Dear Accounting Officer

PARTNERSHIPS BETWEEN DEPARTMENTS AND ARM’S LENGTH BODIES: NI CODE OF GOOD PRACTICE

Purpose

1. This DAO letter is to advise of the publication of the Partnerships between Departments and Arm’s Length Bodies: NI Code of Good Practice, “the Code”, which is attached separately and is also available on the Accountability and Financial Management section of the DoF website.

Background

2. NI Permanent Secretaries agreed that a fresh look needed to be taken at the relationship between departments and their sponsored bodies and the NICS Board gave approval for DoF to carry out a review of departmental sponsorship of ALBs.

3. This was informed, as a first step, by an Innovation Lab process which was held in January 2018 and was attended by representatives from key stakeholder groups. The Lab process led to the production of an Insight Report which captures the key issues and recommendations which attendees considered would be beneficial in improving the departmental ALB relationship.
4. The Code is the first product from a working group, established by DoF (Accountability and Financial Management Division) to provide oversight and direction to the work being taken forward in addressing a number of recommendations from the Insight Report. The working group consists of representatives from key stakeholder groups.

**The Code**

5. The Code which has been approved by NICS Board, aims to set out principles of good practice which can be applied to derive greater value from, and bring consistency to, relationships between departments and Arm’s Length Bodies. The Code acknowledges that Partnerships will vary according to the purpose, size, structure and public interest in the body. However, whilst the exact nature of relationships will vary, all effective partnerships will be underpinned by common principles.

6. The Code contains five high level principles which are expected to act as a set of common standards for departments and their Arm’s Length Bodies to live by and measure their relationships against. They are further underpinned by a number of standards.

7. Departments and Arm’s Length Bodies should work together to develop constructive and effective partnerships taking account of the principles set out in this Code. However, within the principles, and in consultation with Arm’s Length Bodies, it is for departments to determine the most appropriate model of partnership.

**Action**

8. This DAO should be brought to the attention of all relevant staff within your department and Arm’s Length Bodies.
Queries

9. Any queries regarding this letter or the Code should be addressed to Julie.Sewell@finance-ni.gov.uk or myself (Stuart.Stevenson@finance-ni.gov.uk).

Yours sincerely

STUART STEVENSON

cc Finance directors