

DRAFT**Dear Accounting Officer/PSG???****APPROVAL AND REVIEW OF INCENTIVE SCHEMES**

The purpose of this letter is to highlight a number of issues which is considered should be highlighted to Accounting Officers/organisations at this time. While not in any way wishing to prejudge the outcome of the considerations of the Public Accounts Committee (PAC) on this matter, Accounting Officers are advised to :

- review the operation of any incentive schemes within their department to ensure payments under such schemes remain appropriate – this is particularly given any changes in market conditions and/or other underpinning assumptions. The strength and robustness of built in cost control measures should also be considered as part of this review.
- Where schemes are long term in nature they should be reviewed on a periodic basis during the lifetime of the scheme.
- Given the incentive nature of such schemes departments should consider if Department of Finance Supply approval is required for any such schemes if they are considered novel and/or contentious or meet any other requirements for DoF approval.

Departments are also reminded that they are responsible for maintaining an appropriate system for recording DoF Supply approvals and for ensuring that the conditions attached to any DoF approval are complied with on a timely basis.

Any queries regarding this letter should be addressed to Head of Supply – Emer Morelli – Email: emer.morelli@finance-ni.gov.uk; Tel: 02891 858128, Ext 68128.