

**FROM: PETER MAY
DIRECTOR
POLICING POLICY AND STRATEGY DIVISION
22 SEPTEMBER 2010**

See copy distribution below

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DELEGATED LIMITS FOR POLICING & COMMUNITY SAFETY DIRECTORATE ALBs

The Department of Justice's delegations have been agreed with DFP and I am now in a position to advise you of the delegated limits for your organisation. These will apply from 20 September 2010.

2. This note should be read in conjunction with the following Dear Accounting Officer (DAO) letter issued by DFP:

- DAO (DFP) 06/05: Departmental Delegations/Requirements for DFP Approval
- available on DFP's website in the Accountability and Financial Management Division / Publications section:
- <http://www.afmdni.gov.uk/frab/browse.asp?branch=1&category=1&maxres=20&orderby=2&year=0&start=40>

Managing Public Money NI

3. The overriding guidance in relation to financial management is **Managing Public Money NI (MPMNI)**. This can be accessed via:

- the DOJ intranet under Admin Help / Finance Help / Financial Governance; or
- DFP's website in the Accountability and Financial Management Division / Publications section:
- <http://www.afmdni.gov.uk/frab/browse.asp?branch=1&category=43&maxres=20&start=0&orderby=3>

4. The delegations are also subject to the general requirement that **approval is always required** for any proposal in any of the categories in Managing Public Money NI Box A.2.3.B, i.e. any proposals which:

a) could create pressures which could lead to a breach of:

- Departmental Expenditure Limits;
- administration cost limits, resource limits, capital limits and capital grant limits; or
- Estimates provision

b) would entail contractual commitments to significant levels of spending in future years for which plans have not been set;

c) could set a potentially expensive precedent;

d) could cause repercussions for others;

e) exceed the general threshold for major capital expenditure projects currently in force (unless other delegations specifically allow); or

f) are novel or contentious.

5. If in doubt, you should contact your sponsor contact.

6. The specific delegations for your area are set out in the attached annexes.

- Annex 1 sets out a range of actions requiring approval regardless of amount;
- Annex 2 sets out areas where there is a specific delegated limit (please note that a delegation of zero means that any expenditure in this area requires approval); and

Details of delegations

7. The delegated limits apply to the total central government cost (i.e. administration, programme and capital spend) and **no expenditure should be committed and none of the relevant works should commence until approval has been granted.**

Review of delegations

8. Your delegations will be reviewed on an ongoing basis and can be raised or lowered as appropriate. If you consider that your delegated limits warrant review, please contact your sponsor contact.

Process for obtaining approval above delegated limits

9. Approval for expenditure above your delegated limits is required from the Department. In some cases, we will also require DFP approval. To assist with the process of obtaining approvals, and to ensure that there is an appropriate level of sign off at each point, a pro-forma that should be completed for each approval request is attached. The approval request should be submitted to your sponsor contact. A separate pro forma is available for submitting business cases.

Multi-funded Projects

10. An agreement, normally in the form of a Memorandum of Understanding (MOU), is required for all multi-funded projects (funding derived from more than one source e.g. Department(s), District Council, NDPB, EU, Lottery etc.). In agreeing the MOU, the central government department with the largest project spend is normally identified as the Lead Funder and the delegations to be applied will be those appropriate to the Lead Funder Department.

Business Cases and appraisals

11. Delegations **do not remove the need for business cases and appraisals** commensurate with the resources involved. These should always be prepared. However, delegations denote the level at which Departmental (and if necessary, DFP) approval is required.

12. When preparing business cases or appraisals, whether for submission to the Department (and, if necessary, DFP) for approval or for projects below delegated limits, the requirements of:

- *FD (DFP) 20/09 - The Northern Ireland Guide To Expenditure Appraisal And Evaluation (NIGEAE) and New DFP Guidance On The Appraisal, Evaluation, Approval And Management Of Policies, Programmes And Projects*
- should be followed.

13. This letter, and NIGEAE, are important sources of guidance on economic appraisal and evaluation. They can be accessed at: www.dfpni.gov.uk/eag

14. Section 1.2 of NIGEAE outlines when an economic appraisal is required. You should ensure that you are familiar with this. Specifically I would

draw your attention to the requirement under *NIGEAE* for DFP approval of all projects with total central government cost (i.e. administration, programme and capital spend) over the project's life in excess of £20m.

15. For further advice on business cases and appraisals, please contact your sponsor contact.

Test Drilling

16. Both Department and DFP have to be satisfied of the regularity, propriety and value for money of any proposed expenditure. DFP has indicated its proposal to initially undertake a higher level of sampling of capital projects during the annual test drilling exercise. DFP will also request a list of revenue and consultancy projects undertaken in a given year from which a sample will be extracted for review. I will be in touch shortly to outline how this process will operate.

17. I would be grateful if you would share this note with the relevant staff in your organisation. Please contact me if you have any queries.

(Signed)

PETER MAY

Copy distribution

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Areas requiring DFP approval regardless of amount

Details	Footnote
Fraud – any departure from immediate reporting (FD 10/10 and FD 10/08 and further DFP Guidance at: Fraud Management Guidance (FMG): FIAP Publications AASDNI)	1
Estimates – form and content of Main and Supplementary Estimates, Vote on Account, Statement of Excess and virement	
Banking – Proposals to open foreign currency accounts.	
Banking – Requests for indemnities from a bank other than “formal undertakings”	
Economic appraisals for spending proposals above delegated limits in line with FD 20/09.	
Assets - Transfer of assets at less than best consideration reasonably obtainable	
Assets – to appropriate any sums realised as a result of selling an asset	
Assets – to allow an NDPB to retain receipts arising from the sale of assets funded by grant or grant-in-aid	
Insurance – decision to use commercial insurance	
Payments – advance payments	
Receipts – repayment of CFERs from the Northern Ireland Consolidated Fund	
Interdepartmental Transactions – where the transaction may require legislative procedures or where DFP agreement is required under statute	
Chargeable Services – as set out in existing guidance on fees and charges.	
Loans – proposals to make voted loans.	
Loans – on borrowing from the Northern Ireland Consolidated Fund	
Loans- write offs	
Loans – premature repayment.	
Borrowing on terms more costly than those usually available to government.	
Borrowing – foreign borrowing.	
Liabilities – Depts seeking statutory authority to accept liabilities should consult DFP.	
Letters of comfort & general statements of support.	
Reporting a contingent liability in confidence	
Reporting a liability outside Assembly sessions	
Uninsured losses – where expenditure to replace or repair an asset or meet a claim falls outside the department’s delegated limits	
Banking – Any proposed changes to Banking pool arrangements.	
Banking – Proposals to open accounts with commercial banks other than approved UK clearing banks.	
Any proposals to negotiate contracts in foreign currencies other than the euro, yen or US \$.	
Recoupment of overpayments of grants	
Losses due to failure to make adequate charges for the use of public property or services.	
Waiving recovery of a collective overpayment.	
All PFI/PPP projects.	
Appointment of an Accounting Officer for a trading fund (TF).	
Appointment of an Accounting Officer for a departmental estimate, Additional Accounting Officers for RfRs and any Accounting Officer for “joined-up government” operations.	

Details	Footnote
The letter of appointment to posts which will carry the responsibilities of an agency Accounting Officer.	
Accounts Directions on form & content of statement of accounts and annual reports for NDPBs	
All Management Statements and Financial Memorandums (MSFM)	
The termination of an NDPB	
Agency framework documents and the methods of financing an agency	
Remuneration and allowances of an assessor	2
The establishment and operation of a Trading Fund	

- 1) FD 10/10 and FD 10/08 and further DFP Guidance at: [Fraud Management Guidance \(FMG\): FIAP Publications | A A S D N I](#)
- 2) Schedule 12(7) of the Criminal Justice Act 1988

Annex 2

NI Policing Board - Areas requiring approval with delegated limits in place

<i>Details</i>	<i>Delegated Limit (£)</i>
All gifts	100
Non-statutory guarantees and liabilities	0
Foreign Exchange transactions, where these are to be channelled through any institution other than the Northern Bank.	0
Use of consultants by departments.	50,000
IT projects	100,000
Extra Statutory and extra-regulatory payments.	0
Recoupment of overpayments of pay, pensions and allowances.	10,000
Waived or Abandoned claims.	10,000
Individual extra-contractual and ex-gratia payments.	0
Individual compensation claims settled out of court unless legal advice is that the department will not win the case if contested in court.	10,000
Individual compensation claims settled out of court where the legal advice is that the department will not win the case if contested in court.	10,000
Individual compensation payments made as a result of court decision.	10,000
Consolatory Payments.	500
All expenditure under the EU Programmes for which the Special EU Programmes Body is responsible – currently Peace II and Interreg IIIa.	0
Consultancy assignments co-sponsored by the Strategic Investment Board.	0
All other losses, write offs and special payments not covered elsewhere in this letter.	5,000
All other capital projects (non IT) including purchase of land & property	100,000
Legal Fees	50,000

Financial support to bodies not covered by a specific delegation	10,000
Contract Variations	The lower of 5% of contract value or £25,000

Approvals above delegated limits

Arm's Length Body (ALB) sponsored by DOJ core directorates, NIPS and NICTS

Arm's length body	
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Description of delegation exceeded	
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Delegated limit £	
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Amount to be approved £	
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Background description (please attach further detail separately)

Signed on behalf of ALB (Head of Finance or equivalent)

Name	
Position	
Grade	
Date	

For sponsor directorate use

Approved (if within directorate delegated limit) / Reviewed by:

Name (Sponsor division)		Date	
Name (Directorate Accountant)		Date	
FSD approval required? (Y/N)			

For FSD use

Reviewed and Registered by		Date	
Approved by (if applicable)		Date	
DFP approval required? (Y/N)			
Date submitted to DFP			

