

March 2018

ARMAGH OBSERVATORY AND PLANETARIUM

MANAGEMENT STATEMENT

AND

FINANCIAL MEMORANDUM

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Definitions

In this Management Statement and Financial Memorandum:

“AOP” means the Armagh Observatory and Planetarium

“The Board” means the Board of Governors of the Armagh Observatory and Planetarium

“The Committee” means the Management Committee of the Armagh Observatory and Planetarium

“Body” means the Armagh Observatory and Planetarium

“C&AG” means the Comptroller and Auditor General for Northern Ireland

“CEO” means the Chief Executive Officer of the Armagh Observatory and Planetarium (also referred to as the Director)

“DAO” means “Dear Accounting Officer” letter

“DEL” means Departmental Expenditure Limits

“The Department” means the Sponsor Department – in this case the Department for Communities

“DoF” means Department of Finance

“DPFO” means “Dear Principal Finance Officer” letter

“Grant” means any form of payment, of which “grant-in-aid” is a subset

“Minister” means the Minister of the Department for Communities.

“MPMNI” means Managing Public Money Northern Ireland

“MSFM” means the Management Statement and Financial Memorandum document

“PfG” means Programme for Government

“TEO” means The Executive Office

“PSIAS” means Public Sector Internal Audit Standards

“PFO” means Principal Finance Officer

“SORP” means Statement of Recommended Practice

“Voted” means provision voted by the Northern Ireland Assembly

During the period of suspension, any reference to the NI Assembly in this document should be read as a reference to the United Kingdom Parliament.

1. INTRODUCTION

1.1. This Document

- 1.1.1. This Management Statement and Financial Memorandum (MSFM) has been drawn up by the Department in consultation with Armagh Observatory and Planetarium (AOP), College Hill, Armagh, BT61 9DG. The document is based on a model prepared by the Department of Finance (DoF).
- 1.1.2. The terms and conditions set out in the combined Management Statement and Financial Memorandum may be supplemented by guidelines or directions issued by the sponsor Department/Minister in respect of the exercise of any individual functions, powers and duties of AOP.
- 1.1.3. A copy of the MSFM for AOP should be given to all newly appointed members of the Board and Committee, senior AOP executive staff and departmental sponsor staff on appointment. Additionally, the MSFM should be tabled for the information of members of the Board and Committee at least annually at a full meeting of the relevant body. Amendments made to the MSFM should also be brought to the attention of the full Board and Committee on a timely basis.
- 1.1.4. Subject to the legislation noted in 1.2 below, this Management Statement sets out the broad framework within which AOP will operate, in particular:
 - AOP's overall aims, objectives and targets in support of the Executive and the Department's wider strategic aims and the outcomes and targets contained in its current Programme for Government (PfG);
 - the rules and guidelines relevant to the exercise of AOP's functions, duties and powers;
 - the conditions under which any public funds are paid to AOP;
 - how AOP is to be held to account for its performance.
- 1.1.5. The associated *Financial Memorandum* sets out in greater detail certain aspects of the financial provisions which AOP shall observe. However, the *Management Statement* and *Financial Memorandum* do not convey any legal powers or responsibilities.
- 1.1.6. The document shall be periodically reviewed by the Department in accordance with the timetable referred to in Section 7 below.
- 1.1.7. AOP, the Department, or the Minister, may propose amendments to this document at any time. Any such proposals by AOP shall be considered in the light of evolving Departmental policy aims, operational factors and the track record of AOP itself. The guiding principle shall be that the extent of flexibility

and freedom given to AOP shall reflect both the quality of its internal controls to achieve performance and its operational needs. The Department shall determine what changes, if any, are to be incorporated in the document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with DoF Supply after consultation with AOP, as appropriate. (The definition of “significant” will be determined by the Department in consultation with DoF).

- 1.1.8. The MSFM is approved by DoF Supply, and signed and dated by the Department and AOP’s Chief Executive Officer.
- 1.1.9. Any question regarding the interpretation of the document shall be resolved by the Department after consultation with AOP and, as necessary, with DoF Supply.
- 1.1.10. Copies of this document and any subsequent substantive amendments shall be placed in the Library of the Assembly. (Copies shall also be made available to members of the public on AOP’s website).

1.2. Founding Legislation; Status

- 1.2.1. AOP is established under AOP (Northern Ireland) Order 1995 as a body corporate. AOP does not carry out its functions on behalf of the Crown.
- 1.2.2. The Corporation created by Section 2 of the Act of 1791, An Act for settling and preserving a Public Observatory and Museum in the City of Armagh forever, was renamed the Governors of the Armagh Observatory and Planetarium under the Armagh Observatory and Planetarium (NI) Order 1995 (**Appendix A refers**), as amended by Schedule I, Paragraph 6 of the Audit and Accountability (NI) Order 2003 (hereafter “the Order”).
- 1.2.3. AOP’s principal source of income is grant-in-aid provided by the Department. Other income is derived from grants, donations and receipts for services. The Armagh Observatory and Planetarium was designated as a registered charity on 1st April 2016.

1.3. The Functions, Duties and Powers of AOP

- 1.3.1. Paragraph 4 of AOP (Northern Ireland) Order 1995 (The Order) sets out the functions, duties and powers of the Board of Governors of AOP:

“4. (1) The Governors shall, for the purpose of developing and improving the knowledge, appreciation and practice of astronomy and related sciences, maintain and manage the Armagh Observatory and Planetarium and may take such other action as the Governors may think proper for the purpose of acquiring or disseminating knowledge relating to astronomy and related sciences.

4. (2) Without prejudice to the generality of paragraph (1), the Governors may for the purposes of their functions under that paragraph

- (a) exercise any power heretofore exercisable by them by virtue of the Act of 1791 or any relevant trusts;
- (b) provide, maintain and manage such facilities as appear to them to be complementary or ancillary to, or otherwise appropriate to be provided in association with, any facilities for the time being maintained and managed by them;
- (c) accept gifts or bequests and execute any lawful trust having objects similar to the objects of the Governors or incidental or conducive to the attainment or furtherance of any of those objects;
- (d) give assistance (including financial assistance) to bodies having objects similar to those of the Governors;
- (e) make charges for goods and services provided by them;
- (f) carry out, or assist in the carrying out of, research;
- (g) provide information and advice;
- (h) do all such other acts as appear to the Governors to be necessary or expedient for the performance of those functions or as are incidental to the carrying out of those functions.

4.(3) The Governors may allow premises owned or occupied by them to be used by other persons (for payment or otherwise) for purposes not connected with the functions of the Governors if the Governors are satisfied that to do so would not conflict unduly with those functions.

4. (4) Any property or right which but for this Order would have been held or exercisable by, or for the benefit of, the person holding the office referred to in the Act of 1791 as keeper (or astronomer and keeper) of the observatory and museum shall be held or exercisable by, or for the benefit of, the Governors for the purposes of their functions under this Order.”

1.4. Classification

- 1.4.1. For policy/administrative purposes AOP is classified as an executive non-departmental public body (NDPB).
- 1.4.2. For national accounts purposes AOP is classified to the central government sector.
- 1.4.3. References to AOP include, where they exist, all its subsidiaries and joint ventures that are classified to the public sector for national accounts purposes. If such a subsidiary or joint venture is created, there shall be a document setting out the arrangements between it and AOP (paragraphs 72-73 of the Financial Memorandum refer).

2. AIMS, OBJECTIVES AND TARGETS

2.1. Overall Aim

- 2.1.1. AOP has an important role in delivering the Executive and the Department’s vision and objectives. AOP’s Vision is *“Armagh Observatory and Planetarium*

is renowned throughout the world as a unique Centre of Excellence for research, education, inspiration and outreach in space and science.”

It's Mission is “To advance the knowledge and understanding of astronomy and related sciences through interactive engagement and the execution, promotion and dissemination of astronomical research nationally and internationally, in order to enrich the intellectual, economic, social and cultural life of all members of the community.”

2.2. Objectives and Key Targets

2.2.1. The Department determines AOP's performance framework in line with the Executive and the Department's wider strategic aims and current Programme for Government (PfG) objectives and targets. The objectives, key targets and performance measures within AOP are agreed by the Minister within AOP's corporate and business planning process. (Section 4 below)

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1. The Minister

3.1.1. The Minister is accountable to the Assembly for the activities and performance of AOP. The responsibilities of the Minister include:

- approving AOP's strategic objectives and the policy and performance framework within which AOP will operate (as set out in this *Management Statement* and *Financial Memorandum* and associated documents);
- keeping the Assembly informed about AOP's performance;
- approving the amount of grant-in-aid to be paid to AOP, and securing Assembly approval; and
- Appointment of the Ministerial Appointees on the Board and the Management Committee.

3.2. The Accounting Officer of the Department

3.2.1. The Permanent Secretary, as the Department's principal Accounting Officer (the “Departmental Accounting Officer”), is responsible for the overall organisation, management and staffing of the Department and for ensuring that there is a high standard of financial management in the Department as a whole. The Departmental Accounting Officer is accountable to the Assembly for the issue of any grant-in-aid to AOP. The Departmental Accounting Officer designates the Chief Executive Officer as AOP's Accounting Officer, and may withdraw the accounting officer designation if he/she believes that the incumbent is no longer suitable for the role.

3.2.2. In particular, the Departmental Accounting Officer of the Department shall ensure that:

- AOP's strategic aims and objectives support the Department's wider strategic aims and current PfG objectives and targets;
 - the financial and other management controls applied by the Department to AOP are appropriate and sufficient to safeguard public funds and for ensuring that AOP's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to AOP by the Assembly but also any other funds falling within the stewardship of AOP);
 - the internal controls applied by AOP conform to the requirements of regularity, propriety and good financial management; and
 - any grant-in-aid to AOP is within the ambit and the amount of the Request for Resources and that Assembly authority has been sought and given.
- 3.2.3. The responsibilities of a Departmental Accounting Officer are set out in more detail in Chapter 3 of Managing Public Money Northern Ireland (MPMNI).
- 3.2.4. The Departmental Accounting Officer or his/her designated officials or representatives may attend as an observer at AOP's Board, Management Committee, Audit and Risk Assurance Committee meetings and from time to time any other committee meetings as considered appropriate by the Department.

3.3. The Sponsoring Team in the Department

- 3.3.1. Within the Department, Museums and Libraries Branch is the sponsoring team for AOP. The Team, in consultation as necessary with the Departmental Accounting Officer, is the primary source of advice to the Minister on the discharge of his/her responsibilities in respect of AOP, and the primary point of contact for AOP in dealing with the Department. The sponsoring team shall carry out its duties under the management of a senior officer, who shall fulfil the role of Senior Sponsor and have primary responsibility for overseeing the performance of AOP.
- 3.3.2. The sponsoring team shall advise the Minister on:
- an appropriate framework of objectives and targets for AOP in light of the Department's wider strategic aims and current PfG objectives and targets;
 - an appropriate budget for AOP in light of the Department's overall public expenditure priorities; and
 - how well AOP is achieving its strategic objectives and whether it is delivering value for money.
- 3.3.3. In support of the Departmental Accounting Officer, the sponsoring team shall:

on performance and risk management -

- monitor AOP's activities on a continuing basis through an adequate and timely flow of information from AOP on performance, budgeting, control, and risk management, including early sight of AOP's Governance Statement;
- address in a timely manner any significant problems arising in AOP, whether financial or otherwise, making such interventions in the affairs of AOP as the Department judges necessary to address such problems;
- periodically carry out a risk assessment of AOP's activities to inform the Department's oversight of AOP; strengthen these arrangements if necessary; and amend the *Management Statement* and *Financial Memorandum* accordingly. The risk assessment shall take into account the nature of AOP's activities; the public monies at stake; the body's corporate governance arrangements; its financial performance; internal and external auditors' reports; the openness of communications between the body and the Department; and any other relevant matters;
- when appropriate, attend AOP's Board, Management Committee, and the Audit and Risk Assurance Committee meetings, as observers.

on communication with AOP -

- inform AOP of relevant Executive / Government policy in a timely manner; if necessary, advise on the interpretation of that policy; and issue specific guidance to AOP as necessary;
- bring concerns about the activities of AOP to the attention of the Board / Management Committee, and require explanations and assurances that appropriate action has been taken;

3.4. The AOP Board and Management Committee

3.4.1. The AOP Board

3.4.2. In accordance with paragraph 2(1) of Schedule 1 of the Order the Board shall consist of:

- a) the Church of Ireland Archbishop of Armagh who shall be Chair of the Governors;
- b) the Dean of the Chapter of the Church of Ireland Cathedral of Armagh;
- c) the other members of the Chapter of the Church of Ireland Cathedral of Armagh;
- d) one person appointed by the Department in line with the Code of Practice issued by the Commissioner for Public Appointments for Northern Ireland;

e) one person appointed by the Queen's University of Belfast;

f) any persons for the time being appointed under sub-paragraph (2) ¹

3.4.3. The 1995 Order under paragraph 4 (1) places a statutory duty on the Governors to maintain and manage AOP with the purpose of "developing and improving the knowledge, appreciation and practice of astronomy and related sciences, maintain and manage the Armagh Observatory and Planetarium and may take such other action as the Governors may think proper for the purpose of acquiring or disseminating knowledge relating to astronomy and related sciences."

3.4.4. In accordance with paragraph 8 (1) of Schedule 1 of the 1995 Order, the Governors have delegated primary responsibility for the governance and management of AOP to a Management Committee.

3.4.5. The Board of Governors has retained a role to ensure that the culture and character, history and patrimony embodied in AOP are protected and preserved and that the institution is managed in line with the statutory purpose outlined in the Order. This role will normally be fulfilled through an Annual Review meeting (visitation) where the Board will receive assurance as to the management and performance of AOP from the Management Committee. The Management Committee has corporate responsibility for ensuring that AOP fulfils the aims and objectives set by the Department and approved by the Minister, and for promoting the efficient, economic and effective use of staff and other resources by AOP in line with MPMNI.

3.4.6. At its Annual Review meeting (visitation), the Board will:

- Consider the formal report of the Chair of the Committee on the work of the Committee; (and any other committees or sub committees)
- Consider the formal report of the Chief Executive Officer on the management and performance of the organisation and that objectives are being met;
- Assure itself that the culture, character, history and patrimony of AOP are being protected and preserved;
- Assure itself that AOP is being governed and managed in accordance with the statutory purpose set out in the Order;
- Approve any amendments to the terms of reference of the Board of Governors and the Management Committee and other committees;
- Appoint, in partnership with the Department, a Chief Executive Officer/Director of AOP;

¹ Sub -paragraph (2) reads "(2) The Governors referred to in sub- paragraph (1) (a) to (e) may appoint not more than 3 other persons to be members of the Governors."

- Make up to 3 appointments to the Management Committee from the Board of Governors with a further option to appoint an additional 3 co-optees by exception and subject to a specified need and Departmental approval; (Note: The Board undertakes to appoint all nominees to the Management Committee proposed by the Department.)
- Authorise the Management Committee to appoint sub-committees for such purposes as the Management Committee sees fit and set Terms of Reference for these sub committees.

3.4.7. The Department shall have access to all Board and Management Committee meeting minutes. These should be sufficiently detailed and accurate, recording the discussions held and the decisions taken. Draft minutes should be forwarded to the Department as soon as possible and no later than one month after the meeting.

3.4.8. Senior departmental staff may attend the Board of Governors and Management Committee meetings.

3.4.9. The AOP Management Committee

3.4.10. In accordance with paragraph 8(1) of Schedule 1 of the Armagh Observatory and Planetarium (Northern Ireland) Order 1995, the Armagh Observatory and Planetarium (AOP) Board of Governors ("The Governors") has delegated to the Management Committee primary responsibility for the governance and management of AOP with the statutory purpose of "developing and improving the knowledge, appreciation and practice of astronomy and related sciences."

3.4.11. The Committee operates collectively to promote high performance and safeguard propriety and regularity at AOP, advising on, scrutinising and challenging AOP policies and performance, with a view to ensuring its long terms sustainability and success. It provides leadership, challenge, oversight, support and encouragement to the CEO and his/her staff and shall scrutinise the performance of the AOP executive team in its planning, target setting and delivery of performance.

3.4.12. The Committee also has corporate responsibility for ensuring that AOP fulfils the aims and objectives set by its sponsor Department ("the Department") and approved by the Minister and for promoting the efficient, economic and effective use of staff and other resources by AOP.

3.4.13. The Committee is responsible for ensuring that AOP provides the necessary environment for research and outreach to flourish for ensuring that the general public has confidence in the information provided to them and of their safety during visits to AOP, together with the governance underpinning this.

3.4.14. To this end, and in pursuit of its wider corporate responsibilities, the Committee shall:

- Provide corporate leadership;
- Establish the overall strategic direction of AOP for approval of the Board of Governors including the development of a Strategic Plan outlining its mission, vision, values, priorities and strategic objectives within the policy and resources framework determined by the sponsor Minister and Department;
- In partnership with the CEO, develop and oversee the implementation of the annual business plans which flow from the strategic plan and approve the Annual Report and Accounts of AOP;
- Supporting and monitoring the implementation of the strategic and business plans and constructively challenging and scrutinising the performance of the AOP CEO and Executive Management Team in their planning, target setting and delivery of performance;
- Ensure that the Department is kept informed of any changes which are likely to impact on the strategic direction of the AOP or on the attainability of its targets, and determine the steps needed to deal with such changes;
- Oversee performance including financial performance, the efficiency and effectiveness of operations and the quality of services and ensure the implementation of an agreed organisational performance management system;
- Review the recommendations of the CEO in respect of the financial, physical, (including IT) and staffing resources required to implement the Business Plan and on the allocation of resources across AOP business areas, both current and future;
- Ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Management Committee 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 Management Committee takes into account all relevant guidance issued by the Department of Finance and the Department; Ensure compliance with Managing Public Money (Northern Ireland) (MPMNI);
- Ensure that the Management Committee receives and reviews regular financial information concerning the management of AOP; is informed in a timely manner about any concerns about the activities of AOP; and provides positive assurance to the sponsor Department that appropriate action has been taken on such concerns;
- Demonstrate high standards of corporate governance at all times, including using the Audit and Risk Assurance Committee to help the Committee to address any key financial or other risks facing AOP, ensuring that risk is minimised, that a Risk Register is maintained and updated and that Annual and Bi-annual Assurance Statements are prepared;
- Consider and recommend how to minimise and manage the risk for AOP with support from the Audit and Risk Assurance Committee;
- Consider any recommendation in relation to employment and pay related matters with support from the Human Resources Committee
- Ensure compliance with Freedom of Information, Data Protection and adhere to best practice with regard to Equality legislation;
- Ensure compliance with the Management Statement and Financial Memorandum within which AOP is required to operate including how it uses or retain any receipt from the sale of goods or services;

- In partnership with the Department, set performance objectives for the CEO, which give due weight to the proper management and use of public monies;
- Participate in any review of AOP commissioned by the sponsor Department.

3.5. The Chair of the AOP Board of Governors and the Chair of the AOP Management Committee

3.5.1. The Chair of the AOP Board of Governors

3.5.2. Under paragraph 2(1)(a) of Schedule 1 of the Order the Church of Ireland Archbishop of Armagh is designated Chair of the Board of Governors.

3.5.3. The Chair of the Board of Governors is responsible to the Minister on matters relating to AOP. The Chair shares with other Board members the corporate responsibilities set out in paragraph 3.4.3, and in particular for ensuring that AOP fulfils the aims and objectives set by the Department and approved by the Minister”, as directed through its Management Committee. In accordance with paragraph 8 (1) of Schedule 1 of the Order, the Governors have delegated primary responsibility for the governance and management of AOP to a Management Committee.

3.5.4. The Chair of the Board of Governors will meet periodically throughout the year with the Chair of the Management Committee to receive updates on AOP’s performance and development.

3.5.5. The Chair of the Board of Governors shall aim to ensure that AOP’s policies and actions (as directed through its Management Committee) support the wider strategic policies of the Minister; and that AOP’s affairs are conducted with probity. This role will normally be fulfilled through an Annual Review meeting (visitation) where the Board will receive assurance as to the management and performance of AOP from the Chair of the Management Committee.

3.5.6. The Board of Governors has retained a role to ensure that the culture, character, history and patrimony embodied in AOP are protected and preserved and that the institution is managed in line with the statutory purpose outlined in the Order.

3.5.7. The Chair of the Board of Governors has a particular leadership responsibility on the following matters:

- formulating the Board’s Strategy;
- ensuring that the Board in reaching decisions, takes proper account of guidance provided by the Minister or the Department;
- reporting formally to the Minister or their nominee and Permanent Secretary or their nominee at pre-arranged Annual Ministerial Accountability Meetings;

- promoting the efficient, economic and effective use of staff and other resources;
- encouraging high standards of regularity and propriety;
- representing the views of the Board to the general public; and
- ensuring that the Board meets annually and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Board members.

3.5.8. The Chair shall also:

- ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training including the financial management and reporting requirements of public sector bodies and of any differences which may exist between private and public sector practice;
- All Board Members shall be subject to an annual performance appraisal, with a formal assessment being completed by the Chair at the end of each year and prior to any re - appointment of individual member taking place. Members will be made aware that they are being appraised, the standards against which they will be appraised, and will have an opportunity to contribute to and view their report;
- The Board will provide the Department with a copy of the appraisal assessments of the Department's appointees;
- The Chair shall also ensure that a Code of Practice for Board and Committee members is in place, based on the Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013, "the 2013 Code". The Code shall commit the Chair and other Board and Committee members to the Nolan "seven principles of public life", and shall include a requirement for a comprehensive and publicly available register of Board and Committee members' interests;
- Advising the Department of the needs of the AOP when Board vacancies arise with a view to ensuring the proper balance of professional and financial expertise; (note: ex-officio positions are appointed ex-officio)
- Ensuring a formal procedure for the appointment of new Board members, tenure and succession planning for Board members;
- Reviewing the strategic performance of the Board as a collective at an annual review meeting.

3.5.9. Communications between the Board and the Minister shall normally be through the Chair of the Board of Governors. The Chair of the Board of Governors shall ensure that the other Board Members and Chair of the

Management Committee and Management Committee members are kept informed of such communications on a timely basis.

3.6. The Chair of the AOP Management Committee

3.6.1. The Chair of the Management Committee shall aim to ensure that AOP's policies and actions support the wider strategic policies of the Minister.

3.6.2. The Chair of the Management Committee is responsible to the AOP Board. The Chair shall aim to ensure that AOP's affairs are conducted with probity. The Chair will share with other Committee members the corporate responsibilities set out in paragraph 3.4.3, (and delegated to it by the Board) and in particular for ensuring that AOP fulfils the aims and objectives set by the Department and approved by the Minister. It reports to the Board on such matters.

3.6.3. The Chair of the Management Committee will be appraised on an annual basis by the Chair of AOP's Board of Governor's or his nominee.

3.6.4. The Chair will oversee the work of the Committee and will advise on leadership and governance, including:

- Formulating the Organisation's 3-5-year Strategy/ Corporate Plan;
- Formulating the Management Committee's Terms of Reference and those of the sub-committees;
- Ensuring that the Management Committee, in reaching decisions, takes proper account of guidance provided by the Minister or the Department and the requirements of other funding bodies;
- Promoting the efficient, economic and effective use of staff and other resources;
- Encouraging and delivering high standards of regularity, probity and propriety;
- Representing the views of the Management Committee to the general public;
- Ensuring that the Management Committee meets at regular intervals (at least four times per annum) throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Management Committee members;
- Reporting formally to the Chair of the Board of Governors through periodic meetings throughout the year, and through a formal report of the work of the Committee to the annual meeting of the Board of Governors;
- Ensuring that all members of the Management Committee, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training;
- Advising the Department of the needs of the AOP when Management Committee vacancies arise with a view to ensuring a proper balance of professional, financial and governance expertise;
- Assessing the performance of individual Management Committee members. Members will be subject to ongoing performance appraisal, with a formal assessment being completed by the Chair at the end of each year and prior to any re - appointment of an individual member taking place. Members will be made aware that they are being appraised, the standards against which they

will be appraised, and will have an opportunity to contribute to and view their report;

- Providing the Department with a copy of the appraisal assessments of those members who are Ministerial appointments within three months of the end of the financial year;
- Ensuring that the Management Committee takes part in a yearly performance review session and a training session on governance as well as ensuring that a yearly confidential questionnaire which addresses questions on organisational performance in line with NI Audit Office guidelines is undertaken.

3.6.5. The Chair will also fulfil a number of responsibilities in terms of advising the Board of Governors, including:

- Meeting periodically throughout the year with the Chair of the Board of Governors to provide updates on AOP's performance and development;
- Providing a formal report of the work of the Committee to the annual meeting of the Board of Governors;
- Providing advice to the Board to allow it to take decisions on reserved matters specified at paragraph 3.2 of its terms of reference.

3.6.6. The Chair shall also ensure that a Code of Practice for Board and Committee members is in place, based on FD(DFP)04/14 Code of Conduct for Board Members of Public Bodies. The Code shall commit the Chair and other Board and Committee members to the Nolan "seven principles of public life", and shall include a requirement for a comprehensive and publicly available register of Board and Committee members' interests.

3.6.7. Communications between the Management Committee and the Minister or their nominee will normally be through the Chair of the Board of Governors. The Chair of the Board of Governors will ensure that the Chair of the Management Committee and other Management Committee members are kept informed of such communications on a timely basis.

3.7. The Members of the AOP Board and AOP Management Committee

3.7.1. Individuals members of the Board and the Management Committee will act in accordance with their wider responsibilities - namely to:

- Comply at all times with their terms and conditions of appointment, the AOP Code of Practice (set out in the MSFM), the Seven Principles of Public Life, with FD(DFP)04/14 Code of Conduct for Board Members of Public Bodies 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 political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations; and to declare publicly and to the Trustees and Guardians any private interests that may be perceived to conflict with their public duties;

- Comply with the Board and Committee's rules on the acceptance of gifts and hospitality, and of business appointments; and,
- Act in good faith and in the best interests of AOP.

3.8. The Chief Executive Officer's Role as Accounting Officer

3.8.1. The CEO of AOP is designated as AOP's Accounting Officer by the Departmental Accounting Officer.

3.8.2. The Accounting Officer of AOP is personally responsible for safeguarding the public funds for which he/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 AOP.

3.8.3. The Accounting Officer of AOP is personally responsible for maintaining administrative structures which enable the body to discharge its statutory responsibilities efficiently and effectively and for ensuring that all legitimate decisions of the Board and Management Committee are implemented.

3.8.4. As Accounting Officer, the CEO shall exercise the following responsibilities in particular:

on planning and monitoring -

- establish, in agreement with the Department, AOP's Corporate and Business Plans in support of the Department's wider strategic aims and current PfG objectives and targets;
- inform the Department of AOP's progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives;
- ensure that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if overspends or underspends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion;

on advising the Board and Committee -

- advise the Board and Committee on the discharge of its responsibilities as set out in this document, in the 1998 Order and in any other relevant instructions and guidance that may be issued from time to time by DOF, TEO or the Department;
- advise the Board and Committee on AOP's performance compared with its aims and objectives;

- ensure that financial considerations are taken fully into account by the Board and Committee at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed appropriately;
- take action in line with Section 3.8 of MPMNI if the Board, Committee or its Chairs, is contemplating a course of action involving a transaction which the CEO considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration, efficiency or effectiveness;

on managing risk and resources –

- ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensure that an effective system of programme and project management and contract management is maintained;
- ensure compliance with the Northern Ireland Public Procurement Policy;
- ensure that all public funds made available to AOP, including any income or other receipts, are used for the purpose intended by the Assembly, and that such monies, together with AOP's assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that adequate and appropriate internal management and financial controls are maintained by AOP, including effective measures against fraud, bribery and theft;
- maintain a comprehensive system of internal delegated authorities that are notified to all staff, together with a system for regularly reviewing compliance with these delegations; and
- ensure that effective personnel management policies are maintained;

on accounting for AOP's activities -

- sign the accounts and be responsible for 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 Minister, the Department, or DoF;
- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- complete and return assurance statements to the Department within a specified timeframe;

- sign a Governance Statement regarding AOP system of internal control for inclusion in the Annual Report and Accounts;
- ensure that effective procedures for handling complaints about AOP are established and made widely known within AOP;
- act in accordance with the terms of this document and with the instructions and relevant guidance in MPMNI and other instructions and guidance issued from time to time by the Department and DoF - in particular, Chapter 3 of MPMNI and the Treasury document, *Regularity and Propriety and Value for Money* (a copy of which the Director(s) shall receive on appointment). **Section IX** of the *Financial Memorandum* refers to other key guidance;
- give evidence, normally with the Accounting Officer of the Department, if summoned before the Public Accounts Committee on the use and stewardship of public funds by AOP;
- ensure effective commitment and implementation of Section 75 principles; and
- ensure compliance with all legislative requirements including the following;
 - Data Protection Act 1998
 - Freedom of Information Act 2000
 - The Protection of Children and Vulnerable Adults (Northern Ireland) Order 2003
 - Disability Discrimination Act 1995.

3.9. The Chief Executive Officer's Role as Consolidation Officer

3.9.1. For the purposes of Whole of Government Accounts, the CEO of AOP is normally appointed by DoF as AOP's Consolidation Officer.

3.9.2. As AOP's Consolidation Officer, the CEO shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of AOP; for arranging for its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DoF.

3.9.3. As Consolidation Officer, the CEO shall comply with the requirements of AOPs Consolidation Officer Letter of Appointment as issued by DoF and shall, in particular:

- ensure that AOP has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process; and
- prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions ["Dear Consolidation Officer" (DCO) and "Dear Consolidation Manager" (DCM) letters] issued by DoF on the form, manner and timetable for the delivery of such information.

3.10. Delegation of Duties

- 3.10.1. The CEO may delegate the day-to-day administration of his/her Accounting Officer and Consolidation Officer responsibilities to other employees in AOP. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.

3.11. The CEO's Role as Principal Officer for Ombudsman Cases

- 3.11.1. The CEO of AOP is the Principal Officer for handling cases involving the Northern Ireland Commissioner for Complaints. As Principal Officer, he/she shall inform the Permanent Secretary of the Department of any complaints about AOP accepted by the Ombudsman for investigation, and about AOP's proposed response to any subsequent recommendations from the Ombudsman.

3.12. Consulting Customers

- 3.12.1. AOP will work in partnership with its stakeholders and customers to deliver the services/programmes, for which it has responsibility, to agreed standards. It will consult regularly to develop a clear understanding of citizens' needs and expectations of its services, and to seek feedback from both stakeholders and customers, and will work to deliver a modern, accessible service.

4. PLANNING, BUDGETING AND CONTROL

4.1. The Corporate Plan

- 4.1.1. Consistent with the timetable for the NI Executive's Budget process reviews, AOP shall submit to the Department a draft of AOP's Corporate Plan, normally covering 3-5 years ahead. The draft plan should be submitted to the Department, for discussion with the Minister and/or officials, in line with dates to be determined with the Department. AOP shall have agreed with the Department the issues to be addressed in the plan and the timetable for its preparation.
- 4.1.2. DoF reserves the right to ask to see and agree AOP's Corporate Plan(s).
- 4.1.3. The plan shall reflect AOP's statutory duties and, within those duties, the priorities set from time to time by the Minister. In particular, the plan shall demonstrate how AOP contributes to the achievement of the Department's strategic aims and PfG objectives and targets.
- 4.1.4. The Corporate Plan shall set out:

- AOP's key objectives and associated key performance targets for the three forward years, and its strategy for achieving those objectives (including its vision, culture and aims);
- a review of AOP's 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 to take account of factors which may significantly affect the execution of the plan, but which cannot be accurately forecast;
- a forecast of expenditure and income, taking account of guidance on resource assumptions and policies provided by the Department at the beginning of the planning round. These forecasts should represent AOP's best estimate of all its available income not just any grant or grant-in-aid;
- other matters as agreed between the Department and AOP.

4.1.5. The main elements of the plan, including the key performance targets, shall be agreed between the Department and AOP in light of the Department's decisions on policy and resources taken in the context of the Executive's wider policy and spending priorities and decisions.

4.2. The Business Plan

4.2.1. Each year of the corporate plan, amplified as necessary, shall form the basis of the Business Plan for the relevant forthcoming year. The Business Plan shall 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 Department.

4.2.2. The Business Plan should be submitted to the Department in accordance with the Department's annual business planning timetable.

4.2.3. DoF reserves the right to ask to see and agree the AOP's Annual Business Plan.

4.2.4. Corporate and Business Plans will be formally approved by the Minister.

4.3. Publication of Plans

4.3.1. AOP's Corporate and Business Plans shall be made available to the public in electronic format and published on AOP's website. They shall also be made available to staff.

4.4. Reporting Performance to Sponsor Department

4.4.1. AOP shall operate management information and accounting systems which enable it to review in a timely and effective manner its financial and non-

financial performance against the budgets and targets set out in its agreed corporate and business plans.

4.4.2. AOP shall take the initiative in informing the Department of changes in external conditions, which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives as set out in the Corporate or Business Plans.

4.4.3. AOP's performance in helping to deliver Departmental policies, including the achievement of key objectives, shall be reported to the Department on a three-monthly basis. Performance will be formally reviewed regularly by officials of the Department. The Minister shall meet the Board regularly on a formal basis to discuss AOP's performance, its current and future activities, and any policy developments relevant to those activities.

4.4.4. AOP's performance against key targets shall be reported in its annual report and accounts (**see section 5.1 below**). Arrangements for the validation of reported performance will be agreed between AOP and the sponsoring Department.

4.5. Budgeting Procedures

4.5.1. AOP's budgeting procedures are set out in the *Financial Memorandum*.

4.6. Internal Audit

4.6.1. AOP shall establish and maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS). The purpose of the internal audit function is to provide AOP's Accounting Officer and line management with assurance on the adequacy and effectiveness of the risk, control and governance systems.

4.6.2. The Department shall outline the arrangements that it has determined as appropriate for AOP taking account of DAO (DoF) 07/16 Internal Audit opinions and prioritisation of recommendations and DAO (DoF) 02/17 Public Sector Internal Audit Standards. This will include specifying the Department's requirements in terms of:

- having input to AOP's planned internal audit coverage;
- arrangements for the receipt of audit reports, assignment reports, the Head of Internal Audit's annual report and opinion etc;
- arrangements for the completion of Internal and External Assessments of AOP's internal audit function against Public Sector Internal Audit Standards – (PSIAS) including advising that the Department reserves a right of access to carry out its own independent reviews of internal audit in AOP;
- the right of access to all documents prepared by AOP's internal auditor, including where the service is contracted out. Where AOP's audit service is

contracted out AOP should stipulate this requirement when tendering for the service.

- 4.6.3. AOP shall consult the Department to ensure that the latter is satisfied with the competence and qualifications of AOP's Head of Internal Audit and that the requirements for approving the appointment of an auditor are in accordance with PSIAS and relevant DOF guidance.
- 4.6.4. The Department will review AOP's terms of reference for internal audit service provision. AOP shall notify the sponsor Department of any subsequent changes to internal audit's terms of reference.

4.7. Audit and Risk Assurance Committee

- 4.7.1. AOP shall set up an independent audit and risk committee as a sub-committee of its Management Committee, in accordance with the FD (DFP) 04/14 Code of Conduct for Board Members of Public Bodies and Audit and Risk Assurance Committee Handbook DAO (DFP) 05/14.
- 4.7.2. A representative from the Department may attend the AOP Audit and Risk Assurance Committee meetings as an observer. The frequency of such attendance is to be determined by the Department.
- 4.7.3. In advance of all meetings of AOP's Audit and Risk Committee papers will be forwarded to the Department.
- 4.7.4. The draft minutes of each AOP Audit and Risk Assurance Committee minutes will be provided to the Department within one month of the meeting taking place. These minutes should be sufficiently detailed and an accurate recording of the discussions held and the decisions taken;
- 4.7.5. AOP shall arrange for periodic quality reviews of its internal audit function in accordance with PSIAS. The Department shall consider whether it can rely on these reviews to provide assurance on the quality of internal audit. However, the Department reserves a right of access to carry out independent reviews of internal audit in AOP;
- 4.7.6. The Department's Internal Audit Service shall also have a right of access to all documents prepared by AOP'S internal auditor, including where the service is contracted out. The Audit Strategy, periodic audit plans and annual audit report, including AOPs Head of Internal Audit's opinion on risk management, control and governance shall be forwarded as soon as possible to the sponsoring team who shall consult the head of Internal Audit CEO as appropriate;
- 4.7.7. AOP shall provide the Department with a copy of all internal audit reports. The Department may make ad-hoc requests relating to Internal Audit work and the implementation of recommendations.

4.7.8. The Department will review AOP's Audit and Risk Assurance Committee terms of reference. AOP shall notify the Department of any subsequent changes to the Audit and Risk Assurance Committee's terms of reference.

4.8. Fraud

4.8.1. AOP shall report immediately to the Department all frauds (proven or suspected), including attempted fraud. The Department shall then report the frauds immediately to DoF and the C&AG. In addition, AOP shall forward to the Department the annual fraud return, commissioned by DoF, on fraud and theft suffered by AOP.

4.8.2. The Department will review AOP's Anti Fraud Policy and Fraud Response Plan. AOP shall notify the Department of any subsequent changes to the policy or response plan.

4.9. Additional Departmental Access to AOP

4.9.1. In addition to the right of access referred to in paragraph 4.6.2 above, the Department shall have a right of access to all AOP's records and personnel for purposes such as sponsorship audits, operational investigations and other purposes including third party reports. (See also paragraphs 3.4.5; 4.6.2 and 4.7.2 access to Board and Audit and Risk Assurance Committee minutes.)

5. EXTERNAL ACCOUNTABILITY

5.1 The Annual Report and Accounts

5.1.1 After the end of each financial year AOP shall publish as a single document an annual report of its activities together with its audited annual accounts. The report shall also cover the activities of any corporate bodies under the control of AOP. A draft of the report shall be submitted to the Department at least two weeks before the proposed publication date although it is expected that the Department and AOP will have had extensive pre-publication discussion on the content of the report prior to formal submission to the Department.

5.1.2 The Annual Report and Accounts shall comply with any relevant statutes and the specific Accounts Direction issued by the Department and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice revised 2005 ("SORP"), and any subsequent revision.

5.1.3 The Annual Report and Accounts shall outline AOP's main activities and performance during the previous financial year and set out in summary form AOP's forward plans. Information on performance against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit.

5.1.4 The Annual Report and Accounts shall be laid before the Assembly and made available, in accordance with the FD letter issued by DoF.

5.1.5 Due to the potential accounting and budgetary implications, any changes to accounting policies or significant estimation techniques underpinning the preparation of annual accounts, requires the prior written approval of the Department.

5.2 External Audit

5.2.1 The Comptroller and Auditor General (C&AG) audits AOP's annual accounts and passes the accounts to the Department who shall lay them before the Assembly, together with AOP's Annual Report. For the purpose of audit, the C&AG has a statutory right of access to relevant documents as provided for in Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.

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

5.2.3 The C&AG has agreed to share with the Department information identified during the audit process including the report to those charged with governance at the end of the audit. This shall apply, in particular, to issues which impact on the Department's responsibilities in relation to financial systems within AOP. The C&AG will, where asked, provide departments and other relevant bodies with reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

5.3 VFM Examinations

5.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which AOP 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 Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.

Where making payment of a grant, or drawing up a contract, AOP 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.

6. STAFF MANAGEMENT

6.1 General

6.1.1. Within the arrangements approved by the Minister and DoF, AOP shall have responsibility for the recruitment, retention and motivation of its staff. To this end AOP shall ensure that:

- its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of gender, marital status, domestic circumstances, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background, or age;
- the level and structure of its staffing, including grading and numbers of staff, are appropriate to its functions and the requirements of efficiency, effectiveness and economy;
- the performance of its staff at all levels is satisfactorily appraised and AOP's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve AOP's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle blowing procedures consistent with the DAO (DFP) 11/08 Whistleblowing and DAO (DFP) 02/15 Whistleblowing Guidance are in place; and
- a code of conduct for staff is in place based on Annex 5A of Public Bodies: A Guide for NI Departments (available at www.dofni.gov.uk/afmd)

6.2 Chief Executive's Responsibilities

6.2.1 The CEO is responsible for the day to day management of AOP staff and for determining the staffing structure to meet operational needs and to carry out its statutory functions. In doing so, the CEO will have regard to the principles of economy, efficiency and effectiveness, the need for forward planning within the parameters of any running cost limits or efficiency measures that may be set by the Department. The CEO has approval to re-grade/create posts, in accordance with paragraph 6.1.1 above and current employment legislation, up to (but not including) Deputy Principal Level and analogous grades. Approval of the Department is required to re-grade/create posts at Deputy Principal level and above, unless otherwise advised by the Department;

- Proposals to re-grade or create new posts should be subject to the NICS Job Evaluation and Grading Support (JEGS) or Job Evaluation for Senior Posts (JESP) assessment to confirm grading;
- All vacancies (including re-graded posts) should be filled through open competition on the basis of merit unless agreed otherwise in writing by the sponsor Department;
- Starting pay on recruitment and pay on promotion shall follow NICS remuneration policy unless agreed otherwise in writing by the Department.
- The creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them;
- The staff of AOP, other than those paid in accordance with the Joint Negotiating Committee for Higher Education, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service within the general NICS Pay Structure) as approved by the Department and DoF. AOP has no delegated power to amend these terms and conditions. This is a requirement in Managing Public Money NI and MUST be adhered to;
- Current terms and conditions for staff of AOP are those set out in its Employee Handbook. AOP shall provide the Department and DoF with a copy of the Handbook and subsequent amendments.

7. REVIEWING THE ROLE OF AOP

- 7.1 AOP shall be reviewed periodically in accordance with the business needs of the Department and AOP. The review should be carried out in line with Chapter 9 of the Public Bodies: a Guide for Northern Ireland Departments.

8. Appendix A: The Armagh Observatory and Planetarium (Northern Ireland) Order 1995

See separate appendix document

FINANCIAL MEMORANDUM FOR AOP

I. INTRODUCTION

1. This *Financial Memorandum* sets out certain aspects of the financial framework within which AOP is required to operate.
2. The terms and conditions set out in the combined *Management Statement* and *Financial Memorandum* may be supplemented by guidelines or directions issued by the Department/Minister in respect of the exercise of any individual functions, powers and duties of AOP.
3. AOP shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Department/Minister may from time to time impose.

II. AOP's INCOME AND EXPENDITURE - GENERAL

The Departmental Expenditure Limit (DEL)

4. AOP's current and capital expenditure form part of the Department's Resource Departmental Expenditure Limit (DEL) and Capital DEL respectively.

Expenditure not proposed in the budget

5. AOP shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside AOP's delegations or which is not provided for in AOP's annual budget as approved by the Department.

Procurement

6. AOP's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed August 2014); Procurement Guidance Notes; and any other guidelines or guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. AOP's procurement activity should be carried out by means of a Service Level Agreement with CPD or another recognised Centre of Procurement Expertise (CoPE) – this should ensure compliance with relevant UK, EU and international procurement rules.
7. Periodic reviews of the AOP's procurement activity should be undertaken. The results of any such review will be shared with the sponsor Department.

Competition

8. Contracts shall be awarded on a competitive basis and tenders accepted from suppliers who provide best value for money overall.

9. Direct Award Contracts – DACs must comply with the relevant Procurement Guidance Notes and Departmental Guidance. All require Departmental Accounting Officer approval as per Departmental guidance from Procurement Branch within Central Governance. Further information is published in Procurement Guidance Note 03/11 on Direct Award Contracts.
10. AOP shall send to the Department after each financial year a report for that year explaining any contracts in which competitive tendering was not employed.

Best Value for money

11. Procurement by AOP of works, supplies and services shall be based on best value for money, i.e. the optimum combination of whole life cost and quality (or fitness for purpose) to meet AOP's requirements. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness in paying bills

12. AOP shall collect receipts and pay all matured and properly authorised invoices in accordance with Annexes 4.5 and 4.6 of *Managing Public Money Northern Ireland* and any guidance issued by The Executive Office, DoF or the Department.

Novel, contentious or repercussive proposals

13. AOP shall obtain the approval of the Department and DoF 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 Department;
 - 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. (The Department will advise on what constitutes "significant" in this context).

Risk Management/Fraud

14. AOP shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: A Strategic Overview (The "Orange Book")*.

15. AOP shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract or to which it intends to give grant or grant-in-aid.
16. AOP shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with DoF's guide *Managing the Risk of Fraud*.
17. All cases of attempted, suspected or proven fraud shall be reported immediately to the Department who shall report it to DoF and the NIAO. (see section 4.8 in the Management Statement) as soon as they are discovered, irrespective of the amount involved.

Wider Markets

18. AOP shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with (a) AOP's main functions (b) its corporate plan agreed with the Department. The Department will confirm with the DoF Supply Officer that such proposed activity is appropriate.

Fees and charges

19. Fees or charges for any services supplied by AOP shall be determined in accordance with Chapter 6 of MPMNI.

III. AOP'S INCOME

Grant-in-aid

20. Grant-in-aid will be paid to AOP on the basis of a written application from AOP showing evidence of need. The application shall certify that the conditions applying to the use of grant-in-aid have been observed to date and that further grant-in-aid is now required for purposes appropriate to AOP's functions.
21. AOP should have regard to the general principle enshrined in Annex 5.1 of *Managing Public Money Northern Ireland* that it should seek grant-in-aid according to need.
22. AOP must retain all original invoices for inspection and provide the Department with information and access to documentation as required.
23. Cash balances accumulated during the course of the year shall be kept at the minimum level consistent with the efficient operation of AOP. Grant-in-aid not drawn down by the end of the year shall lapse. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, the Department will make available in the next financial year (subject to approval by the Assembly of the relevant Estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as creditors.

Fines and taxes as receipts

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

Receipts from sale of goods or services (excluding land or property)

25. Receipts from the sale of goods and services (including certain licences), rent of land and dividends normally provide additional DEL spending power. If a body wishes to retain a receipt or utilise an increase in the level of receipts, it must gain the prior approval of its sponsor Department.
26. If there is any doubt about the correct classification of a receipt, AOP shall consult the Department, which may consult DoF as necessary.

Interest earned

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

Unforecast changes in in-year income

28. If the negative DEL income realised or expected to be realised in-year is less than estimated, AOP shall, unless otherwise agreed with the Department, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded. *(NOTE: For example, if AOP is allocated £100 resource DEL provision by the Department and expects to receive £10 of negative DEL income, it may plan to spend a total of £110. If income (on an accruals basis) turns out to be only £5, AOP will need to reduce its expenditure to £105 to avoid breaching its budget.*
29. If the negative DEL income realised or expected to be realised in the year is more than estimated, AOP may apply to the Department to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The Department shall consider such applications, taking account of competing demands for resources, and will consult with DoF in relation to any significant amounts. If an application is refused, any grant-in-aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the NI Consolidated Fund via the Department.

Build-up and draw-down of deposits

30. AOP shall comply with the rules that any DEL expenditure financed by the draw-down of deposits counts within DEL and that the build-up of deposits may represent a saving to DEL (if the related receipts are negative DEL in the relevant budgets).
31. AOP shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

Proceeds from disposal of assets

32. Disposals of land and buildings are dealt with in Section VI below.

Gifts and bequests received

33. AOP is free to retain any gifts, bequests or similar donations subject to paragraph 34. These shall be capitalised at fair value on receipt and must be notified to the Department. (NOTE: *A release from the donated assets reserve should offset depreciation in the operating cost statement. The latest SORP requirements should be applied.*)
34. Before accepting a gift, bequest, or similar donation, AOP shall consider if there are any associated costs in doing so or any conflicts of interests arising. AOP shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained. A gifts and hospitality policy that includes the Bribery Act 2010 must be in place and a gifts and hospitality register must be maintained.

Borrowing

35. Normally, AOP will not be permitted to borrow, but when doing so, shall observe the principles set out in Chapter 5 and the associated annexes of MPMNI when undertaking borrowing of any kind. AOP shall seek the approval of the Department and, where appropriate, DoF, to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long term private sector or foreign borrowing is subject to the value for money test in *Section 5.7 of MPMNI*.
36. Where exceptionally AOP is allowed to borrow the spending financed by borrowing scores gross in budgets. This applies whatever the source of borrowing (Department, market, European Investment Bank). The cash raised by borrowing does not score as negative DEL. This means that any expenditure by AOP financed by borrowing will need DEL budget cover (provided that this is the normal budgeting treatment for such expenditure).

Reserves

37. No grant-in-aid shall be paid into any reserve held by AOP. Funds held in any reserve may be a factor for consideration when grant-in-aid is determined.

IV. EXPENDITURE ON STAFF

Staff costs

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

Pay and Conditions of service

39. The staff of AOP, (other than those paid in accordance with the Joint Negotiating Committee for Higher Education), whether on permanent or temporary contract), shall be subject to levels of remuneration within the general NICS Pay Structure as approved by the Department and DoF. AOP has no delegated power to amend these terms and conditions. This is a requirement in Managing Public Money NI and MUST be adhered to.
40. Current terms and conditions for staff of AOP are those set out in its Employee Handbook. AOP shall provide the Department and DoF with a copy of the Handbook and subsequent amendments.
41. Annual pay increases of AOP staff must be in accordance with the annual FD letter on Pay Remit Approval Process and Guidance issued by DoF. Therefore, all proposed pay awards must have prior approval of the Department and DoF before implementation. Separate pay remits are required for Senior Civil Service (SCS) level staff and non SCS level staff.

The travel expenses of Board and Committee members shall be tied to Civil Service rates. Reasonable actual costs shall be reimbursed.

42. AOP shall comply with the EU directive on contract workers Fixed Term Employees Regulations (Prevention of Less Favourable Treatment).

Pensions: Redundancy/Compensation

43. AOP's staff shall be eligible for a pension provided by admittance to the NI Local Government Officers Superannuation Committee (NILGOSC).
44. Staff may opt out of the occupational pension scheme provided by AOP subject to the auto enrolment provisions.

45. Any proposal by AOP to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the Department and DOF. Proposals on severance payments must comply with MPMNI Annex 4.13.

V. NON-STAFF EXPENDITURE

Economic appraisal

46. AOP is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, including European Union (EU) funds, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:
- involve capital or current spending, or both;
 - are large or small;
 - are above or below delegated limits (**see Appendix B**).
47. Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal.
48. Spending commitments should not be entered into until a proportionate business case/economic appraisal has been completed and the appropriate approvals are in place.
49. General guidance on economic appraisal and evaluation that apply to AOP can be found in:
- The DoF's guide *The Northern Ireland Guide to Expenditure Appraisal and Evaluation* ("NIGEAE", 2009). See <http://www.dofni.gov.uk/eag> and
50. Business cases/economic appraisals sent to the Department for approval should be submitted by the AOP Accounting Officer. In submitting cases/appraisals to the Department for approval, the Accounting Officer should confirm that they are fully satisfied with all information presented within the business case, that it conforms to NIGEAE standards and, represents value for money and is in line with Departmental objectives. Business Cases submitted to the Department should include a sufficient timeline to allow any queries to be raised and responded to prior to approval.

51. Business Cases which are below delegated limits and therefore do not require Departmental approval will be regularly subject to 'test drill' by the Department to ensure that appropriate economic appraisal and evaluation standards are being applied.

Capital expenditure

52. 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 in accordance with relevant accounting standards. Expenditure to be capitalised shall normally include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.
53. Proposals for large-scale individual capital projects or acquisitions will normally be considered within AOP's corporate and business planning process. Subject to paragraph 56, applications for approval within the Strategy/Annual plan by the Department and, DoF if necessary, shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the Board. Regular reports on the progress of projects shall be submitted to the Department.
54. Approval of the Corporate/Business Plan does not obviate AOP's responsibility to abide by the economic appraisal process.
55. Within its approved overall resources limit AOP shall, as indicated in the attached Appendix on delegations, have delegated authority to spend up to £10,000 on any individual capital project or acquisition. Beyond that delegated limit, the Department's and, where necessary, DoF's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.
56. If the costs of a capital project increase by 10% or more of the approved costs as set out in the business case / economic appraisal, AOP is required to submit a revised economic appraisal to the Department and, where appropriate, DoF for approval prior to agreeing the cost increase.

Transfer of funds within budgets

57. Unless financial provision is subject to specific Departmental or DoF controls (e.g., where provision is ring-fenced for specific purposes) or delegated limits, transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need Departmental approval. The one exception to this is that, due to HM Treasury controls, any movement into, or out, of depreciation and impairments within the resource budget will require departmental and possibly DoF approval. (NOTE: *Under resource budgeting rules, transfers from capital to resource budgets are not allowed.*)

Lending, guarantees, indemnities; contingent liabilities; letters of comfort

58. AOP shall not, without the Department's and where necessary, DoF's, prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Annex 5.5 of MPMNI), whether or not in a legally binding form.

Grant or loan schemes

59. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made shall be subject to prior approval by the Department, and where necessary, DoF. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.
60. The terms and conditions of a grant or loan to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by AOP, the Department and the C&AG.
61. See also below under the heading *Recovery of grant-financed assets* (paragraphs 84-86).

Gifts made, write-offs, losses and other special payments

62. Proposals for making gifts or other special payments (including issuing write-offs) outside the delegated limits set out in Appendix B of this document must have the prior approval of the Department and, where necessary, DOF.
63. Losses shall not be written off until all reasonable attempts to make a recovery have been made and proved unsuccessful.
64. Gifts by management to staff are subject to the requirements of DAO (DFP) 05/03.

Leasing

65. Prior Departmental approval must be secured for all property and finance leases. AOP must have capital DEL provision for finance leases and other transactions which are, in substance, borrowing (paragraphs 35 – 36 above).
66. Before entering into any lease (including an operating lease) AOP shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

67. AOP shall seek opportunities to enter into Public/Private Partnerships where this offers better value for money than conventional procurement. Where cash flow projections may result in delegated spending authority being breached, AOP shall consult the Department. AOP should also ensure that it has the necessary budget cover.
68. Any partnership controlled by AOP shall be treated as part of AOP in accordance with guidance in the SORP and consolidated with it [subject to any particular treatment required by the SORP]. Where the judgement over the level of control is difficult, the Department will consult DoF (who may need to consult with the Office of National Statistics over national accounts treatment).

Subsidiary companies and joint ventures

69. AOP shall not establish subsidiary companies or joint ventures without the express approval of the Department and DoF. In judging such proposals the Department will have regard to the Department's wider strategic aims, objectives and current Public Service Agreement.
70. For public expenditure accounts purposes any subsidiary company or joint venture controlled or owned by AOP shall be consolidated with it in accordance with guidance in the SORP, subject to any particular treatment required by the SORP. Where the judgement over the level of control is difficult, the Department will consult DoF (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the Department and DoF, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this *Management Statement* and *Financial Memorandum*, and to the further provisions set out in supporting documentation.

Financial investments

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

Unconventional financing

72. AOP shall not enter into any unconventional financing arrangement without the approval of the Department and DoF.

Commercial insurance

73. AOP shall not take out any insurance without the prior approval of the Department and DoF, other than third party insurance required by the Road Traffic (NI) Order, 1981 (as amended) and any other insurance which is a statutory obligation or which is permitted under Annex 4 of MPMNI.
74. In the case of a major loss or third-party claim the Department shall liaise with AOP about the circumstances in which an appropriate addition to budget out of the Department's funds and/or adjustment to AOP's targets might be considered. The Department will liaise with DOF Supply where required in such cases.

Payment/Credit Cards

75. AOP, in consultation with the Department, shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards) is in place. FD (DOF) 11/16 refers. AOP shall not enter into any new payment card (including credit card) agreements without the Department's prior approval.

Hospitality

76. AOP, in consultation with the Department, shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place. DAO (DFP) 10/06 (Revised).

Use of consultants

77. AOP shall adhere to guidance issued by DoF, as well as any produced by the Department, in relation to the use of consultants. Please see the delegated limits set out in **Appendix B**.
78. AOP will provide the Department with an annual statement on the status of all consultancies completed and/or started in each financial year.
79. Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Register of assets

80. AOP shall maintain an accurate and up-to-date register of its fixed assets. AOP shall maintain a five year Asset Management Plan for premises and vehicles.

Disposal of assets

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

Recovery of grant-financed assets

83. Where AOP has financed expenditure on capital assets by a third party, AOP shall set conditions and make appropriate arrangements to ensure that any such assets individually above a value of £1,000 are not disposed of by the third party without AOP's prior consent.
84. AOP shall therefore ensure that such conditions and arrangements are sufficient to secure the repayment of the NI Consolidated Fund's due share of the proceeds of the sale, in order that funds may be surrendered to the Department.
85. AOP shall ensure that if the assets created by grants made by AOP cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to AOP for surrender to the Department. The amounts recoverable under the procedures in **paragraphs 83- 84** above shall be calculated by reference to the best possible value of the asset and in proportion to the NI Consolidated Fund's original investment(s) in the asset.

VII. BUDGETING PROCEDURES

Setting the annual budget

86. Each year, in the light of decisions by the Department on AOP's Corporate Plan (See **section 4.1** of the *Management Statement*), the Department will send to AOP:
 - a formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the Department and of any forecast income approved by the Department; and
 - a statement of any planned change in policies affecting AOP.

87. AOP's approved annual Business Plan will take account of its approved funding provision and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of the Departmental funding and/or other income over the year. These elements will form part of the approved business plan for the year in question (See **section 4.1** of the *Management Statement*.)
88. Any grant-in-aid provided by the Department for the year in question will be voted in the Department's Estimate and will be subject to Assembly control.

General conditions for authority to spend

89. Once AOP's budget has been approved by the Department and subject to any restrictions imposed by the 1995 Order / the Minister/ this MSFM, AOP shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:
 - AOP shall comply with the delegations set out in **Appendix B** of this document. These delegations shall not be altered without the prior agreement of the Department and DoF;
 - AOP shall comply with the conditions set out in **paragraph 13** above regarding novel, contentious or repercussive proposals;
 - inclusion of any planned and approved expenditure in AOP's budget shall not remove the need to seek formal Departmental (and, where necessary, DoF) approval where such proposed expenditure is above the delegated limits as set out in **Appendix B**, or is for new schemes not previously agreed;
 - AOP shall provide the Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require (see **paragraph 92 below**); and
 - AOP shall comply with NI Procurement Policy, all relevant Procurement Guidance Notes and carry out procurement via CPD or another recognized CoPE.

Providing monitoring information to the Department

90. AOP shall provide the Department with, as a minimum, information on a monthly basis which will enable the satisfactory monitoring by the Department of:
 - AOP's cash management;
 - its draw-down of any grant-in-aid;
 - the expenditure for that month;

- forecast outturn by resource headings
- explanation of variances between monthly resource forecasts and actual outturn; and
- other data required for the DoF Outturn and Forecast Outturn return.

VIII. BANKING

Banking arrangements

91. AOP's Accounting Officer is responsible for ensuring that AOP's banking arrangements are in accordance with the requirements of Annex 5.7 of *MPMNI*. In particular, he/she shall ensure that the arrangements safeguard public funds and that their implementation ensures efficiency, economy and effectiveness.
92. He/she shall therefore ensure that:
- all funding from the Department is held within the NICS pooling arrangement bank account; and the responsibility for reviewing bank accounts is with DoF.
 - sufficient information about banking arrangements is supplied to the Department's Accounting Officer to enable the latter to satisfy his/her own responsibilities (See **Section 3.2** of the *Management Statement*);
 - the advice and approval of the Department is sought before opening new bank accounts;
 - AOP 's banking arrangements shall be kept separate and distinct from those of any other person or organisation; and
 - adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

IX. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

Relevant documents

93. AOP shall comply with the following general guidance documents:
- This document (both the *Financial Memorandum* and the *Management Statement*);
 - *Managing Public Money Northern Ireland (MPMNI)*;
 - *Public Bodies - a Guide for NI Departments* issued by DoF;

- *Public Sector Internal Audit Standards* issued by DoF;
- The document *Managing the Risk of Fraud* issued by DoF;
- Relevant DoF *Dear Accounting Officer* and *Finance Director* letters;
- Relevant *Dear Consolidation Officer* and *Dear Consolidation Manager* letters issued by DoF;
- *Regularity and Propriety and Value for Money*, issued by Treasury;
- Statement of Recommended Practice issued by DoF;
- The *Consolidation Officer Letter of Appointment*, issued by DoF;
- Other relevant instructions and guidance issued by the central Departments (DoF/TEO) including Procurement Board and CPD Guidance;
- Specific instructions and guidance issued by the Department;
- Recommendations made by the Public Accounts Committee, or by other Assembly authority, which have been accepted by the Government and which are relevant to AOP.
- “Corporate governance in central government departments: Code of Good Practice (NI) 2013
- *The Audit and Accountability (Northern Ireland) Order 2003*
- *DFP Audit and Risk Assurance Committee Handbook (NI) 2014*

X. REVIEW OF MANAGEMENT STATEMENT AND FINANCIAL MEMORANDUM

94. The *Management Statement* and *Financial Memorandum* will normally be reviewed at least every three years or following a review of AOP's functions as provided for in **Section 7** of the *Management Statement*.
95. DoF Supply will be consulted on any significant variation proposed to the *Management Statement* and *Financial Memorandum*.

Signed:  Date: 15/03/18

On behalf of AOP + Richard Anagnost:

Signed:  Date: 4/4/18

On behalf of the Department for Communities

The Armagh Observatory and Planetarium (Northern Ireland) Order 1995

STATUTORY INSTRUMENTS

1995 No. 1622 (N.I. 7)

NORTHERN IRELAND

**The Armagh Observatory and Planetarium
(Northern Ireland) Order 1995**

Made 28th June 1995
Coming into operation 29th August 1995

ARRANGEMENT OF ORDER

Article

1. Title and commencement.
2. Interpretation.
3. The Governors of the Armagh Observatory and Planetarium.
4. Functions of the Governors.
5. Byelaws.
6. Grants to the Governors.
7. Annual report.
8. Accounts of the Governors.
9. Disposal of land by the Governors.
10. Repeals.

SCHEDULES:

Schedule 1—The Governors of the Armagh Observatory and Planetarium.

Schedule 2—Repeals.

THE ARMAGH OBSERVATORY AND PLANETARIUM (NI) ORDER 1995

At the Court at Buckingham Palace, the 28th day of June 1995

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order has been approved by a resolution of each House of Parliament:

1974 c 28 Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

Title and commencement

1.—(1) This Order may be cited as the Armagh Observatory and Planetarium (Northern Ireland) Order 1995.

(2) This Order shall come into operation on the expiration of two months from the day on which it is made.

Interpretation

1954 c 33 (N.I.) 2.—(1) The Interpretation Act (Northern Ireland) 1954 shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

(2) In this Order—

“the Act of 1791” means the Act passed by the Irish Parliament in the session held in the thirty-first year of the reign of His Majesty King George the Third, chapter forty-six, intituled, An Act for settling and preserving a Public Observatory and Museum in the City of Armagh for ever;

“facilities” includes land and equipment;

“relevant trusts” means the trusts mentioned in the Act of 1791;

“the Department” means the Department of Education;

“the Governors” has the meaning assigned by Article 3(2).

The Governors of the Armagh Observatory and Planetarium

3.—(1) The corporation created by section 2 of the Act of 1791 shall continue in being but shall hereafter be known as “the Governors of the Armagh Observatory and Planetarium” and the observatory, museum and other facilities for the time being vested in that corporation shall hereafter be known as “the Armagh Observatory and Planetarium”.

(2) That corporation is hereafter in this Order referred to as “the Governors”.

(3) Schedule 1 shall have effect in relation to the Governors.

Functions of the Governors

4.—(1) The Governors shall, for the purpose of developing and improving the knowledge, appreciation and practice of astronomy and related sciences, maintain and manage the Armagh Observatory and Planetarium and may take such other action as the Governors may think proper for the purpose of acquiring or disseminating knowledge relating to astronomy and related sciences.

(2) Without prejudice to the generality of paragraph (1), the Governors may for the purposes of their functions under that paragraph—

- (a) exercise any power, heretofore exercisable by them by virtue of the Act of 1791 or any relevant trusts;
- (b) provide, maintain and manage such facilities as appear to them to be complementary or ancillary to, or otherwise appropriate to be provided in association with, any facilities for the time being maintained and managed by them;
- (c) accept gifts or bequests and execute any lawful trust having objects similar to the objects of the Governors or incidental or conducive to the attainment or furtherance of any of those objects;
- (d) give assistance (including financial assistance) to bodies having objects similar to those of the Governors;
- (e) make charges for goods and services provided by them;
- (f) carry out, or assist in the carrying out of, research;

THE ARMAGH OBSERVATORY AND PLANETARIUM (NI) ORDER 1995

- (g) provide information and advice;
- (h) do all such other acts as appear to the Governors to be necessary or expedient for the performance of those functions or as are incidental to the carrying out of those functions.

(3) The Governors may allow premises owned or occupied by them to be used by other persons (for payment or otherwise) for purposes not connected with the functions of the Governors if the Governors are satisfied that to do so would not conflict unduly with those functions.

(4) Any property or right which but for this Order would have been held or exercisable by, or for the benefit of, the person holding the office referred to in the Act of 1791 as keeper (or astronomer and keeper) of the observatory and museum shall be held or exercisable by, or for the benefit of, the Governors for the purposes of their functions under this Order.

Byelaws

5.—(1) The Governors may make byelaws—

- (a) regulating admission (including the making of charges) to premises owned or occupied by the Governors for the purposes of their functions under this Order (“relevant premises”);
- (b) regulating the conduct of persons on relevant premises;
- (c) for the protection of property vested in the Governors or in their custody (“relevant property”); and
- (d) otherwise securing the efficient administration of relevant property or relevant premises.

(2) Byelaws made under this Article may authorise persons employed by the Governors to exercise such powers and perform such duties as the Governors may consider necessary for the enforcement of the byelaws and in particular any person so authorised may, after due warning, remove or exclude from relevant premises a person who contravenes or whom he reasonably suspects of contravening the byelaws.

(3) Byelaws under this Article shall not come into operation until approved by the Department.

THE ARMAGH OBSERVATORY AND PLANETARIUM (NI) ORDER 1995

(4) A person who contravenes any byelaw made under this Article or who obstructs any person authorised in accordance with paragraph (2) shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Grants to the Governors

6.—(1) The Department may, on such terms and conditions as it thinks fit, pay to the Governors for the purposes of their functions under this Order such sums as the Department thinks fit.

(2) The Governors may borrow or invest money on such terms and conditions and for such purposes as the Department may approve.

(3) The Governors shall be a public body for the purposes of Schedule 1 to the Financial Provisions (Northern Ireland) Order 1983.

1983 NI 1

Annual report

7. The Governors shall, in respect of each financial year, prepare and submit to the Department a report on the exercise by the Governors of their functions under this Order and the Department shall lay a copy of that report before the Assembly.

Accounts of the Governors

8.—(1) The Governors shall keep proper accounts and proper records in relation to those accounts.

(2) The Governors shall prepare and submit to the Department a statement of accounts in respect of each financial year, and that statement shall be in such form and contain such information as the Department may direct and shall give a true and fair view of the state of the Governors' affairs at the end of the financial year and of the income and expenditure of the Governors in the financial year.

(3) The statement of accounts shall be examined and certified by auditors appointed by the Governors with the approval of the Department and the report of the auditors thereon shall be sent to the Governors and to the Department.

THE ARMAGH OBSERVATORY AND PLANETARIUM (NI) ORDER 1995

(4) The accounts, books and records of the Governors shall be open at all times to inspection by the Comptroller and Auditor General for Northern Ireland and by officers of the Department.

Disposal of land by the Governors

9.—(1) The Governors may, with the consent in writing of the Department, dispose of any land held by them.

(2) Where the Department grants consent under this Article in relation to any disposal of land, it may give such directions—

- (a) in relation to that disposal; and
- (b) for securing the investment of any moneys arising from that disposal,

as it thinks fit.

(3) The Governors shall comply with any directions under paragraph (2).

(4) This Article applies notwithstanding anything in the terms of any relevant trusts.

Repeals

10. The statutory provisions set out in Schedule 2 are hereby repealed to the extent specified in the third column of that Schedule.

N. H. Nicholls
Clerk of the Privy Council

SCHEDULES

SCHEDULE 1

Article 3(3).

THE GOVERNORS OF THE ARMAGH OBSERVATORY AND PLANETARIUM

Preliminary

1 Section 19 of the Interpretation Act (Northern Ireland) Act 1954 shall apply to the Governors, but—

- (a) they shall not dispose of or charge any movable property vested in them if that is inconsistent with any conditions attaching to the property subject to which the property is vested in them;
- (b) they shall not acquire any land, except with the consent in writing of the Department;
- (c) they shall not dispose of any land, except in accordance with Article 9.

Membership

2—(1) The Governors shall consist of—

- (a) the Church of Ireland Archbishop of Armagh who shall be chairman of the Governors;
- (b) the dean of the chapter of the Church of Ireland cathedral of Armagh;
- (c) the other members of the chapter of the Church of Ireland cathedral of Armagh;
- (d) one person appointed by the Department;
- (e) one person appointed by the Queen's University of Belfast;
- (f) any persons for the time being appointed under sub-paragraph (2).

(2) The Governors referred to in sub-paragraph (1)(a) to (e) may appoint not more than 3 other persons to be members of the Governors.

3—(1) An appointed Governor appointed after the coming into operation of this Order shall, subject to sub-paragraphs (2) to (5), hold office for a period of 5 years.

(2) An appointed Governor shall—

- (a) hold and vacate office in accordance with the terms of his appointment; and
- (b) on expiry of his term of office be eligible for re-appointment.

(3) An appointed Governor shall be deemed to have vacated his office and the Governors shall declare his place vacant in the following circumstances—

- (a) where he gives to the chairman of the Governors a notice in writing of his resignation and so informs the body which appointed him a Governor;

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- Sec 1
- (b) where he becomes bankrupt or makes a composition with his creditors, or
 - (c) where he is convicted of an indictable offence and sentenced to a term of imprisonment of not less than 3 months.

(4) Any body entitled to appoint a Governor under paragraph 2(1)(d) or (e) or (2) may remove any Governor so appointed and appoint another Governor in his place.

(5) Where an appointed Governor dies or ceases to hold office, the body which appointed him a Governor may appoint another in his place.

(6) In this paragraph "an appointed Governor" means a member of the Governors appointed under paragraph 2(1)(d) or (e) or (2).

4. The Department may, after consultation with the chairman of the Governors, by order made subject to negative resolution amend paragraphs 2 and 3.

5.—(1) Without prejudice to paragraph 2, the Department may appoint a person (in this paragraph referred to as "the nominee") in relation to the Governors and any committee or sub-committee thereof.

(2) The nominee shall have and may exercise the same rights, powers and privileges as any Governor or any member of any committee or sub-committee of the Governors has or may exercise, except that he shall not vote at any meeting of the Governors or of any such committee or sub-committee.

- 1954 c. 33 (N.I.)
- (3) Section 18(2) of the Interpretation Act (Northern Ireland) 1954 (except so much thereof as relates to remuneration) shall apply to the appointment of a nominee under sub-paragraph (1).

Allowances and expenses

6. The Governors may pay travelling and subsistence allowances and other expenses necessarily incurred by members of the Governors and committees and sub-committees thereof in the performance of their functions and such allowances and expenses shall be at such rates or of such amounts as the Department may determine.

Staff

7.—(1) The right of the Governors under section 19(1)(a)(vi) of the Interpretation Act (Northern Ireland) 1954 to employ staff shall—

- (a) in the case of staff of such description as the Department may direct, be subject to the approval of the Department; and

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- (b) be exercised subject to any directions which may be given by the Department with respect to the number and terms and conditions of service of persons employed or to be employed by the Governors. SCH 1

(2) The remuneration of persons employed by the Governors shall be at such rates as the Governors may, with the approval of the Department, determine.

(3) The Governors may, in accordance with arrangements determined by the Department, make provision for the payment on death or retirement of superannuation benefits to or in respect of persons employed by them.

(4) Nothing in the terms of any relevant trusts shall confer on a person employed by the Governors any right to any land, endowment, lodgings or other benefit of any kind.

Committees

8—(1) In accordance with arrangements approved by the Department, the Governors may appoint such committees as they think fit and may delegate any of their functions to a committee so appointed.

(2) A committee may include persons who are not members of the Governors.

(3) In accordance with arrangements approved by the Department, the Governors may authorise a committee to appoint sub-committees for such purposes as the Governors may approve and a sub-committee so appointed may include persons who are not members of the Governors or of the committee which appointed the sub-committee.

(4) The powers of any committee or any sub-committee appointed under this paragraph shall be exercised in accordance with and subject to any directions given by the Governors.

Procedure

9. The proceedings of the Governors or of any committee or sub-committee thereof shall not be invalidated by any vacancy among the members or by any defect in the appointment of any of the members.

10. Without prejudice to section 19(1)(a)(v) of the Interpretation Act (Northern Ireland) 1954, the Governors shall make standing orders for the Governors and their committees and sub-committees relating to— 1954 c. 33 (N1)

- (a) the convening of meetings;
- (b) the fixing of the quorum;
- (c) the conduct of business at meetings;

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- (d) the disclosure by a member of any pecuniary interest in, or family relationship relevant to, any matter to be discussed at a meeting and the withdrawal by such a member from any discussion on that matter;
- (e) the keeping of minutes, accounts and other records;
- (f) the signing of cheques;
- (g) the custody of deeds and other documents;
- (h) the duties of employees;
- (j) such other matters connected with their business as the Governors think fit.

11. The common seal of the Governors shall, when applied to any document, be authenticated by the signatures of any two members of the Governors authorised by the Governors to act for that purpose.

Formation of bodies corporate

12. The Governors may form bodies corporate, but shall only do so with the approval of the Department and subject to such conditions as the Department may specify in granting any such approval.

Article 10

SCHEDULE 2

REPEALS

Chapter or Number	Short title	Extent of repeal
1791 c. 46 (Ir.)	An Act for settling and preserving a Public Observatory and Museum in the City of Armagh for ever.	The whole Act.
1928 c. 8 (N.I.)	The School Sites Act (Northern Ireland) 1928.	Section 2.
1938 c. 18 (N.I.)	The University and Collegiate and Scientific Institutions Act (Northern Ireland) 1938.	The whole Act, so far as unrepealed.

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Chapter or Number	Short title	Extent of repeal
1981 NI 14.	The Museums (Northern Ireland) Order 1981.	Article 13(1).
1982 NI 6.	The Departments (Northern Ireland) Order 1982.	In Part II of Schedule 1, the entry relating to the University and Collegiate and Scientific Institutions Act (Northern Ireland) 1938.

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EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the constitution and functions of the Governors of the Armagh Observatory and Planetarium.

DELEGATED EXPENDITURE LIMITS

General

The Department has delegated the following expenditure limit to AOP. AOP's delegated authority for expenditure is subject to the conditions in this Appendix and the Management Statement and Financial Memorandum. These delegated expenditure limits have been agreed by the Department of Finance (DoF).

Economic Appraisal

The principles of economic appraisal should be applied in all cases where expenditure is proposed, whether the proposal involves capital and current expenditure, or both. The effort put into economic appraisal should be commensurate with the size or importance of the needs or resources under consideration. Spending commitments should not be entered into until a proportionate business case / economic appraisal has been completed and the appropriate approvals are in place.

1: PURCHASING ALL GOODS AND SERVICES

AOP should ensure compliance with the relevant Procurement Guidance Notes when purchasing all goods and services.

2: CAPITAL PROJECTS

AOP (The Chief Executive Officer) shall have delegated authority of £10,000 for capital expenditure. Capital projects over this amount require the approval of the Department, and may be subject to quality assurance by the Department of Finance (DoF) if requested.

Where the capital project is funded by a number of government departments and AOP is not the primary funder, Departmental approval is still required if AOP's contribution exceeds the delegated authority level.

Any novel and/or potentially contentious projects, regardless of the amount of expenditure, require the approvals of the Department and DoF.

3: RESOURCE EXPENDITURE

AOP shall have delegated authority of £10,000 in relation to resource expenditure. The Department's approval is required for expenditure above this threshold and

proportionate business cases / economic appraisals should be submitted to the Department in support of the proposed expenditure.

4: DISPOSAL OF SURPLUS EQUIPMENT

In all cases, disposal must be at current market value by public auction or another public process, unless otherwise agreed with the Department. Prior approval of the Department is required for disposal of an asset / surplus equipment.

Any proceeds from the disposal of assets/ surplus equipment or an appropriate proportion of them if the grant provided by the Department was for less than the whole cost of acquisition or improvement, must be declared to the Department.

5: LEASE AND RENTAL AGREEMENTS

AOP shall not enter into any property or finance lease without the prior approval of the Department. AOP's Asset Management Plan should be referred to prior to considering any lease.

6: APPROVAL OF INFORMATION TECHNOLOGY PROJECTS

The appraisal of Information Technology (IT) projects should include the staffing and other resource implications.

The principles of appraisal, evaluation and management apply equally to proposals supported by information communication technology (ICT) as to all other areas of public expenditure. ICT-enabled projects should be appraised and evaluated according to the general guidance in the Northern Ireland Guide to Expenditure Appraisal and Evaluation (*NIGEAE*) and managed using the *Successful Delivery (NI)* guidance which was issued in June 2009.

The purchase of IT equipment and systems should be in line with the guidance on Procedures and Principles for Application of Best Practice in Programme/Project Management (PPM), (available at www.DoFni.gov.uk/successful-delivery) and be subject to competitive tendering unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the project, and in line with the relevant Procurement Guidance Notes.

7: ENGAGEMENT OF CONSULTANTS

General

AOP shall adhere to the Department's Guidance FD (DFP) 07/12 on The Use of Consultants and the delegation limits therein. All external consultancy spend requires Departmental approval. AOP shall provide the Department with an annual statement on the status of all consultancies completed and/or started in each financial year. Care should be taken to avoid actual, potential, or perceived conflicts of interest

when employing consultants.

Economic appraisal

A full business case should be prepared and submitted to the Department for approval for all external consultancy assignments expected to exceed. A proportionate business case should be prepared for all assignments below this threshold. Section 5 of the guidance note attached to FD (DFP) 07/12 explains the nature of the required business case. Plans should be put in place to complete an evaluation of the consultancy expenditure.

8: LOSSES AND SPECIAL PAYMENTS

The CEO, with prior approval from the Department, will have the authority to write off losses and make special payments up to:

- (a) Cash losses – up to £1,000 per case/incident;
- (b) Stores/Equipment losses –
 - (i) £10,000
 - (ii) £5,000
- i because of fraud, whether or not it has been possible to charge anyone with an offence, or proven or suspected theft, arson or sabotage, or any other deliberate act (including repairable damage caused maliciously to buildings, stores, etc, which is not the subject of an identifiable legal claim against some person); wherever possible recovery must be effected and prosecution mounted;
- ii losses arising from other causes. In each case the amount of the loss would be the repair or replacement cost less recoveries from insurance etc;
- (c) Constructive losses and fruitless payments – up to £2,500 per case;
- (d) Compensation payments:
 - i. Made under legal obligation, e.g. by Court Order – up to £2,500 per case plus reasonable legal expenses;
 - ii. For damage to personal property of staff – no delegated authority; and
 - iii. Where written legal advice is that AOP NI should not fight a court action because it is unlikely that it would win – no delegated authority;

- (e) Claims abandoned or waiver of claim – up to £2,500 per case;
- (f) Extra contractual payments – no delegated authority;
- (g) Ex gratia payments – up to £2,500 per case (Pensions payments are not covered by this threshold); and
- (h) Extra statutory and extra regulatory payments – no delegation, all proposals must be submitted to the Department for approval.

The prior approval of the Department must be obtained for amounts above these values.

Where total losses exceed £5,000 in any financial year, an explanatory note should be included in AOP's accounts.

Details of all losses and special payments should be recorded in a Losses and Special Payments Register, which will be available to auditors. The Register should be kept up-to-date and should show evidence of the approval by the CEO and the Department, where appropriate.

9: Criteria for Capitalisation

Non-Current Assets that are owned by AOP should be capitalised, when they meet all of the following criteria –

- Purchased for at least £1,500, IT Equipment £500.
- Purchased with the intention of using it for at least one year.
- Is not intended for sale in the ordinary course of the business
- Is used in the production or supply of goods and services or for administrative purposes and may include items held for the maintenance or repair of such items.

Assets may be pooled where individually they are less than the above threshold but collectively they meet the capitalisation criteria. It is important that the pooling of assets only relates to a final related product / service – the likely use of this would be for an IT system or Server where the component parts (Hardware, Software etc) would be less than the threshold but 'pooled' they exceed it. If staff are unsure about items which can be pooled they should seek confirmation from the Department. Only assets included in the pool or matching the above criteria can be funded from the Capital budget.

All purchases below the capitalisation thresholds are not classed as capital purchases and should be charged to the resource budget.

