

COMMONWEALTH SCHOLARSHIP COMMISSION IN THE UNITED KINGDOM

FRAMEWORK DOCUMENT

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1. INTRODUCTION

1.1 The Framework Document

- 1.1.1 This Framework Document and its associated financial memorandum have been drawn up by the Commonwealth Scholarship Commission in the United Kingdom (henceforth known as the Commission) in consultation with the United Nations and Commonwealth Department (UNCD) of the Department for International Development (DFID). References to the 'Sponsor Department' will unless otherwise stated also be taken to refer to DFID, whilst recognising that other government departments may also contribute funding to the Commission. Where the words 'Sponsoring Departments' are used, these will be taken to refer to each and every government department contributing to the Commission's finances at any particular time.
- 1.1.2 Subject to the provisions of the Commonwealth Scholarships Act 1959 and the International Development Act 2002 set out below, this document establishes the broad framework within which the Commission will operate. However, the management statement and financial memorandum do not convey any legal powers or responsibilities.
- 1.1.3 The associated financial memorandum, which forms part of this document, sets out in greater detail certain aspects of the financial provisions that the Commission shall observe.
- 1.1.4 The document shall be periodically reviewed by DFID and the Commission in accordance with the timetable referred to in Section 7 below.
- 1.1.5 The Commission, or the Secretary of State for International Development, may propose amendments to this document at any time. Any such proposals by the Commission shall be considered in the light of evolving DFID policy aims, operational factors and the track record of the Commission itself. The guiding principle shall be that the extent of flexibility and freedom given to the Commission shall reflect both the quality of its internal controls and its operational needs. The Secretary of State shall ultimately 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 confirmed 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.)
- 1.1.6 This document (incorporating the associated Financial Memorandum) is to be signed and dated by DFID and the Commission.

- 1.1.7 Any question regarding the interpretation of the document shall be resolved by DFID after consultation with the Commission and, as necessary, with the Treasury and/or the Cabinet Office.
- 1.1.8 Copies of this document and any subsequent substantive amendments shall be placed in the Libraries of both Houses of Parliament and made available to members of the public on the Commission's website.

1.2 Founding legislation; status

- 1.2.1 The Commission was established by the Commonwealth Scholarships Act (1959) (as amended) for the purpose of managing the contribution of the United Kingdom to the Commonwealth Scholarship and Fellowship Plan (CSFP), which was established at the first Conference of Commonwealth Education Ministers in 1959. The constitution and responsibilities of the Commission are set out in Chapter 6 of the Act and successor legislation, most notably the International Development Act 2002 and in the regulations pertaining thereto.

1.3 The functions, duties and powers of the Commission

- 1.3.1 The statutory purposes, the functions, duties and powers of the Commission are set out in the International Development Act 2002. Delegated powers and the mode of operation are further defined below, and in the associated Financial Memorandum.

1.4 Classification

- 1.4.1 For policy/administrative purposes the Commission is classified as an executive Non-Departmental Public Body (NDPB).
- 1.4.2 For national accounts purposes the Commission is classified to the central government sector.
- 1.4.3 References to the Commission include all its subsidiaries and joint ventures that are classified to the public sector for national accounts purposes. If such a subsidiary or joint venture is created, there shall be a document setting out the arrangements between it and the Commission.

2. AIMS, OBJECTIVES AND TARGETS

2.1 Overall aims

2.1.1 Under the Commonwealth Scholarships Act (1959), the Commission has been set up to manage the contribution of the United Kingdom to the Commonwealth Scholarship and Fellowship Plan. Within the founding legislation, the Commission and DFID have defined the overall aims for the Commission to include the following:

- To administer and act as custodian of the Grant-in-Aid allocated to it by the Sponsoring Departments for the purpose of providing scholarships and fellowships to citizens of the Commonwealth;
- To select the persons to receive Commonwealth Scholarships and Fellowships in the United Kingdom;
- To place the holders of Commonwealth Scholarships and Fellowships in universities or other host institutions in the UK, and to provide such support during their time on award as may be necessary to assist them in meeting the objectives of the scheme
- To effectively evaluate the impact of its awards, and maintain such contact with alumni as may be necessary to help ensure that such evaluation can take place
- To maintain links with such other bodies as may be beneficial to the fulfilment of its functions
- To raise money, where appropriate, from external sources, and
- Such other functions as may be agreed between the Commission and DFID as being consistent with this Framework Document

2.2 Objectives and key targets

2.2.1 The Sponsor Department determines the Commission's performance framework in the light of its wider strategic aims, taking into account the aims of other sponsoring departments as appropriate. The Commission's objectives and key targets shall be agreed as part of the Commission's Corporate and Business Planning process (Section 4 below).

3. GOVERNANCE AND ACCOUNTABILITY

3.1 The Secretary of State for the Department for International Development

3.1.1 The Secretary of State for the Department for International Development is accountable to Parliament for the activities and performance of the Commission. His/her responsibilities include:

- Approving the Commission's strategic objectives and the policy and performance framework within which the Commission will operate (as set out in

this Framework Document and Financial Memorandum and associated documents);

- Keeping Parliament informed about the Commission's performance;
- Approving the amount of grant-in-aid, grant or other funds to be paid to the Commission, and securing Parliamentary approval according to the schedules set out in this document and the associated Financial Memorandum;
- Carrying out responsibilities specified in the founding Act of Parliament including appointments to the Commission, approving the terms and conditions of Commissioners, appointment of and periodic meetings with 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 Commission in relation to agreed objectives.

3.2 The Accounting Officer of the Sponsor Department

3.2.1 The Permanent Secretary, as DFID's principal Accounting Officer is responsible for the overall organisation, management and staffing of the sponsor Department and for ensuring that there is a high standard of financial and other 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 Commission. The principal Accounting Officer will designate the Executive Secretary of the Commission 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.

3.2.2 In particular, the principal Accounting Officer of DFID shall ensure that:

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

3.2.3 The respective responsibilities of the principal Accounting Officer and Accounting Officers for NDPBs and other arm's length bodies are set out in Chapter 3 of *Managing Public Money*, which is sent separately to the NDPB Accounting Officer on appointment.

3.3 The sponsoring team in DFID

- 3.3.1 Within DFID, the United Nations and Commonwealth Department (UNCD) is the sponsoring team for the Commission. UNCD, in consultation as necessary with the relevant principal Accounting Officer, is the primary source of advice to the Secretary of State on the discharge of his/her responsibilities in respect of the Commission, and the primary point of contact for the Commission in dealing with DFID. The Sponsoring team shall carry out its duties under a senior officer who shall have primary responsibility for overseeing the activities of the Commission.
- 3.3.2 The Sponsoring team shall, after appropriate consultation with the Commission, advise the Secretary of State on:
- An appropriate framework of objectives and targets for the Commission in the light of DFID's wider strategic aims;
 - An appropriate budget for the Commission in the light of DFID's overall public expenditure priorities; and
 - How well the Commission is achieving its strategic objectives and whether it is delivering value for money.
- 3.3.3 In support of the principal Accounting Officer the Sponsoring team shall:
- Monitor the Commission's activities on a continuing basis through an adequate and timely flow of information from the Commission on performance, budgeting, control and risk management, including early sight of the Commission's Governance Statements;
 - Attend meetings of the Commission, its Finance and Evaluation Committees and participate in such other Commission activities as may be necessary to obtain a reasonable view of the Commission's effectiveness and impact of the Sponsoring department's support;
 - Address in a timely manner any significant problems arising in the Commission, whether financial or otherwise, making such interventions in the affairs of the Commission as DFID judges necessary;
 - Periodically carry out an assessment of the risks both to DFID and to the Commission's objectives and activities; strengthen these arrangements if necessary; and amend the management statement accordingly;
 - Inform the Commission of relevant Government policy and directives relating to NDPB's in a timely manner; advise on the interpretation of that policy; and issue specific guidance to the Commission as necessary; and
 - Bring any concerns about activities to the attention of all Commissioners, and require explanations and assurances from the Commission that appropriate action has been taken.

3.4 The Commissioners

3.4.1 The maximum number of Commissioners is fourteen members, plus the Chair, as set out in the Act. Commissioners are appointed by the Secretary of State. UNCD oversees the recruitment process, involving a Cabinet Office appointed independent assessor where required, 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.

3.4.2 The responsibilities of each Commissioner will be set out in formal role descriptions to be included in their letter of appointment. Collectively, Commissioners have corporate responsibility for ensuring that the Commission fulfils the aims and objectives set by DFID and for promoting the efficient and effective use of staff and other resources by the Commission. To this end, and in pursuit of its wider corporate responsibilities, the Commissioners shall:

- Establish the overall strategic direction of the Commission within the policy and resources framework determined by DFID;
- Ensure that DFID and other relevant funding bodies are kept informed of any changes which are likely to impact on the strategic direction of the Commission or on the attainability of their targets, and determine the steps needed to deal with such changes;
- Ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Commission 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 Commission takes account of guidance issued by DFID;
- Ensure that mechanisms are in place to review regular financial information concerning the management of the Commission; that the Commission has sufficient information to perform its functions and is able to provide positive assurance to the Sponsoring Department that appropriate action has been taken on any concerns which it has expressed on the activities of the Commission ;
- Act in a way that promotes high standards of public finance, including the promotion of regularity, propriety, value for money and feasibility; and
- Demonstrate high standards of corporate governance at all times, including by using the independent audit committee (paragraph 4.6.1) to help them to address the key financial and other risks facing the Commission.
- Ensure that individuals are selected for Commonwealth Scholarships and Fellowships on merit, on the basis of clear criteria which reflect the objectives of DFID and, where appropriate, other Sponsoring Departments.

3.4.3 Individual Commissioners shall act in accordance with their wider responsibility, namely to:

- Comply at all times with the Code of Practice (paragraph 3.5.5 below) that is adopted by the Commission 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 Commission's rules on the acceptance of gifts and hospitality, and of business appointments; and
- Act in good faith and in the best interests of the Commission.

- 3.4.4 As set out in A5.4B 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."
- 3.4.5 For the purposes of effective policy making, the Commission may establish Committees of its members to undertake specific tasks. The membership of such Committees will be approved by the full Commission, and may include non-Commission members in cases where additional expertise is deemed necessary. The Commission shall ensure that any such appointees are subject to sections of the Code of Practice relevant to their role.
- 3.4.6 Committees currently established by the Commission are: Awards Policy, Finance, Audit and Risk Management, Evaluation and Monitoring, and External liaison. In each case, Committees will act within a formal terms of reference which has been approved by the full Commission, and the minutes of their meetings will be submitted to the full Commission for review. The Chair of each Committee will additionally report on the activities of the Committee to the full Commission at least annually. The Chair of the Commission will be an ex-officio member of each Committee, with the exception of Audit and Risk Management.
- 3.4.7 Providing always that they are acting within their Terms of Reference, Committees may make spending commitments and policy decisions within any budget previously allocated to their activity by the full Commission.
- 3.4.8 An Executive Group, comprising the Deputy Chair, the Chairs of each of the Committees listed in paragraph 3.4.6 above, and Chaired by the Chair of the Commission, may meet between Commission meetings to undertake any business which (a) requires urgent attention; (b) crosses the boundaries of individual committees or (c) has been formally delegated to it by the full Commission. Minutes of the Executive Committee will be presented to the next available meeting of the full Commission, at which point approval will be sought for any actions taken.

3.5 The Chair of the Commission

- 3.5.1 The Chair is appointed by the Secretary of State. DFID will oversee the recruitment process, involving a Cabinet Office appointed independent assessor, where required, 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.
- 3.5.2 The Chair is responsible to the Secretary of State. The Chair shall aim to ensure that the Commission's policies and actions support the wider strategic policies of DFID and other Sponsoring Departments; and that the Commission's affairs are conducted with probity. The Chair shares with other Commissioners the corporate responsibilities set out in paragraph 3.4.2, and in particular for ensuring that the Commission fulfils the aims and objectives set by DFID.
- 3.5.3 The role, functions and any remuneration for the Chair will be set out in a formal job description that will be contained in the letter of appointment. In particular, the Chair has a leadership responsibility on the following matters:
- Formulating the Commission's strategy;
 - Ensuring that the Commission, in reaching decisions, takes proper account of guidance provided by the Secretary of State or department;
 - Promoting the efficient and effective use of staff, Commissioner expertise and other resources;
 - Encouraging delivery of high standards of propriety; and
 - Representing the views of the Commission to the general public.
- 3.5.4 The Chair shall also:
- Ensure that all Commissioners, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice;
 - Advise the Secretary of State of the needs of the Commission when vacancies arise, with a view to ensuring a proper balance of professional and financial expertise; and
 - On request, assess the performance of individual Commissioners when they are being considered for re-appointment.
- 3.5.5 The Chair shall also ensure that a Code of Practice for Commissioners is in place, based on the Cabinet Office's model Code of Practice for Board Members of Public Bodies. The Code shall commit the Chair and other Commissioners to the Nolan seven principles of public life, and shall include a requirement for a comprehensive register of Commissioners' interests, available to the public on request.

- 3.5.6 Communications between the Commission and the Secretary of State shall normally be through the Chair. The Chair shall ensure that the other Commissioners are kept informed of such communications.

3.6 The Executive Secretary's role as Accounting Officer

- 3.6.1 The Executive Secretary of the Commission is designated as the Commission's Accounting Officer by DFID's principal Accounting Officer.
- 3.6.2 The Accounting Officer of the Commission 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 Commission. In addition, he/she should ensure that the Commission as a whole is run on the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of *Managing Public Money*.
- 3.6.3 As Accounting Officer the Executive Secretary shall exercise the following responsibilities in particular.

On planning and monitoring –

- Establish, in agreement with DFID (and other Sponsoring Departments as appropriate), the Commission's Corporate and Business Plans in the light of DFID's wider strategic aims;
- Inform DFID and other Sponsoring Departments of the Commission's progress in helping to achieve their policy objectives and in demonstrating how resources are being used to achieve those objectives;
- Ensure that timely forecasts and monitoring information on performance and finance are provided to DFID (including where appropriate, through reports to the full Commission, Finance Committee and other Commission Committees on which DFID may be represented); 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;

On advising the Commissioners –

- Advise the Commissioners on the discharge of their responsibilities as set out in this document and in any other relevant instructions and guidance that may be issued from time to time;
- Advise the Commissioners on the Commission's performance compared with its aims and objectives;

- Ensure that financial considerations are taken fully into account by the Commissioners at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed as far as this is practical;
- Take action, as set out in *Managing Public Money*, if the Commission is contemplating a course of action involving a transaction which the Accounting Officer considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration or efficiency or effectiveness;

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 Commission including any approved income or receipts are used for the purpose intended by Parliament, and that such monies together with the Commission’s assets, equipment and staff, are used economically, efficiently and effectively;
- Ensure that adequate internal management and financial controls are maintained by the Commission, including effective measures against fraud and theft;

In the event that the Commission 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;

On accounting to Parliament for the Commission’s activities –

- Sign the accounts and be responsible for ensuring that proper records are kept relating to the Annual Report, including accounts and that the accounts are properly prepared and presented in accordance with any directions issued by DFID;
- Sign a Statement of Accounting Officer’s responsibilities, for inclusion in the Annual Report and Accounts;
- Prepare and sign a Governance Statement regarding the Commission’s system of risk management and internal control, for inclusion in the Annual Report and Accounts;
- Ensure that effective procedures for handling complaints about the Commission are established and made widely known within the Commission;

- Act in accordance with the terms of this document and with the instructions and guidance in *Managing Public Money* and other instructions and guidance issued from time to time by the Treasury and the Cabinet Office; and
- Give evidence, normally with the principal Accounting Officer of the Sponsor Department, when summoned before the Committee of Public Accounts on the use and stewardship of public funds by the Commission.

On responsibilities to DFID -

- Establish, in agreement with the department, the Commission's Corporate and Business Plans, in the light of the departments wider strategic aims and agreed priorities
- Inform the department of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- Ensure that timely forecasts and monitoring information on performance and finance are provided to the department; that the department is notified promptly if over or underspends 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

On responsibilities to the Commission-

- Advise the Commission on the discharge of its 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
- Advise the Commission on its performance, compared with its aims and objectives
- Ensure that financial considerations are taken fully into account by the Commission at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- Take action as set out in paragraph 3.8.6 of *Managing Public Money* if the Commission, or its Chair, is contemplating a course of action involving a transaction which the Accounting Officer 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.

3.7 Delegation of duties

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

3.8 The Chair's role as Principal Officer for Ombudsman cases

- 3.8.1 The Chair is the Principal Officer for handling cases involving the Parliamentary Commissioner for Administration. As Principal Officer he/she shall inform the Permanent Secretary of DFID of any complaints about the Commission accepted by the Ombudsman for investigation, and about the Commission's proposed response to any subsequent recommendations from the Parliamentary Ombudsman.

4. PLANNING, BUDGETING AND CONTROL

4.1 The Corporate Plan

- 4.1.1 The Commission shall submit annually to DFID, by 31 December each year, a draft of the Commission's updated Corporate Plan covering indicative plans for the next three financial years together with detailed expenditure proposals for the first of those years, beginning in the following April. Prior to submission, the Commission shall have sought to agree with DFID the issues to be addressed in the plan and the timetable for its preparation, and DFID representatives will have had the opportunity to comment on the draft Plan at meetings of the Finance Committee (by no later than 15 November) and the full Commission (by no later than 15 December) In the event that DFID wishes to see any amendment to the Plan, this should be notified to the Commission within 30 days of its submission Otherwise DFID will provide the information, and the Commission shall proceed, in manner defined in paragraphs 38-42 of the Financial Memorandum.
- 4.1.2 The plan shall reflect the Commission's statutory duties and, within those duties, the priorities set from time to time by DFID and the other Sponsoring Departments. In particular, the plan shall demonstrate how the Commission contributes to the achievement of the strategic objectives of the Sponsoring Departments.
- 4.1.3 The Corporate Plan shall set out:
- The Commission's key objectives and associated key performance targets for each year covered by the plan, and its 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;
 - A review of the Commission'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;
 - Key non-financial performance targets;
 - An assessment of key risks which may significantly affect the execution of the plan but which cannot be accurately forecast, and alternative scenarios to take account of these; and

- Other matters as agreed between DFID and the Commission.

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

4.2 The Business Plan

4.2.1 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 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 DFID.

4.3 Publication of plans

4.3.1 Subject to any commercial considerations, the Corporate and Business Plans shall be published or made available on the internet.

4.4 Reporting performance to DFID

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

4.4.2 The Commission shall take the initiative in informing DFID of substantial changes in external conditions, of which it might reasonably be expected to be aware, which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives set out in the Corporate or Business Plans. Where appropriate such notification may be through Committees of the Commission on which DFID is formally represented.

4.4.3 The Commission's performance in helping to deliver its obligations under the Act, as supplemented from time to time by Ministerial Directives, including the achievement of key objectives, shall be reported to DFID on a regular basis. Performance will be formally reviewed regularly by DFID officials. The Secretary of State may meet the Chair of the Commission, at the request of either party to discuss the Commission's performance, its current and future activities and any policy developments relevant to those activities. Such meetings shall normally take place at least annually.

- 4.4.4 The Commission's performance against key targets shall be reported in the Commission's Annual Report and Accounts (see Section 5.1).

4.5 Budgeting procedures

- 4.5.1 Commission budgets shall be reviewed formally at each meeting of the Commission, and at least twice per year by meetings of its Finance Committee, which will include representation from the Sponsoring department. In addition, the Chair of the Finance Committee has designated responsibility for advising the Chair and Commissioners on any budget issues which (s)he considers should be brought to their attention between meetings. For this purpose, the Chair of Finance will meet with appropriate senior staff at regular intervals, and receive reports on budget at intervals of not less than one month.
- 4.5.2 The Commission Finance Committee will consider budget proposals for the following financial year no later than 15 November in the preceding year, and recommend a budget for discussion by the full Commission at the December meeting. The budgets approved will form the basis of the Business Plan for the following year, to be produced in accordance with 4.2 above. It will also be used as the basis of allocating resources by selection and other committees for the year in question.

4.6 Internal audit

- 4.6.1 The Commission shall maintain an independent Audit Committee in accordance with the Treasury's Audit and Risk Assurance Committee Handbook.
- 4.6.2 The Commission, after discussion with DFID, will annually agree internal audit coverage based on governance, risk management and control issues. This extent of such coverage should be proportional to the scale, complexity and key risks facing the Commission in order to enable the Accounting Officer to provide assurance over its operations. Confirmation of this assurance shall then be published in the Governance Statement in the Annual Report and Accounts. Conclusions of the review will be the sole property of the Commission, provided that DFID shall have full right of access to all Reports produced as provided for in 4.6.5 below.
- 4.6.3 The internal audit activity will be undertaken in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS). Any decision to use a supplier other than the DFID Internal Audit Department will be subject to approval by DFID as conforming with current standards pertaining to NDPB's. All such activity will be subject to the terms of a Service Level Agreement between the Commission and the Audit provider, setting out the terms and level of expected service performance.

- 4.6.4 DFID will have a right of access to all documents prepared by the Commission including audit/risk strategies, risk analysis, periodic audit plans and any other audit reports commissioned/undertaken by the Commission and/or opinion on risk management, control and governance.
- 4.6.5 In addition, the Commission shall forward to DFID an annual report on fraud and theft suffered by the Commission; notify any unusual or major incidents as soon as possible; and notify any changes to internal audit's terms of reference, the audit committee's terms of reference or the Commission's Fraud Policy and Fraud Response Plan.

4.7 Additional Departmental access to the Commission

- 4.7.1 In addition to the right of access referred to in paragraph 4.6.4 above, DFID shall have a right of access to all the Commission's records and personnel for purposes such as sponsorship audits and operational investigations. DFID'S Counter-Fraud and Whistleblowing Unit (CFWU) will be the contact point for all allegations of fraud and their investigations. DFID also reserves a right of access to carry out independent reviews without prior notice of the governance, risk management, control systems and any other aspect of the work of the Commission.

5. EXTERNAL ACCOUNTABILITY

5.1 The Annual Report

- 5.1.1 The Commission must publish an Annual Report, including audited accounts for the most recent financial year, in accordance with the terms of the Act.
- 5.1.2 The Annual Report shall outline the Commission's main activities and performance during the previous financial year and set out in summary form the Commission's forward plans. It shall be prepared in accordance with the relevant statutes and will comply with the Treasury's Financial reporting Manual (FreM).
- 5.1.3 The Commission shall additionally provide to DFID audited accounts produced in accordance with 5.2 below for each government financial year fully covered by this Framework Document by no later than three months after the end of the year in question. A draft of the accounts shall be provided to DFID by 30 April each year for consolidation in the draft DFID Annual Report and Accounts.
- 5.1.4 A draft of the Annual Report shall be submitted to DFID a minimum of four weeks before the proposed publication date. DFID will arrange for the Annual Report to be cleared by

the Secretary of State, and will arrange the publication and the laying before Parliament, in accordance with the terms of the Act.

- 5.1.5 The Annual Report shall be made available on the Commission's website immediately following presentation to Parliament.
- 5.1.6 As part of the assurance process, to the principal Accounting Officer, the Accounting Officer of the Commission will further provide a written assurance of fulfilment of his/her role as Accounting Officer of the Commission by 30 April each year. This will note any exceptions or issues arising within the Commission for the year ended 31 March and will then be used by the principal Accounting Officer in forming his/her opinion of compliance within the departmental group.
- 5.1.7 The Accounting Officer will also provide written details of the Commission's system of risk management and internal controls, by 30 April each year, which will be used by the principal Accounting Officer in finalising the Governance Statement of the departmental group within the consolidated Annual Report and Accounts.
- 5.1.8 The Annual Report must cover any corporate, subsidiary or joint venture under its control; comply with the Treasury's Financial Reporting Manual (FrEM); and outline main activities and performance during the previous financial year and set out in summary forward plans

5.2 External audit

- 5.2.1 The Commission will arrange for appropriate external audit to take place of its activities. The Audit will be conducted by an organisation and on terms acceptable to DFID and the National Audit Office's Comptroller and Auditor General (C&AG). The C&AG has a statutory right of access to relevant documents, including by virtue of Section 25(8) Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the Commission.

5.3 VFM examinations

- 5.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Commission 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 Commission shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to

documents held by grant recipients and 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.

5.4 Right of Access

- 5.4.1 Subject to the data protection obligations of the Commission, DFID has the right of access to all the Commission's records and personnel for any purpose required in Cabinet Office and other HMG guidance and regulations pertaining to the relationship between NDPB's and Sponsoring Departments. [n.b. this paragraph was removed and reinstated]

6. STAFF MANAGEMENT

6.1 General

- 6.1.1 The Commission does not currently employ any staff, and it contracts out its administrative functions to third parties. Section 6 of this Framework Document shall only apply in the event that the Commission employs any staff.
- 6.1.2 Within the arrangements approved by the Secretary of State the Commission shall have responsibility for the recruitment, retention and motivation of its staff. To this end the Commission shall ensure that:
- Its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of sex, marital status, disability, age, race / colour, ethnic or national origin, sexual orientation, being or becoming transsexual, pregnancy or extent to which an individual is of child bearing age;
 - The level and structure of its staffing, including grading and staff numbers, is appropriate to its functions and the requirements of efficiency, effectiveness and economy;
 - The performance of its staff at all levels is satisfactorily appraised and the Commission's performance measurement systems are reviewed from time to time;
 - Its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Commission's objectives;
 - Proper consultation with staff takes place on key issues affecting them;
 - Adequate grievance and disciplinary procedures are in place;
 - Whistleblowing procedures consistent with the Public Interest Disclosure Act are in place; and
 - A code of conduct for staff is in place based on the Cabinet Office document *Model Code for Staff of Executive Non-Departmental Bodies* (<http://www.civilservice.gov.uk/modelcode>)

7. ARRANGEMENTS FOR REVIEWS OF THE COMMISSION'S STATUS AND PROCEDURES IN THE EVENT OF WINDING UP

7.1 The role of the Commission as a Non Departmental Public Body will be reviewed within three years of the publication of each previous review, unless otherwise agreed with DFID and the Cabinet Office. The date of the next review is anticipated to be in financial year 2016/17.

7.2 In accordance with Government regulations applicable to all Non-Departmental Public Bodies, in the event that the Commission is wound up, DFID shall put in place arrangements to ensure an orderly process. In particular DFID should ensure that the assets and liabilities of the Commission are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities of the Commission should revert to DFID. To this end, DFID shall:

- Undertake to meet all obligations of the Commission, including to those students and fellows on award or in receipt of letters of awards on the date at which notice of winding up was given, and to any supplier of good and services for any period for which the Commission is committed
- Ensure that procedures are in place in the Commission 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 Commission'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 funds are in place to pay for such audits. It shall be for DFID to lay the final accounts in Parliament, together with a report on the accounts;
- Arrange for the most appropriate person to sign the closing financial statements. In the event that another NDPB takes on the role, responsibilities, assets and liabilities, the succeeding NDPB Accounting Officer should sign the closing financial statements. In the event that DFID inherits the role, responsibilities, assets and liabilities, the DFID principal Accounting Officer should sign.

Signed by the Commission: Signed by the Chair of the Commonwealth Scholarship Commission

Date: 20 March 2014

Signed by DFID: Signed by Representative from UNCD at DFID

Date: 20 March 2014