

THE ACCOUNTABILITY FRAMEWORK

1. The mechanisms for ensuring effective implementation of procurement policy and accountability are discussed under the headings of:
 - Guiding Principles;
 - Accounting Officers;
 - Audit; and
 - Assembly Scrutiny.

Guiding Principles

2. Public Sector bodies are contracting authorities under terms of EC Directives implemented in the UK by domestic Law. In this context, the Department of Finance and Personnel (DFP) issues accounting/accountability guidance to the public sector in a number of forms. The main vehicle is Government Accounting Northern Ireland (GANI), supplemented by Dear Accounting Officer (DAO) and Dear Permanent Secretary (DPS) letters. GANI sets out the principles of government accounting that have developed and become established over a number of years. It includes a section that is devoted to guidelines on the purchasing of goods, services and contracts. In addition, specific guidance on the use of consultants is contained in DPS 2/95. DAOs 12/97 and 16/97 deal with Economic Appraisal and Evaluation and the approval and management of projects respectively. The principles of GANI, DAO letters and DPS letters apply to Departments, Agencies and NDPBs (including Education and Library Boards).
3. Whilst GANI and Dear Accounting Officer letters do not extend to Health Trusts, Boards and special Agencies, DHSSPS issues similar guidance to those bodies in regard to the purchasing of goods and services.
4. Councils exercise purchasing arrangements within the bounds of a number of requirements set out in the Local Government Act (Northern Ireland) 1972 and other Local Government legislation/regulations and such arrangements and their accounts are subject to statutory audit by local government auditors. The Department of the Environment is currently engaged in consultation on Best Value legislation for Local Government in Northern Ireland.

Accounting Officers

Appointment

5. A key element of the accountability framework in ensuring the proper conduct of business and safeguarding of public money is the role of the Accounting Officer. DFP appoints the most senior official in a Department as the Accounting Officer to be responsible for Departmental expenditure.
6. DFP may, in certain cases, appoint other senior officials as Accounting Officers for defined parts of a Department's accounts. In such cases, the head of the Department will be the principal Accounting Officer and the other accounting officers will be called additional Accounting Officers. Certain kinds of Accounting Officer appointment are made by the relevant Departmental Accounting Officer – in particular the Chief Executives of Agencies and the Chief Executive or the senior official of an executive Non-Departmental Public Body (NDPB).
7. Within the Health Service, the senior official in NHS Trusts and Health Boards is designated as 'Accountable Officer' (with similar roles and responsibilities as Accounting Officer).
8. The Local Government Act (Northern Ireland) 1972 requires district councils to designate an officer as its chief financial officer (equivalent to an Accounting Officer) who is responsible for ensuring save and efficient financial arrangements, and in most councils' this is the Chief Executive. The chief financial officer is also responsible for the preparation of the council's annual statement of accounts.

Withdrawal of Accounting Officer Status

9. The decision to appoint a Chief Executive of a NDPB normally rests with the Board, but the decision to designate the Chief Executive as the NDPB Accounting officer is the responsibility of the parent Department's Accounting Officer alone. It is also possible for the parent Department's Accounting Officer to withdraw the Accounting Officer status from the Chief Executive of an NDPB if they feel that either they are no longer a fit person to carry out the responsibilities of an Accounting Officer or it is otherwise in the public interest to do so.

The same arrangements apply between the principal Accounting Officer in DHSSPS and Accountable Officers in NHS Trusts, Health Boards and Special Agencies.

Audit

10. In order to ensure adequate transparency of the conduct of public business, all public bodies are subject to a wide range of audit scrutiny.

Departments, Agencies and NDPBs

11. Each public sector body will be expected to make provision for an internal audit service with responsibility for giving assurance to the Accounting Officer on the internal control system. This will include reference to the extent to which the organisation is in compliance with extant guidance.
12. The Comptroller and Auditor General (C&AG) carries out on behalf of the NI Assembly the statutory certification audit of the following accounts:
 - all appropriation accounts (with the exception of NIAO);
 - accounts of Agencies;
 - accounts of certain NDPBs and other public bodies;
 - a number of other miscellaneous accounts.

If during these audits, the C&AG should find any issues that he feels should be brought to the attention of the NI Assembly, he may report to it as he sees fit. This includes serious breaches of extant guidance.

13. The Comptroller and Auditor General may also, at his discretion, carry out examinations of the economy, efficiency and effectiveness in to a wide range of public bodies, the services they provide and the way in which they conduct business.
14. Where a NDPB receives a significant proportion of its income from public funds, but where the C&AG is not the appointed auditor, he may be given the right of access to inspect the books and the records of the body involved.

Health and Personal Social Services

15. Health Service Audit undertakes the financial audit of Trusts and Health Boards. In practice DHSSPS procure the services of the private sector to carry out the audit of the HPSS sector. In conducting their examinations auditors have regard to the extent to which the guidance issued by DHSSPS may have been breached. Once audited, the accounts are sent to the Department who then prepare a set of 'Summarised Accounts' that are forwarded for inspection by the C&AG. On inspection the C&AG may report any issue to the NI Assembly. However, the C&AG will have full access rights to these bodies.

Local Government

16. The Local Government Audit Office examines and certifies the accounts of the 26 District Councils in Northern Ireland (and a number of NDPBs). Criticism of failure to adhere to statutory requirements or the accounting procedures and standards contained in the Code of Practice on Accounting for Local Authorities is brought to the attention of the relevant Councils for consideration and review, and if necessary can be included in the formal report to the Department.
17. The C&AG has no role in relation to Local Government accounting in Northern Ireland, but the Local Government auditor has power to apply to the courts for a declaration where expenditure is considered unlawful. He can also seek to recover sums from Officers and Members where it is considered that there has been a loss due to 'wilful misconduct' of individuals. Local Government auditors also have statutory powers of intervention through the issue of 'prohibition orders' and the power to seek judicial review.

Assembly Scrutiny

18. The Public Accounts Committee has a statutory function to consider the accounts and reports of the C&AG laid before the Assembly, and it has the power to send for persons, papers and records and to report from time to time.
19. The 'persons' referred to above are normally Departmental, Agency and NDPB Accounting Officers - the Departmental Accounting Officer would normally accompany the latter. However, the Committee may call other witnesses as appropriate. Accounting Officers are required to appear before the PAC to provide answers to questions arising from their responsibilities.
20. Under current arrangements the C&AG nor the Assembly have a direct scrutiny role in relation to the financial activities of District Councils which are subject to separate audit by local Government auditors. However the Local Government auditor's statutory audit report, which is available to local electors, is sent to the Department who may follow up with a council any issues raised.