted out.

17.4 [ALB] will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department. [ALB] will also liaise with the Department on the External Quality Assessment (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 *[in some cases the EQA will be led by the departmental Head of Internal Audit. Where this is the case, this should be set out].*

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

17.6 The Department will take assurance from the fact that [ALB] 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.

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

18.1 [ALB] is required to prepare an Annual Report and Accounts in line with the Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF) and the specific Accounts Direction issued by [Department], and in accordance with the deadlines specified.

18.2 The Comptroller & Auditor General (C&AG) will arrange to audit the [ALB's] annual accounts and will issue an independent opinion on the accounts. The C&AG [passes the accounts to [Department] who shall lay/present/deposit them before the NI Assembly together with [ALB's] annual report] [lays them before the NI Assembly, together with the [ALB's] annual report]. *[State alternative requirements/arrangements where appropriate]*

- 18.3 The C&AG will also provide a Report to Those Charged with Governance (RTTCWG) to [\[ALB\]](#) which will be shared with the Department.
- 18.4 [\[ALB\]](#) 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 [\[ALB\]](#) on actions required to address the qualification/significant issues.
- 18.5 The Department will take assurance from the external audit process and an unqualified position as part of its overall assurance assessment.
- 18.6 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which [\[ALB\]](#) has used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of [\[ALB\]](#).
- 18.7 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.
- 18.8 Where making payment of a grant, or drawing up a contract, [\[ALB\]](#) 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.



## Signatories

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[ALB] 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 Agreement.

DoF Supply will approve the initial Partnership Agreement between [ALB] and the [Department] and any subsequent variations to the Agreement, if they are significant.

Signed (ALB Chair)

Date

Signed (ALB Chief Executive)

Date

Signed (Department – *[at least Senior Lead Official]*)

Date



## **Annex 1 - Applicable Legislation**

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List the founding legislation and other key statutes which provide [ALB] with its statutory functions, duties and powers.

## Annex 2 – Illustrative Annual Engagement Plan

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 ALBs 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.

The template provided outlines the key areas of engagement between Departments and ALBs. The template is not intended to be prescriptive and should be completed collaboratively and agreed between the Department and the ALB.

Engagement Plan 20xx/yy		
Policy Development and Delivery		
<i>Add details of the planned engagement between the ALB and the Department in relation to development and monitoring of existing and new areas of policy.</i>		
Policy Area	Frequency/Timing	Lead Departmental/ALB Officials
Strategic Planning		
Activity	Date	Lead Departmental/ALB Official
ALB Strategic Planning Workshops – encompassing strategic planning and risk identification. Informed by input on departmental priorities/plans and risk areas	Sufficiently well in advance of the Business Year to inform development of the Business Plan for the year ahead	
Engagement on the draft Business Plan and		

identification of areas of strategic interest to the Department to inform further scheduled engagement during the year		
Submission/presentation of the ALB Business Plan		
Approval of the ALB Business Plan		
Engagement on areas of strategic interest iro the ALB Business Plan during the year		
<b>Joint Working</b> <i>Add details of any interchange opportunities, and/or joint programme/project delivery boards</i>		
<b>Activity</b>	<b>Frequency/Timing</b>	<b>Lead Departmental/ALB Official</b>
<b>Board Appointments</b> <i>Add details of any engagement related to Public Appointment exercises</i>		
<b>Activity</b>	<b>Date</b>	<b>Lead Departmental/ALB Official</b>
<b>Chief Executive Recruitment</b> <i>Add details of any engagement related to the recruitment of a new Chief Executive (if anticipated during the year ahead). ALBs should engage with the Department at an early stage in the event of the recruitment of a new Chief Executive. While recognising the role of the Board as employer, the Department will work closely with the ALB in the recruitment and selection process in line with extant guidance.</i>		
<b>Activity</b>	<b>Date</b>	<b>Lead Departmental/ALB Official</b>

## Assurances

*Add details of the timetable for submission of key assurance sources and any other assurance related activity*

Action	Date	Lead Departmental/ALB Official
Outcome of the Review of Board Effectiveness	Annual review with an externally facilitated review at least once every three years	
Planning for the externally facilitated review of Board Effectiveness	Externally facilitated review at least once every three years	
Board Appraisals and planned training/development for Board members	Following the end of the Business year.	
Chair Appraisal	Following the end of the Business year. After Board Appraisals have been completed by the Chair and the annual Review of Board Effectiveness has concluded	
Departmental Attendance at ARAC	Attendance as observer 1xpa	
Assurance Statement	Specify frequency. In most cases this is bi-annual.	
Draft Governance Statement		
Annual Report and Accounts		
Report to those Charged with Governance		

Engagement on other planned NIAO reports		
Head of Internal Audit Annual report/Opinion		
Internal Audit Strategy and Plans		
Internal Audit External Quality Assessment	To be conducted at least once every five years	

### Budget Management

*Add details of the information and returns to be provided.*

Item and Purpose	Date	Lead Departmental/ALB Official
Engagement on budget requirements and Forecast Expenditure for the Financial Year		
Departmental approval of the annual budget		
Monthly Financial Management Returns		
Monthly Cash Forecast		
Monitoring Round Returns		
Provisional Outturn		
Final Outturn		

### Other

*Tailor as required to reflect the specific requirements*

Item and Purpose	Submission Date	Lead Departmental/ALB Official
Accounting Officer - Fitness to Act as Accounting Officer	Periodic (specify) request from the departmental Accounting Officer	
Fraud Reporting	Immediate reporting of all	Department will report frauds

	frauds (proven or suspected including attempted fraud	immediately to DoF and C&AG.
Fraud Reporting	Annual fraud return commissioned by DoF on fraud and theft suffered by <a href="#">[ALB]</a> .	
Media management protocols – independence of ALB to engage with media/announcements of corporate and policy communications significant to ALB - arrangements to share press releases where relevant – ensure no surprises.		
Preparation of business cases – departments and ALBs to consider working together to share expertise where appropriate.		
Whistleblowing cases/ Speaking Up/Raising Concerns.		
<b>Review of the Partnership Arrangement</b> <i>Tailor as required to reflect the specific requirements</i>		
<b>Item and Purpose</b>	<b>Date</b>	<b>Lead Departmental/ALB Official</b>
Light touch review of the Partnership Agreement	Schedule following the end of the Business Year	
Formal review of the Partnership Agreement	To be conducted once every three years	



## Annex 3 - Delegations

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### Delegated authorities

[\[ALB\]](#) shall obtain the Department's prior written approval before:

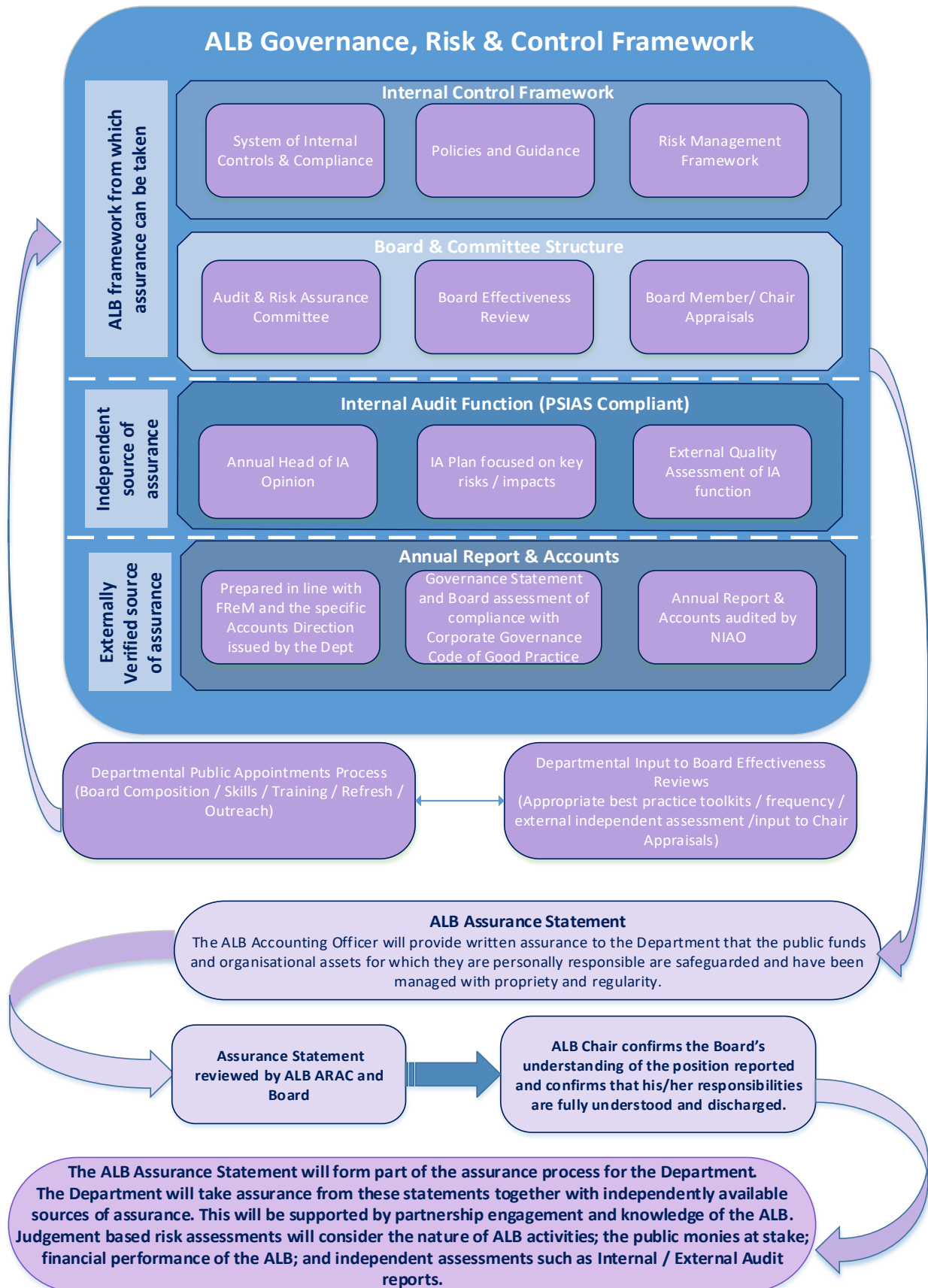
- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the ALB's annual budget as approved by the Department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- 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 Managing Public Money Northern Ireland.

### [\[ALB's\]](#) **Specific Delegated Authorities**

[ALB/Department to discuss and insert]

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

## Annex 4 – Illustrative System of Assurance



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

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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 [\[ALB\]](#) Board 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 Board Members are Public Appointees/office holders rather than [\[ALB\]](#) employees an [\[ALB\]](#) employee may utilise [\[ALB's\]](#) grievance procedure/other HR procedure to raise a complaint against a Board member. The [\[ALB\]](#) employee raising the grievance should expect this to be handled in line with [\[ALB's\]](#) HR procedures.

Concerns/complaints might also be raised through:

- Raising Concerns/Whistleblowing arrangements;
- Complaints processes;
- Directly with [\[ALB\]](#) or the Department.

Where a concern/complaint is received within [\[ALB\]](#) in respect of an individual Board Member this should be provided to the [\[ALB\]](#) 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 [\[ALB\]](#) Chair, [\[ALB\]](#) 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 Board's responsibilities are a matter for the Board to resolve through consensus based decision making in the best interests of the [\[ALB\]](#).

Exceptionally a concern/complaint may be raised by a Board Member about a fellow Board Member or a senior member of [\[ALB\]](#) staff. The [\[ALB\]](#) 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.

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

## Annex 6 - Applicable Guidance

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The following guidance is applicable to [\[ALB\]](#)

### **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 NI Guide to Expenditure Appraisal and Evaluation
- Dear Accounting Officer Letters
- Dear Finance Director Letters
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- Government Financial Reporting Manual (FReM)
- Guidance for preparation and publication of annual report and accounts
- Procurement Guidance

### **Other Guidance and Best Practice**

- Specific guidance issued by the Department
- EU Delegations
- Recommendations made by the NI Audit Office/NI Assembly Public Accounts Committee
- NIAO Good Practice Guides

- Guidance issued by the Executive's Asset Management Unit
- NI Public Services Ombudsman guidance

## Annex 7 – Role of the Minister

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### Role of the Minister

The Chair of [\[ALB\]](#) is responsible to the Minister. Communication between the Board and the Minister should normally be through the Chair.

The departmental Accounting Officer is responsible for advising the relevant Minister on a number of issues including the [\[ALB\]](#) 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 ALB as reflected in the PfG;
- Approving the ALB's Business Plan;
- Setting the ALB's budget; and
- Appointment of non-executive board members. The Minister may also be involved in considering the size and composition of the [\[ALB\]](#) Board – see para 15.3.

## **Annex 8 – Partnerships between Departments and Arm's Length Bodies: NI Code of Good Practice**

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### **NI Code of Good Practice**



Partnerships  
between Department