



Northern  
Ireland  
Office

# Parades Commission NI Framework Document

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## **1. Introduction**

- 1.1.** This framework document has been drawn up by the Northern Ireland Office (NIO) in consultation with the Parades Commission. This document sets out the broad framework within which the Parades Commission will operate as a Non Departmental Public Body (NDPB) sponsored by the NIO, and does not convey any legal powers or responsibilities. The document is signed and dated by the NIO sponsor and the Parades Commission's Accounting Officer. Copies of the document and any subsequent amendments may be placed in the Libraries of both Houses of Parliament and made available to members of the public on the Parades Commission website. The document is based on a model set out in the HM Treasury "*Managing Public Money*" guidance, and takes account of the Parades Commission's statutory responsibilities as set out in the Public Processions (Northern Ireland) Act 1998 as amended by the Public Processions (Amendment) (Northern Ireland) Order 2005.

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

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

- 2.2.** The Parades Commission's statutory duties are to:

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

- 2.3** In pursuit of the above statutory duties the Parades Commission may:

- facilitate mediation between parties to particular disputes concerning proposed public processions and take such other steps as appear to the Commission to be appropriate for resolving disputes;
- issue determinations in respect of proposed public processions;

- provide financial or other assistance to any person or body on such terms and conditions as the Commission may determine; and
- commission and undertake research.

**2.4** The Parades Commission’s strategic aims and objectives are reviewed every three years following the appointment of a new set of commissioners and published on the Parades Commission website: [www.paradescommission.org](http://www.paradescommission.org)

### **3. Governance & Responsibilities**

#### **NIO Responsibilities**

##### *Ministerial responsibility*

**3.1.** The Secretary of State for Northern Ireland is accountable to Parliament for the operation of the Parades Commission. The Secretary of State is supported across the range of NIO responsibilities by the Minister of State.

##### *NIO Accounting Officer’s Specific Accountabilities and Responsibilities*

**3.2.** The Director General of the NIO is the Department’s principal Accounting Officer (AO). The NIO’s AO has designated the Secretary to the Parades Commission [hereafter known as “the Secretary”] as the Parades Commission’s Accounting Officer. The respective responsibilities of the NIO AO and the Parades Commission’s AO are set out in Chapter 3 of *Managing Public Money*.

**3.3.** The NIO’s AO is accountable to Parliament for the issue of any funds to the Parades Commission. The NIO AO is also responsible for advising the Secretary of State on:

- an appropriate framework of objectives and targets for the Parades Commission in the light of the Department’s wider strategic aims;
- an appropriate budget for the Parades Commission in the light of the sponsor Department’s overall public expenditure priorities; and
- how well the Parades Commission is achieving its strategic objectives and whether it is delivering value for money.

**3.4.** In line with the *Managing Public Money* guidance, the NIO’s AO is also responsible for ensuring arrangements are in place in order to:

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

*NIO’s responsibilities as sponsor*

- 3.5.** The Deputy Director of Engagement Group is the primary contact for the Parades Commission within the NIO. He/she provides support to the NIO AO in respect of their responsibilities in relation to the Parades Commission, and is the main source of advice to the Secretary of State on the discharge of his or her responsibilities in respect of the Parades Commission.

**PCNI Responsibilities**

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

*The Secretary’s responsibilities as AO to Parliament*

- 3.7.** The Secretary’s responsibilities as AO include:
- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;

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

*The Secretary's responsibilities as AO to the Department*

**3.8.** The Secretary's responsibilities as AO include:

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

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

**3.9.** The Secretary's responsibilities as AO to the Commission include:

- advising the Commission on the discharge of the responsibilities as set out in this document, in the governing legislation and in any other relevant instructions and guidance that may be issued from time to time; and

- advising the Commission on the Parades Commission's performance compared with its aims and objectives;

**3.10.** The Secretary's responsibilities as AO to the Parades Commission members include:

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

## **Corporate Governance**

### *Commission Appointments - The Chairman and Commission Members*

**3.11.** The Parades Commission shall consist of a chairman and no more than six other Commission Members. All are appointed for a period of up to three years by the Secretary of State. Such appointments will comply with the *Code of Practice of the Office of the Commissioner for Public Appointments*:

[\(www.publicappointmentscommissioner.org/code\\_of\\_practice/\)](http://www.publicappointmentscommissioner.org/code_of_practice/).

### *Commission Staff – The Secretary*

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

### *Composition of the Commission*

**3.13.** In line the Public Order (Northern Ireland) Order 2005, the Commission will consist of a chairman together with no more than six other members that have a balance of skills and experience appropriate to directing the Parades Commission business.

## **Chairman's Responsibilities**

- 3.14.** The Chair should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.
- 3.15.** The Chair must set up an Audit Committee. The Commission is expected to assure itself of the effectiveness of the internal control and risk management systems.
- 3.16.** The Chair of the Commission is responsible for:
- establishing and taking forward the strategic aims and objectives of the Commission consistent with its overall strategic purpose and within the policy and resources framework determined by the Secretary of State;
  - ensuring that the Secretary of State is kept informed of any changes which are likely to impact on the strategic direction of the Commission or on the attainability of its targets, and determining the steps needed to deal with such changes;
  - ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Commission operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Commission takes into account guidance issued by the Department;
  - ensuring that the Commission members receive and review regular financial information concerning the management of the Commission and are informed in a timely manner about any concerns about the activities; and provides positive assurance to the Department that appropriate action has been taken on such concerns; and
  - demonstrating high standards of corporate governance at all times, including using the Audit Committee to help the Commission members address key financial and other risks.

#### *The Secretary's Personal Responsibilities*

- 3.17.** The Secretary is responsible for ensuring that the Parades Commission's policies and actions support the NIO's wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the Parades Commission.
- 3.18.** In addition, the Secretary has the following leadership responsibilities:

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

**3.19.** The Secretary also has an obligation to ensure that:

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

#### *Individual Commission Members' responsibilities*

**3.20.** Individual Commission Members should:

- comply at all times with the Cabinet Office's *Code of Conduct for Board Members of Public Bodies* and with the rules relating to the use of public funds, and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Commission's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of the Parades Commission.

## **4. FINANCIAL PLANNING & REPORTING**

### **NIO Requirements**

- 4.1.** Unless agreed by the NIO and, as necessary, HM Treasury, the Parades Commission shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to the NIO Deputy Director of Engagement Group in the first instance. A list of guidance and instructions with which the Parades Commission should comply is detailed in Annex 2.

### **Annual Budgeting Procedures**

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

### **Grant-in-aid and any ring-fenced grants**

- 4.4.** The Parades Commission will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the Parades Commission. Grant-in-aid not spent by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at year-end, the NIO will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.
- 4.5.** In the event that NIO provides the Parades Commission separate grants for specific (ring-fenced) purposes, it will issue the grant as and when the

PCNI needs it on the basis of a written request. The Parades Commission will provide evidence that the grant will be used for the purposes authorised by the NIO. The Parades Commission shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

- 4.6.** Once the budget has been approved by the NIO, the Parades Commission shall have authority to incur expenditure approved in the budget without further reference to the NIO, on the following conditions:
- the Parades Commission shall comply with the delegations set out in Appendix 3 and these shall not be altered without the prior agreement of the NIO;
  - the Parades Commission shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
  - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
  - the Parades Commission shall provide the NIO with such information about its expenditure as the NIO may reasonably require.

### **Capital**

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

### **Cash Management**

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

## Procurement

### 4.11 The Parades Commission shall:

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

4.12. The National Audit Office (NAO) and the NIO's Internal Auditors may carry out procurement audit and inspection at their discretion. The internal auditors will have recourse to NIO procurement as required to fulfil their functions on behalf of the Parades Commission.

## Delegated Authorities

4.13. The Parades Commission's delegated authorities are set out in Annex 3. The Parades Commission shall obtain the Department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the Parades Commission's annual budget as approved by the Department including for any single tender or restricted contract other than for mediation services.
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

## Corporate and Business Plan

- 4.14.** By a date mutually agreed with the Department the Parades Commission shall submit annually to the NIO a draft of the business plan covering one year ahead. The draft should be submitted within a period determined by the NIO.
- 4.15** The plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department. Subject to any commercial considerations, a digest of the business plan should be published by the Parades Commission on its website and separately be made available to staff.
- 4.16** The following key matters should be included in the plan:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
  - key non-financial performance targets;
  - a review of performance in the preceding financial year, together with comparable outturns for the previous [2-5] years, and an estimate of performance in the current year;
  - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
  - other matters as agreed between the NIO and the Parades Commission.

## Risk Management

- 4.17** The Parades Commission shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with HM Treasury guidance *Management of Risk: Principles and Concepts* (<http://www.hm-treasury.gov.uk/...risk>). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury's guide: *Managing the Risk of Fraud* ([http://www.hm-treasury.gov.uk/...fraud\\_guide\\_for\\_managers.pdf](http://www.hm-treasury.gov.uk/...fraud_guide_for_managers.pdf)). It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid. The Commission will share its risk register with the NIO.
- 4.18** The Parades Commission shall ensure that all staff are aware of the NIO's policies on record and information management and shall implement

policies and practices to cover document security in line with the Department's guides.

### **Reporting Performance to the Department**

**4.19.** The Parades Commission shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The Parades Commission shall inform the NIO of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives. The Parades Commission's performance shall be formally reviewed by the Department twice a year. The Secretary of State should meet with the Chair once a year.

### **Providing Monitoring Information to the Department**

**4.20.** As a minimum, the Parades Commission shall provide the Department with information monthly that will enable the Department satisfactorily to monitor:

- the Parades Commission's cash management;
- resource budget and explanations for major variances;
- forecast outturn by resource headings; and
- other data as required.

### **Parades Commission/NIO Working Level Liaison Arrangements**

**4.21.** Officials from the NIO will liaise regularly with Parades Commission officials to review the Parades Commission's financial performance against plans, achievement against Parades Commission targets and the Parades Commission's expenditure against budget. All parties agree to communicate openly and often on an informal basis, ensuring "no surprises" in their dealings with each other. Arrangements for dealing with urgent issues and problems will be agreed between the NIO and Parades Commission, with the sponsor being kept informed of any developments in this regard.

**4.22** An NIO representative will attend Parades Commission audit committee meetings in an observer capacity and may be invited to Commission meetings.

### *Consequences of failure to comply with NIO requirements*

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

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

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

### **Annual Report and Accounts**

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

**4.26.** The Annual Report must:

- comply with the Government Financial Reporting Manual; and
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

**4.27.** Information on performance against key financial targets is within the scope of the audit and should be included in the annual report to the accounts. The report and accounts shall be laid in Parliament and made available on the Parades Commission website.

### **Internal Audit**

**4.28.** The Parades Commission shall:

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

**4.29.** The Department's internal audit service has a right of access to all documents prepared by the Parades Commission's internal auditor, including where the service is contracted out.

### **External Audit**

**4.30.** The Comptroller and Auditor General (C&AG) audits the Parades Commission annual accounts.

#### **4.31. The C&AG:**

- will inform the Department and the Parades Commission on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the Parades Commission; and
- will share with the Department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within the Parades Commission.

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

#### **Right of Access**

**4.33.** The NAO has the right of access to all relevant Parades Commission records and personnel for any purpose including, for example, sponsorship audits and governance investigations.

### **5. ORGANISATION MANAGEMENT**

#### **Parades Commission Staff**

**5.1.** The staff employed at the Parades Commission are seconded Civil Servants from the HCS/NICS and as such contractual arrangements are stipulated by the NIO.

#### **Travel Expenses**

- 5.2.** The travel and subsistence expenses of Commissioners and staff shall be tied to either HCS or NICS rates. Details of the appropriate rate will be set out in terms of appointment or secondment agreements.

### **Pensions, Redundancy and Compensation**

- 5.3.** Parades Commission staff shall be eligible for pensions under the contractual arrangements of the HCS/NICS.

### **Complaints**

- 5.4.** Where complaints are received about the Parades Commission or matters within the Parades Commission's remit, the NIO will refer these to the Parades Commission to deal with. NIO retains the authority, however, to manage a complaints process directly in the most serious cases. Complaints about the personal conduct of the Commissioners will be considered by the responsible Minister. If the Secretary of State decides the complaint should be investigated, he/she will appoint an independent person to investigate the issues and make recommendations about the complaint resolution.
- 5.5.** The Parades Commission is subject to the jurisdiction of the Parliamentary and Health Service Ombudsman. Responsibility for handling any matters concerning the Parades Commission's services will fall to the Chair of the Commission. Contentious cases should be brought to the attention of the NIO at an appropriate stage.
- 5.6.** The Parades Commission will manage any litigation arising from its operational activities, involving lawyers and other officials at the earliest appropriate stage.

### **Access**

- 5.7.** The NIO will have a right of access to all the relevant Parades Commission's records as required to discharge the obligations of the NIO and the PAO.

### **Security and information assurance**

- 5.8.** The Parades Commission is required to provide an annual assurance report to the NIO in support of the Director General's accountability for security arrangements across the NIO, including its sponsored bodies. The report will be initiated by the NIO Departmental Security Officer.

## **Freedom of Information and Data Protection**

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

## **Parliamentary Business**

- 5.10.** When replying to a Parliamentary Question or speaking in a Parliamentary debate on an issue that falls within the remit of the Parades Commission, the Secretary of State will either request that the Parades Commission respond directly or, if information is provided, the Minister will make it clear that they are answering on behalf of the Parades Commission and on the basis of information supplied by the Parades Commission. The Parades Commission will provide such information and, where necessary, advice in a timely manner and to the best of its ability.

## **Review of NDPB Status**

- 5.11.** The NDPB status of the Parades Commission will be reviewed at a frequency determined by Cabinet Office.

## **Arrangements in the Event that the Parades Commission is wound up**

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

- ensure that procedures are in place in the Parades Commission to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the Parades Commission's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with the report on the accounts; and

- arrange for the most appropriate person to sign the closing accounts. In the event that another NDPB takes on the role, responsibilities, assets and liabilities, the succeeding NDPB AO should sign the closing accounts. In the event that the Department inherits the role, responsibilities, assets and liabilities, the sponsor Department's AO should sign.

**5.13.** The Parades Commission shall provide the Department with full details of all agreements where the Parades Commission or its successors have a right to share in the financial gains of developers. It should also pass to the Department details of any other forms of claw-back due to the Parades Commission.

**Review of the Framework Document**

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

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

Signed.....

Signed.....

Date.....

Date.....

(On behalf of the NIO)

(On behalf of the Parades Commission)

## Compliance with Government-wide Corporate Guidance and Instructions

The Parades Commission shall comply with the following general guidance documents and instructions:

- this document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220645/corporate\\_governance\\_good\\_practice\\_july2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220645/corporate_governance_good_practice_july2011.pdf)
- Managing Public Money (MPM), [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/212123/Managing\\_Public\\_Money\\_AA\\_v2\\_-\\_chapters\\_annex\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf)
- Public Sector Internal Audit Standards, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/207064/public\\_sector\\_internal\\_audit\\_standards\\_december2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207064/public_sector_internal_audit_standards_december2012.pdf)
- Management of Risk: Principles and Concepts: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220647/orange\\_book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf)
- Managing the Risk of Fraud, [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf)
- Government Financial Reporting Manual (FReM), [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/283206/2014-15\\_FReM.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283206/2014-15_FReM.pdf)
- Fees, Charges and Levies, Chapter 6, Managing Public Money; [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/212123/Managing\\_Public\\_Money\\_AA\\_v2\\_-\\_chapters\\_annex\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf)

- Relevant Dear Accounting Officer letters issued by HM Treasury;
- Regularity, Propriety and Value for Money, [www.hm-treasury.gov.uk/media/A/2/Reg\\_Prop\\_and\\_VfM-November04.pdf](http://www.hm-treasury.gov.uk/media/A/2/Reg_Prop_and_VfM-November04.pdf);
- The Parliamentary Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>;
- Consolidation Officer Memorandum;
- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Model Code for Staff of Executive Non-Departmental Public Bodies Annex A – Public Bodies: A Guide for Departments [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80077/PublicBodiesGuide2006\\_overview\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80077/PublicBodiesGuide2006_overview_0.pdf)
- Other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by Cabinet Office;
- Specific instructions and guidance issued by the Department; and
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to the Parades Commission.

## **PARADES COMMISSION FINANCIAL MEMORANDUM**

### **Introduction**

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

### **Parades Commission's Income and Expenditure General**

#### **Expenditure not proposed in the annual budget**

4. The Parades Commission shall not, without prior written Departmental approval, enter into any undertaking to incur expenditure which falls outside the Parades Commissions delegations or which is not provided for in the Parades Commissions annual budget as approved by the NIO.

### **Timeliness in Paying Bills**

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

### **Novel, Contentious or Repercussive Proposals**

6. The Parades Commission shall obtain the prior written approval of the NIO before:
  - incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the NIO;
  - making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public

sector bodies) or which might significantly affect the future level of resources required.

### **Fees and Charges**

7. Fees or charges for any services supplied by the Parades Commission shall be determined in accordance with *Managing Public Money, Chapter 6, "Fees, charges and levies"*.

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

8. If there is any doubt about the correct classification of a receipt, the Parades Commission shall consult the NIO, who will consult the Treasury as necessary.

### **Fines, Taxes and Other Receipts**

9. Most fines and most taxes (including levies and some licences) are not negative public expenditure and do not provide additional Departmental Expenditure Limits (DEL) spending power. Such receipts shall either be surrendered to the Department or, if retained, shall either reduce the need for grant-in-aid or, if used to finance additional expenditure by the Parades Commission, shall require additional DEL cover from the Department.

### **Interest Earned**

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

### **Unforecast changes in in-year income**

11. The Parades Commission may receive grants from other sources, with the NIO's approval, to fund additional work consistent with its statutory function, which would not otherwise have been funded from grant-in-aid. This negative DEL income must be used only for discrete projects approved by the NIO.
12. If the negative DEL income realised or expected to be realised in-year is less than estimated, the Parades Commission shall, unless otherwise agreed with the NIO, ensure a corresponding reduction in its gross expenditure, so that the authorised provision is not exceeded.

13. If the negative DEL income realised or expected to be realised in the year is more than estimated, the Secretary may apply to the NIO to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The NIO shall consider such applications, taking account of competing demands for resources. If an application is refused any grant-in-aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the NIO.

### **Borrowing**

14. The Parades Commission shall not undertake borrowing of any kind.

### **Reserves**

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

### **Capital expenditure**

16. 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.

17. Proposals for large scale individual capital projects or acquisitions will normally be considered within the Parades Commission corporate planning process. Applications for approval by the NIO and, if necessary, HM Treasury shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the Parades Commission. Regular reports on the progress of projects shall be submitted to the NIO.

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

### **Transfer of funds within budgets – virement**

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

20. However, all other transfers are subject to the NIO's approval.

### **Gifts and Hospitality**

21. The Parades Commission will operate in accordance with the Department's policy and practice on the Gifts and Hospitality. Please see the delegated limits set out in Annex 1.

### **Use of Consultants**

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

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

23. The Parades Commission shall not, without the NIO's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as outlined in *Managing Public Money*: Chapter 5, Annex 5.4 and Annex 5.5), whether or not in a legally binding form.

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

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

### **Unconventional Financing**

25. Unless otherwise agreed with the NIO, the Parades Commission shall not enter into any unconventional financing arrangement.

### **Register of Assets**

26. The Parades Commission shall maintain an accurate and up-to-date register of its fixed assets.

### **Disposal of assets**

27. The Parades Commission shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. High value assets shall be sold by auction or competitive tender (unless otherwise agreed by the NIO), and in accordance with *Managing Public Money*.

28. The Parades Commission may normally retain any benefit derived from the sale of assets provided that:

- the NIO and HM Treasury are content for the Parades Commission to retain this benefit;
- it is used to finance other capital spending;
- the NIO receives prior notification of individual sales; and
- total sales in any financial year do not exceed a specified limit to be agreed in advance with the NIO.

29. If, notwithstanding the above, the Parades Commission disposes of assets which have been purchased, improved or developed with Exchequer funds and the benefits amount to more than £1 million, or where the disposal has unusual features of which Parliament should be aware, Parliamentary approval shall be secured for the benefit to be reinvested. Any receipts shall therefore be surrendered to the NIO, which shall then submit an Estimate seeking approval for any new arrangements for reinvestment.

30. If the criteria in paragraph 28 above are not met, any receipts shall be dealt with in line with the rules on surplus in-year receipts.

### **Review**

31. This financial memorandum will normally be reviewed by the NIO and Parades Commission as set out in 5.14 of the Framework Document.

## SCHEDULE OF DELEGATED AUTHORITIES

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

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