DEPARTMENT OF HEALTH

DEPARTMENTAL BOARD

OPERATING FRAMEWORK /TERMS OF REFERENCE

Context

1. The Department of Health’s mission is to improve the health and social well-being of the people of Northern Ireland. It is responsible for establishing policies, legislation, standards, priorities and targets aimed at ensuring high quality, Value for Money (VFM) services for users and taxpayers alike through:
   - Establishment of strategic priorities.
   - Policy maintenance and support for the Minister/Assembly.
   - Securing resources and contributing to joined-up government.
   - Commissioning a comprehensive range of modern and effective Health and Social Care Services.
   - Performance managing Health and Social Care.
   - Effectively deploying and managing annual funding from the NI Executive.
   - Policy/legislation/standards - development and review.
   - Professional leadership.
   - Governance of Arm’s Length Bodies (ALBs) – managing performance to ensure that policies and outcomes are delivered, ensuring good VFM.
   - Corporate capacity to fulfil statutory and other Departmental responsibility.

2. The functions of the Department of Health (DoH) are exercised at all times subject to the direction and control of the Minister of Health. The Minister is

accountable to the Assembly for the policies, decisions and actions of the Department, including its ALBs.

3. Under the Minister, the Permanent Secretary, as Accounting Officer, is accountable to the Assembly for the management and organisation of the Department, including its use of public money and the stewardship of its assets. The responsibilities of an Accounting Officer are set out in the Department of Finance (DoF) publication Managing Public Money Northern Ireland[1] (as periodically updated).

4. The Accounting Officer is supported in discharging his/her roles and responsibilities by the Departmental Board. The Departmental Board operates in line with best practice from HM Treasury on corporate governance.

Corporate Governance Code

5. The updated Corporate Governance in Central Government Departments: Code of Good Practice (NI)[2] (the Code) was published by DoF in February 2025. This Code seeks to promote good corporate governance in Northern Ireland Civil Service (NICS) Departments.

6. Departments are required to adhere to the principles of the Code on a "comply or explain" basis, with reasons for departure from the Code to be explained in Departments' Governance Statements.

[1] https://www.finance-ni.gov.uk/articles/managing-public-money-ni-mpmni
[2] https://www.finance-ni.gov.uk/sites/default/files/2025-02/daodof0225att.pdf

7. The Code states that Departmental Boards should meet on at least a quarterly basis and advise on five main areas:

- **Strategic Clarity** – setting the vision and/or mission and ensuring all activities, either directly or indirectly, contribute towards it; long-term capability and horizon scanning, ensuring strategic decisions are based on a collective understanding of policy issues; using outside perspective to ensure that Departments are challenged on the outcomes.

- **Commercial Sense** – approving the distribution of responsibilities; advising on sign-off of large operational projects or programmes; ensuring sound financial management; scrutinising the allocation of financial and human resources to achieve the plan; ensuring organisational design supports attaining strategic objectives; setting the Department's risk appetite and ensuring controls are in place to manage risk; evaluation of the Board and its members, and succession planning.

- **Talented People** – ensuring the Department has the capability to deliver and to plan to meet current and future needs.

- **Results Focus** – shaping the Departmental Business Plan, including strategic aims and objectives; monitoring and steering performance against plan; scrutinising performance of ALBs; and setting the Department's standards and values.

- **Management Information** – ensuring clear, consistent, comparable performance information is used to drive improvements.

Remit of the Departmental Board

8. The Board provides the collective strategic and operational leadership of the Department. It is advisory in the sense that it provides advice to the Department on issues within its remit, such as strategy and deliverability of policies; and it is supervisory in the sense that it scrutinises reporting from the Department on performance and challenges the Department on how well it is achieving its objectives.

9. The Board does not decide policy or exercise the powers of Ministers. The Department’s policy is decided by Ministers alone, with advice from officials. The Board advises on the operational implications and effectiveness of policy proposals, focusing on getting policy translated into results through the business planning process.

10. The Board supports the Minister, Accounting Officer and senior officials in directing the business of the Department as effectively and efficiently as possible to achieve objectives and priorities, and with a view to the long-term health and success of the Department. It also supports the Accounting Officer in the discharge of obligations set out in Managing Public Money Northern Ireland for the proper conduct of business and maintenance of ethical standards.

11. The Board will operate according to recognised precepts of good corporate governance in business: leadership, effectiveness, accountability and sustainability.

12. Within the overall policies and priorities established by the Minister, and subject to his/her approval, the remit of the Board and its members is to:

- Set the Department's standards and values and support actions to ensure that officials comply with the NI Civil Service Code of Ethics[3].

- Agree the Department's strategic aims and objectives as set out in the Departmental Business Plan.

- Oversee sound financial management and corporate governance of the Department in the context of the Departmental Business Plan.

- Ensure that the Department's reporting obligations to the Assembly are met effectively and efficiently, including any reporting to DoF that may be required to allow it to exercise its role in relation to resources.

- Oversee the allocation and monitoring of the Department's financial and human resources to achieve the aims and objectives set out in the Departmental Business Plan.

- Monitor and steer the Department towards the achievement of agreed performance objectives as set out in the Departmental Business Plan.

- Scrutinise the governance and strategic performance of ALBs.

- Set the Department's 'risk appetite' and ensure appropriate risk management procedures are in place.

- Oversee the preparation of the Department's Governance Statement for publication with its Annual Accounts each year.

[3] www.finance-ni.gov.uk/articles/nics-code-ethics-html-version

Matters Reserved for the Departmental Board

13. The range of matters reserved for consideration by the Departmental Board includes:
    - Agreement, monitoring and amendment of the Departmental Business Plan and Risk Register.
    - Corporate governance, accountability and risk management.
    - Governance of ALBs, including annual risk assessment.
    - Updates on Programme for Government.
    - Resource monitoring and financial control.
    - Corporate human resource monitoring.
    - Corporate communications.
    - Establishment, dissolution and oversight of committees.

14. A standard agenda template is set out in **Annex A**. While there will be standing agenda, items the Board may also commission specific pieces of work.

15. Other papers may be circulated by written procedure unless, by exception, they require specific discussion at the Departmental Board.

16. Day to day operational matters will be delegated to Directors and Heads of Division within the Department but the Board should receive exception reports for approval or decision as necessary.

Written Procedure Papers

17. The following are suitable for clearance by written procedure:
    - Papers requiring corporate approval but not considered controversial or requiring Board discussion.

- Clearance of amendments to a paper following discussion at a Board meeting.
- Papers providing additional information following discussion of an item at an earlier Board meeting (unless further discussion is required).
- Papers which are for information or noting only and do not require clearance e.g. Departmental Audit and Risk Assurance Committee updates, Research and Development updates, Information Governance papers.

18. Board members have normally 10 working days to respond. All comments must be forwarded to the Board Secretariat who will liaise with the author of the paper. Where a paper has received a number of comments it will be amended for recirculation or forwarded to the Permanent Secretary for final approval as appropriate.

19. In situations where there is fundamental disagreement, or issues that cannot be resolved, it may be necessary to refer the paper to a Departmental Board meeting for a decision.

20. Board members are updated at each meeting as to which papers have been cleared by written procedure, and this is also recorded in the Board minutes.

Roles and Responsibilities

Permanent Secretary

21. The Permanent Secretary is the Minister's principal adviser across the full range of his/her Ministerial responsibilities. In terms of the Department's

corporate governance arrangements, the Permanent Secretary is the Head of the Department and Chair of the Departmental Board. The Permanent Secretary is also the Accounting Officer for the Department.

22. Accounting Officers should routinely scrutinise significant policy proposals or plans to start or vary major projects and then assess whether they measure up to the standards set out in MPMNI so that any discrepancies can be drawn to the attention of the responsible minister to see if they can be resolved.

23. The role of the Chair of the Departmental Board is to:

- Provide leadership to the Board and steer the Department by facilitating collective working.
- Facilitate Board meetings and maintain a high standard of discussion and debate.
- Enable all members to make a full contribution to the Board's affairs.
- Ensure that systems are in place to provide Board members with the support they need to carry out their role effectively, including the provision of accurate and timely, quality information to allow the Board to properly consider all matters brought before it.
- Sum up Board debates and seek agreed decisions.
- Ensure that a review of Board effectiveness is carried out in line with HM Treasury guidance.
- Ensure adherence to the "comply or explain" principle set out in the Corporate Governance Code, including reporting within the Departmental Governance Statement.
- Notify the Board of any significant issues which may impact on the Department's leadership, medium-term capability and significant risks to delivery of policy, along with mitigating actions taken.
- Disclose all Ministerial Directions to the Board at the next meeting.

Executive Board Members

24. The role of Executive Board members (EBMs) is to:
    - Challenge and support other Board members in a corporate way and not merely represent their own functions.
    - Ensure appropriate and timely information is being provided to the Board.
    - Alert the Board of any matters that threaten the regularity, propriety, or VFM with which the Department carries out its business.
    - Notify the Board of any significant issues which may impact on the Department’s leadership, medium-term capability and significant risks to delivery of policy, along with mitigating actions taken.

Non-Executive Director Members

25. The Departmental Board has two Non-Executive Director (NED) members who exercise their role through influence and advice, supporting as well as challenging the executive. They will:
    - Support the Accounting Officer in his/her role as Chair of the Board.
    - Advise on performance (including agreeing key performance indicators).
    - Advise on operational issues, including the operational and delivery implications of policy proposals.
    - Advise on adherence to relevant standards (e.g., commercial, digital).
    - Advise on the effective management of the Department.
    - Actively participate in the formulation of business planning and risk management.
    - Provide support, guidance and challenge on the progress and implementation of the Departmental Business Plan. Actively

participate in, and challenge, the financial planning of Departmental budgets.

- Provide support, guidance and challenge in relation to recruiting, appraising and ensuring appropriate succession planning of senior executives.
- Be the Chair or a member of the Departmental Audit and Risk Assurance Committee.
- Challenge and support other Board members in a corporate way and not merely as representatives of their stakeholder group.
- Devote sufficient time to understand the organisation and its sector to properly contribute to discussions and provide support and challenge.
- Meet with other NED Board members across government to share best practice and ensure the Department learns from the successes and failures of comparable organisations.
- Report their views in their own section of the Department's Annual Report.
- Feed their views back to the Minister, as required.
- Provide advice, support and informal ongoing feedback to the Department's Permanent Secretary and other Executive Board members.
- Take on any other responsibilities as agreed with the Chair.

26. The Permanent Secretary is responsible for the appointment of Executive and NED members. NEDs will be drawn from either a central NICS pool or recruited via appropriate competitions undertaken by one or more Departments and subject to a formal, rigorous and transparent selection procedure in line with good practice and guidance. The Corporate Governance Code states that the NED members should meet alone with the Accounting Officer from time to time.

Board Secretariat

27. Finance Directorate provides the Board Secretariat function. The Secretariat is responsible for:
    - The quality and format of Board papers.
    - Advising and supporting on governance matters.
    - Assuring that the Board complies with the Terms of Reference that are set in the context of the Corporate Governance Code.
    - Acting as the contact points for the NEDs.
    - Co-ordinating the induction of new members.
    - Logistics, minute taking, following up action points etc.

28. The Board Secretariat has developed detailed guidance on the timing, format and presentation of papers.

Stakeholders

29. The Board invites stakeholders to attend the Departmental Board as appropriate.

30. The Board is responsible for communicating its decisions to staff and relevant stakeholders. The method of communication will vary depending on the issue and will be co-ordinated by the Board Secretariat on behalf of the Departmental Board.

Membership

31. The Departmental Board is chaired by the Permanent Secretary and membership comprises:

- Permanent Secretary
- Chief Medical Officer
- Deputy Secretary, Resources & Corporate Management Group
- Finance Director, Resources & Corporate Management Group
- Chief Digital Information Officer
- Deputy Secretary, Social Care & Public Health Policy Group
- Deputy Secretary, Healthcare Policy Group
- Deputy Secretary, Strategic Planning and Performance Group
- Deputy Secretary, Workforce and Transformation Policy Group
- Chief Nursing Officer
- Chief Social Work Officer
- Two NED members

32. The NICS Human Resources (HR) Business Partner will be invited to attend as required and the Board Secretariat normally attends all meetings. The Head of Internal Audit should periodically be invited to attend Board meetings where key issues are discussed relating to governance, risk management processes or controls across the Department and its ALBs. The Minister's Special Adviser (SpAd) has a right of attendance at Departmental Board meetings and receives copies of Board papers for information. Officials from the Department or its ALBs may be called to attend meetings as appropriate.

33. On joining the Board, all new members will receive an appropriate induction programme. This is co-ordinated by the Board Secretariat.

34. The overall membership and composition of the Board is kept under review as part of a regular evaluation process. The mix and balance of skills and understanding should be reviewed periodically, and at least annually as part of the Board effectiveness evaluation.

35. A record of attendance for individual Board members is kept and disclosed in the Department's Governance Statement.

Meetings

36. The Board normally meets every two months. In the absence of a Board member, the Chair will decide whether a suitable replacement should be in attendance. If the Permanent Secretary is absent, he or she will nominate another member to chair the meeting. A minimum of four members, including one NED member, is required for the meeting to be deemed quorate.

Committees

37. The Board may establish committees to oversee and/or provide advice on specific areas of work and to carry out some of its activities. The need for further committees is kept under continuous review. The chairmanship, membership and terms of reference of such committees is a matter for the Departmental Board. The Board should receive regular reports from its committees and be able to consider decisions formally.

38. The Departmental Board has an **Audit and Risk Assurance Committee** (DARAC) in line with HM Treasury guidance. The remit of DARAC is to support the Board and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances and financial statements. Membership of DARAC comprises the two NED Board members – one as Chair and other as member - and two

external members, with relevant current public sector finance/governance experience and qualifications.

39. The Terms of Reference for DARAC are available from the Board Secretariat and can be accessed via the Departmental website[4].

40. The Departmental Board also has a **People and Organisational Development (POD) Sub-Committee.** It operates under delegated authority from the Board and provides assurance to the Accounting Officer on people, organisational development and associated resource matters. It supports the Accounting Officer and the Board in the strategic management, oversight and deployment of the Department's NICS workforce (excluding Senior Civil Service resourcing) within agreed budgetary limits. Membership of the POD Sub-Committee comprises the Deputy Secretary for the Resources and Corporate Management Group (Committee Chair), Senior Leadership Team members, a NED Board member, the Director of Finance, the Director of POD and the NICSHR Strategic HR Business Partner.

41. The Terms of Reference for the POD Sub-Committee are available from the Board Secretariat.

Conduct

42. Board members should take decisions both corporately and objectively, acting in the public interest. They should act in accordance with DoF's Code of Conduct for Board Members of Public Bodies[5] and uphold the seven

[4] https://www.health-ni.gov.uk/ga/publications/departmental-audit-and-risk-assurance-committee-darac-publications
[5] https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/fddfp0414.pdf

principles of public life ("the Nolan principles"); selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

43. NED Board members, in particular, should be prepared to offer constructive challenge across all the Board's business with a view to ensuring that all aspects of strategy and delivery of policy are scrutinised for effectiveness and efficiency.

44. All Board members are responsible for notifying the Secretariat of any potential conflicts of interest. These will be recorded on a formal register. At the outset of each Board meeting, members will also be reminded that they are required to declare specific conflicts of interest as they move through the agenda. Where a conflict of interest arises, the Chair will determine if any action needs to be taken.

45. Where Board members have concerns, in the course of the meeting, which cannot be resolved, they should ensure that their concerns are recorded in the minutes.

46. NED Board members have an annual appraisal conducted by the Chair of the Board. EBM performance is reviewed through the annual NICS performance management process.

Review / Evaluation

47. The Terms of Reference and membership of the Departmental Board will be reviewed at least every two years, or more frequently if required.

48. In line with the Corporate Governance Code, the Board will undertake an annual evaluation of its performance. At least every 3 years it will formally review its remit, constitution and operating procedures. The parameters of these pieces of work will be set by the Chair of the Board, and the work will be led by the Board Secretariat. The NEDs should support the Chair to ensure that evaluations are carried out and should ensure the Chair acts on the results.

Relationship with ALBs

49. The Permanent Secretary, as Departmental Accounting Officer needs to be assured that the Department's 16 ALBs have a sound system of internal control in place that supports the achievement of organisational policies, aims and objectives, whilst safeguarding the public funds and assets.

50. This assurance is provided through a biannual accountability process that is informed by series of governance tools and dedicated sponsorship arrangements. The sponsorship function is discharged on behalf of the Accounting Officer by EBM Sponsors and their teams. The detail of these arrangements is set out in the Department's Sponsorship Handbook for ALBs.

51. The Departmental Board receives biannual reports on ALB Governance including an assessment of the level of sponsorship for each ALB and whether any adjustment is required. These reports are the culmination of the biannual accountability process led by the Accounting Officer.

ANNEX A

DEPARTMENT OF HEALTH

DEPARTMENTAL BOARD – EXAMPLE AGENDA

• Apologies, Declarations of Interest and Opening Remarks	
• Minutes of Last Board Meeting	
• Matters Arising	
• Strategic Leadership (verbal or paper)	Standing items
• Finance and Capital Expenditure update	
• Departmental HR Update	
• Cleared Written Procedure Papers (if any)	
• Communication of Board Decisions (if any)	
• Departmental Business Plan & Risk Register Monitoring	
• ALB Governance Update	2/3 times per year
• Programme for Government (PfG) Update	
• HSC Support and Intervention Framework (SIF) Update	Bi-Monthly
• Updates on SPPG areas of business which do not directly map to DARAC or other formal structures within the Department	
• Major Capital Projects and Programmes update.	Bi-Annually/As required
• Approval of Departmental Business Plan and Risk Register	Annually
• Other Items	As required