Dear Accounting Officer

CORPORATE GOVERNANCE IN CENTRAL GOVERNMENT DEPARTMENTS: CODE OF GOOD PRACTICE NI 2013

Purpose

1. The purpose of this letter is to advise you of the publication of the Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013, “the 2013 Code”.

2. The 2013 Code replaces the 2005 HM Treasury (HMT) code. It is important to note that the 2013 Code retains the requirement for departments to “comply or explain” any significant departures from the guidance set out in the Code.

3. The 2013 Code includes, at Annex A, a model Board Operating Framework that can be used to document a board’s roles and responsibilities.
**Background**

4. Under DAO (DFP) 18/05 Northern Ireland departments have been operating in line with the 2005 HM Treasury (HMT) “Corporate governance in central government departments: Code of good practice” since 2006/07.

5. HMT updated the 2005 Code in 2011, however HMT’s revisions reflected several coalition government specific policies not relevant to Northern Ireland and therefore an NI version of the Code (“the 2013 Code”) has been developed drawing together all of the relevant best practice advice in the HMT version.

**Applicability to NI departments**

*Financial Year 2012/13*

6. Governance Statements prepared for 2012/13 Accounts should report compliance with the 2005 code as set out in DAO (DFP) 18/05.

*Financial Year 2013/14*

7. For operational purposes NI departments should apply the 2013 Code with immediate effect i.e. within the current financial year (2013/14), with a view to reporting against it on a “comply or explain basis” within their 2013/14 Governance Statements.

**Applicability to other public sector bodies**

8. While the 2013 Code is written for departments, it concentrates throughout on key principles. As such agencies, Non Departmental Public Bodies and other arm’s length bodies are encouraged to consider and adopt the practices set out in the Code wherever it is relevant and practical and suits their business needs.

9. As is the case for departments, agencies and other public bodies should plan to compile their Governance Statements for the 2013/14 reporting period in line with the 2013 Code principles (where these are relevant).
### Review

10. A review of the 2013 Code will be completed by DFP following its first year of operation, i.e. following the first cycle of Governance Statements being completed in line with its requirements.

### Withdrawal

11. The following DFP Guidance is now withdrawn:-

- DAO (DFP) 18/05 Corporate Governance in Central Government Departments;

- FD (DFP) 18/05 Corporate Governance in Central Government Departments; and

- Corporate Governance Reporting – memo of 6 July 2007 (previously DAO (DFP) 15/06).

### Action

12. This DAO should be brought to the attention of relevant staff within your department and agencies and to your relevant arm’s length bodies.

### Queries

13. Any queries regarding this letter or report should be addressed to Alison Caldwell (alison.caldwell@dfpni.gov.uk), telephone 028 9185 8249, ext 68249; or Paddy Hoey (paddy.hoey@dfpni.gov.uk) telephone 028 9185 8208, ext 68208.

Yours sincerely

[Signed]

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