



Department of

Health, Social Services and Public Safety

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Subject: FD (DFP) 02/16: Response to PAC Recommendation on the use of Confidentiality Agreements	Circular Reference: HSC(F) 08-2016 Date of Issue: 14 January 2016
For Action by: Chief Executive and Director of Finance of each HSC Body and NIFRS Summary of Contents: This circular contains: <ul style="list-style-type: none">• FD (DFP) 02/16: Response To PAC Recommendation On The Use Of Confidentiality Agreements Enquiries: Any enquiries about the contents of this Circular should be addressed to: Brian Hayward Finance Policy, Accountability and Counter Fraud Unit Room D3 Castle Buildings Stormont Estate BELFAST BT4 3SQ Tel: 028 90765647 fpau@dhsspsni.gov.uk	Related documents: FD (DFP) 02/16 Superseded Documents Not Applicable Expiry Date: Not Applicable Status of Contents: For Information and action if appropriate

RESPONSE TO PAC RECOMMENDATION ON THE USE OF CONFIDENTIALITY AGREEMENTS

Purpose

1. This is to inform you that DFP has added the following document to the *Finance Director letters* category:

FD (DFP) 02/16: RESPONSE TO PAC RECOMMENDATION ON THE USE OF CONFIDENTIALITY AGREEMENTS

and be accessed via the following link:

<https://www.dfpni.gov.uk/publications/finance-director-letters-fds-2016>

A copy has been attached for your information.

Action

2. The purpose of this FD letter is to remind departments (and their associated Arms Length Bodies) of a commitment given previously to the Public Accounts Committee in relation to the use and approval of confidentiality agreements; ie that they should be used only in exceptional circumstances and should be approved by the relevant departmental Accounting Officer and by DFP.
3. While further more detailed guidance on this matter may issue in due course, please ensure that the content of this circular is brought to the attention of the appropriate staff in your organisation and that any relevant action points are noted.

Should you have any queries on this please contact Brian Hayward on 02890 765647

Yours,

Paula Shearer

Finance Policy, Accountability and Counter Fraud Unit

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FD (DFP) 02/16

11 January 2016

Dear Finance Director

RESPONSE TO PAC RECOMMENDATION ON THE USE OF CONFIDENTIALITY AGREEMENTS

Purpose

1. The purpose of this FD letter is to remind departments of a commitment given previously to the Public Accounts Committee in relation to the use and approval of confidentiality agreements.

Background

2. In the Public Account Committee's (PAC) 2011 report into "Measuring the Performance of NI Water and Procurement and Governance in NI Water" the Committee stated that NI Water made use of confidentiality clauses to keep embarrassing transactions secret. The Committee recommended that, as a point of principle confidentiality agreements should not be used anywhere in the public sector. However, if in exceptional circumstances their use proves to be unavoidable, the Committee considered that these cases should be approved by the relevant departmental Accounting Officer and by DFP.
3. In the Memorandum of Reply to the PAC DFP advised:

"Managing Public Money NI (MPMNI) makes it clear that the public should

expect high standards in all public services and sets out a number of standards expected of public servants which include openness and transparency. The inappropriate use of confidentiality agreements is not in keeping with these particular principles. Therefore, DFP agrees with the Committee that confidentiality agreements should only be used in exceptional circumstances and where they are, they should be approved by the relevant departmental accounting officer and by DFP in those situations where the related expenditure requires specific approval in accordance with Chapter 2 of MPMNI.”

Reminder

4. The response (above) given to Public Accounts Committee was brought to the attention of departments through a letter to Departmental and Agency Accounting Officers and Finance Directors by DFP on 21 December 2011.
5. While DFP is currently considering whether further clarification and guidance is needed in relation to the use and approval process for confidentiality agreements, it is considered appropriate at this time to remind departments that where confidentiality agreements are being used they should be approved by the relevant departmental Accounting Officer and that where their use could be considered to be novel or potentially contentious this should be approved by DFP Supply.
6. While further more detailed guidance on this matter may issue in due course, in the meantime this FD letter should be brought to the attention of relevant staff in your department, agencies and Arm's Length Bodies.
7. Any queries regarding the content of this letter should be directed to Julie Sewell Tel: 028 9185 8276 or network 68276 (Julie.sewell@dfpni.gov.uk).

Yours sincerely



ALISON CALDWELL

**cc Mike Brennan, PSD
Emer Morelli, PSD
Julie Sewell, AFMD**