



Northern
Ireland
Office

Parades Commission NI Framework Document

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TABLE OF CONTENTS

SECTION	PAGE
1. INTRODUCTION	3
2. PARADES COMMISSION ORIGINS OF POWER & DUTIES	3
3. GOVERNANCE AND RESPONSIBILITIES	4
NIO Responsibilities	4
PCNI Responsibilities	6
Corporate Governance	7
4. FINANCIAL PLANNING AND REPORTING	10
NIO/PCNI requirements	10
Budgeting procedures	10
Grant-in-aid and any ring-fenced grants	10
Capital	11
Cash Management	12
Procurement	12
Delegated authorities	12
Business and Corporate plans	13
Risk management	13
Reporting performance to NIO	14
Providing financial monitoring information to the NIO	14
PCNI/NIO working level liaison arrangements	14
Annual report and accounts	15
Internal Audit	16
External Audit	16
Rights of access	17
5. ORGANISATION MANAGEMENT	17
Broad responsibilities for PCNI staff	17
Complaints	18
Access	18
Security and information assurance	18
Freedom of Information and Data Protection	18
Parliamentary Business	19
Review of NDPB status	19
Arrangements in the event that the PCNI is wound up	19
Review of the Framework Document	20
Appendix 1- Compliance with Government-wide corporate guidance and instructions	21
Appendix 2 -Financial Memorandum	22
Appendix 3- Schedule of delegated authorities	28

1. Introduction

- 1.1 The Northern Ireland Office (NIO) has drawn up this framework document, which replaces any earlier versions, in consultation with the Parades Commission (PCNI).
- 1.2 This document sets out the broad framework within which the PCNI will operate. This document does not convey any legal powers or responsibilities.
- 1.3 The document will normally be reviewed by the NIO and PCNI every three years, and immediately after any review of the PCNI's status (see 5.15). The next document review will take place in 2022.
- 1.4 The document may, however, be reviewed at any other time. NIO will manage the provision of amendments, which will be agreed with the PCNI. Major changes or significant departures from the existing document may require the approval of the NIO's Principal Accounting Officer (PAO) and, as required, Her Majesty's Treasury (HMT).
- 1.5 The document is signed and dated by NIO and the PCNI. Copies of the document and any subsequent amendments should be placed on the PCNI's website.

2. The Parades Commission's Origins of Powers and Duties

- 2.1 The PCNI was established in March 1997, initially as a non-statutory body. The Commission's powers and duties derive from the Public Processions (Northern Ireland) Act 1998 as amended by the Public Processions (Amendment) (Northern Ireland) Order 2005.

2.2 The PCNI's statutory duties are to:

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

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

- facilitate mediation between parties to particular disputes concerning proposed public processions and take such other steps as appear to the Commission to be appropriate for resolving disputes;
 - issue determinations in respect of proposed public processions;
 - provide financial or other assistance to any person or body on such terms and conditions as the Commission may determine; and
 - commission and undertake research.
- 2.4 The PCNI's strategic aims and objectives are reviewed every three years following the appointment of a new set of commissioners and published on the PCNI website: www.paradescommission.org

3. Governance & Responsibilities

NIO Responsibilities

Ministerial responsibility

- 3.1 The Secretary of State for Northern Ireland is accountable to Parliament for the operation of the PCNI. The Secretary of State is supported across the range of NIO responsibilities by a Ministerial team.

NIO Accounting Officer's Specific Accountabilities and Responsibilities

- 3.2 The Permanent Secretary of the NIO is the Department's principal Accounting Officer (AO). The NIO's AO has designated the Secretary to the PCNI (hereafter known as "the Secretary") as the PCNI's Accounting Officer. The respective responsibilities of the NIO AO and the PCNI's AO are set out in Chapter 3 of [HMT Managing Public Money](#).
- 3.3 The NIO's AO is accountable to Parliament for the issue of any funds to the PCNI. The NIO AO is also responsible for advising the Secretary of State on:
- an appropriate framework of objectives and targets for the PCNI in the light of the Department's wider strategic aims;
 - an appropriate budget for the PCNI in light of the sponsor Department's overall public expenditure priorities; and
 - how well the PCNI is achieving its strategic objectives and whether it is delivering value for money.
- 3.4 In line with the [Managing Public Money](#) guidance, the NIO's AO is also responsible for ensuring arrangements are in place in order to:
- monitor the PCNI's activities on a continuous basis;

- address significant problems in the PCNI, making interventions as are judged necessary;
- annually, or when deemed necessary, carry out an assessment of the risks both to the Department and PCNI's objectives and activities by requesting a copy of the PCNI's Risk Management policy and risk register;
- inform and involve the PCNI in the development of relevant government policy in a timely manner; and
- bring concerns about any PCNI governance activities to the Secretary, requiring explanations and assurances that appropriate action has been taken.

NIO's responsibilities as sponsor

3.5 The senior sponsor in the NIO is the Deputy Director of Engagement Group; and this is the primary contact for the PCNI. The sponsor is the main source of advice to the PAO and Secretary of State on the discharge of their responsibilities in respect of the PCNI. The sponsor oversees the working relationship between the NIO and the PCNI and, with other NIO teams, secures the necessary financial, management and operational information required to monitor the PCNI's performance. In particular, the sponsor will:

- monitor the PCNI's activities on a continuing basis, ensuring that such monitoring is relevant and proportionate to the risks posed to NIO by the PCNI's business;
- address significant problems in the governance or management of the PCNI making such interventions as are judged necessary. More information on the criteria for intervention is provided at paragraphs 4.24 & 4.25. Where urgent issues or difficulties arise in the relationships or other activities between the NIO and the PCNI, the sponsor will work with relevant officials to resolve matters satisfactorily. Where the issues cannot be fully resolved, matters will be escalated to Director level or, if required, the Permanent Secretary of the NIO.
- support the development of positive and effective working relationships between the PCNI and all parts of NIO, ensuring that the stewardship relationship is tailored and proportionate to the needs of both organisations;
- periodically carry out an assessment of the risks both to the NIO and PCNI objectives and activities. The risk assessment must take into account the public money at stake, the PCNI's corporate governance arrangements; its financial performance; internal and external auditors' reports; the openness of communications between the NIO and the PCNI and any other relevant matters;
- inform the PCNI of relevant government policy in a timely manner, determining how ministerial policies in relation to the PCNI's activities can best be delivered in terms of policy and strategy implementation.

In doing so NIO will work closely with the PCNI who will determine how policy can best be delivered in terms of frontline services; and

- bring concerns about the activities of the PCNI to the Secretary, requiring explanations and assurances that appropriate action has been taken.

3.6 Accountability meetings will take place quarterly between the sponsor and the PCNI to discuss financial management and progress against the PCNI's strategic aims and objectives. Any potential conflicts between policy and operational delivery should immediately be brought to the attention of the NIO.

PCNI Responsibilities

3.7 The Secretary as Designated Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the PCNI. In addition, he or she should ensure that the PCNI complies with the governance, decision-making and financial management standards as set out in Paragraph 3.1 of [Managing Public Money](#).

The Secretary's responsibilities as AO to Parliament

3.8 The Secretary's responsibilities as AO include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- signing a Statement of Accounting Officer's responsibilities, for inclusion in the Annual Report and Accounts;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the PCNI are established and made widely known within the PCNI;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, HM Treasury and the Cabinet Office; and
- giving evidence, normally with the AO of the NIO, when called before the Public Accounts Committee (PAC) on the PCNI's stewardship of public funds.

The Secretary's responsibilities as AO to the Department

3.9 The Secretary's responsibilities as AO include:

- establishing, in agreement with the NIO, the PCNI's corporate and business plan in the light of the Department's wider strategic aims;
- informing the NIO of progress in helping to achieve policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the NIO; that the NIO is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by The Government Internal Audit Agency (GIAA), The National Audit Office (NAO) or by other means, are notified to the NIO in a timely fashion.

The Secretary's responsibilities as AO to the Commission and the Commission Members

3.10 The Secretary's responsibilities as AO to the Commission include:

- advising the Commission on the discharge of the responsibilities as set out in this document, in the governing legislation and in any other relevant instructions and guidance that may be issued from time to time; and
- advising the Commission on the PCNI's performance compared with its aims and objectives;

3.11 The Secretary's responsibilities as AO to the PCNI members include:

- ensuring that financial considerations are taken fully into account by the Commission members at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed; and
- taking action as set out in Chapter 3 of Managing Public Money if the Commission members are contemplating a course of action involving a transaction which the Secretary considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

Corporate Governance

Commission Appointments - The Chairman and Commission Members

3.12 The PCNI shall consist of a chairman and no more than six other Commission Members (Although the Secretary of State has the power to

vary the number of additional members by Order). All are appointed for a period of up to three years, the exact length of appointment will be specified in the Terms and Conditions offered by the Secretary of State. Such appointments will comply with the [Governance Code for Public Appointments](#).

Commission Staff – The Secretary

3.13 The Secretary is appointed by the NIO AO and will normally be seconded from the HCS or NICS.

Composition of the Commission

3.14 In line with the Public Processions (NI) Act 1998, the Commission will consist of a chairman together with no more than six other members (although the Secretary of State has the power to vary the number of additional members by Order) that have a balance of skills and experience appropriate to directing the PCNI business.

Chair's Responsibilities

3.15 The Chair should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

3.16 The Chair must ensure the Commission has an appropriate Audit Committee in place. The Commission is expected to assure itself of the effectiveness of the internal control and risk management systems.

3.17 The Chair of the Commission is responsible for:

- establishing and taking forward the strategic aims and objectives of the Commission consistent with its overall strategic purpose and within the policy and resources framework determined by the Secretary of State;
- ensuring that the Secretary of State is kept informed of any changes which are likely to impact on the strategic direction of the Commission or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Commission operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Commission takes into account guidance issued by the Department;

- demonstrating high standards of corporate governance at all times, including using the Audit Committee to help the Commission members address key financial and other risks.

The Secretary's Personal Responsibilities

3.18 The Secretary is responsible for ensuring that the PCNI's policies and actions support the NIO's wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the PCNI.

3.19 In addition, the Secretary has the following leadership responsibilities:

- formulating the PCNI corporate strategy;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- ensuring that Commission members, in reaching decisions, take proper account of the legislation governing the work of the PCNI.

3.20 The Secretary also has an obligation to ensure that:

- the PCNI is working effectively;
- the work of the PCNI and its members is reviewed;
- Commission members are fully briefed on their duties, obligations and responsibilities and comply with their terms of appointment;
- he or she, together with Commission members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the Secretary of State is advised of PCNI needs when Commission vacancies arise; and
- there is a Code of Practice for Commission members in place consistent with the Cabinet Office model Code.

Individual Commission Members' responsibilities

3.21 Individual Commission Members should:

- comply at all times with internal guidance and with the rules relating to the use of public funds, and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of

public service to promote their private interests or those of connected persons or organisations;

- comply with the Commission's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of the PCNI.

4. FINANCIAL PLANNING & REPORTING

NIO/PCNI Requirements

- 4.1 Unless otherwise agreed by the NIO and, as necessary, HM Treasury, the PCNI shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to the NIO. A list of guidance and instructions with which the PCNI should comply is attached at Appendix 1. The PCNI should also ensure that it complies with the requirements of the Financial Memorandum as set out in Appendix 2.

Budgeting Procedures

- 4.2 Each year, in the light of decisions by the NIO on the updated draft corporate plan, the NIO will send to the PCNI within a period determined by the NIO:
- a formal statement of the annual budgetary provision allocated by the NIO in the light of competing priorities across the NIO and of any forecast income approved by the NIO; and
 - a statement of any planned change in policies affecting the PCNI.
- 4.3 The approved annual business plan will take account both of approved funding provision [where this applies] and any forecast receipts and will include a resource budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any Departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

Grant-in-aid and any ring-fenced grants

- 4.4 The PCNI will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the PCNI. Grant-in-aid not spent by the end of the financial year shall lapse. Subject to approval by

Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at year-end, the NIO will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

- 4.5 In the event that NIO provides the PCNI separate grants for specific (ring-fenced) purposes, it will issue the grant as and when the PCNI needs it on the basis of a written request. The PCNI will provide evidence that the grant will be used for the purposes authorised by the NIO. The PCNI shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.
- 4.6 Once the budget has been approved by the NIO, the PCNI shall have authority to incur expenditure approved in the budget without further reference to the NIO, on the following conditions:
- the PCNI shall comply with the delegations set out in Appendix 3 and these shall not be altered without the prior agreement of the NIO;
 - the PCNI shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
 - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
 - the PCNI shall provide the NIO with such information about its expenditure as the NIO may reasonably require.

Capital

- 4.7 If any capital expenditure is needed, this must be agreed, sufficiently in advance to allow the NIO to comply with HM Treasury deadlines.
- 4.8 The approval of the NIO will be sought for any requests for capital spend above the delegation limit based on a submitted business case for the spend. As the PCNI will recover amounts through the levy equivalent to the depreciation charge each year, any grant-in-aid advanced for capital spend will be repaid according to the depreciation policy of the capital asset it was used to purchase.
- 4.9 Expenditure and decisions on estates and IT issues must comply with central government guidelines and controls on the use of public money in these areas.

Cash Management

4.10 The PCNI will use the services of the Government Banking Service and will retain only those funds necessary for the efficient operation of the Commission.

Procurement

4.11 The PCNI shall:

- ensure its procurement policies are consistent with Government guidance, including Annex 4.4 of [Managing Public Money](#), and NIO procurement guidelines and policies;
- put in place a procurement framework which sets out its procurement processes and control mechanisms under the statement of delegated authority for general procurement provided by the NIO; and
- periodically and wherever practicable undertake benchmarking against best practice elsewhere.

4.12 The National Audit Office (NAO) and the Government Internal Audit Agency (GIAA) may carry out procurement audit and inspection at their discretion. The GIAA will have recourse to NIO procurement team as required to fulfil their functions on behalf of the PCNI.

Delegated Authorities

4.13 The PCNI's delegated authorities are set out in Appendix 3. The PCNI shall obtain the NIO's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the PCNI's annual budget as approved by the Department including for any single tender or restricted contract other than for mediation services.
- 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](#).

Corporate and Business Plan

- 4.14 By a date mutually agreed with the NIO the PCNI shall submit annually to the NIO a draft of the business plan covering one year ahead. The draft should be submitted within a period determined by the NIO.
- 4.15 The plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the NIO. Subject to any commercial considerations, a digest of the business plan should be published by the PCNI on its website and separately be made available to staff.
- 4.16 The following key matters should be included in the plan:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
 - key non-financial performance targets;
 - a review of performance in the preceding financial year, together with comparable outturns for the previous 2 years, and an estimate of performance in the current year;
 - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
 - other matters as agreed between the NIO and the PCNI.

Risk Management

- 4.17 The PCNI shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with HM Treasury guidance [Management of Risk: Principles and Concepts](#) and NIO policies, including a reference to risk in the Governance Statement. The PCNI will share its risk register with the NIO and risks should be subject to regular review at accountability meetings and, where the risk is capable of impacting on the NIO itself, escalated to the NIO as appropriate.
- 4.18 The PCNI should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with [HM Treasury's guide: Managing the Risk of Fraud](#). It should also take all reasonable steps to appraise the

financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

- 4.19 The PCNI shall ensure that all staff are aware of the NIO's policies on record and information management and shall implement policies and practices to cover document security in line with the NIO guides.

Reporting Performance to the NIO

- 4.20 The PCNI shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The PCNI shall inform the NIO of any changes that make the achievement of objectives more or less difficult. It shall report financial and non-financial performance and the achievement of any key objectives that may be linked to the NIO's strategic objectives through the normal sponsorship arrangements. The PCNI's performance shall be formally reviewed by the Department once a year and the Secretary of State or a member of the Ministerial Team should meet with the Chair annually.

Providing Financial Monitoring Information to the NIO

- 4.21 As a minimum, the PCNI shall provide the NIO with information monthly that will enable the NIO to satisfactorily monitor:
- the PCNI's cash management;
 - resource budget and explanations for major variances;
 - forecast outturn by resource headings; and
 - other data for HM Treasury/Cabinet Office reporting.

Parades Commission/NIO Working Level Liaison Arrangements

- 4.22 The NIO will liaise regularly with PCNI officials to review the PCNI's financial performance against plans, achievement against targets and expenditure against budget. All parties agree to communicate openly and often on an informal basis about governance arrangements and other matters of mutual interest, ensuring "no surprises" in their dealings with each other with regards to these matters. Arrangements for dealing with urgent issues and problems will be agreed between the NIO sponsor team and PCNI, with the Senior Sponsor being kept informed of any developments in this regard.

- 4.23 An NIO representative will attend PCNI audit committee meetings in an observer capacity and may be invited to Commission meetings.

Consequences of failure to comply with NIO requirements

4.24 The routine accountability meetings between the NIO sponsor team and the PCNI are the means by which performance, financial performance and the financial position of the PCNI are evaluated. This monitoring framework and the application of robust risk management procedures by the Commission should be sufficient to avoid the need for NIO intervention in the governance affairs of the Commission. There may, however, be a need for intervention in circumstances where:

- there are early indications that a risk of material failure may occur in the Commission and the judgement of the NIO is that additional input is needed to prevent the risk materialising;
- external or NIO decisions mean that the activities need to be transferred, altered or stopped quickly;
- operational performance is compromised and the risk to the NIO requires urgent intervention;
- the financial performance of the Commission is deteriorating and there are concerns within corporate finance over financial control; and
- broadly, an adverse situation arises and it appears that the attention of the NAO is likely – this could include a situation beyond poor financial control, poor performance or issues relating to regularity or propriety.

4.25 In such circumstances the NIO will discuss with relevant officials in the PCNI, escalating to senior levels within NIO and the PCNI as appropriate.

Annual Report and Accounts

4.26 In accordance with the Public Processions Act (Northern Ireland) 1998 as amended by the Public Processions (Amendment) (Northern Ireland) Order 2005 the Parades Commission will keep proper accounts and proper records in relation to the accounts. The PCNI must publish an annual report together with its audited accounts after the end of each financial year and before 31 January the following year.. The PCNI shall provide the NIO with its finalised (audited) annual accounts as appropriate within the timetable issued by the NIO Finance team each year. The PCNI should also submit a draft of the annual report to NIO two weeks before the proposed publication date.

4.27 The Annual Report must:

- comply with the Government Financial Reporting Manual; and

- outline main activities and performance during the previous financial year and set out in summary form forward plans.

4.28 Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and made available on the PCNI's website.

Internal Audit

4.29 The PCNI shall:

- establish and maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS);
- ensure the NIO is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
- set up an Audit Committee in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the internal audit opinion on risk management, control and governance as soon as possible to the NIO; and
- keep records of, and, prepare and forward to the NIO an annual report on fraud and theft suffered by the PCNI and notify the NIO of any unusual or major incidents as soon as possible.

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

External Audit

4.31 The Comptroller and Auditor General (C&AG) audits the PCNI annual accounts. The C&AG:

- will consult with the NIO and PCNI on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act

2000, held by another party in receipt of payments or grants from the PCNI; and

- will share with the NIO at the end of the audit, information identified during the audit process and the audit report (together with any other outputs), in particular on issues impacting on the NIO's responsibilities in relation to financial systems within the PCNI.

4.32 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the PCNI has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the PCNI shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Right of Access

4.33 The NAO has the right of access to PCNI records and personnel relevant to sponsorship audits and governance investigations and related purposes.

5. ORGANISATION MANAGEMENT

Parades Commission Staff

5.1 The staff employed at the PCNI are normally seconded Civil Servants from the HCS/NICS or recruited via Interchange arrangements and as such contractual arrangements are stipulated by the individuals parent Department The PCNI may also recruit contract/agency staff on a temporary basis to help manage busy periods. Any such staff should be recruited in line with appropriate procurement guidance and all costs must be met within the agreed PCNI budget.

Travel Expenses

5.2 The travel and subsistence expenses of Commissioners and Secretariat staff shall be tied to approved government rates. Details of the appropriate rate will be set out in terms of appointment or secondment agreements.

Pensions, Redundancy and Compensation

5.3 PCNI shall not make pension, redundancy or compensation payments without the prior approval of the

Complaints

- 5.4 Where complaints are received by the NIO about the PCNI or matters within the PCNI's remit, the NIO will refer these to the PCNI to deal with. NIO retains the authority, however, to manage a complaints process directly in the most serious cases. Complaints about the personal conduct of individual Commissioners should be considered by the Chair who may decide to pass the complaint to the NIO. Complaints about the conduct of the Chair will be considered by the NIO who will decide how the complaint will be handled. The NIO may appoint an independent person to investigate the issues and make recommendations about the complaint resolution.
- 5.5 The PCNI is subject to the jurisdiction of the Parliamentary and Health Service Ombudsman. Responsibility for handling any matters under investigation by the Ombudsman will fall to the Chair of the Commission. Contentious cases should be brought to the attention of the NIO at an appropriate stage.
- 5.6 The PCNI will manage any litigation arising from its operational activities.

Access

- 5.7 The NIO will have a right of access to PCNI governance records as required to discharge the obligations of the NIO and the PAO. For the avoidance of doubt, this does not include information protected under the Commission's Statutory Rules.

Security and information assurance

- 5.8 The PCNI is required to provide an annual assurance report to the NIO in support of the Permanent Secretary's accountability for information security arrangements across the NIO, including its sponsored bodies. The report will be initiated by the NIO.

Freedom of Information and Data Protection

- 5.9 The PCNI will maintain a central monitoring record of FOI and DPA requests received and answered. The NIO may require this information for inclusion in the Departmental statistics.

Parliamentary Business

5.10 When replying to a Parliamentary Question or speaking in a Parliamentary debate on an issue that falls within the remit of the PCNI, the responsible Minister will either request that the PCNI respond directly or, if information is provided, the Minister will make it clear that they are answering on the basis of information provided by the Commission. The PCNI will provide such information and, where necessary, advice in a timely manner and to the best of its ability, however the PCNI reserve the right to refuse a request if it is inconsistent with its statutory rules.

Review of NDPB Status

5.11 In accordance with Cabinet Office guidance the status of Executive NDPBs should be reviewed every three years. However, as the PCNI is a body that arose from the 1998 Act the decision to conduct a review will only be taken following discussions with Cabinet Office.

Arrangements in the Event that the Parades Commission is wound up

5.12 The NIO shall put in place arrangements to ensure the orderly winding up of the PCNI. In particular it should ensure that the assets and liabilities of the PCNI are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the NIO.) To this end, the NIO shall:

- ensure that procedures are in place within the PCNI to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the PCNI's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with the report on the accounts; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another NDPB takes on the role, responsibilities, assets and liabilities, the succeeding NDPB AO should sign the closing accounts. In the event that the NIO inherits the role, responsibilities, assets and liabilities, the NIO AO should sign.

5.13 The PCNI shall provide the NIO with full details of all agreements where the PCNI or its successors have a right to share in the financial gains of

developers. It should also pass to the NIO details of any other forms of claw-back due to the PCNI.

Review of the Framework Document

5.14 The Framework Document will normally be reviewed at least every three years or following a review of the NDPB's functions as provided for in 5.11 above.

5.15 The NIO will be consulted on any significant variation proposed to the Framework Document.

Signed.....*C. Egan*.....

Date...14/5/19.....

(On behalf of the NIO)

Signed.....*[Signature]*.....

Date...14/5/19.....

(On behalf of the Parades Commission)

COMPLIANCE WITH GOVERNMENT-WIDE CORPORATE GUIDANCE AND INSTRUCTIONS

Current guidance with which the PCNI must comply:

- this document;
- appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice http://www.hm-treasury.gov.uk/d/corporate_governance_good_practice_july2011.pdf
- Managing Public Money (MPM); https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf
- Government Internal Audit Standards, http://www.hm-treasury.gov.uk/psr_governance_qia_guidance.htm;
- Management of Risk: Principles and Concepts: http://www.hm-treasury.gov.uk/d/orange_book.pdf;
- Managing the Risk of Fraud, http://www.hm-treasury.gov.uk/...fraud_guide_for_managers.pdf;
- Government Financial Reporting Manual (FReM), www.hm-treasury.gov.uk/frem_index.htm;
- relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money, www.hm-treasury.gov.uk/psr_governance_valueformoney.htm;
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>;
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions;
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office);
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- other relevant instruction and guidance issued by the central Departments;
- specific instructions and guidance issued by the NIO as sponsor department; and
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the NIHRC.
- Cabinet Office Control Limits <https://www.gov.uk/government/publications/cabinet-office-controls-guidance-version-3-1>

PARADES COMMISSION FINANCIAL MEMORANDUM

Introduction

1. This Financial Memorandum sets out certain aspects of the financial framework within which the Parades Commission (PCNI) is required to operate.
2. The financial memorandum should be read in conjunction with the Framework Document but may be supplemented by guidelines or directions issued by the NIO in respect of the exercise of any individual functions, powers and duties of the PCNI.
3. The PCNI shall satisfy the conditions and requirements set out in the combined framework document, together with such other conditions as the NIO, Ministers or HM Treasury may from time to time impose.
4. The PCNI's Secretary has been designated its accounting officer. The accounting officer is responsible and accountable to Parliament for ensuring that the uses to which the PCNI puts its funds are consistent with the purpose for which the PCNI was given the funds and that the uses comply with the conditions attached to them. The accounting officer is also responsible for the regularity and propriety of expenditure for those uses and for securing the best possible value for money from them. The full responsibilities of the PCNI are set out at section 3 of the Framework Document.

Expenditure not proposed in the annual budget

5. The financial planning, reporting and budgeting requirements are set out in section 4 of the Framework Document.
6. The PCNI shall not, without prior written NIO approval, enter into any undertaking to incur expenditure which falls outside the PCNI delegations or which is not provided for in the PCNI annual budget as approved by the NIO.

Timeliness in Paying Bills

7. The Parades Commission shall collect receipts and pay all matured and properly authorised invoices in accordance with the NIO Prompt Payment Policy.

Novel, Contentious or Repercussive Proposals

8. The PCNI shall obtain the prior written approval of the NIO before:
- incurring any expenditure for any purpose which 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 NIO;
 - making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required.

Fees and Charges

9. Fees or charges for any services supplied by the PCNI shall be determined in accordance with [Managing Public Money, Chapter 6, "Fees, charges and levies"](#).

Receipts from Sale of Goods or Services and Capital

10. If there is any doubt about the correct classification of a receipt, the PCNI shall consult the NIO, who will consult with HM Treasury as necessary.

Fines, Taxes and Other Receipts

11. Receipts shall either be surrendered to the NIO or, if retained, shall either reduce the need for grant-in-aid or, if used to finance additional expenditure by the PCNI, shall require additional DEL cover from the Department.

Interest Earned

12. If the receipts are used to finance additional expenditure by the PCNI, the NIO will need to ensure it has the necessary DEL cover. Any interest earned on cash balances arising from grant-in-aid or other Exchequer funds shall be treated as a receipt from an Exchequer source. Depending on the budgeting treatment of this receipt, and its impact on the PCNI's cash requirement, it may lead to commensurate reduction of grant-in-aid or be required to be surrendered to the Consolidated Fund via the NIO.

Unforecast changes in in-year income

13. The PCNI may receive grants from other sources, with the NIO's approval, to fund additional work consistent with its statutory function, which would not otherwise have been funded from grant-in-aid. This negative DEL income must be used only for discrete projects approved by the NIO.
14. If the negative DEL income realised or expected to be realised in-year is less than estimated, the PCNI shall, unless otherwise agreed with the NIO, ensure a corresponding reduction in its gross expenditure, so that the authorised provision is not exceeded.
15. If the negative DEL income realised or expected to be realised in the year is more than estimated, the Secretary may apply to the NIO to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The NIO shall consider such applications, taking account of competing demands for resources. 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 NIO.

Borrowing

16. The PCNI shall not undertake borrowing of any kind.

Reserves

17. No grant or grant-in-aid shall be paid into any reserve held by the PCNI. Funds in any reserve may be a factor for consideration when grant-in-aid is determined.

Capital expenditure

18. Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis.
19. Proposals for large scale individual capital projects or acquisitions will normally be considered within the PCNI corporate planning process. Applications for approval by the NIO and, if necessary, HM Treasury shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the PCNI. Regular reports on the progress of projects shall be submitted to the NIO.

20. Within its approved overall resources limit, the PCNI shall, as indicated in the attached **Appendix 3** on delegated authorities, have delegated authority in relation to capital expenditure. Beyond that delegated limit, the NIO's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

Transfer of funds within budgets – virement

21. Unless financial provision is subject to specific controls (e.g., where provision is ring-fenced for specific purposes), transfers within admin or programme or within the total capital budget do not need the NIO's approval.
22. However, all other transfers are subject to the NIO's approval.

Gifts and Hospitality

23. The PCNI should adopt a policy that is consistent with the NIO's procedures in relation to Gifts and Hospitality offered and received and maintain their own register.

Use of Consultants

24. The PCNI will take into account the Department's policy and practice on the use and recruitment of external consultants. Please see the delegated limits set out in Annex 3.

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

25. The PCNI shall not, without the NIO'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 outlined in [Managing Public Money: Chapter 5, Annex 5.4 and Annex 5.5](#)), whether or not in a legally binding form.

Gifts Made, Write-offs, Losses and Other Special Payments

26. Proposals for making gifts or other special payments (including write-offs) outside the delegated limits set out in Annex 3 of this document must have the prior approval of the NIO.

Unconventional Financing

27. Unless otherwise agreed with the NIO, the PCNI shall not enter into any unconventional financing arrangement.

Leasing

28. Prior NIO approval must be secured before the PCNI enters into any leasing agreement. Before entering into any lease (including an operating lease), the PCNI shall demonstrate that the lease offers better value for money than purchase.

Commercial insurance

29. The PCNI shall not take out any insurance without the prior approval of the NIO, other than third-party insurance required by the Road Traffic Acts and any other insurance which is a statutory obligation or which is permitted in [Managing Public Money](#).

Register of Assets

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

Disposal of assets

31. The PCNI shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. High value assets shall be sold by auction or competitive tender (unless otherwise agreed by the NIO), and in accordance with [Managing Public Money](#).
32. The PCNI may normally retain any benefit derived from the sale of assets provided that:
- the NIO and HM Treasury are content for the PCNI to retain this benefit;
 - it is used to finance other capital spending;
 - the NIO receives prior notification of individual sales; and
 - total sales in any financial year do not exceed a specified limit to be agreed in advance with the NIO.

33. If, notwithstanding the above, the PCNI disposes of assets which have been purchased, improved or developed with Exchequer funds and the benefits amount to more than £1 million, or where the disposal has unusual features of which Parliament should be aware, Parliamentary approval shall be secured for the benefit to be reinvested. Any receipts shall therefore be surrendered to the NIO, which shall then submit an Estimate seeking approval for any new arrangements for reinvestment.
34. If the criteria in paragraph 29 above are not met, any receipts shall be dealt with in line with the rules on surplus in-year receipts.

Review

35. This financial memorandum will normally be reviewed by the NIO and PCNI as set out in section 1 of the Framework Document.

SCHEDULE OF DELEGATED AUTHORITIES

RESOURCE CATEGORY	EXTENT OF DELEGATION
<p>Capital Expenditure:</p> <ul style="list-style-type: none"> • Capital projects* or • IT Equipment* <p>* for each separate project</p>	£15k
<p>Revenue Expenditure:</p> <p>Marketing and Advertising</p> <p>Employment of consultants</p> <p>Legal fees</p> <p>Losses</p> <p>Gifts</p>	<p>£15k</p> <p>£15k</p> <p>£50k and NIO to be informed of any cases which are likely to attract public interest.</p> <p>£2k</p> <p>Within the limits set in the NIO Gifts and Hospitality policy.</p>

NOTE: the amounts indicated represent the limit of the delegated authority unless otherwise agreed in advance with the NIO. None of the above overrules the requirement to seek approval for any matter which might be deemed novel or contentious regardless of cost or which may be outside normal NIO and HM Treasury guidance such as *Managing Public Money*, Cabinet Office's control limits or NIO policy on Gifts and Hospitality.