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DAO (DoF) 05/19

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Dear Accounting Officer

PARTNERSHIP AGREEMENT TEMPLATE

Purpose

1. This DAO letter is to advise of the publication of the ***Partnership Agreement template***, which is attached separately and is also available on the Accountability and Financial Management section of the DoF website.
2. The Partnership Agreement template has been approved by NICS Board, and is intended to provide departments and Arm's Length Bodies (ALBs) with a new model 'relationship document' setting out the partnership arrangements between an ALB and the Department. The Partnership Agreement template supersedes the Management Statement Financial Memoranda (MSFM) template which was incorporated as Annex 7.4 of Managing Public Money NI.

Background

3. NI Permanent Secretaries agreed that a fresh look needed to be taken at the relationship between departments and their sponsored bodies. The NICS Board subsequently gave approval for DoF to carry out a review of departmental sponsorship of ALBs. This was informed by an Innovation Lab process attended by representatives from key stakeholder groups, which 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. A working group consisting of key stakeholder groups was 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. This Partnership Agreement has been developed under the direction of that working group, and all NI departments have been consulted with on its contents.

The Partnership Agreement Template

5. A Partnership Agreement should explain the overall governance framework within which an individual ALB operates, including the framework through which the necessary assurances will be provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined. Partnerships should be based on a mutual understanding of strategic aims and objectives; clear accountability; and a recognition of the distinct roles each party contributes.
6. Underpinning the arrangements to be set out in Partnership Agreements, are the principles set out in the “***Partnerships between Departments and Arm’s Length Bodies: NI Code of Good Practice***” which should be read in conjunction with the template, and is included as an Annex to the template.
7. Given the diversity in the structure and purpose of ALBs, it is recognised that “not one size fits all” and the template should be adapted as necessary to suit what works for individual ALBs and departments, as it is for them to determine and agree the most appropriate model of partnership.

Proportionate Autonomy

8. Guidance on Proportionate Autonomy for ALBs which aims to help departments and ALBs assess the nature of their relationship will be issued shortly.

Action

9. This DAO should be brought to the attention of all relevant staff within your department and ALBs who should now work together to complete the template as appropriate, and implement the new arrangements. This process will help shape and rebalance working relationships between departments and ALBs moving forward.
10. While it is hoped that Partnership Agreements will be phased in from 1 April 2020, it is recognised that this process will take time to fully implement. DoF will work closely with all departments, and guidance, training and support will be provided to both Departments and ALBs to help implement the changes.

Queries

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

Yours sincerely



STUART STEVENSON

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