

**Partnership Agreement between the
Department for the Economy
and
Stranmillis University College**

March 2025

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Introduction

1. The Partnership Agreement

- 1.1 This Partnership Agreement is drawn up by the Department for the Economy (the Department) in consultation with Stranmillis University College (the College). It sets out the partnership arrangements between the Department and the College. In particular, it explains the overall governance framework within which the College operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined.
- 1.2 The partnership is based on a mutual understanding of strategic aims and objectives; clear accountability; and a recognition of the distinct roles each party contributes. Underpinning the arrangements are the principles set out in the NI Code of Good Practice 'Partnerships between Departments and Arm's-Length Bodies'¹ which should be read in conjunction with this document. The principles which are laid out in the Code are:

LEADERSHIP
<i>Partnerships work well when Departments and Arm's Length Bodies demonstrate good leadership to achieve a shared vision and effective delivery of public services. Strong leadership will provide inspiration, instil confidence, and trust and empower their respective teams to deliver good outcomes for citizens.</i>
PURPOSE
<i>Partnerships work well when the purpose, objectives and roles of Arm's Length Bodies and the partner Department are clear, mutually understood and reviewed on a regular basis. There needs to be absolute clarity about lines of accountability and responsibility between Departments and Arm's Length Bodies. In exercising statutory functions, Arm's Length Bodies need to have clarity about how their purpose and objectives align with those of Departments.</i>
ASSURANCE
<i>Partnerships work well when Departments adopt a proportionate approach to assurance, based on Arm's Length Bodies' purpose and a mutual understanding of risk. Arm's Length Bodies should have robust governance arrangements in place and in turn Departments should give Arm's Length Bodies the autonomy to deliver effectively. Management information should be what is needed to enable Departments and Arm's Length Bodies to provide assurance and assess performance.</i>

¹ [NI Code of Good Practice v3 \(300323\).pdf \(finance-ni.gov.uk\)](#)

VALUE
<i>Partnerships work well when Departments and Arm's Length Bodies share knowledge, skills, and experience in order to enhance their impact and delivery. Arm's Length Bodies are able to contribute to policy making and Departmental priorities. There is a focus on innovation, and on how Departments and Arm's Length Bodies work together to deliver the most effective policies and services for its customers.</i>
ENGAGEMENT
<i>Partnerships work well when relationships between Departments and Arm's Length Bodies are open, honest, constructive, and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement.</i>

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

- 1.3 This document should also be read in conjunction with the guidance, principles, and characteristics of proportionate autonomy. This has been considered in determining the extent of engagement and assurance to be established between the Department and the College as reflected in this agreement.
- 1.4 The Department and the College are committed to:
- working together within distinct roles and responsibilities;
 - maintaining focus on successful delivery of Programme for Government (PfG) outcomes and Ministerial priorities;
 - maintaining open and honest communication and dialogue;
 - keeping each other informed of any issues and concerns, and of emerging areas of risk;
 - supporting and challenging each other on developing policy and delivery, when appropriate. This may cut across more than one Department;
 - seeking to resolve issues quickly and constructively; and
 - acting at all times in the public interest and in line with the values of integrity, honesty, objectivity and impartiality.
- 1.5 Subject to the legislation noted below, this Agreement sets out the broad framework within which the College will operate, in particular:
- the College's overall aims, objectives, and targets in support of the Department's wider strategic aims and the outcomes and targets;
 - the rules and guidelines relevant to the exercise of the College's functions, duties, and powers;
 - the conditions under which any public funds are paid to the College; and
 - how the College is to be held to account for its performance.
- 1.6 The Financial Memorandum section sets out in greater detail certain aspects of the financial provisions which the College shall observe. However, the Partnership

Agreement does not convey any legal powers or responsibilities.

- 1.7 Copies of this agreement 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 the College's website: www.stran.ac.uk).
- 1.8 While overall responsibility for ensuring compliance with this document rests with the Governing Body, the Principal, as designated Accounting Officer, is responsible in the first instance for all matters within the Agreement in respect of the College. The document should be tabled for the agreement of members initially and for their information annually at a full meeting of the Governing Body. Any substantive amendments to the document must also be agreed by the Governing Body.
- 1.9 The terms and conditions set out in the Partnership Agreement may be supplemented by guidelines or directions issued by the Department in respect of the exercise of any individual functions, powers, and duties of the College.
- 1.10 The Partnership Agreement is approved by the Department and the College's Principal. This Agreement takes effect from 1st November 2024 and supersedes any previous Financial Memoranda between the College and the Department.
- 1.11 Any questions regarding the interpretation of the document shall be resolved by the Department after consultation with the College and, as necessary, with DoF.

2. Statutory Purpose and Strategic Objectives

- 2.1 The College was established in 1922 under the Ministries of Northern Ireland Act 1921. As from 1 April 2012, Stranmillis has been classified as a Non-Departmental Public Body (NDPB) of the Department for the Economy. For national accounts purposes, the College is classified to the central government sector.
- 2.2 The College was created as an incorporated institution by virtue of the Colleges of Education (NI) Order 2005 which received parliamentary approval on 19 July 2005. As a result of the approval by Parliament, the College became a legally incorporated Higher Education Institution on 1 October 2005 and is integrated academically with Queen's University Belfast through an Agreement dated May 2002.
- 2.3 For policy/administrative purposes, the College is classified as a central government body and is treated as an executive non-departmental public body. As such, the Department has partnership responsibility for the College. The College receives funding from the Department under Article 66(2) of the Education and Libraries (NI) Order 1986.
- 2.4 The Colleges of Education (NI) Order 2005 legislation specifies the duties and principal powers of the Governing Body and where there are restrictions on the exercise of these powers, requiring the prior consent of the Department. The constitution of the College is set out in the Instrument of Government for the College. The College does not carry out its functions on behalf of the Crown. Any company established by the College in accordance with arrangements approved by the Department shall comply with this Partnership Agreement.
- 2.5 The Minister for the Economy is answerable to the Assembly for the overall performance and delivery of both the Department and the College.

The functions, duties, and powers of the College

- 2.6 Under the following documents, the Governing Body of the College is required to provide or secure the provision of education (and in particular education relevant to the initial or further training of teachers) and to secure the carrying on of research related to such education:
 - the 2005 Order provides the statutory basis for the Governing Body to manage the College and for the respective functions of the Governing Body and the Department. All other documents are subordinate to the 2005 Order and subject to its provisions;
 - the Instrument of Government under the 2005 Order sets out the composition of the Governing Body, the arrangements for the appointment of its members and the principles of their conduct whilst in office; and

- the Articles of Government under the 2005 Order determine the responsibilities of the Governing Body and the Principal of the College, the proceedings and Committee structure of the Governing Body and the role of the Governing Body in relation to staff, students, and finance.
- 2.7 Within the 2005 Order, section 7(1) (a), the Department has approved the overall aim of the College as set out in Paragraph 2.6 above.
- 2.8 Partnerships must be developed to bolster an education system that provides pathways to successful education and employment outcomes for everyone. Individuals must be supported to achieve higher level qualifications; qualifications which have real labour market relevance and provide access to quality jobs, creating a culture of lifelong learning. Northern Ireland's world-class universities, working in partnership with industry, will be at the heart of preparing people for the workplace of the future.
- 2.9 It is important that partner organisations and departments work collaboratively and together in a joined-up approach to improve overall outcomes and results.
- 2.10 To that end, there is strategic alignment between the aims, objectives and expected outcomes and results of the College and the Department. The College's strategic aims are detailed in the Corporate Plan².
- 2.11 Higher education institutions in Northern Ireland, including Stranmillis University College, play a central role in the delivery of any Programme for Government and in the delivery of the Department's economic goals, particularly those in relation to skills.
- 2.12 The College will provide, in particular, opportunities for:
- enhancing the skills of teachers and the children and young people in schools including digital;
 - helping to create a culture of learning; and
 - addressing skills imbalances
- 2.13 This will be facilitated through the College's work in significantly contributing to:
- high quality teaching and learning within nursery, primary and secondary level schools, facilitated by a high performing and highly qualified teaching workforce, which will be an enabler to all pupils reaching their academic and life potential.
 - high quality STEM (including digital) teacher education programmes which promote these sectors to pupils and provide outstanding teaching and learning in the classroom to promote uptake of these subjects in school, through to FE/HE and then the workplace.
 - opportunities for teachers and lecturers (including those from FE) throughout their careers to avail of high-quality lifelong learning/CPD, including higher

² [College-Corporate-Plan-2022-2025-Final.pdf \(stran.ac.uk\)](https://www.stran.ac.uk/College-Corporate-Plan-2022-2025-Final.pdf)

degrees, which will enable their teaching to remain informed and relevant.

- high quality education-focused research that informs teaching and learning practice in all phases of education as well as providing evidence and recommendations to policy makers and stakeholders.
- high quality education-focused research that explores the challenges faced as well as providing evidence and recommendations to policy makers and stakeholders.
- highly qualified HE graduates from different backgrounds who progress quickly into well paid jobs, including education orientated professions.
- education programmes which promote lifelong learning and act as gateways into further study to enhance well-being and career progression community-based interventions along with WAP.

2.14 The College's mission is also closely aligned with key Department of Education (DE) policy initiatives and developments, such as 'Learning Leaders - A Strategy for Teacher Professional Learning'.

2.15 In addition, The University College is committed to making a contribution to Sustainable Development Goals (SDGs) which are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The 17 SDGs are inter-related - they recognise that action in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability. The University College will do this within its teaching and research, as well as across all operations, including the goals to substantially increase the supply of qualified teachers, through international cooperation for teacher training in developing countries by 2030 and to strive to ensure that all students acquire the knowledge and skills needed to promote sustainable development through education.

3. Organisational Status

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

4. Governance Framework

- 4.1 The College has an established Corporate Governance Framework which reflects all relevant good practice guidance. The Framework includes the governance structures established within the College and the internal control and risk management arrangements in place. This includes its Board and Committee Structure. The Department should be satisfied with the Framework.
- 4.2 An account of the Framework is included in the College's annual Governance Statement. In this regard, the voluntary Higher Education Code of Governance (published by the Committee of University Chairs³), recommends that Higher Education Institutions confirm their adoption of the Code in publicly available reports on corporate governance, such as annual reports or audited financial statements. In order to report that the institution has applied the Code, the College's Governing Body needs to:
- a. Be confident that it has in place all of the primary elements. In order to do so, it will be necessary for a Governing Body to meet, or exceed, the requirements of the supporting 'must' statements that prescribe essential components within the element; or
 - b. Explain where it considers a whole primary element, or supporting 'must' statement, inappropriate. In such cases, the rationale should be clearly noted, and the alternative arrangements summarised within an institution's report on its use of the Code.
- 4.3 Adopting the Code, with the principles of the Code adapted to each HEI's character, is an important factor in enabling the Department to rely on self-regulation within HEIs, and hence minimise the accountability burden.
- 4.4 The College is required to maintain a sound system of internal control and to ensure that the following key principles of effective risk management have been applied. Effective risk management:
- Covers all risks – including those of governance, management, quality, reputation, and finance – but focuses on the most important risks.
 - Produces a balanced portfolio of risk exposure.
 - Is based on a clearly articulated policy and approach.
 - Requires regular monitoring and review, giving rise to action where appropriate.

³ <https://www.universitychairs.ac.uk/wp-content/uploads/2020/09/CUC-HE-Code-of-Governance-publication-final.pdf>

- Needs to be managed by an identified individual and involve the demonstrable commitment of governors, academics, and officers.
 - Is integrated into normal business processes and aligned with the strategic objectives of the organisation.
- 4.5 The College is required to review, at least annually, the effectiveness of its system of internal control.
- 4.6 The College is required to include, in its annual financial statements, a statement on internal control (Corporate Governance). In formulating its statement, the College should refer to best practice guidance. As a minimum, these disclosures should include an account of how the following broad principles of corporate governance have been applied.
- a. Identifying and managing risk which should be an ongoing process linked to achieving institutional objectives.
 - b. The approach to internal control which should be risk-based, including an evaluation of the likelihood and impact of risks becoming a reality.
 - c. Review procedures must cover business, operational and compliance risk as well as financial risk.
 - d. Risk assessment and internal control should be embedded in ongoing operations.
 - e. During the year, the Governing Body, or relevant Committee, should receive regular reports on internal control and risk.
 - f. The principal results of risk identification, risk evaluation and the management review of their effectiveness should be reported to, and reviewed by, the Governing Body.
 - g. The Governing Body should acknowledge that it is responsible for ensuring that a sound system of control is maintained, and that it has reviewed the effectiveness of the above process.
 - h. Where appropriate, details of actions taken, or proposed, to deal with significant internal control issues should be set out.
- 4.7 The statement on internal control (corporate governance) must explicitly cover the academic year, and up to the date of approval of the audited financial statements.
- 4.8 The College is required to follow the principles, rules, guidance, and advice in Managing Public Money Northern Ireland (MPMNI). A list of other applicable guidance and instructions which the College is required to follow is set out in Annex 6. Good governance should also include positive stakeholder engagement, the building of positive relationships and a listening and learning culture.

5. Stranmillis University College Governing Body

5.1 In accordance with the Articles of Government, membership of the Governing Body will consist of not more than 18 members, of whom:

- (a) Not less than one-half shall be persons appearing to the Department for the Economy to be, or to have been, engaged or employed in business, industry, or any profession;
- (b) One shall be the Principal of the College;
- (c) Two shall be elected by staff employed at the College of whom:
 - (1) one shall be elected by academic staff so employed from among such academics; and
 - (2) one shall be elected by support staff so employed from among such other support staff;
- (d) one shall be elected by students of the College from among such students;
- (e) not more than two may be persons co-opted by the other members of the Governing Body.

NB - Academic staff are normally lecturing staff as defined by their contract of employment. Support staff include all those staff in categories other than lecturing staff. Staff must be employed by the College in permanent or fixed-term posts at the relevant points in the election period, up to, and including, the closing date.

5.2 All Non-Executive members, including the Chair and the staff and student representatives are formally appointed by the Department. Members of the Governing Body will elect a Vice-Chair from among their own number. The Staff and Student representatives are not eligible for consideration for this position. The members of the Governing Body are appointed in accordance with The College of Education (Northern Ireland) 2005 Order and the Instrument of Government. Non-Executive Members shall normally serve for a maximum of two four-year terms in accordance with the Instrument of Government and the Code of Practice issued by the Commissioner for Public Appointments for Northern Ireland. The Academic Staff and Support Staff representatives are appointed for a period of four years after which a further election is held. The Student Member serves for a period of one year.

5.3 As Public Appointees, Non-Executive Board members are office holders rather than employees; they are not subject to employee terms and conditions. Board appraisal arrangements are set out in section 28 and matters for consideration in dealing with concerns/complaints in respect of Board members are provided in Annex 5.

5.4 The Governing Body's operating framework/terms of reference provides further detail on roles and responsibilities and should align closely with this Partnership Agreement.

- 5.5 The Governing Body has corporate responsibility under The Colleges of Education (NI) Order 2005 to set the mission and strategic vision of the College, secure the effective and efficient management of the College and ensure that the College provides, or secures the provision of suitable and efficient education to students of the College. To this end, and in pursuit of its wider corporate responsibilities, the Governing Body shall:
- provide effective leadership and strategic direction to the organisation and to ensure that the policies and priorities set by the Minister for the Economy are implemented;
 - ensure that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allows risks to be effectively identified and managed;
 - set the culture and values of the organisation, and set the tone for the organisation's engagement with stakeholders and customers;
 - hold the Principal to account for the management of the organisation and the delivery of agreed plans and outcomes. The Governing Body should also support the Principal, as appropriate, in the exercise of their duties;
 - ensure that funds from the Department are used only in accordance with the Financial Memorandum and any other conditions which the Department may from time to time establish;
 - ensure that the financial, planning, and other management controls (including controls against fraud and theft) are appropriate and sufficient to safeguard public funds;
 - secure the effective, efficient, and economical management of all of the College's resources and expenditure, including funds other than those provided by the Department, capital assets, equipment and human resources, so that the investment of public funds in the College is not put at risk;
 - ensure that financial considerations are taken into account at all stages in reaching decisions and in their execution; and
 - require the Principal to take responsibility for ensuring the proper and effective operation of the controls referred to above; and giving effect to the Governing Body's policies for securing the effective, efficient, and economical management of all the College's resources and expenditure.
- 5.6 The Governing Body has responsibility for approving the objectives and targets for the College, taking account of the conditions of grant and targets attached to the financial allocations made by the Department and set out in the annual funding agreement. The Department does not wish to determine the College's detailed performance framework as this is at variance with the arrangements for all other higher education institutions which are autonomous bodies. The Department considers that compromising the College in this way would restrict operational flexibility and place it at a competitive disadvantage against the other institutions in the sector.
- 5.7 Governing Body members must act solely in the interests of the College and must not use the Governing Body as a platform to champion their own interests or pursue personal agendas. They occupy a position of trust and their standards of action, and behaviour, must be exemplary and in line with the seven principles of public life ('Nolan principles'). The Governing Body has a Code of Conduct

and Members are expected to comply with this at all times. There should be mechanisms in place to deal with any Governing Body disputes/conflicts to ensure they do not become wider issues that impact on the effectiveness of the Governing Body. A Governing Body Register of Interests is maintained, kept up to date and is publicly available to help provide transparency and promote public confidence in the College.

- 5.8 Communication and relationships within the Governing Body are underpinned by a spirit of trust and professional respect. The Governing Body recognises that using consensus to avoid conflict or encouraging members to consistently express similar views or consider only a few alternative views does not encourage constructive debate and does not give rise to an effective Governing Body dynamic.
- 5.9 It is for the Governing Body to decide what information it needs, and in what format, for its meetings/effective operation. If the Governing Body is not confident that it is being fully informed about the organisation this will be addressed by the Chair of the Governing Body as it cannot be effective with out-of-date or only partial knowledge.
- 5.10 In order to fulfil their duties, Governing Body members must undertake initial induction training, and regular ongoing training and development. Review of Governing Body skills and development will be a key part of the annual review of Governing Body effectiveness.
- 5.11 The College shall submit ratified minutes of each meeting of the Governing Body to the Department in a timely manner.

6. Audit and Risk Assurance Committee

- 6.1 The Governing Body of the College shall set up an Audit and Risk Assurance Committee comprising Non-Executive Members (excluding the Chair), as required by the Articles of Government.
- 6.2 The Committee should comply with the arrangements set out in the Articles of Government which include the establishment and remit of the Committee and the Code of Conduct for Members of the Governing Body and the Audit and Risk Assurance Committee Handbook (NI)⁴ which expands on duties of members and the operation of the Committee and specifies those elements deemed mandatory. Guidance and Model Terms of Reference for Audit and Risk Committees has also been published by the Committee of University Chairs⁵.
- 6.3 The Audit and Risk Assurance Committee's purpose/role is to support the Accounting Officer and Governing Body on governance issues. In line with the Handbook, the Audit and Risk Assurance Committee focuses on:
- assurance arrangements over governance;
 - financial reporting;

⁴ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/daodof0318att.pdf>

⁵ <https://www.universitychairs.ac.uk/wp-content/files/2020/06/CUC-HE-Audit-Committees-Code-of-Practice-doc-FINAL-260520.pdf>

- annual reports and accounts, including the Governance Statement; and
 - ensuring there is an adequate and effective risk management and assurance framework in place.
- 6.4 The College and the Department have agreed arrangements in respect of Audit and Risk Assurance Committees which include:
- The Department being represented in an observer capacity at the College's Audit and Risk Assurance Committee meetings;
 - Access to the College Audit and Risk Assurance Committee papers and minutes; and any input required from the College's Audit and Risk Assurance Committee to the Departmental Audit and Risk Assurance Committee.
- 6.5 Full compliance with the Audit and Risk Assurance Committee Handbook (NI) is an essential requirement. In the event of significant non-compliance with the Handbook's five good practice principles (or other non-compliance) discussion will be required with the Department and a full explanation provided in the annual Governance Statement.
- 6.6 The extant Audit and Risk Assurance Committee Handbook (NI) is available on the DoF website.

7 The Chair of the Governing Body

- 7.1 The Chair is appointed in accordance with The Colleges of Education (NI) Order 2005 and Instrument of Government.
- 7.2 The Chair is responsible to the Minister for the Economy. The Chair shall ensure that the College's policies and actions support the wider strategic policies of the Minister, and that the College's affairs are conducted with probity. The Chair shares with other Governing Body members the corporate responsibilities set out in paragraph 7.4, and in particular for ensuring that the College fulfils the approved aims and objectives.
- 7.3 The Chair has a particular leadership responsibility on the following matters:
- formulating the Governing Body's strategy;
 - ensuring that the Governing Body, in reaching decisions, takes proper account of guidance provided by the Minister or the Department;
 - promoting the efficient, economic, and effective use of staff and other resources;
 - encouraging and delivering high standards of regularity and propriety;
 - representing the views of the Governing Body to the general public; and
 - ensuring that the Governing Body meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Governing Body members.

7.4 The Chair shall also:

- ensure that all members of the Governing Body, 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 on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice;
- ensure that there is a Board Operating Framework in place setting out the roles and responsibilities of the Board in line with relevant guidance;
- advise the Department of the needs of the College when Governing Body vacancies arise, with a view to ensuring a proper balance including of professional and financial expertise; and
- assess the performance of individual members. Members will be subject to ongoing performance appraisal, with a formal assessment being completed by the Chair of the Governing Body at the end of each year [and prior to any re-appointment of individual members 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 Chair of the Governing Body will also be appraised on an annual basis by the Director of the Department's Higher Education Division.

- 7.5 The Chair shall also ensure that a Code of Conduct for Governing Body Members is in place, based on the Cabinet Office's Code of Practice for Board Members of Public Bodies. The Code shall commit the Chair and other members of the Governing Body to the Nolan "seven principles of public life" and shall include a requirement for a comprehensive and publicly available register of Members' interests.
- 7.6 The role also requires the establishment of an effective working relationship with the Principal that is simultaneously collaborative and challenging. It is important that the Chair and Principal act in accordance with their distinct roles and responsibilities as laid out in MPMNI and their appointment letters.
- 7.7 The Chair has a presence in the organisation and cultivates external relationships which provide useful links for the organisation while being mindful of overstepping boundaries and becoming too involved in day-to-day operations or executive activities.
- 7.8 Communications between the Board, the Minister and the Department shall normally be through the Chair. The Chair shall ensure that the other Members are kept informed of such communications on a timely basis.

8 The Principal (Accounting Officer)

- 8.1 The role of the Stranmillis University College Principal is to run the College business. The Principal is responsible for all executive management matters affecting the organisation and for leadership of the executive management team. The Principal is designated as the College's Accounting Officer by the Departmental Accounting Officer (see section 14).

8.2 The Accounting Officer of the College is personally responsible for safeguarding the public funds for which they have charge for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the College.

8.3 As Accounting Officer, the Principal shall exercise the following responsibilities in particular:

on planning and monitoring -

- establish and present to the Governing Body and its relevant Committees, corporate and business plans and revenue and capital budgets, taking account of any conditions of grant and targets set by the Department;
- inform the Governing Body and relevant Committees of progress towards achieving objectives and demonstrating how resources are being used to achieve these 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 Governing Body-

- advise the Governing Body on the discharge of its responsibilities as set out in this document, the Articles of Government and in any other relevant instructions and guidance that may be issued from time to time by DoF or the Department;
- advise the Governing Body on the College's performance compared with its aims and objectives;
- ensure that financial considerations are taken fully into account by the Governing Body at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed appropriately; and
- take action in line with Section 3.8 of MPMNI if the Governing Body, or its Chair, is contemplating a course of action involving a transaction which the Principal 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 the College (including any income or other receipts) are used for the purpose intended by the Assembly, and that such monies, together with the College's assets, equipment, and staff, are used economically, efficiently, and effectively;
- ensure that adequate internal management and financial and other internal controls are maintained by the College, including effective measures

- against fraud 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 Human Resource Management policies are maintained.

on accounting for the College's activities-

- sign the Annual Report and audited 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 partner Department, or DoF;
- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Statement on Internal Control regarding the College's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about the College are established and made widely known within the College;
- 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 (as advised in the letter received by the Principal at appointment). Annex 6 refers to other key guidance;
- give evidence, normally with the Accounting Officer of the partner Department, if summoned before the Public Accounts Committee on the use and stewardship of public funds by the College;
- ensure that an Equality Scheme is in place, reviewed and equality impact assessed as required by the Equality Commission and TEO;
- ensure that the requirements of the Data Protection Act 2018 and the Freedom of Information Act 2000 are complied with.

- 8.4 The Principal may delegate the day-to-day administration of their Accounting Officer responsibilities to other employees in the College. However, they shall not assign absolutely to any other person any of the responsibilities set out in this document. Where the Principal is expected to be unavailable for a period in excess of four weeks, the Department should be informed so that an acting Accounting Officer can be formally appointed.

The Principal's role as Consolidation Officer

- 8.5 For the purposes of Whole of Government Accounts, the Principal of the College is normally appointed by DoF as the College's Consolidation Officer.
- 8.6 As the College's Consolidation Officer, the Principal shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of the College; for arranging for its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DoF.

- 8.7 As Consolidation Officer, the Principal shall comply with the requirement of College Consolidation Officer Letter of Appointment as issued by DoF and shall, in particular, ensure that the College 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.

The Principal’s role as Principal Officer for Ombudsman Cases

- 8.8 The Principal is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. It is recommended they shall advise the Departmental Accounting Officer of any complaints about the College accepted by the Ombudsman for investigation that could have significant interest to the Department and about the proposed response to any subsequent recommendations from the Ombudsman.
- 8.9 Further detail on the role and responsibilities of the Principal are laid out in Managing Public Money NI and their Accounting Officer appointment letter.

Consulting customers

- 8.10 The College 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 as necessary 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.

Media Management Responsibilities

- 8.11 There should be a ‘no surprise’ approach to media announcements which may pose potential reputational damage either to the College or the Department. It is important that these announcements be shared with the respective parties providing sufficient time for review in advance of publication / announcement. The College will liaise with the Department in relation to such announcements.

9 Risk Management/Fraud/Contracts

- 9.1 The College shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts (The “Orange Book”).
- 9.2 The College shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract.

- 9.3 The College shall adopt and implement policies and practice to safeguard itself against fraud and theft, in line with NIAO publication: Managing Fraud Risk in a Changing Environment: A Good Practice Guide issued under FD (DFP) 09/15 and DAO (DoF) 04/20 which references the update to the HM Treasury's Orange Book Management of Risk – Principles and Concepts.
- 9.4 The Principal of the College shall report immediately to the Audit and Risk Assurance Committee, Internal Audit, Chair of the Governing Body, and the Department all frauds (attempted, proven, or suspected), including attempted fraud. The Department shall then report the frauds immediately to DoF and the C&AG/NIAO, irrespective of the amount involved. In addition, the College shall forward to the Department the annual fraud return, commissioned by DoF, on fraud and theft suffered by the College.
- 9.5 The Department requires the College to review its anti-fraud policy and fraud response plan annually. The College shall notify the Department of any significant changes.

10 Staff Management

- 10.1 Within the arrangements approved by the Department and DoF the College, as set out in the Articles of Government and Code of Conduct for Members of the Governing Body, shall have responsibility for the recruitment, retention, and motivation of its staff. To this end the College 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 under any of the 'protected characteristics'⁶;
 - the level and structure of its staffing, including grading and numbers of staff, are appropriate to its functions and the requirements of effectiveness, efficiency, and economy;
 - the performance of its staff at all levels is satisfactorily appraised and the College'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 the College'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 Public Interest (Northern Ireland) Order 2003 and Employment Act (Northern Ireland) 2016, (Commencement Number One) Order (Northern Ireland) 2017 are in place; and
 - a code of conduct for staff is in place based on Annex 5A of Public Bodies: A Guide for NI Departments⁷.

⁶ <https://www.gov.uk/discrimination-your-rights>

⁷ <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/public-bodies-guide-07.pdf>

11 Partnership Working with Stranmillis University College

- 11.1 The Department for the Economy and Stranmillis University College are part of a total delivery system, within the same Ministerial portfolio. The partnership between the Department and the College is open, honest, constructive, and based on trust. There is mutual understanding of each other's objectives and clear expectations on the terms of engagement.
- 11.2 In exercising its functions the College has absolute clarity on how its purpose and objectives align with those of the Department. There is also a shared understanding of the risks that may impact on each other, and these are reflected in respective Risk Registers.
- 11.3 There is a regular exchange of skills and experience between the Department and the College and where possible joint programme/project delivery boards/ arrangements. The College may also be involved as a partner in policy/strategy development and provides advice on policy implementation/ the impact of policies in practice.
- 11.4 DoF has established, on behalf of the Assembly, a delegated authority framework which sets out the circumstances where prior DoF approval is required before expenditure can be occurred or commitments entered into. The Accounting Officer of the Department has established an internal framework of delegated authority for the Department and its ALBs which apply to the College. Other specific approval requirements established in respect of the College are set out at Annex 3.
- 11.5 Once the College's budget has been approved by the Minister [and subject to any restrictions imposed by statute], the College shall have authority to incur expenditure approved in the budget without further reference to the Department. Inclusion of any planned and approved expenditure in the budget shall not however remove the need to seek formal Departmental approval where proposed expenditure is outside the delegated limits (as laid out in Annex 3) or is for new schemes not previously agreed. Nor does it negate the need to follow due processes laid out in guidance contained in MPMNI and Better Business Cases NI⁸.

12 Lead Senior Official

- 12.1 The Department has appointed a Lead Senior Official (usually Grade 5 level) to manage the relationship with the College and ensure effective partnership working. Engagement between the Department and the College will be co-ordinated, collaborative, and consistent. A clear sense of collaboration and partnership will be communicated to staff in both the Department and the College in order to promote mutual understanding and support.

⁸ <https://www.finance-ni.gov.uk/articles/better-business-cases-ni>

- 12.2 The Lead Senior Official will ensure that where there are Departmental staff changes, time is taken to ensure they have a full understanding of the College's business and challenges.

13 Annual Engagement Plan

- 13.1 The Department and the College will agree an engagement plan before the start of each year. The Annual Engagement Plan (Annex 2) will set out the timing and nature of engagement between the College and the Department. The engagement plan will be specific to the College and should not stray into operational oversight.
- 13.2 Engagement between the Department's Lead Senior Official/their teams and the College will be centred on partnership working, understanding of shared risks, and working together on business developments that align with policy objectives.
- 13.4 The Annual Engagement Plan will also reference the agreed management and financial information to be shared over the course of a year. The aim will be to ensure clear understanding of why information is necessary and how it will be used. Where the same, or similar information is required for internal governance information requirements will be aligned so that a single report can be used for both purposes. In addition, the engagement plan should consider opportunities for learning and development, growth and actions which could help achieve better outcomes.
- 13.5 The Department recognises that there will be further interactions between the College and other individuals/teams within the Department which is not reflected in the annual engagement plan. There may also be ad hoc engagement which is not reflected in the plan at the outset of the year. The College should notify the Department if there are instances where they consider tasks or information requests are being duplicated, so that efficiencies can be identified and established.

14 The Accounting Officer of the Department

- 14.1 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 NI Assembly for the issue of any grant-in-aid to the College. The Accounting Officer of the Department designates the Principal of the College as the College's Accounting Officer, and respective responsibilities of both Accounting Officer roles are set out in Chapter 3 of MPMNI. The Departmental Accounting Officer may withdraw the College Accounting Officer designation if they believe that the incumbent is no longer suitable for the role. In such circumstances, the College Governing Body will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of Stranmillis University College Accounting Officer status would bring into question employment as Principal; therefore, the Chair should engage with the Department should such circumstances arise.

14.2 In particular, the Departmental Accounting Officer shall ensure that:

- the Governing Body of the College has established strategic aims and objectives in line with The Colleges of Education (NI) Order 2005 and any conditions of grant and targets set out in the annual funding agreement with the Department;
- the financial and other management controls applied by the Department to the College are appropriate and sufficient to safeguard public funds and for ensuring that the College's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to the College by the Assembly but also any other funds falling within the stewardship of the College);
- the internal controls applied by the College conform to the requirements of regularity, propriety, and good financial management;
- any grant-in-aid to the College is within the ambit and the amount of the Request for Resources and that Assembly authority has been sought and given;
- any concerns about the College's finances or internal controls are raised with the Governing Body and Audit and Risk Assurance Committee;
- payment of grant is suspended if appropriate to safeguard public funds; and
- the offer of grant is varied, payment of grant is withheld, or sums repaid in whole or in part if the College does not comply with the terms of this Partnership Agreement or any conditions or targets attached to the offer of grant set out in the annual funding agreement.

14.3 The responsibilities of a Departmental Accounting Officer are set out in more detail in the appropriate Chapter of MPMNI.

15 The Partner Team in the Department

15.1 Within the Department, HE Quality and Governance Branch and HE Finance Branch are the partner teams for the College. These teams are the primary source of advice to the Departmental Accounting Officer/Minister on the discharge of their responsibilities in respect of the College, and the primary point of contact for the College in dealing with the Department. The partnering teams shall carry out their duties under the management of the Director of HE Division, who shall have primary responsibility for the teams overseeing the activities of the College.

15.2 The partnering teams shall advise the Departmental Accounting Officer and/or Minister on all matters relating to the College, including; governance, accountability, budgeting, and performance.

15.3 In support of the Departmental Accounting Officer, the partnering teams and/or other agents acting on behalf of the Department shall:

on performance and risk management -

- monitor the College's activities on a continuing basis through an adequate and timely flow of information from the College on performance, budgeting, control, and risk management, including early sight of the College's Statement on Internal Control / Governance Statement;

- address in a timely manner any significant problems arising in the College, whether financial or otherwise, making such interventions in the affairs of the College as the Department judges necessary to address such problems;
- carry out an annual accountability review and risk assessment of the College, taking into account the public monies at stake and the College's corporate governance arrangements through an examination of assurance returns to the Department, annual report and financial statements, external audit findings, internal audit assurance statement, and the Audit and Risk Assurance Committee annual report to the Governing Body.

on communication with the College -

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

16 Attendance at Public Accounts Committee

- 16.1 The College Principal/Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as Accounting Officer (as laid out in their Accounting Officer appointment letter) on issues arising from any C&AG's studies or reports.
- 16.2 The Chair may also, on occasion, be called to give evidence to the Public Accounts Committee on such relevant issues arising within the C&AG's studies or reports, in relation to the role and actions taken by the Governing Body, where appropriate.
- 16.3 In addition, the Departmental Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as Departmental Accounting Officer with overarching responsibility for the College. In such circumstances, the Departmental Accounting Officer may therefore expect to be questioned on their responsibilities to ensure that:
- i. there is a clear strategic control framework for the College;
 - ii. sufficient and appropriate management and financial controls are in place to safeguard public funds;
 - iii. the nominated College Accounting Officer is fit to discharge his / her responsibilities;
 - iv. there are suitable internal audit arrangements which are in accordance with Public Sector Internal Audit Standards (PSIAS);
 - v. accounts are prepared in accordance with the relevant legislation and any accounting direction; and
 - vi. intervention is made, where necessary, in situations where the College's Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the Governing Body or its Chair.

17 The College's Income and Expenditure – General

- 17.1 The Financial Memorandum sets out certain aspects of the financial framework within which the College is required to operate.
- 17.2 The College's resource and capital expenditure form part of the partner Department's Resource Departmental Expenditure Limits (DEL) and Capital DEL respectively.
- 17.3 The Governing Body of the College is responsible for ensuring that funds from the Department are used only in accordance with Article 66 of the Education and Libraries (Northern Ireland) Order 1986, the Education and Libraries (Northern Ireland) Order 1993, and shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside the College's delegations or which is not affordable in the overall College annual budget/financial position.

Procurement

- 17.4 The College's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed August 2014). Procurement Policy Notes; and any other guidelines or guidance issued by Construction and Procurement Delivery (CPD) and the Procurement Board. The College's procurement activity should be carried out under the Memorandum of Understanding which exists between the Department and CPD. The College may avail of procurement frameworks created for the higher education sector when these are governed by public contract regulations.

Competition

- 17.5 Contracts shall be awarded on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
- 17.6 A Direct Award Contract is the process where a contract is awarded to an economic operator (i.e. supplier, contractor) without competition. In light of their exceptional nature, all Direct Award Contracts should be subject to College Accounting Officer approval. Exceptionally, the award of a Direct Award Contract to external consultants requires the approval of the Accounting Officer of the Department. A list of all Direct Award Contracts, including summary information for each action, should be retained, and presented to the Governing Body and Audit and Risk Assurance Committee. The College should seek an assurance from CPD, or their legal adviser, to provide assurance for the Accounting Officer that the use of Direct Award Contracts is legitimate in a particular case. Further information is published in Procurement Guidance Note 03/11 on the 'Direct Award Contracts'⁹.

⁹ <https://www.finance-ni.gov.uk/publications/procurement-guidance-note-0311-award-contracts-without-competition>

- 17.7 The College should record all Direct Award Contracts and submit the details to the Department on request.
- 17.8 Procurement by the College of works, supplies and services shall be based on best value for money, i.e. the optimum combination of whole like cost and quality (or fitness for purpose) to meet the College's requirements. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness in paying bills

- 17.9 The College shall collect receipts and pay all matured and properly authorised invoices in accordance with Annex 4.5 and 4.6 of MPMNI and any guidance issued by DoF or the Department. In addition to legal provisions governing late payments, a target is in place for all NICS Departments to pay valid invoices within 10 working days. The College shall monitor the payment of invoices in compliance with these requirements over 10 working and 30 calendar days and provide prompt payment statistics to the Department as required.

Novel, contentious, or repercussive proposals

- 17.10 The Department reserves the right to determine what constitutes novel or contentious in this context. The College 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.

Wider markets

- 17.11 The College shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with:
- (a) the College's main functions; and
 - (b) its corporate plan.

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

Fees and charges

- 17.12 Fees or charges (not including tuition fees) for any services supplied by the College shall be determined in accordance with Chapter 6 of MPMNI. This permits a body to adjust prices to bring them into line with other suppliers providing the service in a competitive market.

18 The College's Income

Grant-in-aid

- 18.1 Recurrent grant will be paid to the College in monthly instalments, in accordance with a funding profile for the academic year which takes account of expected need within the higher education sector as a whole and receipts of tuition fees from students and the Student Loans Company.
- 18.2 Capital grants may be paid where the Department has agreed to contribute to the costs of capital projects submitted at its request and conforming to criteria set by the Department. The Department will pay its agreed contribution to the costs of capital projects in accordance with an agreed profile and associated conditions of grant. Payment will only be made on receipt of monthly claims, supported by appropriate documentation and not in advance of need. No Capital Project may proceed prior to the College receiving appropriate approvals from the Department.

Fines and taxes as receipts

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

Receipts from sale of goods or services

- 18.4 If income realised or expected to be realised in-year is less than budgeted, the College shall, unless otherwise agreed with the partner Department, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded.
- 18.5 If income realised or expected to be realised in the year exceeds the level of departmental budget cover, the College may apply to the Department to retain the excess income for specified additional expenditure (through the in-year monitoring rounds) within the current financial year without an offsetting reduction to grant-in-aid. The Department shall consider such applications and will consult with DoF in relation to any significant amounts. If an application is refused, any grant-in-aid may be commensurately reduced, or the excess receipts may be required to be surrendered to the NI Consolidated Fund via the partner Department.

Build-up and draw-down of deposits

- 18.6 The College 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).
- 18.7 The College shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

Proceeds from disposal of assets

- 18.8 Disposals of land and buildings are dealt with in Section 21 below.

Gifts and bequests received

- 18.9 The College is free to retain any gifts, bequests, or similar donations, subject to paragraph 18.10. Where appropriate, these shall be capitalised at fair value on receipt.
- 18.10 Before accepting a gift, bequest, or similar donation, the College shall consider if there are any associated costs in doing so, or any conflicts of interest arising. The College shall keep a written record of any such gifts, bequests, and donations and of their estimated value and whether they are disposed of or retained.

Borrowing

- 18.11 The College shall have the power under section 7 (1) (I) of The Colleges of Education (NI) Order 2005 to borrow sums to carry on its activities and to provide security as it sees fit but only with the prior consent of the Department under section 8 (4) (a). The College shall observe the principles set out in Chapter 5 and the associated annexes of MPMNI when undertaking borrowing of any kind. The College 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.
- 18.12 Any expenditure by the College financed by borrowing will need DEL budget cover (provided that this is the normal budgeting treatment for such expenditure). The cash raised by borrowing does not score as negative DEL.

Leases/Licences

- 18.13 The College must obtain the prior approval of the Department before granting a lease or licence over land or buildings, whether acquired or developed. Such approval should not be unreasonably withheld.
- 18.14 Where part of the consideration is the payment of a premium, this will be treated as sale proceeds and, therefore, a capital receipt. The remainder of the consideration will be treated as a resource receipt. The ability of the College to utilise these receipts will depend on obtaining appropriate budget cover. This is especially relevant where the receipts were not previously included within financial plans and budgets.

19 Expenditure on Staff

Staff costs

- 19.1 Subject to its delegated levels of authority, the College shall ensure that the creation of any additional posts does not incur forward commitments which will

exceed its ability to pay for them

Pay and conditions of service

- 19.2 The staff of the College, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) in line with national arrangements for employees of higher educational institutions. Staff below senior management are paid on a nationally agreed single pay spine. Grading of staff and their position on the pay spine are agreed locally. There is provision for the payment of premia to attract and retain staff as required. Salaries of senior staff shall be determined by the Governing Body's HR and Remuneration Committee, having regard to national negotiations and the performance of the individual. Moreover, the support staff terms and conditions of service mirror the National and Northern Ireland Joint Council for Local Authorities conditions of service key provisions as set out in the national agreement. In addition, there are local collective agreements negotiated by the College with specific Trade Unions representing the employment group to which employees belong.
- 19.3 As agreed with DoF, proposed annual pay increases do not require Departmental approval if they are in accordance with recommendations from the University and Colleges Employers Association which represents Member higher educational institutions on the UK Joint Negotiating Committee for Higher Education.
- 19.4 The travelling and subsistence expenses claimed by members of the Governing Body undertaking approved College business shall be paid subject to the terms and conditions specified in the College's Travel & Subsistence policy.
- 19.5 The College shall comply with all legislation relating to the rights of fixed term employees including the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations (Northern Ireland) 2002'.

Pensions and redundancy/compensation

- 19.6 The College's staff shall be eligible for a pension provided by the Northern Ireland Teachers' Superannuation Scheme for academic staff and the Northern Ireland Local Government Officers Superannuation Committee for non-academic staff.
- 19.7 Staff may opt out of the occupational pension scheme provided by the College. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall (normally) be limited to the national insurance rebate level.
- 19.8 Any proposal by the NDPB to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the partner Department and DoF.

20 Non-staff Expenditure

Economic appraisal

- 20.1 The College is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to make decisions and proposals concerning spending or saving public money, 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 resource spending, or both;
 - are large or small;
 - are above or below delegated limits (see Annex 3).
- 20.2 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 total of the resources involved in a proposal.
- 20.3 General guidance on economic appraisal that applies to the College can be found in:
- DOF's on-line guide to Better Business Cases NI (FD (DOF) 11/20) and the Northern Ireland Guide to Expenditure Appraisal and Evaluation (FD (DFP) 20/09) for those projects already initiated under that guidance.
 - The HM Treasury Guide, The Green Book: Appraisal and Evaluation in Central Government.

Capital expenditure

- 20.4 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.
- 20.5 Proposals for individual capital projects or acquisitions will normally be considered within the College's corporate and business planning process and included within the College's Estate Strategy. Subject to paragraph 20.7, applications for approval within the corporate/business 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 Governing Body. Regular reports on the progress of capital projects shall be submitted to the Department.
- 20.6 Approval of the corporate/business plan does not obviate the College's responsibility to abide by the economic appraisal process.
- 20.7 Within its approved overall resources limit the College shall, as indicated in Annex 3 on delegations, have delegated authority to approve Business Cases up to £500,000 in respect of any individual capital project or acquisition connected with land and buildings and £250,000 on other individual projects or acquisitions. Beyond these delegated limits, the Department's and where necessary, DoF's

prior authority must be obtained before commencing on an individual project or acquisition is incurred. Irrespective of the delegated approvals and in advance of incurring expenditure, the College must seek assurance from the Department that budget in respect of each project has been allocated to the College.

- 20.8 Purchase of land at more than the Land and Property Services' valuation requires the approval of the Department and DoF.

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

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

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

- 20.11 Proposals for making gifts or other special payments (including issuing write-offs) outside the delegated limits set out in the Annex 3 of this document must have the prior approval of Department and where necessary DoF.
- 20.12 Losses shall not be written off until all reasonable attempts to make a recovery have been made and proved unsuccessful.
- 20.13 Gifts by management to staff are subject to the requirements of DAO (DoF) 05/03.

Leasing

- 20.14 Prior Departmental approval must be secured for all property and finance leases. The College must have capital DEL provision for finance leases and other transactions which are, in substance, borrowing (paragraphs 18.11-18.12 above).
- 20.15 Before entering into any lease (including an operating lease) the College shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

- 20.16 Only with the prior approval of the Department shall the College 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, the College shall consult the Department. The College should also ensure that it has the necessary budget cover.
- 20.17 Any partnership controlled by the College shall be treated as part of the College in accordance with guidance in the statement of recommended practice: further and higher education (SORP) and consolidated with it [subject to any particular treatment required by the SORP]. Where the judgment 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

- 20.18 The College 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 Programme for Government.
- 20.19 For public expenditure accounts purposes, any subsidiary company or joint venture controlled or owned by the College shall be consolidated with it in accordance with guidance in the SORP subject to any particular treatment required by the SORP. Where the judgment 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 Partnership Agreement and to the further provisions set out in supporting documentation.

Financial investments

- 20.20 The College shall not make any investments in traded financial instruments without the prior written approval of the Department, and where appropriate, DoF. To avoid placing the College at a competitive disadvantage, it is permitted to build up cash balances and net assets in excess of what is required for immediate operational purposes in conformity with standard practice within the higher education sector. Equity shares in ventures which further the objectives of the College shall be subject to Departmental and DoF approval unless covered by a specific delegation.

Unconventional financing

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

Commercial insurance

- 20.22 The College is required to take out insurance as required by state and is permitted to obtain insurance in conformity with normal practice within the higher education sector.

Payment/Credit cards

- 20.23 The College, in consultation with the partner Department, shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards) is in place. Reference should be made to FD (DoF) 11/16.

Hospitality

- 20.24 The College, in consultation with the partner Department, shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place. Reference should be made to DAO (DoF) 10/06 (Revised).

Use of Consultants

- 20.25 The College shall adhere to the guidance issued by DoF, as well as any produced by the Department in relation to the Use of Consultants. Current guidance is found at FD (DFP) 07/12. Delegated Limits are set out in the Annex 3.
- 20.26 The College will provide the Department with a quarterly statement on the status of all consultancies completed and/or started in each quarter.
- 20.27 Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

Subscriptions

- 20.28 In order to ensure the Department has the necessary information for planning and quality assurances, the College shall subscribe, either directly or indirectly, to the following bodies:
- Higher Education Statistics Agency (HESA);
 - Quality Assessment Agency (QAA) (as a College of Queen's University Belfast); and
 - Advance Higher Education.
- 20.29 The College may subscribe to other bodies in line with normal practice within the higher education sector.

Connection to JANET or SuperJANET

- 20.30 The College shall take appropriate measures, including signing its acceptance of the Acceptable Use Policy, to ensure that its use of JANET¹⁰ or SuperJANET¹¹, and networks connected to JANET or SuperJANET, conforms to acceptable practice and current legislation.
- 20.31 The Department reserves the right to withdraw the College's connection to JANET or SuperJANET if it does not take the appropriate measures referred to in paragraph 20.30.

¹⁰ Joint Academic Network - an electronic network supported by the seven higher and further education funding bodies which links universities and colleges in the UK.

¹¹ SuperJANET is the enhanced network.

21 Management and Disposal of Fixed Assets

Register of assets

- 21.1 The College shall manage and develop its estate with regards to a maintenance plan and shall maintain an accurate and up to-date register of its fixed assets.

Disposal of assets

- 21.2 The College shall keep its holding of assets under review and shall dispose of any which are surplus to its requirements. Prior consent of the Department is required where the disposal of land and buildings is proposed. 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. Disposal of land and buildings at less than the Land and Property Services' valuation must be reported to the Department and DoF.
- 21.3 The College may not, without the prior consent of the Department, transfer title to, or grant an interest or licence in, any land and buildings. Such consent should not unreasonably be withheld.
- 21.4 All receipts derived from the sale of land and buildings must be declared to the Department, which will consult with DoF on the appropriate budgeting treatment. The ability of the College to employ these receipts will depend on the availability of appropriate DEL cover.

22 Budgeting Procedures

Setting the annual budget

- 22.1 Payments to the College by the Department are in support of activities specified in Article 66 of the Education and Libraries (Northern Ireland) Order 1986 and Article 30 (1) (a) of the Education and Libraries (Northern Ireland) Order 1993. These are:
- the provision of education and research; and
 - the provision of any facilities, and the carrying on of any activities, which the Governing Body of the College considers it necessary or desirable to provide or carry on for the purpose of, or in connection with, education or research.
- 22.2 Specific conditions relating to the recurrent grant, a schedule of funds available in the academic year and the educational provision the College has agreed to make in return for the funds, are contained in the annual Funding Agreement. The College shall use funds provided for specific purposes, solely for those purposes and must report any failure to comply with conditions immediately upon becoming aware of it. Funding for specific initiatives such as widening access and improving retention is conditional on the submission by the College of acceptable strategies and action plans. The Department will notify the College, in writing, of the allocation of formula funds as soon as possible after 31 March and in advance of the academic year to which they relate; in normal circumstances the

Department will endeavour to issue provisional letters by 30 June and final letters by 31 August.

- 22.3 From time to time, the College may be invited to apply for funding for specific capital development proposals. An economic appraisal Better Business Cases NI standards will normally be required in support of the application. Successful projects will be funded through individual Letters of Offer which set out the terms and conditions attached to the funding; no expenditure should be incurred prior to receiving appropriate approval from the Department. The Department will pay its agreed contribution to the costs of capital projects in accordance with a payment profile agreed with the College, as set out in the terms and conditions of grant. Payment will only be made on receipt of monthly claims, which should be supported by appropriate invoice documentation. Payment will not be made in advance of need.
- 22.4 The College's annual business plan, as approved by the Governing Body, will take account both of its approved funding provision [where this applies] 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 any partner Departmental funding and/or other income over the year. These elements will form part of the approved business plan for the year in question (Section 24.1-24.5 below).
- 22.5 Any grant-in-aid provided by the Department for the year in question will be voted in the partner Department's Estimate and will be subject to Assembly control.

General conditions for authority to spend

- 22.6 Once the College's budget has been approved by the Governing Body, the College shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:
- the College shall comply with the delegations set out in Annex 3 of this document. These delegations shall not be altered without the prior agreement of the Department and DoF;
 - the College shall comply with the conditions set out in paragraph 17.10 above regarding novel, contentious or repercussive proposals;
 - inclusion of any planned and approved expenditure in the College'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 set out in Annex 3 or is for new schemes not previously agreed;
 - the College shall provide the Department with such information about its operations, performance individual projects or other expenditure as the Department may reasonably require;
 - the College shall comply with NI Public Procurement Policy and carry out procurement via Construction and Procurement Delivery;
 - the College shall comply with any conditions set out in the annual Funding Agreement or letter of offer; and
 - failure of an audit re-inspection by the QAA may result in financial sanctions; and failure by the College to comply with any conditions attached by the Department to the payment of funds may result in the

Department clawing back some or all of those funds.

- 22.7 The College must ensure that there is sufficient departmental budget cover in place for planned income and expenditure levels in line with the Department's financial year. The College's net expenditure position for each budget category at final outturn must not exceed the budget limit set by the Department.

Providing information

- 22.8 The College shall provide the Department with information which will enable the satisfactory monitoring by the Department. At a minimum, this is to include:
- monthly Forecast return, detailing the expenditure for that month, forecast outturn by resource headings and associated variance analysis;
 - monthly Capital Monitoring return;
 - Monitoring Round returns;
 - Provisional Outturn return;
 - Final Outturn return;
 - copies of the College's monthly management accounts;
 - the College shall also provide the Department, or its agents acting on its behalf, with whatever information the Department requires to exercise its functions. This information shall be of a satisfactory quality and provided at the times and in the formats specified. The Department or agents will act reasonably in its requests with regard to the costs of providing the information and, where applicable, its costs. Failure to return information as required may result in the Department deducting the cost of obtaining the information from the grant in aid or making its own reasonable estimates;
 - in addition, the College will, from time to time, be asked to provide collected data to the Department or other bodies acting on the Department's behalf. At present, HESA acts as an agent both for the College and for the Department, in collecting information required by the Department and passing that information to the Department. These data will often contain personal details for students and/or staff. To ensure that the College and the Department can fulfil their duties under the Data Protection Act 2018 (including advising data subjects about what data will be processed and the purpose), university colleges should satisfy themselves when collecting data that students and/or staff are aware of these possible requirements and have given their consent. The College will co-operate with the Department as reasonably necessary to ensure that the Department and HESA, or any other agents of the Department, are able to comply with the Data Protection Act 2018 in processing information supplied by the College. It is for each university college to decide what they tell students and/or staff based on good practice and guidance, such as HESA model collection notices.

23 Banking

Banking arrangements

23.1 The College's Accounting Officer is responsible for ensuring that the College's banking arrangements are in accordance with the requirements of Annex 5.6 of MPMNI. In particular, they shall ensure that the arrangements safeguard public funds and that their implementation ensures effectiveness, efficiency, and economy. They shall therefore ensure that:

- these arrangements are suitably structured and represent value-for-money, and are reviewed at least every two years, with a comprehensive review, usually leading to competitive tendering, at least every three to five years;
- sufficient information about banking arrangements is supplied to the Department's Accounting Officer to enable the latter to satisfy their own responsibilities (Section 14);
- the College'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.

24 Planning, Budgeting and Control

The Corporate and Business Plan

The College will work in collaboration and partnership to prepare corporate and business plans. There should be good high level strategic alignment between relevant Departmental and College plans and once finalised it must be approved by the Governing Body. Once approved it will be the College's Governing Body that primarily holds the Principal to account for delivery and performance. The Department will engage with the College on areas of strategic interest, linking Departmental policy and the College delivery of policy intent.

24.1 The Department expects the College to have in place a clearly defined planning process based on reasonable assumptions of student numbers and resource allocations. The outputs of this process should include a College Development Plan and an Estates Strategy, normally covering a three-year period.

24.2 The Corporate Plan shall reflect the College's statutory duties, and, within those duties, the priorities set from time to time by the Department (and Department of Education). The Plan should be approved by the Governing Body and provided to the Department

24.3 The Corporate Plan shall set out:

- the College's key priorities and associated key performance targets for the three forward years, and its strategy for achieving those objectives;
- a review of the College's performance in the preceding financial year [together with comparable outturns for the previous two 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 forecasted;

- a forecast of expenditure and income, taking account of any guidance on resource assumptions and policies provided by the Department at the beginning of the planning round. These forecasts should represent the College's best estimate of all its available income not just any grant or grant-in-aid;
 - an annual review of its Estates Strategy; and
 - other matters as agreed between the Department and the College.
- 24.4 Each year of the Corporate Plan, updated as necessary, shall form the basis of the Business Plan for the relevant forthcoming year. The Business Plan shall be copied to the Department once approved by the Governing Body. 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.
- 24.5 The Corporate and Business Plans shall be published on the College's website.

Reporting performance to the partner Department

- 24.6 The College 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. The College shall provide an asset management plan to the Department upon request.
- 24.7 The College 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.
- 24.8 The College's performance, including the achievement of key objectives, shall be reported to the Department on an annual basis. Performance will be formally reviewed annually by officials of the Department. The Departmental Accounting Officer shall meet the Chair of the Governing Body and Principal formally each year to discuss the College's performance, its current and future activities, and any policy developments relevant to those activities.
- 24.9 The College's performance against key targets shall be reported in the College's annual report and accounts [see Section 30 below].

Solvency

- 24.10 The College shall plan and conduct its financial and academic affairs to ensure that it remains solvent and that, taking one accounting period with another, its total expenditure (excluding non-cash items) is not greater than its income.
- 24.11 The College should aim to avoid deficits and negative reserves and clear these as quickly as possible where they do arise. Exceptionally, where pension scheme liabilities are included on the balance sheet in compliance with FRS 102, the College should monitor and be aware of these over the longer term.

Financial Commitments

24.12 The Department expects the College to demonstrate good practice when undertaking new or revised financial commitments and that it has acted in accordance with Departmental requirements. In particular, any new financial commitment should:

- be consistent with the College's strategic plan and represent the best value option
- be consistent with the College's financial strategy;
- satisfy the Department that it is able to meet its financial commitments and maintain financial and academic viability without recourse to additional grant in aid; and
- satisfy the Department that the College's Governing Body has taken an informed decision regarding the commitment.

25 Mergers and Discontinuance

25.1 The Department has responsibilities in relation to the academic and financial viability of the College and the interests of the students. The College shall not enter into any merger negotiations without the express approval of the Department.

25.2 Arrangements for the discontinuance of the College are set out in The Colleges of Education (NI) Order 2005.

Assurance Framework

26 Autonomy and Proportionality

26.1 The Department will ensure that the College has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own Governing Body and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between the College and the Department and is reflected in this Agreement.

26.2 A proportionate approach to assurance will be taken based on the College's overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process through which the College Accounting Officer provides written assurance to the Department that the public funds and organisational assets for which they are personally responsible are safeguarded, have been managed with propriety and regularity, and use of public funds represents value for money.

26.3 Recognising the governance arrangements in place within the organisation, the College Accounting Officer will arrange for their written assurance to be discussed at the College Audit and Risk Assurance Committee and presented to the College Governing Body prior to submission to the Department where possible. If not possible, or practicable, the Chair of the College Governing Body

and the Chair of ARAC should have sight of the assurance statement, prior to being submitted to the Department.

- 26.4 The College Chair will provide written confirmation that the College Accounting Officer's formal assurance has been considered by the Governing Body and is reflective of the College's current position.
- 26.5 In addition to the College Accounting Officer's written assurance, the Department will take assurance from the following key aspects of the College's own governance framework:
- i. Annual Review of Governing Body Effectiveness;
 - ii. Completion of Governing Body Appraisals which confirm member effectiveness;
 - iii. Internal Audit assurance and External Quality Assessment of the Internal Audit function; and
 - iv. Externally audited Annual Report and Accounts, reviewed/considered by the College Audit and Risk Assurance Committee.
- 26.6 The Department requires the University College to comply with the requirements of the quality assurance system in Northern Ireland. Specific requirements regarding quality regulation will be built into future iterations of this Partnership Agreement and associated Annual Engagement Plan.

27. Governing Body Effectiveness

- 27.1 The Chair will ensure that the College Governing Body undertakes an annual review of Board Effectiveness (NIAO Good Practice Guide on Board Effectiveness¹²) which encompasses Committees established by the Governing Body.
- 27.2 The Chair may discuss the outcome of the annual review of Governing Body Effectiveness with the Lead Senior Official to ensure a partnership approach to any improvements identified. This could help inform the annual programme of Governing Body training/development and discussions in respect of Governing Body composition and succession.
- 27.3 In line with any parameters set out in founding (or other) legislation, the Chair in conjunction with the Department and Ministers where appropriate, will consider the size and composition of the College Governing Body, proportionate to the size and complexity of the College, and keep this under review.
- 27.4 Furthermore, the CUC Code of Governance for Higher Education Institutions (HEIs) states that HEIs must conduct a regular, full, and robust review of governance effectiveness with some degree of independent input. This will provide assurance to internal and external stakeholders and allow a mechanism to focus on improvement and chart progress towards achieving any outstanding actions arising from the last effectiveness review. It is recommended this review takes place every three years. The Chair will share the findings/outcome report with the Department on completion of the review.

¹² <https://www.niauditoffice.gov.uk/publications/board-effectiveness-good-practice-guide>

28. Governing Body Appraisals

- 28.1 The Chair of the College will conduct an annual appraisal in respect of each Non-Executive Governing Body member which will also inform the annual programme of Governing Body training/ development. The Chair will engage with the Principal/Lead Senior Official as appropriate on improvements identified through the appraisal process and the annual training/development programme.
- 28.2 The Chair's annual appraisal will be undertaken by the Director of Higher Education and approved by the Deputy Secretary within the Department. The appraisal will take account of the Key Characteristics of a good chairperson (particularly for the Chair to have well developed interpersonal skills) set out in the NIAO Good Practice Guide on Board Effectiveness available on the NIAO website. There will be close engagement between the Chair and the Lead Senior Official on improvements identified through the appraisal process.

29. Internal Audit Assurance

- 29.1 The Department has outlined the arrangements that it has determined appropriate for the College in Audit and Risk Assurance Committee Handbook (NI).
- 29.2 The College is required to establish and maintain arrangements for an Internal Audit function that operates in accordance with the Public Sector Internal Audit Standards (PSIAS).
- 29.3 As the College's Internal Audit function is contracted out, the College shall ensure that the Department is satisfied that the contract specification for the Internal Audit service meets the requirements of PSIAS.
- 29.4 The College will provide its internal audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control, and governance to the Department. The College will ensure that the Department's internal audit team have complete right of access to all relevant records.
- 29.5 The College will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department if concerns are raised.
- 29.6 The College will alert the Department to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. The College will also alert the Department to a less than satisfactory annual opinion from the Head of Internal Audit at the earliest opportunity. The College and the Department will then engage closely on actions required to address the less than satisfactory opinion in order to move the College to a satisfactory position as soon as possible.
- 29.7 The Department will take assurance from the fact that the College has met the requirements of PSIAS and has a satisfactory annual opinion from the Internal Audit as part of its overall assurance assessment.

30 Externally Audited Annual Report and Accounts

Accounting Period to 31 July

- 30.1 The Audit and Risk Assurance Committee Handbook (NI) provides guidance on the Department's External Audit requirements. The College procures its own External Audit Provider for accounts prepared to the period 31 July.
- 30.2 The Governing Body, with the advice of the Audit and Risk Assurance Committee, is responsible for the appointment of the College's External Auditors for accounts prepared to the period 31 July.
- 30.3 Under The Colleges of Education (NI) Order 2005, the Comptroller and Auditor General for Northern Ireland and the Department and/or other agents acting on behalf of the Department also have access to the books, accounts, and records of the Governing Body. For the purpose of audit and any other examinations, the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.
- 30.4 The College is required to prepare an Annual Report and Accounts in line with the Statement of Recommended Practice (SORP) for Further and Higher Education and the specific Accounts Direction issued by Department, and in accordance with the deadlines specified.
- 30.5 The appointed External Auditors will arrange to audit the College annual accounts and will issue an independent opinion on the accounts. The College should provide a copy of the accounts to the Department who will lay the accounts before the NI Assembly together with the College's annual report.
- 30.6 The External Auditors will also provide a Report to Those Charged with Governance (RTTCWG) to the College which will be shared with the Department.
- 30.7 The College will alert the Department to any likely qualification of the accounts at the earliest opportunity. In the event of a qualified audit opinion or significant issues reported in the RTTCWG the Department will engage with the College on actions required to address the qualification/significant issues.
- 30.8 The Department will take assurance from the External Audit process and an unqualified position as part of its overall assurance assessment.
- 30.9 The C&AG may carry out examinations into the effectiveness, efficiency, and economy with which the College has used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of the College.

Consolidation with Departmental Accounts at 31 March

- 30.10 The College are required to prepare and submit financial statements and disclosures (via a consolidation pack) to the department as at the 31 March in line with specified deadlines. So far as is reasonably practicable, the University College should prepare the information required for inclusion within the 31 March consolidation pack in line with DfE accounting policies e.g. use of the fixed asset

valuation model and arrange for any pension scheme actuarial valuations to be prepared in line with International Accounting Standards (IAS). It may be the case that the University College adopts different accounting policies in relation to the information included in the University College audited financial statements to 31 July.

30.11 The C&AG will liaise with the College on the arrangements for completing the audit of the College's Consolidated pack for the period to 31 March. This will either be undertaken by staff of the NIAO, or a private sector firm appointed by the C&AG to undertake the audit on NIAO's behalf. The final decision on how such audits will be undertaken rests with the C&AG, who retains overall responsibility for the audit.

30.12 The Department will take assurance from the External Audit process and an unqualified position as part of its overall assurance assessment.

Other Requirements

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

30.14 The College is required to supply the Department with data to inform allocations of funding and in response to specific initiatives. The validation of data may require audit work to be undertaken to satisfy the Department that information supplied is reliable.

VFM examinations

30.15 There is a duty of care on both the Department and the College to ensure that public funds are applied for the purposes intended and that value for money is obtained. The Audit and Risk Assurance Committee Handbook (NI) provides guidance on the Department's requirements in relation to value for money. The Governing Body is required to take into account guidance on good practice issued by the Department, DoF, NIAO or the Public Accounts Committee and other relevant higher education sources of guidance. The Audit Committee is required to report its opinion annually to the Governing Body.

30.16 The Department, and/or other agents acting on behalf of the Department and the C&AG may carry out examinations into the effectiveness, efficiency, and economy with which the College 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, the College should ensure that it includes a clause which makes the grant or contract conditional upon the recipient or contractor providing access to the C&AG in relation to documents relevant to the transaction. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

Additional Departmental access to the College

- 30.17 Subject to legislative constraints, the Department, agents acting on its behalf and the NIAO shall have access to all records, information and assets of the College and can require any officer, including Members of the Governing Body, to provide explanations which it considers necessary to fulfil its responsibilities.

Research Funding

- 30.18 The College is required to comply with the Concordats to Support Research Integrity, the Career Development of Researchers and for Engaging the Public with Research. The College must provide assurance of its compliance with these Concordats through the Annual Assurance Statement to the Department. With respect to the Concordat to Support Research Integrity, the College must advise the Department immediately on receipt of any allegation of misconduct in research in respect of funding provided by the Department and provide at least a quarterly update on the investigation until its conclusion. Once advised of the outcome of any investigation, the Department will consider if there are any funding implications. The Department will discuss with the College the impact on the project and any staff on a case-by-case basis.

31. Revisions to the Partnership Agreement

- 31.1 This Partnership Agreement shall be reviewed formally by the Department and the College at least once in every three years or following a review of the functions of the College. The Department will make material revisions to this document only after consulting the College.

32. Signatories

- 32.1 Stranmillis University College and the Department for the Economy agree to work in partnership with each other in line with the NI Code of Good Practice 'Partnerships between Departments and Arm's-Length Bodies' and the arrangements set out in this Agreement.

Signed (Stranmillis College Chair)

Date

Edgar J. Jordan
25 March 2025

Signed (College Principal)

Date

Jonathan Higgins
25 March 2025

Signed (Department)

Date

Annex 1 - Applicable Legislation

List the founding legislation and other key statutes which provide Stranmillis University College with its statutory functions, duties and powers are listed below (any subsequent amendments to this list of legislation should also be considered relevant).

- a. The Education and Libraries (NI) Order 1986;
- b. The Education (Unrecognised Degrees) (NI) Order 1988
- c. The Education (Reform) (NI) Order 1989;
- d. The Education and Libraries (NI) Order 1993;
- e. The Further Education (NI) Order 1997;
- f. The Education (Student Support) (NI) Order 1998, and its regulations;
- g. The Higher Education (NI) Order 2005, and its regulations; and
- h. The Colleges of Education (NI) Order 2005.

Annex 2 – Annual Engagement Plan

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

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

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

Engagement Plan 2024/25		
Policy Development and Delivery		
<i>Add details of the planned engagement between the ALB and the Department in relation to development and monitoring of existing and new areas of policy.</i>		
Policy Area	Frequency/Timing	Lead Departmental/ALB Officials
Student Mental Health, Harassment and Sexual Misconduct, Ending Violence Against Women and Girls	Bi-annual (May and October)	Head of HE Policy Branch
Period Products Pilot Programme	Quarterly monitoring returns on pilot	Head of HE Policy Branch
Tertiary Education Senior Leaders Forum	Quarterly	Permanent Secretary DfE Director of Tertiary Education Reform
Tertiary Education Sector Working Group – HE in FE policy	Quarterly	Director of Tertiary Education Reform
Widening Participation Forum – Widening Participation policy	Quarterly	Director of Tertiary Education Reform
Strategic Planning		
Activity	Date	Lead Departmental/ALB Official

Assurances

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

Action	Date	Lead Departmental/ALB Official
Annual Accounts Direction	July/August	Head of HE quality and Governance Branch
Annual Accountability return to include <ul style="list-style-type: none"> • assurance statement • signed audited financial statements • audit committee report, internal audit annual report, external auditor management letter and University response, • annual Financial return commentary, • annual financial return workbook • VFM report • Annual efficiency report 	December/January	Head of HE Quality and Governance Branch
Annual Accountability Meeting	April	Head of HE Quality and Governance Branch
Assurance Statement	Bi-annual	Head of HE Quality and Governance Branch
Outcome of the Review of Board Effectiveness	Annual review of Board Effectiveness and a regular, full, and robust review of governance effectiveness with some degree of independent input at least every 3 years	Head of HE Quality and Governance Branch
Board Appraisals and planned training/development for Board members	Following the end of the Business year.	Head of HE Quality and Governance Branch
Chair Appraisal	Following the end of the Business year.	Head of HE Quality and Governance Branch

Departmental Attendance at ARAC as observer	Quarterly	Head of HE Quality and Governance Branch
Independent Audit assurance in respect of DfE funded Student Support (Hardship) Funds	Annual	Head of Student Support Branch Stranmillis Finance Manager
Disabled Students Allowance Management Reports	Annual	Student Support Branch (Deputy Principal)

Budget Management

Add details of the information and returns to be provided.

Item and Purpose	Date	Lead Departmental/ALB Official
Notification of teaching grant for the forthcoming academic year	July	Head of HE Finance
Monthly Financial Forecast Returns	Monthly	Head of HE Finance
Budget Information requests and/or Monitoring Round Returns	As commissioned by DoF – usually April, June, and October	Head of HE Finance
Provisional Outturn	April	Head of HE Finance
Final Outturn	June	Head of HE Finance
Diversity and Mutual Understanding and International Awareness - planned expenditure for Academic year	4 weeks from notification of teaching grant	Head of HE Finance
Diversity and Mutual Understanding and International Awareness - report on actual expenditure against planned expenditure	31 August	Head of HE Finance

Review of the Partnership Arrangement

Tailor as required to reflect the specific requirements

Item and Purpose	Date	Lead Departmental/ALB Official
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Formal review of the Partnership Agreement, including agreement by DoF	To be conducted once every three years	Head of HE Quality and Governance
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Other

Item and Purpose	Date	Lead Departmental/ALB Official
DfE Consolidated Financial Statements	Completed financial statements pack as at 31 March 2024 submitted to the Department by the end of April 2024. Associated lead schedules and detailed working papers were ready for submission to Northern Ireland Audit Office by beginning of May 2023.	DfE Financial Accounting Finance Director
External Consultancy Return.	Biannually.	Head of HE Quality and Governance Branch
Direct Award Contracts.	Biannually.	Head of HE Quality and Governance Branch
Procurement Plan	Biannually	Head of HE Quality and Governance Branch

Annex 3 - Delegations

Delegated Authorities

Stranmillis University College shall obtain the Department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations, or which is outside the conditions of the grant as approved by the Department and detailed in the annual grant letter and accompanying Annex A as approved by the Department;
- entering into any capital undertaking to incur any expenditure, for which the College subsequently seeks funding from the Department.
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- or
- making any change of policy or practice which has wider financial implications that might prove repercussive, or which might significantly affect the future level of resources required.

Detail of current delegated limits are as follows:

TYPE OF SPEND	LIMIT (£k)
Capital Expenditure	250
Capital Expenditure on Buildings	500
IT Equipment and Systems Purchase	250
Consultancy	10
Lease and Rental Agreements	All – further detail below
Losses and Special Payments	Further detail below

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

The College must fully comply with all Governance Bulletins and guidance as issued by the Department and DoF. The College Accounting Officer is responsible for maintaining a comprehensive system of internal delegated authorities that are notified to all staff, together with a system for regularly reviewing compliance with these delegations.

Department of Finance Procurement Policy Notes (PPN's) and Procurement Policy

It is essential that the College keeps up to date with the PPN's and Procurement Policy published by DoF.

PURCHASING ALL GOODS AND NON-CONSTRUCTION SERVICES

Table 1 **Current Procurement Control Limits Goods and Non-Construction Services (per DoF Procurement Policy)**
(All costs exclude VAT)

Threshold	Number /Type of Tender Required	Authorisation
Up to £5,000	College must demonstrate that value for money has been secured in line with Annex A of PPN 04/21. The College must also check for aggregation as combined costs (whole life costs e.g. serving maintenance etc) must be aggregated to calculate total value.	The Principal or appropriate officer as appointed by the Principal.
£5,000 to £30,000	A minimum of two tenders invited by the person authorised to procure for the College. If a supplier has been invited before, then at least two other suppliers should be invited to tender.	The Principal or appropriate officer as appointed by the Principal.
£30,000 to EU Thresholds	Advertise on eTendersNi. Tender process must be conducted in line with DoF Procurement Policy.	The Principal or appropriate officer as appointed by the Principal.
Above EU Thresholds	Advertise on eTendersNI. Public Contract Regulations / Utilities Contracts Regulations apply – advertise on Find a Tender service.	The Principal or appropriate officer as appointed by the Principal.

Economic Appraisal

The Better Business Case NI guidance provides core guidance on the appraisal, evaluation, approval and management of policies, programmes, and projects. The principles of appraisal should be applied, with proportionate effort, to every proposal for spending or saving public money, or proportionate changes in the use of public sector 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.

However, the College should undertake a comprehensive business case of all projects involving expenditure of £250,000 and over.

Where the minimum number of quotation/tenders is not obtained

Where the College is unable to identify a sufficient number of suppliers to invite tenders from, it should follow the process set out in paragraphs 17.7 and 17.8 above of the Partnership Agreement. The Principal must approve such tenders, except in the case of consultancy assignments where the approval of the Departmental Accounting Officer is required. CPD and, where appropriate, legal advice should be sought. A list of single tender actions should be presented to the Governing Body and audit committee at their regular meetings. The Department should be supplied with the details on request.

CAPITAL PROJECTS

The Principal may authorise capital expenditure on discrete capital projects of up to £500,000 in the case of building works and £250,000 in the case of other capital expenditure. Capital projects over this amount require the approval of the partner Department and may be subject to quality assurance by the Department of Finance if requested.

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

DISPOSAL OF SURPLUS EQUIPMENT

The College should regularly review its holding of assets and dispose of those considered surplus to requirements. Where the assets have a monetary value, the College should make efforts to obtain the best price that it can, commensurate with the amounts involved as set out in paragraph 21.2 above of the Financial Memorandum. Receipts may be retained and reinvested by the College subject to normal budgetary considerations. Due care should be exercised in the disposal of assets, such as computers, which may contain sensitive information. The disposal of land and buildings is dealt with in paragraphs 21.3 and 21.4 above of the Financial Memorandum.

LEASE AND RENTAL AGREEMENTS

The College shall always seek the prior approval of the Department before entering into any property or finance lease. Where the College is the lessee, capital as well as resource DEL cover will be required where the substance of the transaction is determined as being effectively a loan arrangement.

The College shall not grant a lease or licence on any land or buildings without consulting the Department in advance. Use of receipts obtained, whether of a capital or resource nature, will depend on normal budgetary considerations and the availability of appropriate DEL cover.

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 new Better Business Cases (NI) which was issued under FD (DoF) 11/20 in November 2020.

The purchase of IT equipment and systems should be in line with the guidance on Procedures and programme management and assurance¹³ 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. Delegated authority for each IT project is set out in Table 2.

Table 2

Delegation Arrangements for Information Technology Projects, Systems and Equipment

THRESHOLDS	AUTHORISATION
Up to £250,000	The Principal
Above £250,000	The Principal with the prior approval of the Department

ENGAGEMENT OF CONSULTANTS

General

The College has authority to appoint consultants for **a single contract** without recourse to the Department up to a total cost of £10,000, and subject to any guidance as may be issued by DoF or the Department. Individual consultancy assignments in excess of £10,000 require Ministerial approval. As noted in paragraph 17.6 of the Financial Memorandum, any single

¹³ <https://www.finance-ni.gov.uk/topics/programme-and-project-management-and-assurance>

tender action to appoint external consultants requires the prior approval of the Accounting Officer of the Department

Economic appraisal

A full business case **should** be prepared for all consultancy assignments expected to exceed £10,000. 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.

LOSSES AND SPECIAL PAYMENTS

The Principal has the authority to write off losses and make special payments up to:

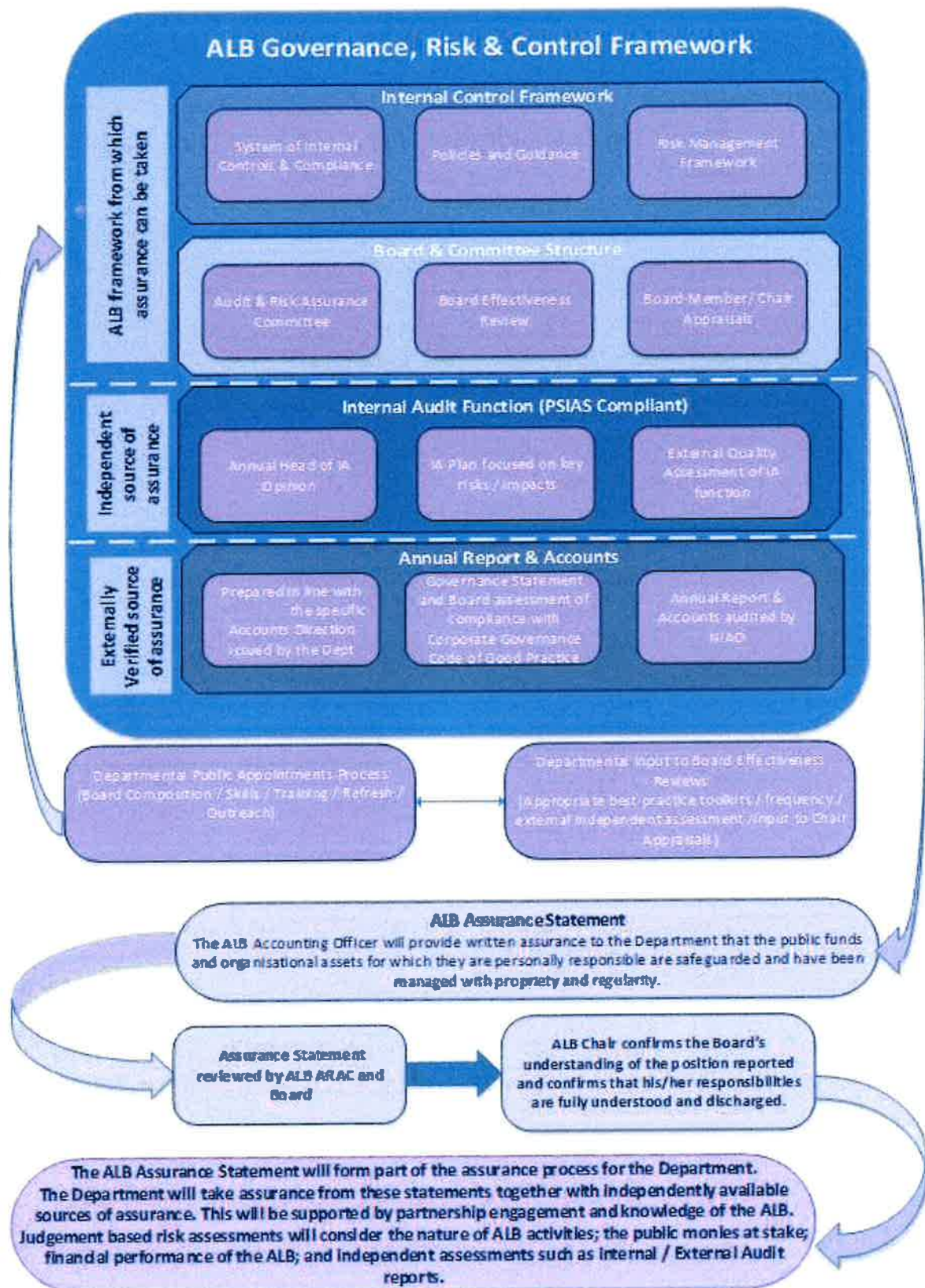
- (a) Cash losses — up to £5,000 per case/incident
- (b) Stores/Equipment losses - to £5,000 per case/incident
- (c) Constructive losses and fruitless payments - up to £5,000 per case.
- (d) Compensation payments:
 - i. Made under legal obligation, e.g., by Court Order — up to £100,000 per case plus reasonable legal expenses
 - ii. For damage to personal property of staff — up to £5,000 per case
 - iii. Where written legal advice is that the College should not fight a court action because it is unlikely that it would win - up to £50,000 per case
- (e) Claims abandoned or waiver or claim — up to £20,000 per case
- (f) Extra contractual payments - up to £5,000 per case
- (g) Ex gratia payments — up to £5,000 per case (Pensions payments are not covered by this threshold)
- (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 £100,000 in any financial year, an explanatory note should be included in the College's annual report.

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 Principal and the Department, where appropriate.

Annex 4 – Illustrative System of Assurance



Annex 5 – Concerns/Complaints in respect of Governing Body members

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

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

Concerns/complaints might also be raised through:

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

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

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

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

Exceptionally a concern/complaint may be raised by a Governing Body Member about a fellow Governing Body Member or a senior member of College staff. The Governing Body Chair should notify the Department at the outset to ensure that arrangements for handling the concern/complaint are clear. The Department may determine that it should make arrangements to deal with the concern/complaint. This will be agreed at the outset.

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

Annex 6 - Applicable Guidance

The following guidance (including any subsequent revisions) is applicable to Stranmillis University College

Guidance issued by the Department of Finance

- Managing Public Money NI
- Public Bodies – A Guide for NI Departments
- Corporate Governance in central government departments – code of good practice
- DoF Risk Management Framework
- HMT Orange Book
- The Audit and Risk Assurance Committee Handbook
- Public Sector Internal Audit Standards
- Accounting Officer Handbook – HMT Regularity, Propriety and Value for Money
- The NI Guide to Expenditure Appraisal and Evaluation
- Dear Accounting Officer Letters
- Dear Finance Director Letters
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- Guidance for preparation and publication of annual report and accounts (Accounts Directions issued by the Department)
- Procurement Guidance Notes and Procurement Policy Notes
- Estimates in Northern Ireland
- In-Year Monitoring of Public Expenditure Guidelines
- HM Treasury Consolidated Budgeting Guidance

Other Guidance and Best Practice

- The Statement of Recommended Practice: Further and Higher Education (SORP)
- HM Treasury Guide: The Green Book: Central Government Guidance on Appraisal and Evaluation
- Specific guidance issued by the Department (including this Partnership Agreement)
- EU Delegations (if applicable)

- Recommendations made by the NI Audit Office/NI Assembly Public Accounts Committee
- NIAO Good Practice Guides
- Guidance issued by the Executive's Asset Management Unit
- NI Public Services Ombudsman guidance
- Equality Commission for Northern Ireland

Role of the Minister

The Chair of Stranmillis University College is responsible to the Minister for the Economy. Communication between the Board and the Minister should normally be through the Chair.

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

In addition to being accountable to the Assembly for the activities and performance of the College to the Assembly, the Minister is also responsible for:

- keeping the Assembly informed about the College's performance as required;
- approving the amount of grant-in-aid to be paid to the College, and securing Assembly approval;
- Setting the College's budget; and
- Carrying out responsibilities and specified in the "The Colleges of Education (NI) Order 2005", including appointment of non-executive board members.

The Minister may also be involved in considering the size and composition of the Stranmillis University College Governing Body.

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



NI Code of Good
Practice.pdf