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Partnership Agreement between Department for Communities (DfC) and Ulster Supported Employment Limited (USEL)

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Contents

Introduction	5
1. The Partnership Agreement	5
USEL Establishment and Purpose	7
2. Statutory Purpose and Strategic Objectives	7
USEL Governance Arrangements	9
3. Organisational Status	9
4. Governance Framework	9
5. USEL Board	9
6. Audit and Risk Committee	11
7. USEL Chair	12
8. USEL Chief Executive	12
Role of DfC	14
9. Partnership Working with USEL	14
10. Lead Official	16
11. Annual Engagement Plan	16
12. Departmental Accounting Officer	17
13. Attendance at Public Accounts Committee	18
Assurance Framework	18
14. Autonomy and Proportionality	18
15. Board Effectiveness	19
16. Board Appraisals	20
17. Internal Audit Assurance	20
18. Externally Audited Annual Report and Accounts	21
Signatories	22

ANNEX 1	Partnerships between departments and arm's length bodies: NI Code of Good Practice	23
ANNEX 2	Applicable Legislation	24
ANNEX 3	DfC System of Assurance	25
ANNEX 4	Applicable Guidance	26
ANNEX 5	Concerns/Complaints in respect of board members	27
ANNEX 6	Delegated Authorities	29
ANNEX 7	Annual Engagement Plan	34
ANNEX 8	Relationship between USEL and Sponsor Department (DfC)	43
ANNEX 9	Role of Minister	45

Introduction

1. The Partnership Agreement

- 1.1 This document sets out the partnership arrangements between Ulster Supported Employment Limited (USEL) and the Department for Communities (DfC). It explains the overall governance framework within which USEL 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 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 can 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 1**.

1.3 This document should also be read in conjunction with the extant guidance on proportionate autonomy 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 USEL and DfC and this is reflected in this agreement.

1.4 DfC and USEL are committed to:

- Working together within distinct roles and responsibilities;
- Maintaining focus on successful delivery of Programme for Government (PfG) outcomes and Ministerial priorities;
- 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 and impartiality.

1.5 The effectiveness of the partnership and the associated Engagement Plan will be reviewed each year by DfC and USEL to assess whether the partnership is operating as intended and to identify any emerging issues/ opportunities for enhancement. This will be carried out as part of existing governance arrangements. The Agreement document itself will be reviewed formally¹ at least once every three years to ensure it remains fit for purpose and up to date in terms of current governance frameworks. The formal review will be proportionate to USEL's size and overall responsibilities with any revised Agreement published

¹ The review will be instigated by DfC taking account of direction/guidance from DoF

on DfC and USEL's websites as soon as practicable following completion. Either party to the Agreement may request an amendment or update to it at any time.

1.6 Once complete DfC will be responsible for placing a copy of this Agreement in the Assembly.

USEL Establishment and Purpose

2. Statutory Purpose and Strategic Objectives

2.1 USEL is an executive non-departmental public body (NDPB) established in 1962 and operates under section 15 of the Disabled Persons Act (NI) 1945 to provide supported employment to severely disabled people (**Annex 2**). For national accounts purposes USEL is classified to the central government sector.

2.2 Whilst established through the 1945 Act, USEL's purpose of providing supported employment to severely disabled people also align to the more recent Disability Discrimination Act 1995, which affirmed a range of rights for those with disabilities, including the right to employment. The Company is a registered charity under Section 505 of the Income and Corporation Taxes Act 1988 with effect from 20 March 1996.

2.3 USEL's functions, duties and powers are contained in its Memorandum and Articles of Association.

2.4 USEL is a non-profit making company limited by Guarantee which was established to:

- Promote and support individual workability, and promote personal development and progression in paid work environments for disabled people, as well as for people with health-related difficulties;
- Provide paid employment for severely disabled people and provide a pathway allowing them to move into unsubsidised employment in the labour market; and
- Promote individual personal development to assist employees in obtaining the necessary skills to enter and secure unsubsidised employment.

2.5 The Minister for Communities is answerable to the Northern Ireland Assembly for the overall performance and delivery of both DfC and USEL.

2.6 The Executive 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. To that end there is strategic alignment between the aims, objectives and expected outcomes and results of USEL and DfC

- 2.7 USEL's strategic aims, as set out within their Corporate and Annual Business Plans are aligned with those of the Department and approved by the DfC Minister. They align with the strategic aims as set out within the Department's 5 Year Operational Strategy (2020-25) and the Executive's draft Programme for Government (PfG).

- 2.8 USEL's 5-year Strategic Plan (2022-27) contributes to the Department's objective of **"improving wellbeing for all – by tackling disadvantage and driving economic growth"**, through delivery of a range of Departmental disability employment provision including Workable NI, Employment Support Programme, and their UK Shared Prosperity Fund programme, EMPOWER.

- 2.9 The Cross-Cutting Themes identified in DfC's Building Inclusive Communities Strategy 2020-2025 that are relevant to USEL are:



USEL Objective	Strategic theme
To become economically and environmentally sustainable	<ul style="list-style-type: none"> • Sustainability & inclusive growth • Agility and innovation
Lead provider of disability employment in NI	<ul style="list-style-type: none"> • Agility & innovation • Wellbeing & inclusion
<p>To successfully champion inclusion in the workplace</p> <p>To be the partner of choice for the Department for Communities</p>	<ul style="list-style-type: none"> • Sustainability & inclusion • Wellbeing & inclusion

- 2.10 To that end there is strategic alignment between the aims, objectives and expected outcomes and results of USEL and the Department.

- 2.11 Strategically, USEL is represented amongst the membership of several Departmental forums related to disability employment, and contributes to the evaluation, co-design and delivery of new programmes and support for disabled people in NI.

USEL Governance Arrangements

3. Organisational Status

- 3.1 USEL is a legal entity in its own right, employing its own staff and operating at arm's-length from the Department. As a legal entity it must comply with all associated legislation including legislation relating to its employer status and charitable status. USEL is an Arms-Length Body of the Department for Communities. It is a company Limited by Guarantee and a registered charity under Section 505 of the Income and Corporation Taxes Act 1988 with effect from 20 March 1996. USEL is not yet registered by the Charities Commission for Northern Ireland.

4. Governance Framework

- 4.1 USEL has an established Corporate Governance Framework which reflects all relevant good practice guidance. The framework includes the governance structures established within USEL and ensures that internal control and risk management arrangements are in place. This includes the USEL Board and subcommittee structures. USEL's system of Assurance replicates the DfC system set out at **Annex 3**. The Department is satisfied with the framework.
- 4.2 An account of this is included in USEL's annual Governance Statement together with the USEL Board's assessment of its compliance with the

extant Corporate Governance Code of Good Practice (NI). Any departure from the Corporate Governance Code must be explained in the Governance Statement. The extant Corporate Governance Code of Good Practice (NI) is available on the DoF website.

- 4.3 USEL is required to follow the principles, rules, guidance, and advice in *Managing Public Money Northern Ireland (MPMNI)*. A list of other applicable guidance and instructions which USEL is required to follow is set out in **Annex 4**. Good governance should also include positive stakeholder engagement, the building of positive relationships and a listening and learning culture.

5. USEL Board

- 5.1 USEL is led by a Board, non-executive members of which are appointed by the Minister for Communities. USEL's current articles of association stipulate a maximum of eight Board Members. However, subject to the approval of the Department in writing, the Board may from time to time register an increase or decrease of members. The appointment process for non-executive Board members complies with the Code of Practice on Public Appointments for Northern Ireland.
- 5.2 As Public Appointees Board members are office holders rather than employees. They are not subject

to employee terms and conditions. Board appraisal arrangements are set out in section 16 and matters for consideration in dealing with concerns/complaints in respect of Board members are provided in **Annex 5**.

- 5.3 The Board's terms of reference provide further detail on roles and responsibilities and aligns with this Partnership Agreement.
- 5.4 The purpose of the USEL Board is to provide effective leadership and strategic direction to the organisation and to ensure that the policies and priorities set by the Minister for Communities are implemented. It is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Board will set the culture and values of the organisation and set the tone for the organisation's engagement with stakeholders and customers.
- 5.5 The Board is responsible for holding the Chief Executive to account for the management of the organisation and the delivery of agreed plans and outcomes. The Board should also however support the Chief Executive as appropriate in the exercise of their duties.
- 5.6 Board members act solely in the interests of USEL and must not use the Board 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).

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

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

training and development. The Board will review its collective strategic performance annually which will include identifying any training requirements.

5.10 USEL operates its own pension provision for its employees. As such the Board may appoint its members as Trustees of the pension scheme to work alongside other appointed Trustees. Their role is to oversee the effective operation of the Scheme. Additional training will be provided to those members, arranged by USEL.

5.11 USEL and DfC have agreed arrangements in respect of the Board which includes:

- Attendance, if requested, by departmental representatives in an observer capacity at meetings or sub-committee meetings; and
- Access to USEL Board and sub-committee papers and draft minutes.

5.12 Information will be provided by the USEL Board if requested by DfC.

6. Audit and Risk Committee

6.1 A further important aspect of USEL's governance framework is its Audit and Risk Assurance Committee (ARAC), established in line with the extant Audit and Risk Assurance Committee Handbook (NI).

6.2 The ARAC's purpose/role is to support the Accounting Officer and Board on governance issues. In line with the handbook, the ARAC focuses on:

- Assurance arrangements over governance; financial reporting; annual reports and accounts, including the Governance Statement; and
- Ensuring there is an adequate and effective risk management and assurance framework in place.

6.3 USEL and DfC have agreed arrangements in respect of ARAC which includes:

- Attendance by Departmental representatives in an observer capacity at USEL's ARAC meetings;
- Access to ARAC papers and minutes; and
- Any input required from USEL's ARAC to the Departmental Audit and Risk Assurance Committee.

6.4 Full compliance with the ARAC Handbook (NI) is an essential requirement. In the event of significant non-compliance with the handbook's five good practice principles (or other non-compliance) discussion will be required with the Department and a full explanation provided in the annual Governance Statement.

6.5 The extant ARAC Handbook (NI) is available on the DoF website.

Sub-Committees

6.6 In 2021 USEL established two sub-committees as follows:

- **Finance Sub-Committee** - made up of three board members, the USEL

CEO and the USEL Head of Finance. The committee reports to the USEL Board and provides a forum to enable members to further review financial information, management accounts, financial risks, and have input into relevant strategic matters such as financial planning and budgets. The committee will also review financial aspects of new proposals or new business concepts before these ideas are presented to the Board for consideration.

- **Personnel, Organisational and Development Committee (POD)** – consists of Four Board members, USEL CEO and HR Manager. The committee reports to the USEL Board and provides a forum to enable members to further review related policies, people, organisational development and management of risks. The committee will also review safeguarding aspects and new employee initiatives before these ideas are presented to the Board for consideration. In addition, POD will develop the HR Strategy for USEL to support the Corporate Strategy.

7. USEL Chair

- 7.1 The Chair is responsible for setting the agenda and managing the Board to enable collaborative and robust discussion of issues. The Chair'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, they ensure:
- The Board has an appropriate balance of skills appropriate to its

business;

- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Board members receive and maintain appropriate training;
- The Minister is advised of USEL's needs when board public appointment vacancies arise;
- There is a Board Operating Framework in place setting out the roles and responsibilities of the Board in line with relevant guidance; and
- Members abide by the extant DoF code of practice for governance.

7.2 The Chair role requires the establishment of an effective working relationship with the Chief Executive and senior management team that is simultaneously collaborative and challenging. It is important that each act in accordance with their distinct roles and responsibilities as laid out in MPMNI and where applicable appointment letters.

7.3 The Chair has a presence in the organisation and needs to cultivate external relationships which provide useful links for the organisation while being mindful of overstepping boundaries and becoming too involved in day-to-day operations or executive activities.

8. USEL Chief Executive

- 8.1 The role of the Chief Executive is to run USEL's business. The Chief Executive

is responsible for providing effective leadership and strategic direction to USEL and to ensure that the policies and priorities set by the Board and the Minister for Communities are implemented and statutory functions are fulfilled. They are responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an external control framework which enables risks to be effectively identified and managed. The Chief Executive is responsible for all executive management matters affecting the organisation and for leadership of the senior management team and staff.

- 8.2 The Chief Executive is designated as USEL's Accounting Officer by the Departmental Accounting Officer. As Accounting Officer, the Chief Executive is responsible for safeguarding the public funds in their charge, which in addition to grant in aid includes any other funds falling within the stewardship of USEL, to ensure efficient and economical administration and that they are only used for the purpose for which they were intended.
- 8.3 The Chief Executive is accountable to the USEL Board for performance and delivery of outcomes and targets and is responsible for implementing the decisions of the Board and its Committees. They are required to maintain a dialogue with the Chair on the important strategic issues facing the organisation and for proposing Board/Committee agendas to the

Chair to reflect these. They need to ensure effective communication with stakeholders and communication on this to the Board/Committees. They also need to ensure the Chair is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the organisation.

- 8.4 The Chief Executive acts as a role model to other SMT personnel by exhibiting open support for the Chair and Board members and the contribution they make. The Chair and Chief Executive have agreed how they will work together in practice, understanding and respecting each other's role, including the Chief Executive's responsibility as Accounting Officer.
- 8.5 The Chief Executive is responsible for the day-to-day management of USEL staff, and for determining the staffing structure to meet operational needs and to carry out its statutory functions. In doing this the Chief Executive will have regard to the principles of economy, efficiency and effectiveness, the need for forward planning within the parameters of any running cost limits or efficiency measures that may be set by the Department.
- 8.6 USEL has its own pay structure and staff are subject to executive pay awards, subject to the submission of appropriate pay remits and departmental approval. Travel and subsistence for USEL staff and Board/Committee members are aligned to Civil Service rates.

- 8.7 The Chief Executive has the authority to regrade staff or create posts below the Northern Ireland Civil Service Grade 6 and analogous grade, subject to sufficient budget cover being available and any specific conditions set by the Department. At Grade 6 or above Departmental approval is required to create or re-grade posts. In creating and re-grading posts the Chief Executive will ensure consistency with established employment practice and legislation. The Accounting Officer should refer to USEL Recruitment and Retention policy before commencing grading of staff and any grading or regrading should be in line with the approved budget before seeking board approval.
- 8.8 The Chief Executive is responsible for employee and industrial relations within USEL. The Chief Executive is committed to fostering good

employee and industrial relations as an important aid to the achievement of USEL objectives and will ensure effective communication and consultation with all staff and trade union representatives.

- 8.9 Further detail on the role and responsibilities of the Chief Executive are as laid out in MPMNI and their Accounting Officer appointment letter.

The Chief Executive's role as Principal Officer for Ombudsman Cases

- 8.10 The Chief Executive is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. They shall advise the Departmental Accounting Officer of any complaints about USEL accepted by the Ombudsman for investigation, and about the proposed response to any subsequent recommendations from the Ombudsman.

Role Of DfC

9. Partnership Working with USEL

- 9.1 DfC and USEL are part of a total delivery system, within the same Ministerial portfolio. The partnership between DfC and USEL is open, honest, constructive, and based on trust as per Section 5 of the Principles within the NI Code of Good Practice (**See Annex 1**). There is mutual understanding of each other's objectives and clear expectations on the terms of engagement.

- 9.2 In exercising its functions USEL has absolute clarity on how its purpose and objectives align with those of DfC. There is also a shared understanding of the risks that may impact on each other, and these are reflected in respective Risk Registers.
- 9.3 There is a regular exchange of skills and experience between DfC and USEL on a number of topics across

a range of mechanisms. USEL holds membership across a range of Departmental Forums and participates in disability employment related co-design of policy and provision, as well as briefing / information sessions alongside sectoral partners.

- 9.4 Additionally, as appropriate USEL is represented and played a key role in various departmental projects, such as the Harkin Summit. It is anticipated that this exchange of skills and experience between the Department and USEL will continue to shape the Department's development of Policy and Provision for those with Disabilities.
- 9.5 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 occurred or commitments entered into. The DfC Accounting Officer has established an internal framework of delegated authority for the Department and its ALBs which apply to USEL (DfC Corporate Governance Framework and DfC Delegated Authority approval arrangements). Other specific approval requirements established in respect of USEL at **Annex 6**.
- 9.6 Once USEL's budget has been approved by the Minister [and subject to any restrictions imposed by statute] USEL shall have authority to incur expenditure approved in the budget 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 laid out in **Annex 6**) or is for new schemes not previously agreed. Nor does it negate the need to follow due processes laid out in guidance contained in MPMNI and the NI Guide to Expenditure Appraisal and Evaluation.

Pension Provision

- 9.7 USEL operates its own pension provision for its staff. Any proposal by USEL to move from the existing pension arrangements requires the approval of the Department and DoF.
- 9.8 The Department's role regarding the pension scheme is to ensure that value for money is demonstrated and that terms and conditions are in line with appropriate guidance.
- 9.9 Whilst Pension Trustees may be appointed, they take up this responsibility on a voluntary basis as this is not a Departmental requirement. Any potential, or perceived conflict of interest must be identified and managed appropriately.
- 9.10 USEL currently operates two pension schemes as follows:
- Defined Benefit (DB) Scheme – final salary scheme which closed to new entrants on 31 January 2014; and
 - Defined Contribution (DC) Scheme – a

DC Master Trust which USEL participate in to comply with their Automatic Enrolment obligations which commenced from 14 February 2014 for all new staff.

- 9.11 USEL redesigned /its Pension Provision in January 2023, moving all participants to the DC Scheme and implemented a 12-year recovery plan to address the pension deficit.

10. Lead Official

- 10.1 The Department has appointed the Director of Work and Wellbeing to manage the relationship with USEL and ensure effective partnership working. Engagement between the Department and USEL is co-ordinated, collaborative, and consistent. A clear sense of collaboration and partnership is communicated to staff in both the Department and USEL to promote mutual understanding and support. The Director of Work and Wellbeing is supported by staff within Sponsor Branch. Other key contacts within the Department include Finance, Economist and Governance.
- 10.2 The Director of Work and Wellbeing is the policy lead for Disability Employment policy, which closely aligns to USEL's business, and has a clear understanding of USEL's responsibilities for policy implementation/ operational delivery and the relevant audiences / stakeholders involved.

- 10.3 The Director of Work and Wellbeing will ensure that where there are Departmental staff changes, time is taken to ensure they have a full understanding of USEL's business and challenges.

11. Annual Engagement Plan

- 11.1 The Department and USEL will agree an engagement plan that operates annually (**Annex 7**), setting out the timing and nature of engagement between USEL and the Department. The engagement plan will be specific to USEL and should not stray into operational oversight.
- 11.2 Engagement between the Department's lead official, their teams and USEL will be centred on partnership working, understanding of shared risks, and working together on business developments that align with policy objectives.
- 11.3 In line with relevant guidance², USEL will work in collaboration and partnership with the Department to prepare their corporate and business plans. Once approved, it will be the USEL Board that primarily holds the Chief Executive to account for delivery and performance. The Department will engage with USEL on areas of strategic interest, linking departmental policy and USEL delivery of policy outcomes. There will be multiple levels of engagement in place between DfC and USEL to ensure collaborative partnership between the organisations

2 Guidance issued by TEO on NICS Work Programme which includes guidance on business planning for an outcomes-based PFG/ODP

is open, honest, constructive, and based on trust (**Annex 8**).

11.4 The Annual Engagement Plan will actively implement 11.2 above. It 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. In addition, the engagement plan considers opportunities for learning and development, growth and actions which could help achieve better outcomes.

11.5 The Minister meets the USEL Chair formally, at least annually, to discuss USEL's performance, its current and future activities, and any policy developments relevant to those activities. DfC's Ministers role is set out at **Annex 9**.

11.6 Should Minister not be able to meet the USEL Chair annually (due to diary pressures or otherwise) the Q4 Assurance Meeting with Director for Work and Wellbeing will maintain ongoing engagement until a time that Minister can meet with USEL.

12. Departmental Accounting Officer

12.1 The Departmental Accounting Officer

is accountable to the NI Assembly for the issue of grant in aid to USEL. They have designated the Chief Executive of USEL as USEL Accounting Officer. Respective responsibilities of the Departmental Accounting Officer and the USEL Accounting Officer are set out in Chapter 3 of MPMNI. The departmental Accounting Officer may withdraw the USEL Accounting Officer designation if they conclude that the USEL Accounting Officer is no longer a fit person to carry out the responsibilities of an Accounting Officer or that it is otherwise in the public interest that the designation be withdrawn. In such circumstances the USEL Board will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of USEL Accounting Officer status would bring into question employment as Chief Executive and the Chair should engage with the Department should such circumstances arise.

12.2 As outlined in section 8, the USEL Chief Executive is accountable to the USEL Board for their stewardship of USEL. This includes advising the Board on matters of financial propriety, regularity, prudent and economical administration, efficiency, and effectiveness.

12.3 The Departmental Accounting Officer must be informed in the event that the judgement of the USEL Accounting Officer (on matters for which they are responsible) is over-ridden by the USEL Board/Committee. The USEL

Accounting Officer must also act if the USEL Board is contemplating a course that would infringe the requirement for financial propriety, regularity, prudent and economical administration, efficiency, or effectiveness. In all other regards, the Departmental Accounting Officer has no day-to-day involvement with USEL or its' Chief Executive.

- 12.4 In line with DoF requirements, the USEL Accounting Officer will provide an annual declaration of fitness to act as Accounting Officer to the Departmental Accounting Officer.

13. Attendance at Public Accounts Committee

- 13.1 The USEL Chief Executive / Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as Accounting Officer (as laid out in their Accounting Officer appointment letter) on issues arising from the C&AG's studies or reports following the annual audit of accounts.

- 13.2 The Chair may also, on occasion, be called to give evidence to the Public Accounts Committee on such relevant issues arising within the C&AG's studies or reports, in relation to the role and actions taken by the Board, where appropriate.

- 13.3 In addition, the Departmental 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 USEL. 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 USEL;
- Sufficient and appropriate management and financial controls are in place to safeguard public funds;
- The nominated Accounting Officer is fit to discharge his or her responsibilities;
- There are suitable internal audit arrangements;
- Accounts are prepared in accordance with the relevant legislation and any accounting direction; and
- Intervention is made, where necessary, in situations where the USEL Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the body's Board or its Chair.

Assurance Framework

14. Autonomy and Proportionality

14.1 The Department will ensure that USEL has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own Board and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between USEL and the Department and is reflected in this agreement.

14.2 A proportionate approach to assurance will be taken based on USEL's overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process³ through which the USEL Accounting Officer 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.

14.3 Recognising the governance arrangements in place within the organisation, the USEL Accounting Officer will arrange for their written assurance to be discussed at the USEL ARAC and presented to the USEL Board prior to submission to the Department where possible. If not possible, or practicable, the Chair of the USEL

Board will have sight of the assurance statement, prior to being submitted to the Department.

14.4 The USEL Chair will provide written confirmation that the USEL Accounting Officer's formal assurance has been considered by the Board and is reflective of USEL's current position.

14.5 In addition to the USEL Accounting Officer's written assurance, the Department will take assurance from the following key aspects of USEL's own governance framework:

- Annual review of the collective strategic performance of the Board (in the form of the Board Annual Assurance Statement);
- Annual Review of Board Effectiveness;
- External review of the Board and subcommittee effectiveness carried out every 3 years;
- Completion of Board public appointment appraisals which confirm Board member effectiveness;
- Internal Audit assurance
- Annual Assurance Statement (signed off by the Chair of the Board);
- External Quality Assessment of the Internal Audit function; and
- Externally audited Annual Report

3 As stated in the Bi-Annual Assurance Statement

and Accounts, reviewed/considered by the USEL ARAC.

15. Board Effectiveness

- 15.1 The USEL Chair will ensure that the USEL Board undertakes an annual review of Board Effectiveness⁴ which encompasses committees established by the Board.
- 15.2 The Chair will discuss the outcome of the annual review of Board Effectiveness with the lead DfC official to ensure a partnership approach to any improvements identified. This will inform the annual programme of Board training / development and discussions in respect of Board composition and succession.
- 15.3 In line with any parameters set out in founding (or other) documentation, the Chair in conjunction with the Department, and Ministers where appropriate, will consider the size and composition of the USEL Board, proportionate to the size and complexity of USEL and keep this under review.
- 15.4 In addition to the annual review of Board Effectiveness USEL will undertake an externally facilitated review of Board effectiveness at least once every three years covering the performance of the Board, its committees and individual Board members. The Chair will liaise with the Department 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 / outcome report with the Department on completion of the review.

16. Board Appraisals

- 16.1 The Chair of USEL will conduct an annual appraisal in respect of each Board member which will also inform the annual programme of Board training / development. The Chair will engage with the Chief Executive / lead official as appropriate on improvements identified through the appraisal process and the annual training / development programme.
- 16.2 The Chair's annual appraisal will be completed by the Director of Work and Wellbeing as Lead Official. The process will include a Chair self-assessment and anonymous Board member peer review. The appraisal will also take account of the key characteristics of a good chairperson (particularly for the Chair to have well developed interpersonal skills) set out in the NIAO Good Practice Guide on Board Effectiveness available on the NIAO website. There will be close engagement between the Chair and the lead official on improvements identified through the appraisal process.

17. Internal Audit Assurance

- 17.1 USEL is required to establish and maintain arrangements for an internal audit function that operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The

⁴ NIAO Good Practice Guide on Board Effectiveness

Department must be satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving appointments are in accordance with PSIAS.

- 17.2 In the event that the internal audit function is contracted out USEL shall ensure the Department is satisfied that the contract specification for the internal audit service meets the requirements of PSIAS.
- 17.3 USEL will provide its internal audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control, and governance to the Department. USEL will ensure the Department's internal audit team have complete right of access to all relevant records. This applies whether the internal audit function is provided in-house or is contracted out.
- 17.4 USEL will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department. USEL 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.
- 17.5 USEL will alert the Department to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. USEL will also

alert the Department to a less than satisfactory annual opinion from the Head of Internal Audit at the earliest opportunity. USEL and the Department will then engage closely on actions required to address the less than satisfactory opinion in order to move USEL to a satisfactory position as soon as possible.

- 17.6 The Department will take assurance from the fact that USEL has met the requirements of PSIAS and has a satisfactory annual opinion from the Head of Internal Audit as part of its overall assurance assessment.

18. Externally Audited Annual Report and Accounts

The Annual Report and Accounts

- 18.1 USEL is required to prepare an Annual Report and Accounts in line with the Government Financial Reporting Manual (FRM) issued by the Department of Finance (DoF) and the specific Accounts Direction issued by the Department, and in accordance with the deadlines specified and the extant Charities Statement of Recommended Practice.

External audit

- 18.2 The Comptroller & Auditor General (C&AG) will arrange to audit USEL's annual accounts and will issue an independent opinion on the accounts. The Department will then lay them before the NI Assembly.
- 18.3 The C&AG will also provide a Report

to Those Charged with Governance (RTTCWG) to USEL which will be shared with the Department.

18.4 USEL will alert the Department to any likely qualification of the accounts at the earliest opportunity. In the event of a qualified audit opinion or significant issues reported in the RTTCWG the Department will engage with USEL on actions required to address the qualification / significant issues.

18.5 The Department will take assurance from the external audit process and an unqualified position as part of its overall assurance assessment.

VFM examinations

18.6 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which USEL has

used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of USEL.

18.7 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.

18.8 Where making payment of a grant, or drawing up a contract, USEL 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

USEL and the DfC agree to work in partnership with each other in line with the NI Code of Good Practice **'Partnerships between Departments and Arm's Length Bodies'** and the arrangements set out in this

Agreement.

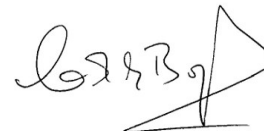
DfC will approve the initial Partnership Agreement between USEL and DfC and any subsequent variations to the Agreement if they are significant.



Signed: William Leatham
(USEL Chair)
Date: 30/4/2025



Signed: Scott Jackson
(USEL Chief Executive)
Date: 30/4/2025



Signed: Colum Boyle
(DfC Permanent Secretary)
Date: 30/4/2025

ANNEX 1 Partnerships between departments and arms length bodies: NI Code of Good Practice

NI Code of Good Practice

DAO (DoF) 03/19 version 3 attachment - Partnerships between departments and arm's length bodies: NIcode of good practice (finance-ni.gov.uk)

ANNEX 2 Applicable Legislation

List the founding statutes and legislation which provides USEL with its statutory functions, duties and powers.

1. Disabled Persons (Employment) Act (Northern Ireland) 1945

This enables DfC and USEL to deliver supported employment to disabled people.

Section 15 (1): Provision of employment, or work on their own account, under special conditions, for registered persons who are seriously disabled.

2. Disability Discrimination Act 1995 (DDA 1995) (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006).

This provides key annotations to the 1945 Act including the definition of disability. USEL is also required when

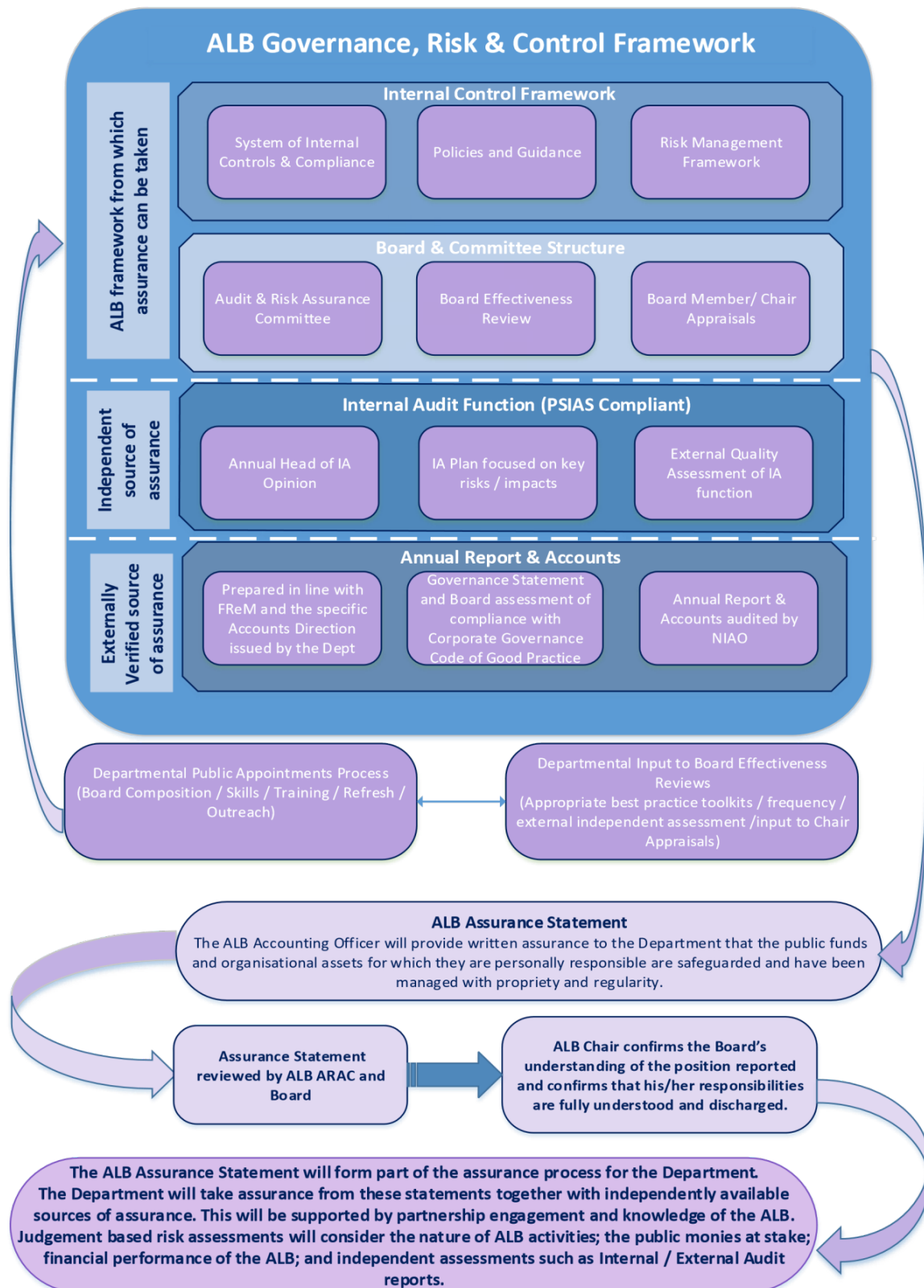
carrying out its functions to have due regard to the need to:

- Promote positive attitudes towards disabled people; and
- Encourage participation by disabled people in public life ('the disability duties').

In addition, under Section 49B of the DDA 1995, USEL is required to submit to the Equality Commission a disability action plan showing how it proposes to fulfil these duties in relation to its functions.

USEL's Articles of Association and Memorandum of Association, sets out the objectives of USEL.

ANNEX 3 DfC System of Assurance



ANNEX 4 Applicable Guidance

The following guidance is applicable to USEL

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
- HM Government Orange Book
- The Audit and Risk Assurance Committee Handbook
- Public Sector Internal Audit Standards
- Accounting Officer Handbook – HMT Regularity, Propriety and Value for Money
- Better Business Cases NI
- The NI Guide to Expenditure Appraisal and Evaluation
- Dear Accounting Officer Letters
- Dear Finance Director Letters
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- Government Financial Reporting Manual (FReM)
- Guidance for preparation and publication of annual report and accounts
- Procurement Guidance
- Guidance for DfC procurement of goods and services

Other Guidance and Best Practice

- Specific guidance issued by the Department
- EU Delegations
- 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 5 Concerns/Complaints in respect of board members

In line with the NI Code of Good Practice and the arrangements in this Partnership Agreement the approach to concerns/complaints raised in respect of USEL Board members should be transparent and collaborative. The principle of early and open engagement is important, with the Department made aware of any concerns/complaints as soon as practicable.

While Board Members are Public Appointees/office holders rather than USEL employees an USEL employee may utilise USEL's grievance procedure/other HR procedure to raise a complaint against a Board member. The USEL employee raising the grievance should expect this to be handled in line with USEL's HR procedures.

Concerns/complaints might also be raised through:

- Raising Concerns/Whistleblowing arrangements;
- Complaints processes;
- Grievance/ other HR process; or
- Directly with USEL or the Department.

The Board / Subcommittee will assess the substance of matters arising and the appropriate policy/processes to be used to address them.

Differences in view in relation to matters which fall within the Board or subcommittee's responsibilities are a matter for the Board or Subcommittee to resolve

through consensus-based decision making in the best interests of USEL.

Where a concern/complaint is received within USEL in respect of an individual Board Member or CEO this should be provided to the USEL Chair who should notify the DfC Head of Governance at the outset in order that lead responsibility for handling the complaint/concern is clear in advance.

Where a concern/complaint relates to the USEL Chair, USEL should notify the DfC Head of Governance at the outset for the Department to determine the approach to handling the complaint/concern.

Exceptionally a concern/complaint may be raised by a Board Member about a fellow Board Member or a senior member of USEL staff. The USEL Chair should notify the DfC Head of Governance at the outset to ensure that arrangements for handling the concern/complaint are clear. The Department may determine that it should make arrangements to deal with the concern/complaint. This will be agreed at the outset.

Arrangements for concerns/complaints in respect of Board members should be reflected in all relevant procedures, including Standing Orders and Board Operating Frameworks.

ANNEX 6 DELEGATED AUTHORITIES

DELEGATED AUTHORITY

- The Accounting Officer of the Department for Communities has established an internal framework of delegated authority for the Department and its ALBs. This applies to USEL. USEL will be provided with future versions as and when the framework document is updated.
- In addition, USEL shall obtain the Department's prior written approval before:
- Entering any undertaking to incur any expenditure that falls outside the delegations, or which is not provided for in the annual budget for USEL as approved by the Department;
- Incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- Making any significant change in the scale of operation or funding of any initiative or scheme previously approved by the Department;
- Making any change of policy or practice which has 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.

USEL will also provide an annual independent assurance to the Department on compliance with delegated authority limits, and on the completeness and accuracy of all associated reporting to the Department.

USEL'S SPECIFIC £10K CAPITAL DELEGATED AUTHORITIES

Capital Delegated limit of £10,000

The CEO of USEL shall have delegated authority of £10,000 for capital expenditure.

Whilst the delegated limit grants authority to USEL for capital expenditure under £10k, USEL will continue to complete an internal business case and liaise with Department's Finance team, via Disability and Work Branch, to ensure that sufficient capital budget is available before expenditure commitments are made by completion and submission of the '*Capital Below Delegated Limits Template*'. Requests for capital items should be accompanied by three separate quotes.

For all other capital items, a proportionate business case, accompanied by 3 quotes, should be submitted to the Department to support the proposed expenditure.

However, any novel and or potentially contentious proposals, regardless of the

amount of expenditure, require the approval of the Department and where applicable DoF. Subject to procurement limits, a procurement exercise may then need to ensue in line with public procurement guidance.

Resource Delegated Limit of £10,000

The CEO of USEL shall have delegated authority of £10,000 for resource expenditure. For expenditure below £10k USEL shall continue to complete proportionate business cases, maintain records of any associated quotes and business case approvals, and maintain a business case register of all business cases (regardless of value) which will be submitted to Departmental Sponsor Branch monthly for information and review.

Procurement Control limits

USEL is required to comply with the Northern Ireland Public Procurement Policy Statement

and Managing Public Money NI. For all procurement above £10,000, USEL must engage the Department's Central Business Unit (CBU). Construction & Procurement Delivery (CPD) must be used for procurement above £50,000, or earlier where required by category guidance. CPD's involvement is mandatory above procurement control thresholds or where mandated by category-specific rules.

No procurement activity should begin without an approved business case in line with USEL's delegated authority of £10,000.

USEL must not split purchases or disaggregate costs in order to circumvent the delegated or procurement control limits.

The delegation limits detailed above does not impact procurement, and USEL must continue to adhere to Public Procurement guidance. The current Procurement Control Limits are as follows:

Value (Exclusive of VAT)	Procedure
Up to £10,000	Provide evidence that 2 prices have been sought, where this is possible
£10,000 to £50,000	3 written quotes are sought, where this is possible
£50,000 - to UK thresholds ⁵	Advertise on eTendersNI
Above UK Thresholds	Advertise on eTendersNI and Find a Tender Service

Note: For some specialist supplies or services there may only be one supplier in the market. If this is the case, sufficient justification for not seeking a second price check should be documented.

⁵ Note that calculations to determine the UK Procurement Threshold are inclusive of VAT

Purchases up to £10,000, exclusive of VAT, are classified as procurement expenditure, but they are not subject to procurement rules. USEL must ensure these purchases are subject to value for money considerations and Managing Public Money Northern Ireland.

Engagement of Consultants

There is no delegated authority for spend on consultants. USEL shall adhere to the Department's Guidance on The Use of Consultants and the delegation limits therein.

USEL shall, on request from the Department, provide a 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.

Direct Award Contracts

The Department's Delegated Authority framework gives ALB Accounting Officers delegated authority for Direct Award Contracts under £30k. Further information on DACs is provided within the DfC Delegated Authority Framework at section 9.5.

Note that business case approval in line with USEL's delegated authority limits is required before a DAC can be issued to a contractor. (i.e. if a resource / service business case is valued over £10k then Departmental business case approval is required).

Direct Award Contracts should be used as a last resort option, and market testing is always the preferred approach. Care should be taken to avoid actual, potential or perceived conflicts of interest when awarding direct

award contracts.

Lease and Rental Agreements

USEL shall not enter into any new land or property leases or modify an existing land or property lease arrangement without prior approval of the Department. The NICS Asset Management Strategy should be referred to prior to considering any lease.

DEROGATION FROM PROCUREMENT

The DfC Accounting Officer has approved a derogation from the NIPPP in relation to USEL's procurement of raw materials for its industrial sewing division. The derogation relates only to the purchase of raw materials for industrial sewing and was granted on the basis that the purchase of raw material is reactive to the orders placed by USEL, therefore even though the total value exceeds the EU Threshold, USELs purchasing activity does not need to be aggregated as it is a response to demand. USELs approach therefore is not in breach of the regulations.

The derogation was granted on the understanding that USEL maintained controls to ensure that there is no conflict of interest.

The measures included existing policies which formalise controls to manage such risks, including:

- i. Conflict of Interest Policy;
- ii. Code of Conduct Policy;
- iii. Gifts and Hospitality Policy; iv. Bribery Policy; and v. Fraud Policy.

In addition, USEL provides assurance on conflict of interest within their Certificates of Assurance and submit to annual monitoring within assurance meetings alongside their

adherence to all other NIPPP principles.

Economic Appraisal

The principles of economic appraisal should be applied in all cases where expenditure is proposed, whether the proposal involves capital or resource expenditure, or both. The effort put into economic appraisals should be commensurate with the size/importance of the expenditure under consideration. Spending commitments should not be entered into until a proportionate business case/economic appraisal has been completed, and the appropriate approvals are in place.

A full business case should be prepared and submitted to the department for approvals for all external consultancy assignments expected to exceed £10k. A proportionate business case should be completed for all assignments below this threshold. The most recent guidance on completing business cases must be followed (Currently FD (DfP)) 07/12 refers), which advised of the need for an evaluation of the consultancy expenditure.

USEL should ensure compliance with the relevant Procurement Guidance Notes when purchasing all goods and services.

Disposal of Surplus Equipment

In all cases disposal must be at current market value by public auction or another public process unless otherwise agreed with the Department. Prior approval of DfC is required for the disposal of any asset/surplus equipment with a value in excess of £5k.

Any proceeds from the disposal of assets/surplus equipment, or an appropriate proportion of them if the grant provided by

the Department was for less than the whole cost of the acquisition or improvement, must be declared to the Department as soon as possible.

Approval of Information Technology Projects

The approval of Information Technology / Information Communication Technology (IT)) projects should include the staffing and other resource implications.

The principles of appraisal, evaluation and management apply equally to proposals supported by IT to all other areas of public expenditure. IT enabled projects should be appraised and evaluated according to the general guidance in the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE) and managed using the most recent Successful Delivery (NI) guidance.

The purchase of IT equipment and systems must be in line with the guidance on Procedures and Principles Application of Best Practice in Programme/Project Management (PPM) and be subject to competitive tendering unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the project, and in line with the relevant Procurement Guidance Notes.

LOSSES AND SPECIAL PAYMENTS

The Chief Executive, with prior approval from the Department, will have the authority to write off losses and make special payments up to:

- a. Cash losses – up to £5,000 per case/incident

- b. Stores/Equipment losses – up to £5,000 per case/incident
- c. Constructive losses and fruitless payments – up to £5,000 per case.
- d. Compensation payments:
 - i. Made under legal obligation, e.g., by Court Order – up to £5,000 per case plus reasonable legal expenses
 - ii. For damage to personal property of staff – up to £5,000 per case
 - iii. Where written legal advice is that USEL should not fight a court action because it is unlikely that it would win – up to £5,000 per case
- e. Claims abandoned or waiver of claim – up to £5,000 per case
- f. Extra contractual payments – up to £5,000 per case
- g. Ex gratia payments – up to £5,000 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 the Department must be obtained for amounts above these values.

Where total losses exceed £5,000 in any financial year, an explanatory note should be included in USEL's accounts.

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 Chief Executive, and the Department, where appropriate.

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

ANNEX 7 Annual Engagement Plan

Partnership Agreement

A positive working relationship is essential in any partnership, and this is particularly important as USEL continues to evolve within the framework of a Non-Departmental Public Body (NDPB). USEL delivers a blend of statutory and trading activities, and its operating model requires a balance of commercial acumen and public accountability.

A shared understanding of objectives, financial governance, and delivery priorities between USEL and the Department will ensure alignment and effective joint working. Trust, transparency, and mutual respect remain central to the ongoing success of the partnership. This engagement plan has therefore been prepared after taking account of USEL performance and governance, and to be proportionate in context. The plan will be reviewed as follows

REVIEW OF PARTNERSHIP AGREEMENT		
Item and Purpose	Date	Lead Departmental/ALB Official
Light touch Review of Partnership Agreement <ul style="list-style-type: none"> DfC to arrange following end of business year Collaborative development and updating of engagement plan for year ahead. 	Schedule following end of the Business Year	<ul style="list-style-type: none"> DfC – Director of Work and Wellbeing USEL – Chair of Board
Formal Review of the Partnership Agreement <ul style="list-style-type: none"> DfC to arrange formal review Collaborative development and updating of engagement plan for year ahead. 	To be conducted once every three years	<ul style="list-style-type: none"> DfC – Director of Work and Wellbeing DfC Head of Governance USEL – Chair of Board
Interim updating of Partnership Agreement <ul style="list-style-type: none"> As needs arise, DfC to arrange for Partnership Agreement to be updated 	As required	<ul style="list-style-type: none"> DfC – Director of Work and Wellbeing USEL – Chair of Board USEL – Chief Executive Officer

Strategic and Business Planning

The Department and USEL will work closely together to ensure close and ongoing alignment of strategic and business planning. USEL will be included in all relevant Departmental Forums. USEL will extend invitations to appropriate Departmental officials to relevant planning and other strategic forums that it convenes. The precise nature

of the forums, and appropriate Departmental attendance, will be agreed taking account of relevant factors. In all cases, departmental attendance will be to assist alignment of USELs and Departmental strategic work, recognising the governance structures already in place in USEL.

STRATEGIC AND BUSINESS PLANNING		
Activity	Date / Frequency	Lead Departmental / ALB Official
Strategic Planning Meeting <ul style="list-style-type: none"> USEL Strategic Priorities for coming year How do these align with Departmental priorities? Engagement on budget requirements and Forecast Expenditure for the Financial Year 	Once per year (This may be included as part of Q4 Assurance meeting)	<ul style="list-style-type: none"> DfC – Director of Work and Wellbeing DfC - Head of Disability and Work Branch USEL- CEO USEL – Chair of Board
Approval of USEL's Business Plan	31 March of the preceding year (Subject to approval process for NI Budgets)	<ul style="list-style-type: none"> DfC – Director of Work and Wellbeing USEL – CEO DfC – Sign-off by Minister

Governance and Assurance

This is a very important area for the department and USEL. Engagement will be close and ongoing, to avoid any surprises for either organisation. It will however also be proportionate and reflect the standards of corporate governance displayed by USEL. The table

below includes standing engagement meetings. Departmental officials will attend USEL ARAC meetings as appropriate, and the Sponsor Branch will be provided with minutes for all such meetings and Board and Subcommittee meetings in a timely manner.

GOVERNANCE AND ASSURANCE		
Activity	Date / Frequency	Lead Departmental / ALB Official
Ministerial Meeting	Once per year <ul style="list-style-type: none"> This may be delegated by Minister to DfC Accounting Officer. Should diary pressures preclude Minister meeting with USEL, the Q4 Assurance Meeting will maintain governance and assurance until a time that a Ministerial meeting is arranged. 	<ul style="list-style-type: none"> DfC – Minister DfC – Director of Work and Wellbeing (or delegated to head of Sponsor Branch) USEL – Chair of Board
Bi-annual Assurance Statement	Bi-annually in October and April	<ul style="list-style-type: none"> DfC – Head of Disability and Work Branch USEL – CEO
Assurance Meetings <ul style="list-style-type: none"> To include monitoring of organisational performance, in relation to business plan objectives, governance and risk 	Quarterly	<ul style="list-style-type: none"> DfC – Director of Work and Wellbeing DfC – Head of Disability and Work Branch DfC Sponsor Branch USEL – CEO USEL – Chair USEL – Finance Officer

Governance Meetings	Monthly	<ul style="list-style-type: none"> • DfC – Head of Disability and Work Branch • DfC – Sponsor Branch • USEL – CEO • USEL – Head of HR, Finance, Procurement
Presentation to USEL Board on DfC priorities and discussion on USELs contribution	Annually	<ul style="list-style-type: none"> • DfC – Director of Work and Wellbeing (or delegated to head of Sponsor Branch) • USEL – Board Chair and SMT
Planning for the externally facilitated Review of USEL Board and Subcommittees – Effectiveness in respect of identifying a facilitator	External (every three years)	<ul style="list-style-type: none"> • DfC – Head of Governance • DfC – Director of Work and Wellbeing • USEL – Board Chair
Departmental Attendance at ARAC	Attendance as observer at least once per annum.	<ul style="list-style-type: none"> • DfC – Sponsor Branch
Annual Report and Accounts which includes: <ul style="list-style-type: none"> • Governance Statement • Report to those charged with Governance • ARAC annual report to the Board 	Annually	<ul style="list-style-type: none"> • DfC – Sponsor Branch • DfC – Director of Work and Wellbeing • DfC – Accounting Officer • DfC – Minister • USEL – Board Chair • USEL – CEO and SMT
Internal audit: <ul style="list-style-type: none"> • Reports • Annual Report • Strategy and Plans • External Quality Assessment 	At ARAC meetings Annually Annually Every 5 years	<ul style="list-style-type: none"> • DfC – Director of Work and Wellbeing • USEL – Board and SMT
Papers and draft minutes of Board and ARAC meetings provided to Branch	Papers in advance and minutes within 5 working days of meetings	<ul style="list-style-type: none"> • DfC – Sponsor Branch • USEL – SMT

CEO Recruitment

The USEL Board will have led responsibility for the recruitment of the CEO as and when required and will engage with the Senior Sponsor and other in the Department as required to ensure Departmental input to requirements, recognising the CEO's role as Accounting Officer.

CHIEF EXECUTIVE RECRUITMENT		
Activity	Date	Lead Departmental / ALB Official
Chief Executive Recruitment <ul style="list-style-type: none"> • Chair to notify DfC. • Chair to develop and commence recruitment plans in conjunction with DfC. • Board appoints candidate in consultation with DfC and sets strategic objectives. 	As required	<ul style="list-style-type: none"> • DfC – Director of Work and Wellbeing • DfC – Disability and Work Branch • USEL – Chair of Board

Board Appointments

The Department will lead the appointment of board members to the USEL Board as set out in the Public Appointments process. The department will engage with the USEL Chair on the skills needs for Board members. the Department will be included in induction sessions for new Board members to share information on strategic matters and governance requirements.

BOARD APPOINTMENTS		
Activity	Date / Frequency	Lead Departmental / ALB Official
Board Appraisals <ul style="list-style-type: none"> • Outcome of the Review of Board Effectiveness • Board member appraisals by Chair • Chair appraisal by G5 • Training needs assessment of board members and Chair 	Once per year	<ul style="list-style-type: none"> • DfC – Governance Unit • USEL – Chair of Board • DfC – Director of Work and Wellbeing
Recruitment for additional Board Members <ul style="list-style-type: none"> • Convene panel • Launch Competition • Interview • Ministerial selection and appointment 	As required	<ul style="list-style-type: none"> • DfC – Director of Work and Wellbeing • DfC – Governance Unit • DfC – Disability and Work Branch • USEL – Chair of Board
Board / subcommittee public appointment induction training	As Required (within 6 months of appointment)	<ul style="list-style-type: none"> • USEL – Chair of Board and Board members • DfC – Sponsor Branch

Budget Management

Recognising that USEL finances form part of overall Departmental spend, there will be close engagement between the Department and USEL, to ensure that accurate, robust and timely information on budgets, consequences and outturn projections are provided and tested. This will include monthly cash forecasts and returns for Monitoring Rounds as follows:

BUDGET MANAGEMENT		
Item and Purpose	Date	Lead Departmental/ALB Official
<p>Departmental approval of the annual budget</p> <ul style="list-style-type: none"> Submission of annual budget requirements by USEL. Departmental approval and notification of the annual budget to USEL 	<p>By March of the preceding year</p> <p>(Or in line with Departmental Budgets bring agreed)</p>	<ul style="list-style-type: none"> USEL – CEO DfC – Director of Work and Wellbeing DfC – Finance
<p>Resource Monitoring</p> <ul style="list-style-type: none"> Monthly resource consumption reports Monitoring and approval of cash drawdowns Monthly budget meetings Monitoring round returns Provisional / final 	<p>8th working day of each month.</p> <p>3 time per year – June, September, December / January</p>	<ul style="list-style-type: none"> USEL – CEO USEL – Head of Finance DfC – Disability and Work Branch DfC – Finance
Procurement Forecasting Return	Monthly	<ul style="list-style-type: none"> USEL – Head of Finance DfC – Disability and Work Branch
Pay Remit	Annually for weekly and monthly paid staff	<ul style="list-style-type: none"> DfC - Approved by DfC Minister DfC – Work and Wellbeing Director DfC – Finance / Economist USEL – Head of Finance USEL – CEO
Business Cases for additional expenditure approvals	As required	<ul style="list-style-type: none"> DfC – Work and Wellbeing Director DfC – Finance / Economist USEL – Head of Finance USEL – CEO DoF – Supply Branch

Other Requirements

A number of activities/returns which do not fit clearly in any of the above categories are set out in the table below:

OTHER REQUIRMENTS		
Activity	Frequency/Timing	Lead Departmental / ALB Officials
DfC Consultation on any emerging disability employment strategic direction and provision	Ongoing as required	<ul style="list-style-type: none"> • USEL – CEO • DfC – Director of Work and Well being • DfC – Head of Disability and Work Branch
Transition Plan/ Baseline Commercial Review (Subject to Requirement) <ul style="list-style-type: none"> • Development of a transition plan for USEL • Approval by Minister • Monitoring and reporting against milestones. • Baseline Commercial Review of USEL • 5 Year Strategic Plan incorporating recommendations of Commercial Review 	As required	<ul style="list-style-type: none"> • DfC – Head of Disability and Work Branch • DfC – Disability and Work Branch • USEL – CEO • USEL – Chair of Board
Accounting Officer – Fitness to Act as Accounting Officer	Annual request from the departmental Accounting Officer	<ul style="list-style-type: none"> • DfC – Permanent Secretary • USEL Accounting Officer

<p>Fraud Reporting - reporting of proven, suspected or attempted fraud.</p> <ul style="list-style-type: none"> USEL to report frauds immediately to DfC DfC to report to DoF and C&AG. 	<p>Immediate reporting of all frauds (proven or suspected including attempted fraud). Department will report frauds immediately to DoF and C&AG.</p>	<ul style="list-style-type: none"> DfC – Head of Governance DFC – Work and Wellbeing Director USEL – CEO USEL - Chair of Board
<p>Fraud Reporting Annual Fraud and Theft Reporting</p>	<p>Annual fraud returns commissioned by DoF on fraud and theft suffered by USEL. To be received by deadline set by DfC Governance Branch.</p>	<ul style="list-style-type: none"> DfC - Head of Governance USEL - Finance & Governance Director
<p>Media management protocols – independence of ALB to engage with media/announcements of corporate and policy communications significant to ALB - arrangements to share press releases where relevant – ensure no surprises</p>	<p>As required during the year</p>	<ul style="list-style-type: none"> DfC – Head of Disability and Work Branch DfC - Communications/Press Office USEL – CEO
<p>Whistleblowing cases/ Speaking Up/Raising Concerns.</p>	<p>If/when they arise</p>	<ul style="list-style-type: none"> DfC -Head of Governance DfC – Director of Work and Wellbeing USEL – CEO
<p>Right of access to documentation (including 3rd party) held by USEL for audit, investigation and other purposes</p>	<p>Ad hoc</p>	<ul style="list-style-type: none"> DfC - Head of Work and Wellbeing USEL - SMT

Intermediate reviews, to address specific points, can be initiated as required within the cycle above.

ANNEX 8 Relationship between USEL and Sponsor Department (DfC)

A positive working relationship is essential in any partnership, and this is particularly important as USEL continues to evolve within the framework of a Non-Departmental Public Body (NDPB). USEL delivers a blend of statutory and trading activities, and its operating model requires a balance of commercial acumen and public accountability. A shared understanding of objectives, financial governance, and delivery priorities between USEL and the

Department will ensure alignment and effective joint working. Trust, transparency, and mutual respect remain central to the ongoing success of the partnership.

To that end both organisations agree to demonstrate the following characteristics and behaviours to build and maintain the relationship between USEL and the Department.

Characteristics and Behaviours

Characteristic	Behaviour
Trust	<ul style="list-style-type: none"> Trust that each partner is working with integrity to the mutual advancement and protection of their partner's organisational aims and objectives. Feeling comfortable discussing successes and failures. Contribute to the development of a safe space for sharing information and seeking input from others. Allowing others to fulfil their roles without unnecessary oversight. Doing what we say we will do.
Respect	<ul style="list-style-type: none"> Showing respect to others and being considerate. Participate constructively and respectfully during discussions. Showing appreciation for the effort of others. Be transparent about your opinion, while respecting others right to have a different opinion.
Honesty & integrity	<ul style="list-style-type: none"> Approach issues in a positive manner, seeking to initially problem solve, rather than close down. Keep your word – follow through on commitments and responsibilities. Be up front, conveying reality and seeking assistance when required. Taking responsibility for your actions and own up to mistakes.

Empathy	<ul style="list-style-type: none"> • Show empathy and understanding for each other's perspective and position. • Actively listen to others. • Approach colleagues concerns with an open mind, do not make assumptions.
Effective Communications	<ul style="list-style-type: none"> • Ensure information is communicated and shared openly and in a consistent and timely manner. • Understanding when certain methods of communication are more appropriate and timelier than others. • Having regular and informal discussions alongside formalised communications and Assurance meetings. • Being respectful in all engagements, creating space for open and honest discussions. • Using "rich communication" (e.g., face-to-face meetings) for more sensitive matters. • Using "lean communication" (e.g., memos) for routine matters.
Consistency and Reliability	<ul style="list-style-type: none"> • Being attentive to partnership deliverables, offering advice and flexing resources to adjust work plans were possible, in times of need. • Fulfil assigned tasks in a timely manner and to a high standard • Being aware of individual roles and how they affect other functions and people in the practice. • Active engagement and a commitment to going the extra mile to complete tasks. • Adjusting workplan in response to changing priorities.

ANNEX 9 Role of Minister

Role of the Minister

The Chair of USEL is responsible to the Minister. Communication between the Board /Sub committees and the Minister should normally be through the Chair.

The Departmental Accounting Officer is responsible for advising the relevant Minister on several issues including USEL objectives and targets, budgets and performance.

In addition to being answerable to the Assembly, the Minister is also responsible for:

- Setting the strategic direction and overall policies and priorities for the ALB as reflected in the PfG;
- Approving the ALB's Business Plan;
- Keeping the Assembly informed about USEL's performance;
- Setting the ALB's budget; and
- Appointment of non-executive board members. The Minister may also be involved in considering the size and composition of the USEL Board – see para 15.3.

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