



PARTNERSHIP AGREEMENT

BETWEEN

THE EXECUTIVE OFFICE (TEO)

AND

THE VICTIMS' PAYMENTS BOARD (VPB)

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INTRODUCTION

1. The Partnership Agreement

- 1.1 This document sets out the partnership arrangements between the Victims' Payments Board (VPB) and TEO. In particular, it explains the overall governance framework within which the VPB 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**' which should be read in conjunction with this document. The principles which are laid out in the Code are:

LEADERSHIP

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.

PURPOSE

Partnerships work well when the purpose, objectives and roles of Arm's Length Bodies and the sponsor 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.

ASSURANCE

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.

VALUE

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.

ENGAGEMENT

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.

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

- 1.3 This document should also be read in conjunction with guidance on proportionate autonomy, [DAO 06-2019 \(finance-ni.gov.uk\)](https://www.finance-ni.gov.uk/dao-06-2019) which provides an outline of the principles and characteristics for proportionate autonomy. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance to be established between the VPB and TEO and this is reflected in this agreement.
- 1.4 The Executive's outcomes-based approach to delivery recognises the importance of arm's length bodies and departments working collaboratively and together in a joined up approach to improve overall outcomes and results.
- 1.5 To that end there is strategic alignment between the aims, objectives and expected outcomes and results of the VPB and TEO. There is a shared NI Executive commitment to provide support to victims and survivors.
- 1.6 TEO and the VPB are committed to:
 - Working together within distinct roles and responsibilities;
 - Maintaining focus on successful implementation and delivery of the Troubles Permanent Disablement Payment Scheme;
 - 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 developing policy 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, impartiality and the Principles of the Scheme as set out in the Victims' Payments Regulations 2020.

- 1.7 The effectiveness of the partnership and the associated Engagement Plan will be reviewed each year by the Department and the VPB in order to assess whether the partnership is operating as intended and to identify any emerging issues/opportunities for enhancement. This can be carried out as part of existing governance arrangements. The Partnership Agreement document itself will be reviewed formally at least once every three years to ensure it remains fit for purpose and up to date in terms of governance frameworks. The formal review will be proportionate to the VPB's size and overall responsibilities and will be published on TEO and VPB websites as soon as practicable following completion.
- 1.8 A copy of this agreement has been placed in the Assembly Library and is available on TEO and the VPB's websites.

VPB ESTABLISHMENT AND PURPOSE

2. Statutory Purpose and Strategic Objectives

- 2.1 The VPB is defined as a body corporate, with administrative functions exercised on its behalf by a Northern Ireland Department, which will also be responsible for providing the Board with staff and accommodation under The Victims' Payments Regulations 2020. The Regulations were laid on 31 January 2020 and came into effect on 29 May 2020. The Department of Justice was designated by TEO to exercise the administrative function of the Board on the Board's behalf on 24 August 2020, as per paragraph 2(1) of Schedule 1 to the Regulations.
- 2.2 The Troubles Permanent Disablement Payment Scheme (the 'Scheme') became fully operational as per the Regulations on 31 August 2021 at 12 noon with the placing of an advertisement by the DoJ in the Belfast Gazette. For National Accounts purposes the Board is classified to the central government sector.
- 2.3 The Board's statutory functions, duties and powers can be summarised as follows:
- To receive and administer applications made to the Scheme;
 - To determine entitlement to, and the amount of, payments in respect of injury caused by a Troubles-related incident;
 - To develop guidance and make arrangements for the assessment of degree of permanent disablement;
 - Following determination, to notify applicants regarding eligibility to, and amount of, payments as soon as reasonably practicable;
 - To constitute panels to assess and determine applications and appeals, conduct further assessments and undertake reviews of determinations;
 - To facilitate the provision of independent advice and support to applicants;

- To develop operational policies and procedures;
 - To appoint advisors to assist the VPB; and
 - To provide an annual report on the exercise of its functions.
- 2.4 The VPB is a 'body corporate' and is not to be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown. Under paragraph 4 of Schedule 1 to the Regulations the President appointed by the Lord Chief Justice of Northern Ireland has responsibility for ensuring the efficient and effective discharge of the VPB's functions.
- 2.5 The Ministers for TEO are answerable to the Assembly for the overall performance and delivery of the Department and the VPB.
- 2.6 The strategic themes of the VPB are as follows:-
- Acknowledging harm and promoting reconciliation;
 - Engaging with victims and others;
 - Delivering a straightforward, accessible and effective Scheme;
 - Valuing our people; and
 - Delivering sustainability and accountability.

THE VPB GOVERNANCE ARRANGEMENTS

3. Organisational Status

- 3.1 The VPB is a distinct Body Corporate as set out in Paragraph 1(1) of Schedule 1 to the Regulations and operates at arm's-length from TEO. The provision of Section 19 (1)(a)(iv) of the Interpretation Act (Northern Ireland) 1954 (the right to acquire and hold any real or personal property for purposes for which the corporation is constituted and to dispose of or charge such property at pleasure); and the provision of Section 19 (1)(a)(vi), of the Interpretation Act (Northern Ireland) 1954, (the right to employ such staff as may be found necessary for the performance of its functions) have been dis-applied.
- 3.2 Under paragraph 2 of Schedule 1 to the Regulations TEO has in writing identified the Department of Justice (DoJ) as the designated department to exercise the administrative functions of the VPB. Under paragraph 7 of Schedule 1 to the Regulations the DoJ is responsible for provision of staff to the VPB. The staff provided by the DoJ to the VPB will be subject to all NICS HR Policies.

4. Governance Framework

- 4.1 The VPB will operate under a Corporate Governance Framework which reflects all relevant good practice guidance. The framework includes the governance structures established within the VPB and the internal control and risk

management arrangements in place. TEO (sponsor team) should be satisfied with the framework.

- 4.2 The VPB is required to follow the principles, rules, guidance and advice in Managing Public Money Northern Ireland. A list of other applicable guidance and instructions which the VPB 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. The VPB President

- 5.1 The President, under paragraph 4 of Schedule 1 to the Regulations, has responsibility for ensuring the efficient and effective discharge of the VPB's functions. Subject to the Regulations, the President may determine the procedure in relation to the discharge of any of the Board's functions. Any function of the President may be exercised by a legal member of the Board who has been authorised by the President for that purpose.
- 5.2 The President is responsible for setting the agenda and managing the Board to enable collaborative and robust discussion of issues. The President's role is to develop and motivate the Board and ensure effective relationships in order that the Board can work collaboratively to reach a consensus on decisions. To achieve this, the President should ensure:
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
 - Board members receive and maintain appropriate training;
 - There is a VPB Operating Framework in place setting out the roles and responsibilities of the Board in line with relevant guidance; and
 - There is a code of practice for Board members in place, consistent with relevant guidance.
- 5.3 The role also requires the establishment of an effective working relationship with the Secretary to the VPB that is simultaneously collaborative and challenging. It is important that the President and Secretary act in accordance with their distinct roles and responsibilities.
- 5.4 The President is responsible for holding the Secretary to the VPB to account for the delivery of agreed plans and outcomes. The President should also however support the Secretary to the VPB as appropriate in the exercise of their duties.

5.5 The President is responsible for leadership and strategic direction of the VPB and is also responsible for ensuring the policies and priorities of the VPB and the implementation and delivery of the Scheme.

5.6 The President has a presence in the Board and cultivates external relationships which provide useful links for the VPB while being mindful of overstepping boundaries and becoming too involved in day to day operations.

6. Victims Payment Board

6.1 The legislation governing the VPB is unusual in that it does not provide for a Management Board as such. The structure is more akin to that of a tribunal. Except where specific responsibilities are delegated by the legislation, e.g. to decision-making panels.

6.2 The VPB is led by a President who is appointed by the Lord/Lady Chief Justice (LCJ) of Northern Ireland under paragraph 4 of Schedule 1 to the Regulations. The President, under paragraph 4(3) of Schedule 1 to the Regulations, has responsibility for ensuring the efficient and effective discharge of the VPB's functions which may include the establishment of relevant committees.

6.3 The Northern Ireland Judicial Appointments Commission (NIJAC) is responsible for appointing legal, medical and ordinary members of the Board whose responsibility it is to make determinations on applications to the Scheme.

6.4 VPB members are fee paid judicial office-holders appointed by NIJAC in accordance with paragraph 5(2) of Schedule 1 to the Regulations. VPB appraisal arrangements for board members are set out in paragraphs 15.1 and 15.2, and matters for consideration in dealing with concerns/complaints in respect of VPB members are provided in **Annex 5**.

6.5 The VPB will carry out its operations in-line with the Regulations and in support of the principles of the Scheme.

6.6 The President is responsible for ensuring that effective and proportionate governance arrangements are in place along with an internal control framework which allows risks to be effectively identified and managed. The President will set culture and values and set the tone for engagement with stakeholders and customers.

6.7 VPB members act solely in the interests of the VPB and must not use the VPB 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 VPB has a Code of Conduct and there are mechanisms in place to deal with any disputes and conflicts to ensure they do not become wider issues that impact on the effectiveness of the VPB. A Register of Interests is maintained, kept up to date and is publicly available to help provide transparency and promote public confidence in the VPB.

- 6.8 Communication and relationships within the VPB are underpinned by a spirit of trust and professional respect. The VPB 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 dynamic.
- 6.9 It is for the Board to decide what information it needs, and in what format, for its meetings/effective operation. If the VPB is not confident that it is being fully informed about the organisation this will be addressed by the President as the VPB cannot be effective with out-of-date or only partial knowledge.
- 6.10 In order to fulfil their duties, members must undertake initial training, and regular ongoing training and development. Review of the Board skills and development will be a key part of the annual review of Board effectiveness.

7. Secretary to the VPB

- 7.1 The role of the Secretary is to support the President and the VPB in delivery of VPB business. The Secretary is responsible for all executive management matters affecting the Board and for leadership of the VPB administration team and Board secretariat. The Secretary is assigned to the VPB by the DoJ in accordance with paragraph 7(2) of Schedule 1 to the Regulations.
- 7.2 The Secretary is designated as the VPB Senior Accountable Officer (SAO) by TEO Accounting Officer (see section 11). As a public servant and SAO to the VPB they are responsible for safeguarding the public funds in their charge and ensuring they are applied only to the purposes for which they were voted and more generally for efficient and economical administration.
- 7.3 The Secretary is accountable to the President for performance and delivery of outcomes and targets and is responsible for implementing the decisions of the VPB. The Secretary maintains a dialogue with the President on the important strategic issues facing the organisation and for proposing the Board agendas to the President to reflect these. The VPB should also support the Secretary to the VPB as appropriate in the exercise of their duties. Line management responsibility for the Secretary rests with the DoJ.

- 7.4 The Secretary ensures effective communication with stakeholders and communication on this to VPB members. The Secretary also ensures that the President is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the VPB.
- 7.5 The Secretary acts as a role model to all VPB administration staff exhibiting open support for the President and VPB members and the contribution they make. The President and Secretary have agreed how they will work together in practice, understanding and respecting each other's role, including the Secretary's responsibility as SAO.
- 7.6 Further detail on the role and responsibilities of the Secretary are as laid out in their SAO appointment letter.
- 7.7 The Secretary is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. The Secretary shall advise TEO and DoJ Accounting Officers of any complaints about the VPB accepted by the Ombudsman for investigation, and about the proposed response to any subsequent recommendations from the Ombudsman.

ROLE OF TEO

8. Partnership Working with the VPB

- 8.1 The partnership between TEO and the VPB 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.
- 8.2 In exercising its functions the VPB has absolute clarity on how its purpose and objectives align with those of TEO for support of victims and survivors, in the context of the independence of the VPB. There is also a shared understanding of the risks that may impact on each other and these are reflected in respective Risk Registers.
- 8.3 The Department of Finance (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 incurred or commitments entered into. The Accounting Officer of TEO has established an internal framework of delegated authority for the Department and its ALBs which applies to the VPB [TEO Expenditure Approval Guidance](#). Other specific approval requirements established in respect of the VPB are set out at **Annex 3**.
- 8.4 Once the budget for delivery of the Scheme has been approved by TEO Ministers and subject to any restrictions imposed by statute the VPB shall have authority

through DoJ to incur expenditure approved in the budget for delivery of the Scheme 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 set 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 Managing Public Money NI and the NI Guide to Expenditure Appraisal and Evaluation.

9. TEO Lead Official

- 9.1 TEO has assigned a lead senior official (Grade 5 level) to manage the relationship with the VPB and ensure effective partnership working. A senior official has also been assigned within the DoJ due to the unique arrangements between TEO, VPB and DoJ in relation to the implementation of the Scheme. Engagement between TEO and the VPB will be co-ordinated, collaborative and consistent. A clear sense of collaboration and partnership will be communicated to staff in both TEO and the VPB in order to promote mutual understanding and support. Key TEO contacts will be with the TEO Victims' Payments Implementation Team and TEO Finance Team.
- 9.2 The lead senior official is the policy lead for the policy area relating to the VPB business and has a clear understanding of the VPB's responsibilities for policy implementation/operational delivery and the relevant audiences/stakeholders involved.
- 9.3 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 VPB business and challenges.

10. Annual Engagement Plan

- 10.1 TEO and the President/Secretary will agree an engagement plan before the start of each business year. The Annual Engagement Plan (**Annex 2**) will set out the timing and nature of engagement between the VPB and TEO. The engagement plan will be specific to the VPB and should not stray into operational oversight.
- 10.2 Engagement between TEO's lead official/their teams and the VPB will be centred on partnership working, understanding of shared risks and working together on business developments that align with policy objectives.
- 10.3 In line with relevant guidance, the VPB will work in collaboration and partnership with TEO to prepare business plans. There should be good high level strategic alignment between TEO and the VPB and where necessary the DoJ. Once approved it will be the VPB President on behalf of the VPB that primarily holds

the Secretary to account for delivery and performance. TEO will engage with the VPB on areas of strategic interest, linking TEO policy in relation to support for victims and survivors and the VPB delivery of policy intent, in the context of the independence of the VPB. Given the specific roles for the DoJ as set out in paragraph 2 of Schedule 1 to the Regulations there may be a requirement to engage with appropriate DoJ representatives as part of the Engagement Plan development.

10.4 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. This is particularly relevant given the specific funding arrangements undertaken between TEO and the DoJ as set out in paragraph 9 of Schedule 1 to the Regulations and there may be a requirement to engage with appropriate DoJ representatives. In addition, the engagement plan should consider opportunities for learning and development, growth and actions which could help achieve better outcomes.

11. Departmental Accounting Officer

11.1 TEO Accounting Officer is accountable to the NI Assembly for the issue of such amounts as TEO determines as per paragraph 9(1) of Schedule 1 to the Regulations. He/she has designated the Secretary of the VPB as the VPB SAO. Respective responsibilities of the departmental Accounting Officer are set out in Chapter 3 of MPMNI and the VPB SAO responsibilities are set out in their SAO appointment letter.

11.2 TEO Accounting Officer may withdraw the VPB SAO designation if they conclude that the VPB SAO is no longer a fit person to carry out the responsibilities of a SAO or that it is otherwise in the public interest that the designation be withdrawn. In such circumstances the DoJ will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of the VPB SAO status may bring into question the continued assignment of the Secretary. The President should engage with TEO and DoJ should such circumstances arise.

11.3 As outlined in section 7, the Secretary is accountable to the President for their stewardship of the VPB. This includes advising the President and the VPB on matters of financial propriety, regularity, prudent and economical administration, efficiency and effectiveness.

11.4 TEO Accounting Officer must be informed in the event that the judgement of the VPB SAO (on matters for which they are responsible) is over-ridden by the VPB.

The VPB SAO must also take action if the VPB is contemplating a course that would infringe the requirement for financial propriety, regularity, prudent and economical administration, efficiency or effectiveness. In all other regards, TEO Accounting Officer has no day to day involvement with the VPB or its Secretary.

11.5 In line with DoF requirements, the VPB SAO will provide as part of the assurance reporting arrangements a periodic declaration of fitness to act as SAO to TEO Accounting Officer.

12. Attendance at Public Accounts Committee

12.1 TEO 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 VPB. In such circumstances, the departmental Accounting Officer may therefore expect to be questioned on their responsibilities to ensure that:

- there is a clear strategic control framework for the VPB;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated SAO is fit to discharge his or her responsibilities;
- there are suitable internal audit arrangements; and
- intervention is made, where necessary, in situations where the VPB's Accountable Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the President.

12.2 The Secretary may accompany the Accounting Officer for TEO and/or the DoJ if they are summoned to appear before the Public Accounts Committee on the use and stewardship of public funds by the VPB, to give evidence on the discharge of their responsibilities as SAO (as laid out in their SAO appointment letter) on issues arising from the Comptroller and Auditor General (C&AG's) studies or reports following the annual audit of TEO accounts. Due to the Judicial Independence associated with the role of the VPB President it would not be appropriate for them to be summoned to appear before the Public Accounts Committee, hence the identification of the Secretary as the appropriate person. In exceptional circumstances the Public Accounts Committee may invite the President to attend a meeting.

ASSURANCE FRAMEWORK

13. Autonomy and Proportionality

13.1 TEO will ensure that the VPB has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own governance arrangements.

Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between the VPB and TEO and is reflected in this agreement.

- 13.2 A proportionate approach to assurance will be taken based on the VPB's overall purpose, business, victims' payments budget and a mutual understanding of risk. The approach will include an agreed process through which the VPB's SAO 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.
- 13.3 Recognising the governance arrangements in place within the organisation, the VPB's SAO will arrange for their written assurance to be discussed at the VPB Accountability and Liaison Meeting and presented to the VPB President prior to submission to the Department where possible. If not possible, or practicable, the VPB President should have sight of the assurance statement, prior to being submitted to the Department.
- 13.4 The VPB President acting on behalf of the VPB will provide written confirmation that the VPB's SAO's formal assurance has been considered by the VPB and is reflective of the VPB current position.
- 13.5 In addition to the VPB SAO's written assurance, TEO will take assurance from the following key aspects of the VPB's own governance framework:
- Annual Review of Victims' Payments Board Effectiveness;
 - Completion of Victims' Payments Board Appraisals which confirm Board member effectiveness; and
 - Internal Audit assurance and External Quality Assessment of the Internal Audit function.

14. Board Effectiveness

- 14.1 The VPB President will ensure that the VPB undertakes an annual review of the VPB Effectiveness which encompasses Committees established by the Board.
- 14.2 The President will discuss the outcome of the annual review of Victims' Payments Board Effectiveness with the TEO lead official to ensure a partnership approach to any improvements identified. This will inform the annual programme of VPB training/development and discussions in respect of the VPB composition and succession.

14.3 In line with any parameters set out in founding (or other) legislation, the President in conjunction with the Secretary will consider the size and composition of the VPB, proportionate to the size and complexity of VPB and keep this under review and will ensure TEO is consulted on any changes.

14.4 In addition to the annual review of Victims' Payments Board Effectiveness the VPB will undertake an externally facilitated review of Victims' Payments Board effectiveness at least once every three years covering the performance of the VPB and individual VPB members. Any such review will not consider decision making by Board members regarding applications to the Scheme. The President may delegate to the Secretary the responsibility to liaise with TEO to identify a suitably skilled facilitator for the external review (this can be a peer review and should be proportionate) and will share the findings/outcomes report with TEO on completion of the review.

15. Board Appraisals

15.1 The President will conduct an annual appraisal in respect of each VPB member which will also inform the annual programme of VPB training and development. The President will engage with the Secretary/ TEO Lead Official as appropriate on improvements identified through the appraisal process and the annual training/development programme.

15.2 A yearly conversation, to coincide with the production of the VPB Annual Report will be held between the President and TEO Accounting Officer to consider the performance of the VPB during the reporting year and, where agreed as necessary, identify improvements that could be achieved going forward.

16. Internal Audit Assurance

16.1 As the VPB's administrative functions will be carried out by the DoJ the DoJ Internal Audit team will undertake the Internal audit work within the VPB. The DoJ Head of Internal Audit will copy all Terms of Reference to the TEO Head of Internal Audit who will in turn forward these to the Head of the TEO Sponsor Branch. The DoJ Head of Internal Audit will also copy all draft and final internal audit reports to the TEO Head of Internal Audit. The TEO Head of Internal Audit will forward all draft reports to the TEO sponsorship Divisional Director and sponsorship Head of Branch. All final reports will be issued to both the DoJ and TEO AO and the Northern Ireland Audit Office and will be presented to both Audit and Risk Assurance Committees.

16.2 The DoJ Internal Audit team will undertake all internal audit work within the VPB. In the event that the internal audit function is contracted out the VPB shall ensure both TEO and the DoJ are satisfied that the contract specification for the internal

audit service meets the requirements of Public Sector Internal Audit Standards (PSIAS).

16.3 The VPB, through DoJ Internal Audit, will provide its internal audit strategy, periodic audit plans and annual audit report, including the Internal Audit's opinion on risk management, control and governance to TEO. The VPB will ensure the DoJ and TEO internal audit teams have complete right of access to all relevant records. This applies whether the internal audit function is provided in-house or is contracted out.

16.4 The VPB will ensure that any self-assessments of the internal audit function in line with PSIAS is shared with DoJ Internal Audit. The VPB will also liaise with the Department on the External Quality Assessment (EQA) of the internal audit function which (in line with PSIAS) is required to be conducted at least once every five years by a qualified independent assessor.

16.5 The Secretary to the VPB will alert the DoJ and TEO to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. The VPB, TEO and DoJ will then engage closely on actions required to address the less than satisfactory opinion in order to move the VPB to a satisfactory position as soon as possible.

17. Annual Report

17.1 As per paragraph 14 of Schedule 1 to the Regulations the VPB must as soon as practicable after the end of each financial year, send to TEO a report on the exercise of the Board's functions during that year.

17.2 TEO must, in the case of each report sent to it under this paragraph, lay a copy of the report before the Northern Ireland Assembly.

18. Externally Audited Annual Report and Accounts

18.1 The C&AG may carry out examinations into the economy, efficiency, and effectiveness with which the VPB has used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of the VPB.

18.2 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.

18.3 Where making payment of a grant, or drawing up a contract, VPB/DoJ 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.

Signatories

The VPB and TEO agree to work in partnership with each other in line with relevant aspects of the NI Code of Good Practice '**Partnerships between Departments and Arm's-Length Bodies**' and the arrangements set out in this Agreement.

DoF Supply will approve the initial Partnership Agreement between the VPB and TEO and any subsequent variations to the Agreement if they are significant.

Signed (Secretary to the VPB)
Date

Signed 
Date: 3.11.22



Signed (TEO Senior Lead Official)
Date 6 December 2022

Annex 1 - Applicable Legislation

List the founding legislation and other key statutes which provide the VPB with its statutory functions, duties and powers.

Northern Ireland (Executive Formation and Exercise of Functions) Act 2019

<https://www.legislation.gov.uk/ukpga/2019/22/contents>

The Victims' Payments (Amendment) Regulations 2020

<https://www.legislation.gov.uk/uksi/2020/490/contents/made>

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.

Engagement Plan 2021/2022		
Policy Development and Delivery		
Policy Area	Timing	Lead
Applicants Costs & Expenses Protocol	December 2021	Secretary VPB
Fraud Prevention Policy & Fraud Response Plan	December 2021	Secretary VPB
Non-Conflict of Interests Declaration	As required	Secretary VPB
VPB - Complaints Procedure	December 2021	Secretary VPB
Security incident reporting process	December 2021	Secretary VPB

Strategic Planning		
Activity	Date	Lead Departmental/ALB Official
Engagement on the Business Plan, Risk Register and identification of areas of strategic interest to TEO to inform further scheduled engagement during the year	Quarterly	VPB / Secretary
Engagement on areas of strategic interest iro the VPB Business Plan during the year	Quarterly	VPB Senior Management Team & TEO VP Team

Joint Working		
Activity	Timing	Lead(s)
TEO/DoJ/VPB update Meetings	Weekly	TEO/DOJ
Sectoral Meetings	Monthly	TEO
Finance Meetings	Monthly	TEO
Accountability Meetings	Quarterly	TEO

Board Appointments		
Activity	Date	Lead
Appointment of President	1 March 2021 (completed)	LCJ
Appointment of interim Secretary	1 January 2021 (completed)	DoJ
Appointment of Interim medical Board members	February 2021 (completed)	NIJAC
Appointment of interim legal Board members	February 2021 (completed)	NIJAC
Appointment of interim ordinary Board members	February 2021 (completed)	NIJAC

Appointment of medical Board members	October 2021 (completed)	NIJAC
Appointment of legal Board members	April 2022 (completed)	NIJAC
Appointment of ordinary Board members	June 2022 (in progress)	NIJAC
Appointment of reserve legal and ordinary Board members	Summer 2022 (in progress)	NIJAC

Recruitment of Secretary to the VPB Recruitment

Activity	Date	Lead
Appointment of Secretary	2022	DoJ

Assurances

Action	Date	Lead
VPB Assurance Statement to TEO	Quarterly	Secretary VPB
Outcome of the Annual Review of Board Effectiveness	Annually Scheduled for Interim report for April 2022	Secretary & President VPB
Planning for the externally facilitated review of Board Effectiveness	Tri-annually	President & Secretary VPB & TEO Lead Official Grade 5
Board Appraisals and planned training/development for Board members	Annually	President VPB
Conversation to be held once a year, at time of Annual Report production, between the President and the TEO Accounting Officer, around performance and potential improvements going forward	Annually	TEO Lead Official Grade 5
Engagement on other planned NIAO reports	As necessary	TEO/VPB
Internal Audit Annual report/Opinion	Annually	DoJ iA
Internal Audit Strategy and Plans	Annually	Secretary
Internal Audit External Quality Assessment to be conducted at least once every five years	At least every five years	DoJ Lead Official

Financial Management

Item and Purpose	Date	Lead(s)
Engagement on expenditure requirements and Forecast Expenditure for the Financial Year	Ongoing	TEO & VPB
Monthly Reimbursement requests	Monthly	VPB
Monitoring Round Returns	Qtr	TEO, VPB
Provisional Outturn	Yearly	TEO, VPB
Final Outturn	Yearly	TEO, VPB

Other

Item and Purpose	Date	Lead(s)
Senior Accountable Officer - Fitness to Act as SAO provided as part of Assurance Reporting	Quarterly (in assurance statement)	SAO TEO
Fraud Reporting	Immediate reporting of all frauds (proven or	Secretary should report this to TEO Sponsor Branch

	suspected including attempted fraud)	
Media management protocols. Independence of the VPB to engage with media/announcements of corporate and policy communications significant to VPB. Arrangements to share press releases where relevant to ensure no surprises.	Annually	Secretary and TEO/DoJ Lead Official
Preparation of business cases. TEO will assist the VPB to prepare business cases and consider working together to share expertise where appropriate.	As Required	Secretary and TEO Lead Official

Review of the Partnership Arrangement		
Item and Purpose	Date	Lead(s)
Light touch review of the Partnership Agreement to be schedule following the end of the Business Year	April 2022	TEO Lead Official and VPB Secretary
Formal review of the Partnership Agreement to be conducted once every three years	August 2024	TEO Lead Official and VPB Secretary

This is a sample Engagement Plan for 2021/22, which is a working document that will be updated annually in line with para 10.1 to 10.4

Annex 3 - Delegations

The Victims' Payments Board (VPB) shall obtain TEO's prior written approval before:

- entering into undertakings to incur any expenditure that falls outside the delegations and proposed expenditure not previously agreed with TEO in advance of each financial year;
- incurring expenditure for any purpose that is or might be considered novel or contentious, and not agreed within the proposed areas of expenditure, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of the Scheme previously approved by TEO;
- making any operational changes which have 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 Northern Ireland.

VPB's Specific Delegated Authorities

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

Financial Delegations

Background

The VPB Senior Management Team (SMT) is committed to ensuring that financial decisions are made following an open, fair and transparent process.

The purpose of this annex is to outline the financial delegation limits for the approval of all expenditure decisions. The benefits of delegated decisions include:

- Efficient and effective organisation;
- The SMT has more time to consider strategic issues;
- The achievement of a more flexible procedure for dealing with small scale investments; and
- Decisions on expenditure for funding being communicated to applicants/suppliers promptly.

Authorisation of New Expenditure

The delegation limits in Table 1 apply to all expenditure decisions by administrative staff supporting the VPB excluding payments to victims and any expenditure not agreed between the VPB and TEO at the beginning of each financial year. Any action taken outside these delegation limits will require investigations and should be reported by the Senior Accountable Officer to TEO as necessary.

TABLE 1 Delegated Limits

Type of Expenditure*	Head of Branch	Senior Accountable Officer	The Executive Office **
Revenue	£0-£9,999	£10,000-£29,999	£30,000+
Capital	£0-£4,999	£5,000-£9,999	£10,000+
ICT	N/A	£0-£9,999	£10,000+
External Consultancy	N/A	£0-£4,999	£5,000+
Direct Award Contracts	N/A	£0-£29,999	£30,000+

* All expenditure should be exclusive of VAT, CPD charges and staff costs (where applicable)

All business cases related to the expenditure will require approval in accordance with the limits set out in Table 1 above. For decisions regarding expenditure above these limits, TEO approval will be required. Any novel, potentially repercussive, contentious expenditure, regardless of the amount of expenditure, requires the approval of TEO and DoF. The approval process will flow from the VPB to TEO. (Any business cases completed by either the VPB or the DoJ on behalf of the VPB will be reported at the quarterly Accountability meetings).

Where changes of 10% or more are incurred in terms of costs, outputs and risk, these will necessitate a business case addendum and approval within the parameters outlined in Table1 above.

Where the Senior Accountable Officer has concerns that any of the decisions reached are likely to be particularly sensitive, controversial or outside-established procedures, these will be presented to TEO.

Scheme Administration staff or the SMT in the VPB should not be involved in making decisions on expenditure on which they may have, or be perceived to have, a conflict of interest.

Authorisation for increasing expenditure against the profile agreed with TEO

Decisions relating to increasing expenditure against the profile agreed with TEO must secure the prior approval of the TEO Budget Holder.

Procurement

DoJ can also enter into contracts on behalf of the VPB in line with its responsibility to provide administrative support to the VPB under the Victims Payments Regulations 2020. DoJ will enter into any contracts on behalf of the VPB in line with relevant DoJ/NICS procedures.

For procurement undertaken by the VPB TEO Accounting Officer has agreed that given the limited procurement being undertaken by the VPB that it can manage their own procurement between £5k and £30k in line with CPD guidelines.

However, as per [TEO Expenditure Approval Guidance](#) this higher limit delegation does not apply to capital or external consultancy. The expenditure limits for consultancy and capital are £5K and £10K respectively (per Table 1 above). Once VPB has secured expenditure approvals in line with Table 1, it should then apply the *procurement limits* of £10K for construction services and external consultancy. All construction or external consultancy greater than £10K must be *procured* through CPD.

Any external consultancy over £10k requires approval by TEO Ministers. The VPB shall provide TEO with a quarterly statement on the status of all consultancies completed and/or started in each financial year. Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

Any purchasing of goods, services or works by the VPB (or the DoJ on behalf of the VPB) will be in line with all relevant policies and guidance.

Direct Award Contracts

[PGN 03/11: Direct Award Contracts | Department of Finance \(finance-ni.gov.uk\)](#)

Any proposal to procure goods and services with a combined cost of greater than £5,000 through a Direct Award Contract must be supported by CPD advice and a business case setting out the rationale and justification for doing so. The relevant Accounting Officer(s) approval is required before awarding any contract through a direct award contract.

Direct Award Contracts (DACs) should be avoided and advice from CPD sought. The SAO can approve DACs up to the VPB delegated limit (currently £30,000), with the

exception of external consultancy DACs. DACs above the delegated limit and **all external consultancy** must also be approved by the TEO Departmental Accounting Officer.

Details of all Direct Award Contracts (above £5,000) entered into by the VPB must be tabled at the earliest possible VPB quarterly accountability meeting and reported on a quarterly basis to the Department in an annexe to their assurance statements.

Losses and Special Payments

The SAO will have the authority to write off losses and make special payments:

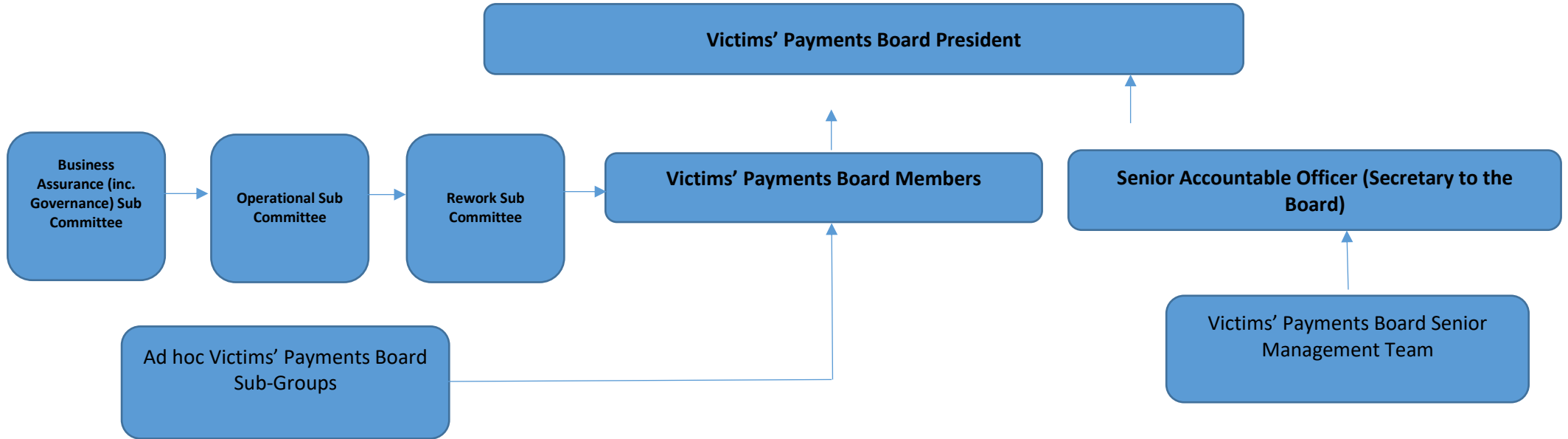
- (a) Cash losses – up to £1,000 per case/incident
- (b) Stores/Equipment losses – up to £1,000 per case/incident
- (c) Constructive losses and fruitless payments – up to £1,000 per case.
- (d) Compensation payments
 - i. Made under legal obligation, e.g. by Court Order – up to £1,000 per case plus reasonable legal expenses
 - ii. For damage to personal property of staff – up to £1,000 per case where written legal advice is that the VPB should not fight a court action because it is unlikely that it would win – up to £1,000 per case
- (e) Claims abandoned or waiver of claim – up to £1,000 per case
- (f) Extra contractual payments – up to £1,000 per case
- (g) Ex gratia payments – up to £1,000 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 sponsor department for approval

The prior approval of TEO must be obtained for amounts above these values. Approval of write-offs should be made with a minimum of delay.

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 SMT, and TEO as necessary. This should be shared with TEO/Sponsor Team on a quarterly basis. Any losses which occur as a result of overpayments to victims will be dealt with in line with Managing Public Money (NI).

Annex 4 - Illustrative System of Assurance

VICTIMS PAYMENTS BOARD – GOVERNANCE STRUCTURE



Annex 5 - Concerns/Complaints in respect of Victims' Payment Board members

Board Members should make a complaint in line with The Conduct of Judicial Officers – Making Complaint Code of Practice. See attached link to the Judicial Complaints Process [Judicial Conduct and Complaints | Judiciary NI](#)

The principle of early and open engagement is important, with TEO made aware of any concerns/complaints as soon as practicable.

Annex 6 - Applicable Guidance

The following guidance is applicable to the *VPB*
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
- 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
- Government Financial Reporting Manual (FReM)
- Procurement Guidance

Other Guidance and Best Practice

- Specific guidance issued by the Department
- TEO Expenditure Approval Guidance
- TEO Whistleblowing Policy and Procedures
- TEO Fraud Policy and Prevention Plan.
- 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

Annex 7 – Role of the Ministers

The President of VPB under paragraph 4(3) of Schedule 1 to the Regulations, has responsibility for ensuring the efficient and effective discharge of the VPB's functions. The VPB is operationally independent of both Ministers and TEO. Communications between the VPB and the Ministers should normally be through the President of the VPB.

TEO Accounting Officer is responsible for advising the relevant Ministers on a number of issues including the VPB objectives and targets, the budget for delivery of the Troubles Permanent Disablement Payment Scheme (the 'Scheme') and performance.

In addition to being answerable to the Assembly as laid out in paragraph 2.5 the Ministers are also responsible for:

- the overall policy for the Troubles Permanent Disablement Payments Scheme;
- Setting the Victims' Payments budget for delivery of the Troubles Permanent Disablement Payment Scheme.

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



Partnerships
between Department