

MARSHALL AID COMMEMORATION COMMISSION

FRAMEWORK DOCUMENT

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Introduction

This framework document has been drawn up by the Foreign and Commonwealth Office in consultation with the Marshall Aid Commemoration Commission (MACC). This document sets out the broad framework within which the MACC will operate.

This document does not convey any legal powers or responsibilities. It is signed and dated by the Foreign and Commonwealth Office and the MACC. The document shall be periodically reviewed by the FCO in accordance with timetable referred to in Section 13 below.

Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the MACC website.

The MACC, or the Secretary of State, may propose amendments to this document at any time. Any such proposals by the MACC shall be considered in the light of evolving FCO policy aims, operational factors and the track record of the MACC itself. The guiding principle shall be that the extent of flexibility and freedom given to the MACC shall reflect both the quality of its internal controls and its operational needs. The Secretary of State shall determine what changes, if any, are to be incorporated in the document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with the Treasury or Cabinet Office as appropriate. (The definition of "significant" will be determined by the sponsor department in consultation with the Treasury/Cabinet Office.)

Any question regarding the interpretation of the document shall be resolved by the FCO after consultation with the MACC and, as necessary, with the Treasury and/or the Cabinet Office.

Purpose of the Marshall Aid Commemoration Commission

1.1 Founding Legislation

1.1.1 The MACC was established by the Marshall Aid Commemoration Act, 1953. The powers and duties, constitution and responsibilities of the MACC are set out in Section [2] of the Act and in the regulations pertaining thereto.

1.1.2 Under the Marshall Aid Commemoration Act 1953, the Marshall Aid Commemoration Commission has been set up in order to support the strategic aims and business plan of the Foreign and Commonwealth Office. Its main aim is to provide up to 50 scholarships each year to certain citizens of the United States of America as an expression of gratitude for the benefits received by the UK under the European Recovery Programme, known as Marshall Aid.

1.1.3 The statutory purposes, the functions, duties and powers of the MACC are set out in the Marshall Aid Commemoration Act, 1953 (as amended).

1.2 Overall Aims

1.2.1 The Secretary of State has agreed that subject to 1.1 the aims of the MACC should be as follows:

- i) To administer the Grant-in-Aid allocated to it by the Secretary of State for Foreign and Commonwealth Affairs for the purpose of providing up to 40 scholarships a year, known as

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British Marshall Scholarships, to citizens of the USA who are graduates of recognised institutions of higher learning in the USA;

- ii) To select the persons to receive Marshall Scholarships;
- iii) To place the holders of Marshall Scholarships in universities or university colleges in the UK;
- iv) To provide administrative support and direction associated with the Scholarship, as required, for the holders of Scholarships whilst in the UK.

1.2.2 The MACC's strategic aims are:

- To enable intellectually distinguished young Americans, their country's future leaders, to study in the UK.
- To help Scholars gain an understanding and appreciation of contemporary Britain.
- To contribute to the advancement of knowledge in science, technology, the humanities and social sciences and the creative arts at Britain's centres of academic excellence.
- To motivate Scholars to act as ambassadors from America to the UK and vice versa throughout their lives thus strengthening British American understanding.
- To promote the personal and academic fulfilment of each Scholar.

1.2.3 The MACC's Mission Statement is as follows:

To create future leaders, with a lasting understanding of British society, Marshall Scholars will strengthen the enduring relationship between the British and American peoples, their governments and their institutions.

Marshall Scholars are talented, independent and wide-ranging, and their time as Scholars will enhance their intellectual and personal growth. Their direct engagement with Britain through its best academic programmes will contribute to their ultimate personal success.

Governance and Accountability

2.1 Ministerial Responsibility.

2.1.1 The Secretary of State responsibilities include:

- Approving the MACC's strategic objectives and the policy and performance framework within which the MACC will operate (as set out in this Framework Document and Financial Memorandum and associated documents);
- Keeping Parliament informed about the MACC's performance;
- Approving the amount of grant-in-aid, grant or other funds to be paid to the MACC, and securing Parliamentary approval;

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- Carrying out responsibilities specified in the founding Act of Parliament including appointments to the MACC, approving the terms and conditions of Commissioners, appointment of the Chair, approval of terms and conditions of staff, and laying of the Annual Report and Accounts before Parliament; and
- Monitoring the performance of the MACC in relation to agreed objectives.

2.2 Principal Accounting Officer

2.2.1 The Permanent Under Secretary, as the FCO's principal Accounting Officer, is responsible for the overall organisation, management and staffing of the FCO and for ensuring that there is a high standard of financial management in the Department as a whole. The principal Accounting Officer is accountable to Parliament for the issue of any Grant-in-Aid to the MACC. The principal Accounting Officer will designate the Chair of the MACC as its Accounting Officer, and may withdraw the accounting officer designation if he/she believes that the incumbent is no longer suitable for the role.

2.2.3 The PAO of the Foreign and Commonwealth Office has designated the Chair of the MACC as the MACC's Accounting Officer. (The respective responsibilities of the principal Accounting Officer and Accounting Officers for ALBs are set out in Chapter 3 of *Managing Public Money*, which is sent separately to the accounting officer on appointment.)

2.2.4 The principal Accounting Officer of the FCO is accountable to Parliament for the issue of any grant-in-aid to the Marshall Aid Commemoration Commission.

In particular the PAO of the FCO shall ensure that:

- The MACC's strategic aims and objectives support the FCO's wider strategic aims;
- The financial and other management controls applied by the FCO to the MACC are appropriate and sufficient to safeguard public funds and for ensuring that the MACC's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to the MACC by Parliament but also any other funds generated by approved activities or falling within the stewardship of the MACC);
- The internal controls applied by the MACC conform to the requirements of regularity, propriety and good financial management; and
- Any Grant-in-Aid to the MACC is within the ambit and the amount of the Request for Resources and that Parliamentary authority has been sought and given.

2.3 Sponsoring Team in the FCO

2.3.1 The FCO Scholarships Unit, as the sponsoring team, within the FCO's Communications Directorate is the primary contact for the MACC. The Unit, in consultation as necessary with the FCO's Accounting Officer, is the primary source of advice to the Secretary of State on the discharge of his/her responsibilities in respect of the MACC, and the primary point of contact for the MACC in dealing with the FCO. The Scholarships Unit shall carry out its duties under a senior officer who shall have primary responsibility for overseeing the activities of the MACC.

The FCO's Scholarships Unit shall advise the Secretary of State on:

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- An appropriate framework of objectives and targets for the MACC in the light of the FCO's wider strategic aims;
- An appropriate budget for the MACC in the light of the FCO's overall public expenditure priorities; and
- How well the MACC is achieving its strategic objectives and whether it is delivering value for money.

2.3.2 In support of the FCO's Accounting Officer the sponsoring team shall:

- Monitor the MACC's activities on a continuing basis through an adequate and timely flow of information from the MACC on performance, budgeting, control and risk management, including early sight of the MACC's Governance Statements;
- Address in a timely manner any significant problems arising in the f, whether financial or otherwise, making such interventions in the affairs of the MACC as the FCO judges necessary;
- Periodically carry out an assessment of the risks both to the FCO and to the MACC objectives and activities; strengthen these arrangements if necessary; and amend the management statement accordingly;
- Inform the MACC of relevant Government policy in a timely manner; advise on the interpretation of that policy; and issue specific guidance to the MACC as necessary;
- Bring any concerns about activities to the attention of all Commissioners, and require explanations and assurances from the MACC that appropriate action has been taken.

2.3.3 Officials of the Scholarships Unit in the FCO will liaise regularly with the MACC to review financial performance against plans, achievement against targets and expenditure. The Scholarships Unit will also take the opportunity to explain wider policy developments that might have an impact on the MACC.

2.3.4 The financial targets for the MACC are included within the financial settlement for Communication Directorate within the FCO.

2.3.5 FCO Communication Directorate and the MACC will agree a Financial Memorandum of Understanding, which will specify accounting arrangements. This Memorandum will include cash management, financial reporting and management accounting information.

3.0 The Chair of the MACC

3.1.1 The Chair is appointed by the Secretary of State. The initial appointment is for three years, with a possible extension for a further three years. The appointment is made in line with the Code of Practice issued by the Commissioner for Public Appointments.

3.1.2 The Chair is responsible to the Secretary of State. The Chair shall aim to ensure that the MACC's policies and actions support the wider strategic policies of the Secretary of State; and that the MACC's affairs are conducted with probity. The Chair shares with other Commissioners the corporate responsibilities set out in paragraph 4.1.2, and in particular for

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ensuring that the MACC fulfils the aims and objectives set by the Secretary of State. He or she is responsible for ensuring that policies and actions support the responsible Minister's wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the MACC.

3.1.3 In addition, the Chair has the following leadership responsibilities:

- formulating the MACC's strategy;
- ensuring that the MACC, in reaching decisions, takes proper account of guidance provided by the responsible minister or the department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the board to the general public.

3.1.4 The Chair also has an obligation to ensure that:

- The work of the MACC and its members are reviewed and are working effectively;
- the MACC has a balance of skills appropriate to directing its business, as set out in the Government Code of Good Practice for Corporate Governance;
- Commissioners are fully briefed on terms of appointment, duties, rights and responsibilities;
- He/she, together with the other MACC members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- The responsible Minister is advised of the MACC's needs when MACC vacancies arise;
- he or she assesses the performance of individual MACC members when being considered for re-appointment;
- There is an Operating Framework in place setting out the role and responsibilities of the MACC consistent with the Government Code of Good Practice for Corporate Governance;
- There is a code of practice for MACC members in place, consistent with the Cabinet Office *Code of Conduct for Board Members of Public Bodies*.

3.2 The MACC's Chair's role as Accounting Officer.

General

3.2.1 The Chair of the MACC is designated as the MACC's Accounting Officer by the FCO's Accounting Officer.

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3.2.2 The Chair as Accounting Officer is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the Marshall Aid Commemoration MACC. In addition he/she should ensure that the MACC as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of Managing Public Money.

3.2.3 As set out in A5.5 of Managing Public Money: "The government has indicated that an individual board member who has acted honestly and in good faith will not have to meet out of his or her personal resources any personal civil liability which is incurred in the execution or the purported execution of his or her board functions, save where the board member has acted recklessly."

3.2.4 As Accounting Officer the Chair will exercise the following responsibilities in particular:

Responsibilities for accounting to Parliament-

The accountabilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the MACC are established and made widely known within the MACC;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- giving evidence, normally with the PAO, when summoned before the PAC on the MACC's stewardship of public funds.

Responsibilities to the FCO

Particular responsibilities to the FCO include:

- establishing, in agreement with the department, the MACC's Corporate and Business Plans in the light of the FCO's wider strategic aims and agreed priorities;
- informing the FCO of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives; and

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- ensuring that timely forecasts and monitoring information on performance and finance are provided to the department; that the department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion.

Responsibilities to the MACC

The Chair is responsible for:

- advising the Commissioners on the discharge of the MACC's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the Commissioners on the MACC's performance compared with its aims and objectives;
- ensuring that financial considerations are taken fully into account by the MACC at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- taking action as set out in paragraph 3.8.6 of *Managing Public Money* if the MACC, or its Chair, is contemplating a course of action involving a transaction which the Chair considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical.

On managing risk and resources

- Ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- Ensure that an effective system of programme and project management and contract management is maintained;
- Ensure that all public funds made available to the MACC including any approved income or receipts are used for the purpose intended by Parliament, and that such monies together with the MACC's assets, equipment and staff, are used economically, efficiently and effectively;
- Ensure that adequate internal management and financial controls are maintained by the MACC, including effective measures against fraud and theft;

In the event that the MACC decides to employ staff:

- Maintain a comprehensive system of internal delegated authorities which are notified to staff, together with a system for regularly reviewing compliance with these delegations;

Ensure that effective personnel management policies are maintained.

Delegation of Duties

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The Chair may delegate the day-to-day administration of his Accounting Officer responsibilities to the Executive Secretary and Secretariat. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.

4.0 The Commissioners

4.1.1 Commissioners are appointed by the Secretary of State. The FCO's Scholarships' Unit carries out the recruitment process, involving a Cabinet Office appointed independent assessor, with the Secretary of State giving the final approval. The initial appointment is for three years, with a possible extension for a further three years. The appointment is made in line with the Code of Practice issued by the Commissioner for Public Appointments.

4.1.2 The Commissioners are specifically responsible for:

- Establishing and taking forward the strategic aims and objectives of the MACC consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- Ensuring that the responsible Minister is kept informed of any changes which are likely to impact on the strategic direction of the MACC or on the attainability of its targets, and determining the steps needed to deal with such changes;
- Ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the MACC takes into account guidance issued by the sponsor department;
- Ensuring that they receive and review regular financial information concerning the management of the MACC; is informed in a timely manner about any concerns about the activities of the MACC; and provides positive assurance to the department that appropriate action has been taken on such concerns;
- Demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the MACC to address key financial and other risks;

The MACC will maintain such internal financial controls and management accounting systems as will enable its management readily to review performance against agreed budgets.

As set out in A5.5 of Managing Public Money: "The government has indicated that an individual board member who has acted honestly and in good faith will not have to meet out of his or her personal resources any personal civil liability which is incurred in the execution or the purported execution of his or her board functions, save where the board member has acted recklessly."

Individual Commissioners' Responsibilities

4.1.3 Individual Commissioners should:

- Comply at all times with the *Code of Conduct for Board Members of Public Bodies*

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and with the rules relating to the use of public funds and to conflicts of interest;

- Not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- Comply with the MACC's rules on the acceptance of gifts and hospitality, and of business appointments;
- Act in good faith and in the best interests of the MACC.

4.2 MACC Appointments and Meetings

4.2.1 The Chair is appointed by the Secretary of State. The initial appointment is for three years, with a possible extension for a further three years. The appointment is made in line with the Code of Practice issued by the Commissioner for Public Appointments. The Chair heads the MACC and ensures that together they set, implement and monitor the MACC's delivery against its purpose and specific targets.

4.2.2 The Commissioners advise the FCO and Ministers on the management and finances of MACC. The MACC will meet three to four times a year and there will be at least two annual MACC events. The Chair may convene additional meetings as necessary. In line with the government's *Code of good Practice* (<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>), the MACC will comprise:

- The Chair
- The Deputy Chair
- Up to eight additional Commissioners

The Chair will ensure that Commissioners have a balance of skills and experience appropriate to directing the MACC's business and that they are supported and constructively challenged in their role. Individual Commissioners will chair the Audit & Risk Management Committee; and the Education Committee. The Chair will also appoint a Deputy Chair from the Commissioners.

Planning Budgeting and Control

5. Corporate and Business Plans

5.1.1 The Chair will draw up a Corporate Plan covering three years ahead to be agreed by the MACC and submit this plan to the FCO by the end of February each year. The MACC shall agree with the FCO the issues to be addressed in the plan and the timetable for its preparation.

5.1.2 The plan shall reflect the MACC's statutory duties and, within those duties, the priorities set from time to time by the Secretary of State or responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the MACC contributes to the achievement of the FCO's priorities.

5.1.3 The first year of the Corporate Plan, amplified as necessary, shall form the Business Plan. The Business Plan shall be updated to include key targets and milestones, including financial, for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department.

5.1.4 The plans should include the following key matters:

- The MACC's key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives; including a statement of its priorities, targets and performance indicators, including measures of output, to be used in measuring the achievement of its objectives;
- The MACC's key non-financial performance targets;
- A review of the MACC's performance in the preceding financial year, together with comparable outturns for the previous two years, and an estimate of performance in the current year;
- Alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- Other matters as agreed between the FCO and the MACC.

The main elements of the plan, including the key performance targets, shall be agreed between the FCO and the MACC in the light of the FCO's decisions on policy and resources taken in the context of the Government's wider public expenditure plans and decisions.

5.1.5 Subject to any commercial considerations, the Corporate and Business Plans should be published by the MACC on its website

5.2 Reporting performance to the FCO

5.2.1 The MACC shall operate management information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the Corporate and Business Plans.

5.2.2 The MACC shall inform the FCO of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver FCO's policies, and the achievement of key objectives on a regular basis. The MACC's performance shall be formally reviewed regularly by the FCO. The responsible The Secretary of State or responsible Minister will meet the Chair once a year.

5.2.3 As a minimum, the MACC shall provide the FCO with quarterly progress reports including management accounts, balanced scorecard and projected financial performance for the relevant financial year that will enable the FCO satisfactorily to monitor:

- Progress against agreed targets;
- Its draw-down of the core FCO grant-in aid;
- Forecast outturn by resource headings;
- Other data required by Finance Directorate.

5.3 Budgeting procedures

5.3.1 Each year, in the light of decisions by the FCO on the updated draft Corporate Plan, the FCO will send to the MACC by end of March:

- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department; and
- a statement of any planned change in policies affecting the MACC.

5.3.2 The approved Annual Business Plan will take account both of approved funding provision and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any FCO funding and/or other income over the year. These elements form part of the approved Business Plan for the year in question.

6.1 Internal Audit

6.1.1 Internal Audit and Counter Fraud services will be provided by the FCO, in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS). (<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>),

6.1.2 The MACC shall maintain an independent Audit Committee and Risk Committee in accordance with the Treasury's Handbook.

6.1.3 The MACC shall review and consider at least annually whether there is a need for internal audit. This review should take into account the scale and complexity of its operations, the attendant management and financial risks and the assurances needed for the Accounting Officer to publish a Governance Statement in the Annual Report and Accounts. Conclusions of the review should be shared and agreed with the FCO.

6.1.4 Where there is an agreed need for internal audit, the service should normally be provided either by the FCO Internal Audit Department or using call-off contracts tendered by HM Treasury. The MACC should ensure that any such arrangements are established and maintained in accordance with the Treasury's Government Internal Audit Standards (PSGIAS).

6.1.5 Where the FCO Internal Audit Department does not provide the service, the MACC shall consult the FCO to ensure that the latter is satisfied with the competence and qualifications of the proposed internal auditors and in approving appointments in accordance with PSGIAS.

6.1.6 The MACC shall also in those circumstances arrange for periodic quality reviews of its internal audit in accordance with PSGIAS. The FCO shall consider whether it can rely on these reviews to provide assurance on the quality of internal audit. However, the FCO reserves a right of access to carry out independent reviews of internal audit of the MACC.

6.1.7 The FCO's Internal Audit Department shall also have a right of access to all documents prepared by the MACC internal auditor where the service is contracted out. The audit strategy, periodic audit plans and annual audit report, including the MACC's Head of Internal Audit's opinion on risk management, control and governance shall be forwarded as soon as possible to the FCO Head of Internal Audit and before the Annual Report and Accounts are approved.

6.1.8 Where no internal auditor is appointed, the FCO Internal Audit Department may, as with other smaller FCO Arm's Length Bodies, conduct internal audits of the MACC to provide assurance to the PUS as Principal Accounting Officer. The MACC will ensure that the FCO

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Internal Audit Department (IAD) and Anti-Fraud & Corruption Unit (AFCU) has complete access to all relevant records.

6.1.9 The MACC shall keep records of, and prepare and forward to the Department a report on, any fraud or theft suffered by the MACC and notify the sponsor Department of any unusual or major incidents as soon as possible.

6.2 Right of Access

6.2.1 The FCO has the right of access to all the MACC records and personnel for purposes such as sponsorship audits and operational investigations.

External Accountability

7.1 Annual Reports and Accounts

7.1.1 The MACC must publish a Commissioners' report of its activities together with its audited accounts after the end of each financial year.

7.1.2 The Commissioners' Report must:

- Comply with the Treasury's Financial Reporting Manual (FReM);
- Outline main activities and performance during the previous financial year and set out in summary form forward plans;
- Include information on performance against key financial targets within the scope of the audit should be included in the notes to the accounts.

7.1.3 The Chair must prepare the Commissioner's Report and Accounts in accordance with the FCO consolidated accounts production timetable, and sign on a date which precedes that on which the FCO PUS signs the consolidated FCO accounts. The Chair is responsible for ensuring proper records are kept relating to the accounts.

7.1.4 The Chair is responsible for ensuring that the Commissioners' Report and Accounts is laid before Parliament, in accordance with the relevant guidelines before the summer recess. The draft report and accounts should be submitted to the Comptroller & Auditor General within a timetable agreed with the FCO for the purposes of external audit.

7.1.5 A copy of the Commissioners' Report and Accounts shall be laid in Parliament and made available on the MACC's website as soon as possible, in accordance with the guidance in the FReM. A draft of the report should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the FReM.

7.1.6 The MACC shall also publish an Annual Report of its activities, including a summary financial statement, for the twelve months ending September each year. The Annual Report is presented to Parliament by the Secretary of State for Foreign and Commonwealth Affairs pursuant to section 2(6) of the Marshall Aid Commemoration Act 1953.

7.1.7 A draft of the Annual Report shall be submitted to the FCO a minimum of four weeks before the proposed publication date. FCO will arrange for the Annual Report to be cleared by the Foreign Secretary, and will arrange the publication and the laying before Parliament.

7.1.8 The Annual Report shall be made available on the MACC's website immediately following presentation to Parliament.

7.2 External Audit

7.2.1 The Comptroller & Auditor General (C&AG) audits the MACC's annual Accounts and lays them before Parliament, together with his/her report.

7.2.2 The C&AG:

- Has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments from the MACC;
- Will share with the FCO information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the FCO's responsibilities in relation to financial systems within the MACC;
- Will, where asked, provide Departments and other relevant bodies with Regulatory Compliance reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

7.2.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the MACC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the MACC shall provide, in conditions to contracts, for the C&AG to exercise such access to documents held by contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Management and Financial Responsibilities

8.1 Managing Public Money

8.1.1 Unless agreed by the FCO and, as necessary, HM Treasury, the MACC shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exemptions to the Scholarships Unit in the Communications Directorate in the FCO in the first instance. A list of guidance and instructions with which the MACC should comply is in Annex A.

8.1.2 Once the budget has been approved by the FCO, and subject to any restrictions imposed by the responsible Minister's instructions and this document, the MACC shall have the authority to incur expenditure approved in the budget without further reference to the FCO, on the following conditions:

- The MACC shall comply with *Managing Public Money* regarding novel, contentious, repercussive proposals;

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- Inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal FCO approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
- The MACC shall provide the Scholarships Unit in the FCO with such information about its operations, performance individual projects or other expenditure as the FCO may reasonably require;
- The MACC does not make any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resource required.

9.1 Risk Management

9.1.1 The MACC shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: Principles and Concepts* (http://www.hm-treasury.gov.uk/orange_book.htm).

9.1.2 It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud (http://webarchive.nationalarchives.gov.uk/20130129110402/https://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guidance_for_managers.pdf.pdf).

9.1.3 It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.

10.1 The MACC's Income

10.1.1 The Grant-in-Aid provided by the FCO for the year in question will be voted in the FCO's Supply Estimate and be subject to Parliamentary control.

10.1.2 The Grant-in-Aid will normally be paid in instalments on the basis of written applications showing evidence of need.

10.1.3 The MACC will comply with the general principle, that there is no payment in advance of need.

10.1.4 Cash balances accumulated during the course of the year from Grant-in-Aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the MACC. Grant-in-Aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where Grant-in-Aid is delayed to avoid excess cash balances at the year-end, the FCO will make available in the next financial year any such Grant-in-Aid that is required to meet any liabilities at the year end, such as creditors.

11.1 Delegated Authorities

11.1.1 The delegated authorities for the MACC are set out in paragraphs 1 and 2 of the 1953 Marshall Aid Commemoration Act and additionally as may be set out in the annual Grant-in-Aid letter from the FCO. In exercising these delegations the MACC must abide by the regulations set out in Annex A where they are relevant.

11.1.2 The MACC shall obtain the FCO's prior written approval before:

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- Entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the MACC's annual budget 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 particular scheme previously approved by the FCO;
- 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.

12.1 Staff Management

12.1.1 The MACC does not currently employ any staff, and it contracts out its administrative functions to a third party. This Section of this framework document shall only apply in the event the MACC employs staff.

12.1.2 Staff cost - Subject to its delegated levels of authority the MACC shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

12.1.3 Pay and conditions of service:

- The staff of the MACC, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) within the general pay structure approved by the FCO and the Treasury. The MACC has no delegated power to amend these terms and conditions.
- Civil Service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the MACC's staff and to any other party entitled to payment in respect of travelling expenses or other allowances. Payment shall be made in accordance with the Civil Service Management Code except where prior approval has been given by the FCO to vary such rates
- The MACC shall comply with the EU directive on contract workers "Fixed Term Employees Regulations (Prevention of Less Favourable Treatment)".

Review of the MACC's status (and winding up arrangements)

13.1 Review

13.1.1 The MACC will be reviewed every three years.

13.2 Arrangements in the event that the MACC is wound up

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13.2.1 The FCO shall put in place arrangements to ensure the orderly winding up of the MACC. In particular it should ensure that the assets and liabilities of the MACC are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the sponsor department.)

To this end, the department shall:

- Ensure that procedures are in place in the MACC to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- Specify the basis for the valuation and accounting treatment of the MACC's assets and liabilities;
- Ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts;
- Arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the sponsor department's AO should sign.

13.2.2 The MACC shall provide the department with full details of all agreements where the MACC or its successors have a right to share in the financial gains of developers. It should also pass to the FCO details of any other forms of claw-back due to the M

ANNEX A – Compliance with government-wide corporate guidance and instructions

The Marshall Aid Commemoration Commission complies with the following general guidance documents and instructions:

- **This Framework Document;**
- **Government Financial Reporting Manual (FReM),**
<https://www.gov.uk/government/publications/government-financial-reporting-manual>;
- **Managing Public Money (MPM),** including *Chapter 6: Fees, Charges Guide*;
- Relevant “**Dear Accounting Officer**” letters,
<https://www.gov.uk/government/collections/dao-letters>;
- Appropriate adaptations of sections of **Corporate Governance in Central Government Departments: Code of Good Practice**,
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>;
- Code of Conduct for Board members of Public Bodies
http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf
- **Public Sector Internal Audit Standards,**
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- **Management of Risk - Principles and Concepts,**
<https://www.gov.uk/government/publications/orange-book>;
- **HM Treasury Guidance on Tackling Fraud,**
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf
- **Regularity, Propriety and Value for Money,**
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance-valueformoney.htm;
- **The Parliamentary and Health Service Ombudsman’s Principles of Good Administration,** <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples>;
- Relevant **Freedom of Information Act** guidance and instructions (Ministry of Justice);
- Departmental Banking: A Manual for Government Departments, annex 5.6 of *Managing Public Money*;
- Other relevant instructions and instructions issued by the Treasury in respect of Whole of Government Accounts;

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- Other relevant instructions and guidance issued by the central Departments;
- Specific instructions and guidance issued by FCO; and
- Recommendations made by the **Public Accounts Committee**, or by other Parliamentary authority, that have been accepted by the Government and relevant to the ALB.

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ANNEX B FINANCIAL MEMORANDUM FOR THE MARSHALL AID COMMEMORATION COMMISSION

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I. INTRODUCTION

1. This financial memorandum, which forms part of the management statement for the Marshall Aid Commemoration Commission (henceforth referred to as the MACC), sets out in greater detail certain aspects of the financial framework within which the MACC is required to operate.
2. The terms and conditions set out in the combined management statement and financial memorandum may be supplemented by guidelines or directions issued by the Secretary of State in respect of the exercise of any individual functions, powers and duties of the MACC.
3. The MACC shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Secretary of State may from time to time impose.

II. THE MACC'S INCOME AND EXPENDITURE - GENERAL

The Departmental Expenditure Limit (DEL)

4. The MACC's current and capital expenditure form part of the sponsoring Department's Resource DEL and Capital DEL respectively.

Delegated Authorities

5. The delegated authorities for the MACC are set out in paragraphs 1 and 2 of the 1953 Marshall Aid Commemoration Act and additionally as may be set out in the annual Grant-in-Aid letter from the FCO. In exercising these delegations the MACC must abide by the regulations set out by Annex A where they are relevant.
6. The MACC shall obtain the approval of the Department before:
 - Entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the scope of the MACC's corporate plan as approved by the FCO;
 - Incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
 - Making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the FCO;
 - Making any changes of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required;
 - Incurring expenditure on Marketing or Advertising, which requires exemption approval from the FCO in line with Cabinet Office Efficiency and Reform Group guidance; or
 - Carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

Procurement

7. The MACC shall comply with guidance from the Office of Government Commerce on procurement. The MACC shall also ensure that it complies with any relevant EU or other international procurement rules. The MACC should seek guidance from FCO to ensure that it is aware of all relevant Government procurement policy with which it must comply.

8. Periodically and wherever practicable the MACC's procurement shall be benchmarked against best practice elsewhere and contracted out where this would achieve better value for money.

Competition

9. Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide best value for money overall.

10. Proposals to let single-tender or restricted contracts shall be subject to a specified delegated authority, and the MACC shall send to the Department after each financial year a report for that year explaining any contracts above £80,000 in which competitive tendering was not employed.

Value for money

11. Procurement by the MACC of works, equipment, goods and services shall be based on value for money, i.e. quality (in terms of fitness for purpose) and delivery against price. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness in paying bills

12. The MACC shall collect receipts and pay all matured and properly authorised invoices in accordance with the terms of contracts or within 30 days. The MACC shall comply with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended.

Risk management

13. The MACC shall ensure that the risks which it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategic, in accordance with the Treasury guidance *Management of Risk: Principles and Concepts*.

14. The MACC shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with Treasury's guide *Managing the Risk of Fraud*.

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15. The MACC shall take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or Grant-in-Aid.

Wider markets

16. In accordance with the wider markets policy the MACC shall seek to maximise receipts from non-Exchequer sources provided that this is consistent with (a) the MACC's main functions, and (b) its Corporate Plan as agreed with the FCO.

Fees and charges

17. Fees or charges for any services supplied by the MACC shall be determined in accordance with the Fees and Charges guidance within *Managing Public Money*, and with the Freedom of Information Act.

III. THE MACC'S INCOME

Grant-in-Aid

18. Grant-in-Aid will be paid to the MACC in instalments, on the basis of a written application from the MACC showing evidence of need. The application shall certify that the conditions applying to the use of Grant-in-Aid have been observed to date and that further Grant-in-Aid is now required for purposes appropriate to the MACC's functions. This will be provided in the form of a financial statement as set out in the standard draw-down form agreed with the FCO.

19. The MACC will comply with the general principle that there is no payment in advance of need.

20. Cash balances accumulated during the course of the year from Grant-in-Aid or other Exchequer funds shall be kept at the minimum level consistent with the efficient operation of the MACC. Grant-in-Aid not drawn down by the end of the year shall lapse. Subject to the approval of Parliament of the relevant Estimates provision, where draw-down of Grant-in-Aid is delayed to avoid excess cash balances at year-end, the FCO will make available in the next financial year any such Grant-in-Aid which is required to meet any liabilities at year end, such as creditors.

Receipts from sale of goods or services

21. Receipts from the sale of goods and services (including certain licences where there is a significant degree of service to the individual applicant), rent of land, and dividends are classified as negative public expenditure in national accounts and are therefore normally offset against the DEL (i.e. they provide additional DEL spending power).

22. If there is any doubt about the correct classification of a receipt the MACC shall consult the FCO, who will consult the Treasury as necessary.

Fines, taxes and other receipts

23. Most fines and most taxes (including levies and some licences) are not negative public expenditure and do not provide additional DEL spending power. Such receipts shall either be surrendered to the FCO or, if retained, shall either reduce the need for Grant-in-Aid or, if used to finance additional expenditure by the MACC, shall require additional DEL cover from the FCO.

Un-forecast changes in in-year income

24. The MACC models financial projections based on historic patterns and future assumptions so that it can calculate the future consequences of its commitments to scholars. Many of the future costs for individual scholarships are outside the MACC's control.

25. The Commissioners therefore have to make a realistic assessment of the value of reserves which are required to be held in response to identified needs and the MACC's circumstances.

Proceeds from disposal of assets

26. Disposals of land and buildings are dealt with in Section VI below.

Gifts and bequests received

27. The MACC is free to retain any gifts, bequests or similar donations. These shall be treated as receipts.

28. Before proceeding in this way the MACC shall consider if there are any associated costs in doing so or any conflicts of interest arising. The MACC shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

Reserves

29. The MACC shall agree a Reserves Policy with the FCO. Balances held in Reserves shall be included within the MACC's Business Plan.

30. The MACC and the FCO will consider reserves in the context of risk management. The reputational risk of MACC having insufficient reserves to meet its legal and legislative commitments is prominent in this context.

IV. EXPENDITURE ON STAFF

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31. The MACC shall have a travel expenses policy for Commissioners. Its rates shall be in line with the travel expenses policy for FCO staff.

32. The MACC does not currently employ any staff, and it contracts out its administrative functions to a third party. Clauses 33-36 below shall only apply in the event that the MACC employs any staff.

Staff cost

33. Subject to its delegated levels of authority the MACC shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

Pay and conditions of service

34. The staff of the MACC, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) within the general pay structure approved by the FCO and the Treasury. The MACC has no delegated power to amend these terms and conditions.

35. Civil Service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the MACC's staff and to any other party entitled to payment in respect of travelling expenses or other allowances. Payment shall be made in accordance with the Civil Service Management Code except where prior approval has been given by the FCO to vary such rates.

36. The MACC shall comply with the EU directive on contract workers "Fixed Term Employees Regulations (Prevention of Less Favourable Treatment)".

V. NON-STAFF EXPENDITURE

Capital expenditure

37. Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of plant, property and equipment shall be capitalised on an accruals basis. Expenditure to be capitalised shall include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.

38. Proposals for large-scale individual capital projects or acquisitions will normally be considered within the MACC's Corporate Planning process. Applications for approval by the FCO shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the MACC. Regular reports on the progress of projects shall be submitted to the FCO.

39. Within its approved overall resources limit the MACC shall have delegated authority to spend up to £50,000 on any individual capital project or acquisition. Beyond that delegated limit, the Department's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

Transfer of funds within budgets

40. Unless financial provision is subject to specific Departmental or Treasury controls (e.g. where provision is ring-fenced for specific purposes), transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need FCO approval.

Lending, guarantees, indemnities; contingent liabilities; letters of comfort

41. The MACC shall not, without the FCO's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Managing Public Money), whether or not in a legally binding form.

Grant or loan schemes

42. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, shall be subject to prior approval by the FCO, together with the terms and conditions under which such a grant or loan is made. If grants or loans are to be made under a continuing scheme statutory authority is likely to be required.

43. The terms and conditions shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by the MACC, the FCO and the C&AG.

44. See also below under the heading *Recovery of grant-financed assets*.

Gifts made, write-offs, losses and other special payments

45. Proposals for making gifts or other special payments (including write-offs) outside the delegated limits set out in the Appendix to this document must have the prior written approval of the FCO.

46. In the event that the MACC employs any staff, they should comply with the policy on gifts for Commissioners.

Leasing

47. Prior FCO approval must be secured for all property and finance leases. The MACC must have capital DEL provision for finance leases and other transactions which are in substance borrowing.

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48. Before entering into any lease (including an operating lease) the MACC shall demonstrate that the lease offers better value for money than purchase.

Subsidiary companies and joint ventures

49. The MACC shall not establish subsidiary companies or joint ventures without the express approval of the FCO. In judging such proposals the FCO will have regard to the FCO's wider strategic aims and objectives.

50. Any subsidiary company or joint venture controlled or owned by the MACC shall be consolidated with it in accordance with the FReM. Unless specifically agreed with the FCO, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this management statement and financial memorandum, and to the further provisions set out in supporting documentation.

Financial investments

51. The MACC shall not make any investments in traded financial instruments without the prior written approval of the FCO where the funds concerned are part of the authorised Grant-in-Aid.

Unconventional financing

52. Unless otherwise agreed with the FCO, the MACC shall not enter into any unconventional financing arrangement.

Commercial insurance

53. The MACC shall not take out any insurance without the prior approval of the FCO, other than third party insurance required by the Road Traffic Acts and any other insurance which is a statutory obligation or which is permitted by Managing Public Money.

Potential losses or major claims

54. Should circumstances arise in which the MACC becomes aware of a potential major loss or third-party claim, for example through legal action against the MACC, the FCO should be notified immediately. The MACC should set out the background factors, the best estimate of the potential financial liability, and advice on whether the MACC is likely to be liable for the loss or claim. Based on these facts, the FCO shall agree with the MACC, whether a provision should be recognised within the MACC resource accounts, whether an addition to the MACC budget shall be considered, or whether the liability should be met from MACC reserves.

VI. MANAGEMENT AND DISPOSAL OF PLANT, PROPERTY and EQUIPMENT

Register of assets

55. The MACC shall maintain an accurate and up-to-date register of its plant, property and equipment.

Disposal of assets

56. The MACC shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. High value assets shall be sold by auction or competitive tender unless otherwise agreed by the FCO.

57. The MACC may normally retain receipts derived from the sale of assets provided that:

- The sales are in line with MACC's Business Plan;
- The FCO receives prior notification of sales in excess of £20,000; and
- They are used to finance other capital spending.

Recovery of grant-financed assets

58. Where the MACC has financed expenditure on capital assets by a third party, the MACC shall make appropriate arrangements to ensure that any such assets are not disposed of by the third party without the MACC's prior consent.

59. The MACC shall therefore ensure that such conditions are sufficient to secure the repayment of the Exchequer's due share of the proceeds of the sale, in order that funds may be surrendered to the FCO.

60. The MACC shall ensure that if the assets created by grants made by the MACC cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to the MACC for surrender to the FCO. The amounts recoverable under the procedures in paragraphs 56-58 above shall be calculated by reference to the best possible value of the asset and in proportion to the Exchequer's original investment(s) in the asset.

VII. BUDGETING PROCEDURES

Setting the annual budget

61. Each year, in the light of decisions by the FCO on the MACC's updated draft Corporate Plan (Section 4.1 of the Management Statement), the FCO will send to the MACC:

- A formal statement of the annual budgetary provision allocated by the FCO in the light of competing priorities across the FCO. This will be set out in the annual Grant In Aid letter; and
- A statement of any planned change in policies affecting the MACC.

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62. The MACC's approved annual Business Plan will take account both of its approved funding and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any FCO funding and/or other income over the year. These elements will form part of the approved Business Plan for the year in question (Section 5 of the Framework Document).

63. Any Grant-in-Aid provided by the FCO for the year in question will be voted in the FCO's Estimate and will be subject to Parliamentary control.

General conditions for authority to spend

64. Once the MACC's budget has been approved by the FCO and subject to any restrictions imposed by Statute, the Secretary of State or this document, the MACC shall have authority to incur expenditure approved in the budget without further reference to the FCO, on the following conditions:

- The delegations shall not be altered without the prior agreement of the FCO;
- The MACC shall comply with the *Managing Public Money* regarding novel, contentious or repercussive proposals;
- Inclusion of any planned and approved expenditure in the MACC's budget shall not remove the need to seek formal FCO approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- The MACC shall provide the FCO with such information about its operations, performance, individual projects or other expenditure as the FCO may reasonably require.

Providing monitoring information to the FCO

65. The MACC shall provide the FCO with, as a minimum, information on a regular basis which will enable the satisfactory monitoring by the FCO of:

- The MACC's cash management;
- Its draw-down of any Grant-in-Aid;
- Forecast outturn by resource headings; and
- Other data required for the Combined On-Line Information System (COINS).

VIII. BANKING

Banking arrangements

66. The MACC's Accounting Officer is responsible for ensuring that the MACC's banking arrangements are in accordance with the requirements of *Departmental Banking: A Manual for Government Departments, annex 5.7 of MPM*. In particular he/she shall ensure that the arrangements safeguard public funds and are carried out efficiently, economically and effectively.

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67. He/she shall therefore ensure that:

- These arrangements are suitably structured and represent value-for-money, and are reviewed at least every two years, with a comprehensive review, usually leading to competitive tendering, at least every three to five years;
- Sufficient information about banking arrangements is supplied to the FCO's Accounting Officer to enable the latter to satisfy his own responsibilities (Section 3.6 of the Management Statement);
- The MACC's banking arrangements shall be kept separate and distinct from those of any other person, MACC or organisation; and
- Adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

ANNEX DELEGATED AUTHORITIES

68. The MACC shall comply with the following general guidance documents:

- This document (both the management statement and the financial memorandum);
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice (<http://www.hm-treasury.gov.uk/d/daocorpgovernancecode.pdf>);
- Managing Public Money (MPM);
- Government Internal Audit Standards (http://www.hm-treasury.gov.uk/psr_governance_gia_guidance.htm);
- Management of Risk: Principles and Concepts (http://www.hm-treasury.gov.uk/d/orange_book.pdf);
- Managing the Risk of Fraud, (http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf);
- Government Financial Reporting Manual (FReM) (http://www.hm-treasury.gov.uk/frem_index.htm);
- Fees and Charges Guide, Chapter 6 of MPM;
- Departmental Banking: A Manual for Government Departments, annex 5.7 of MPM;
- Relevant Dear Accounting Officer letters;
- Regularity and Propriety and Value for Money;
- The Parliamentary Ombudsman's Principles of Good Administration (<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>);
- Consolidation Officer Memorandum, and relevant DCO letters;
- Relevant Freedom of Information Act guidance and instruction (Ministry of Justice);
- Model Code for Staff of executive Non-Departmental Public Bodies (Cabinet Office);
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments;
- Specific instructions and guidance issued by the sponsor Department; and
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, which have been accepted by the Government and which are relevant to the MACC.

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Date:

The above combined Framework Document and Financial Memorandum for the Marshall Aid Commemoration Commission has been agreed by

For the Foreign and Commonwealth
Commemoration Office

For the Marshall Aid
Commemoration Commission

Signed: *Ruth Shaw*

Signed: *C. Fisher*

Name: RUTH SHAW

Name: CHRISTOPHER FISHER

Position: Director, Communication
and Engagement Department,
Communications Directorate, FCO

Position: Chair, Marshall Aid
Commemoration Commission

Date: 22/01/18

Date: 13/1/17

