



Framework Document

The Royal Commission on
Environmental Pollution
and the Department of the
Environment, Transport and
the Regions



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FOREWORD

The Royal Commission on Environmental Pollution (RCEP) was set up under Royal Warrant in 1970 in response to growing public and political concern about environmental issues. Since then the scientifically authoritative advice which it has produced, mainly through its 22 major reports on a wide-ranging variety of environmental challenges, has commanded immense respect and has provided a valuable contribution to long term policy development, including through influencing the level of public awareness and debate.

As a Royal Commission, RCEP is independent of the Government of the day. The matters on which it advises are now in some cases the responsibility of the UK Government and in some cases the responsibility of the devolved administrations. As the Department of the Environment, Transport and the Regions is the UK Government Department primarily responsible for environmental policy, it has a close relationship with RCEP, and is the channel through which RCEP receives funding. RCEP is subject to the same requirement for accountability in its use of public resources as applies to any other publicly funded body.

The purpose of this document is to set out the framework within which the relationship between DETR and RCEP operates. It is designed to facilitate working relationships between RCEP and DETR based on an agreed understanding of their respective roles and responsibilities. It aims to facilitate effective planning and review arrangements which benefit both organisations.

We welcome the agreement on which this framework is based. We hope it will provide a clear and stable basis for a fruitful continuation of the Commission's vital advisory work, helping to ensure the development of effective strategies for tackling the environmental challenges which we face.



Secretary of State



Chairman of RCEP

February 2001

CHAPTER 1

Status, aims and objectives of RCEP

Status

- 1.1 The Royal Commission on Environmental Pollution (RCEP) is an independent standing body established by Royal Warrant in 1970 to provide advice on environmental issues.
- 1.2 The Chairman and Members of the Commission are appointed by Her Majesty The Queen on the advice of the Prime Minister. They are supported by a small full-time Secretariat.
- 1.3 RCEP functions relate to all parts of the United Kingdom. It therefore advises both on matters which are the responsibility of the UK Government and on matters which are the responsibility of the devolved administrations. It is funded by the Department of the Environment, Transport and the Regions (DETR) on behalf of the UK Government.

Terms of Reference

- 1.4 RCEP's terms of reference as set out in the Royal Warrant are:

'To advise on matters, both national and international, concerning the pollution of the environment; on the adequacy of research in this field; and the future possibilities of danger to the environment'.

The Commission has always given a broad interpretation to the term 'pollution'.

- 1.5 The Chairman and Members are authorised by the Queen:

'To enquire into any such matters referred to you by one of our Secretaries of State or by one of our Ministers, or any such matters on which you yourselves shall deem it expedient to advise'.

- 1.6 The full text of the Royal Warrant is at Annex A.

Aim, objectives and tasks

- 1.7 The primary aim of RCEP is to contribute to policy development in the longer term by providing an authoritative factual basis for policy-making and debate, and setting new policy agendas and priorities. In reaching its conclusions, the Commission seeks to take account of the wider implications for society of any measures proposed. This involves consideration of the economic, social and ethical aspects of issues as well as the scientific and technological aspects.
- 1.8 RCEP's direction, priorities and goals are set out in its Corporate Plan (see section 3.1 below).

- 1.9 The way RCEP sets about tasks is described in Guidelines for the Conduct of Commission Studies. These are available on the RCEP website <http://www.rcep.org.uk>. RCEP keeps the guidelines under review and revises them from time to time in the light of experience.

CHAPTER 2

Roles, responsibilities and accountability

Her Majesty The Queen

- 2.1 The Royal Warrant setting out RCEP's remit and powers is issued by Her Majesty The Queen; and she appoints its Chairman and Members, on the recommendation of the Prime Minister. RCEP reports are submitted to her, and are presented by her command to the UK Parliament. They are also presented to the Scottish Parliament, National Assembly for Wales and Northern Ireland Assembly.

UK Government Ministers

- 2.2 The Secretary of State for the Environment, Transport and the Regions:
- is responsible for environmental policy within the UK Government, and hence has the principal responsibility for considering RCEP reports and ensuring that a UK Government response is given to such reports within one year in normal circumstances;
 - is responsible, on behalf of the UK Government as a whole, for allocating resources to RCEP;
 - is accountable to the UK Parliament for RCEP's expenditure from resources voted by Parliament;
 - makes recommendations to the Prime Minister on appointments to RCEP, in consultation with the devolved administrations and other UK Departments;
 - agrees the Framework Document and any revisions to it with RCEP; and
 - is responsible for consulting Scottish and Northern Ireland Ministers and Secretaries to the National Assembly for Wales on the exercise of any Ministerial functions in respect of RCEP that affect Scotland, Wales and Northern Ireland
- 2.3 Under the terms of the Royal Warrant, neither the Secretary of State nor anyone else may limit RCEP's freedom to study and report frankly on any issue within its terms of reference. Any UK Government Minister may refer matters to RCEP for inquiry, and RCEP would then have to study those matters. (see section 1.5)

The Permanent Secretary, DETR

- 2.4 The Permanent Secretary is DETR's Principal Accounting Officer and the principal adviser to the Secretary of State on matters affecting the Department as a whole, including overall questions of finance and the allocation of resources. The Permanent Secretary must be satisfied that RCEP has adequate financial systems and procedures in place to promote the efficient and economical conduct of its business, and to safeguard financial propriety and regularity. The Permanent Secretary reserves the right to undertake any evaluation of RCEP's financial systems and procedures deemed necessary to discharge his responsibilities.
- 2.5 The Permanent Secretary is answerable to the Public Accounts Committee on the discharge of DETR's responsibilities in relation to RCEP.
- 2.6 The Permanent Secretary delegates to the Head of the Environmental Protection Strategy Directorate (EPSD) financial management responsibility for RCEP.

The Head of Environmental Protection Strategy Directorate, DETR

- 2.7 The Head of EPSD is responsible for delegating responsibility for the financial management of RCEP to the Secretary to RCEP (see Annex C) and for:
- keeping under review the terms of RCEP's Royal Warrant;
 - making recommendations about appointments to RCEP, including liaising with the Chairman and Secretary, other Government Departments, devolved administrations, the Secretary of State and the Prime Minister's office;
 - ensuring that the appointments of Chairman and Members comply with the guidance on appointments to public bodies produced by the Commissioner for Public Appointments;
 - liaising with the Secretary and Chairman on issues relating to RCEP's plans, studies and reports, and on management and staffing matters, and for advising Ministers or the Permanent Secretary on any issues relevant to their responsibilities;
 - identifying lead interests within Government in RCEP studies and reports and co-ordinating Departmental evidence to studies, Government responses to RCEP reports and advice to Ministers on RCEP reports;
 - assessing RCEP's resource requirement in consultation with the Chairman and Secretary of RCEP and allocating resources to RCEP in consultation with the DETR Finance Directorate, ensuring that issues associated with those resources are regularly and adequately reviewed;
 - ensuring the Secretary to RCEP establishes and maintains appropriate systems of financial control;

- ensuring that issues raised by Parliamentary Committees, the National Audit Office (NAO) or the Department's Internal Audit Service are appropriately and promptly handled and any necessary follow-up action is taken; and
 - arranging for a Financial Management and Policy Review of RCEP to be carried out every five years.
- 2.8 The Head of EPSD may delegate day to day responsibility for all these matters to staff in the Directorate. Staff in EPSD may seek advice from DETR's Finance Directorate on any issue relating to RCEP's resources.

The DETR Finance Directorate

- 2.9 The resource management delegation from the Permanent Secretary to the Head of EPSD includes a summary of the responsibilities of the DETR Finance Directorate for DETR expenditure. The Directorate may inquire into any matter relating to the control and management of RCEP's resources which it considers appropriate and request from the Head of EPSD or the Secretary to RCEP any information that is considered necessary to fulfil its responsibilities.
- 2.10 Financial Advice and Resource Management (FARM) Division is the focal point within the Directorate for advice to EPSD on RCEP resources and their management. Further detail on this advisory role is in Annex B.

RCEP Chairman and Members

- 2.11 The Chairman and Members of RCEP are responsible for:
- carrying out the functions of RCEP as specified in the Royal Warrant;
 - ensuring that a programme of inquiries and reports is established and carried out, and that it takes into account the views expressed to the Commission by Ministers, Government Departments and the devolved administrations;
 - adopting, and complying with, a code of conduct which complies with guidance issued by the Cabinet Office and the Commissioner for Public Appointments and requires them to declare on a public register all significant and relevant interests and to draw attention to any conflict of interest that may arise;
 - ensuring that the activities of the Commission are conducted in the most effective and economical way within the available resources; and
 - agreeing with the Secretary of State this Framework Document and any revisions to it.

The RCEP Chairman

2.12 The Chairman of RCEP is responsible for:

- ensuring the business of RCEP is conducted efficiently;
- ensuring adequate consultation with UK Government Departments and the devolved administrations prior to selecting and commencing any topic of study;
- keeping under review the objectives and outcomes of RCEP activities and ensuring that its Corporate Plan contains a clear strategy for its future direction, priorities and goals;
- contributing to the procedures leading to recommendations for the appointment or reappointment of Members;
- ensuring that all Members, when taking up office, are fully briefed on their duties and responsibilities;
- participating in the selection and appointment of the Secretary to RCEP and overseeing her/his work; and
- making representations to the Department's Ministers if at any time s/he considers that resources allocated to RCEP or the indicative allocations for future years are inadequate.

The Secretary to RCEP

2.13 The Secretary to RCEP is responsible for:

- the financial management of RCEP's resources. The Secretary to RCEP will put in place appropriate systems of control to ensure the economic, efficient and effective use of public funds and the propriety and regularity of expenditure;
- deploying the Secretariat's staff and financial and other resources in accordance with RCEP's priorities to progress major studies and other RCEP business;
- ensuring that the register of Member's interests is kept up to date, and that Members are made aware of RCEP's Code of Conduct and have access to up to date information about the values and standards with which they are expected to comply; and
- recruitment and management of staff in the Secretariat (see Section 4).

2.14 The form of a delegation of financial management responsibilities to the Secretary to RCEP is set out at Annex C.

Summary of Responsibilities for Relations with the UK Parliament

- 2.15 The Secretary of State for the Environment, Transport and the Regions is accountable to the UK Parliament for RCEP's expenditure from resources voted by Parliament (see section 2.2).
- 2.16 The Permanent Secretary, DETR, is answerable to the Public Accounts Committee on the discharge of DETR's responsibilities for RCEP.
- 2.17 The Head of EPSD, DETR, is responsible for providing briefing and information as necessary for Parliamentary Committees and the NAO on DETR's interests relating to RCEP.
- 2.18 DETR Ministers reply to Parliamentary Questions about appointments to RCEP or the resources made available to it, or about UK Government interests in RCEP studies. Questions from a Member of Parliament about the conduct of RCEP business or about its opinion on any matter are normally referred to the Chairman of RCEP who responds direct.
- 2.19 RCEP may appear before Parliamentary Committees to give evidence or provide advice on matters within its terms of reference.

The devolved administrations

- 2.20 The Scottish Executive, the National Assembly for Wales and the Northern Ireland Executive have responsibility for environmental policy within their devolved competences. In future RCEP reports will be presented to the Scottish Parliament, National Assembly for Wales and the Northern Ireland Assembly at the same time as they are presented to the UK Parliament. It will be for each devolved administration to decide in what form it should respond to a report.
- 2.21 RCEP is specified as a Cross Border Public Authority (CBPA) for the purposes of the Scotland Act 1998. As a CBPA, RCEP may be required to appear before Committees of the Scottish Parliament to give evidence on matters within its terms of reference. Following an Order in Council, Scottish Ministers have the same rights of referral on matters devolved to them as do UK Government Ministers, though RCEP is not required to inquire into matters so referred by Scottish Ministers.
- 2.22 Though there is no equivalent statutory requirement, it is agreed for practical purposes that RCEP will consider, on the same basis as for Scotland, references from Ministers in Northern Ireland and Secretaries to the Welsh Assembly.
- 2.23 DETR will consult Scottish Ministers, Secretaries to the National Assembly for Wales and Northern Ireland Ministers about appointments to RCEP before advice is put to the Prime Minister by the Secretary of State.
- 2.24 Co-operation between DETR and the devolved administrations continues, formalised where appropriate in Concordats. Accordingly, it has been agreed that funding for RCEP will be provided through DETR not through the devolved administrations.
- 2.25 Before selecting a subject and commencing a study RCEP will consult the devolved administrations and take into account any view they may express.

CHAPTER 3

Planning, Review of Performance and Stewardship

Corporate planning

- 3.1 In July each year RCEP will produce a Corporate Plan defining its strategic direction, priorities and goals over the next three years. The Plan will outline the rationale for subjects being considered for study, including the intended impacts of studies, provisional timetables, and possible indicators of performance. The Plan will also include more detailed objectives and targets for the forthcoming financial year, expressed in terms of outcomes rather than processes, and setting out the underlying assumptions.
- 3.2 The Corporate Plan should contain the financial management information relating to future years requested in the DETR annual business planning and Administration Budgeting Systems (ABS) guidance.
- 3.3 The Plan should be sent to the Head of EPSD. It will not be subject to Ministerial approval but, in addition to its use as a working tool for RCEP, it will assist DETR in fulfilling its financial management responsibilities by helping to assess whether resources allocated represent value for money.

Performance review

- 3.4 RCEP will publish annually and no later than August a review of its performance and activities over the past financial year. This will show how the resources made available to it have been expended and assess performance in relation to the objectives and targets set out in the previous Corporate Plan.
- 3.5 RCEP will produce an evaluation of each of its main studies three years after publication of the report, taking into account the objectives and any indicators of performance identified at the outset of each study. The conclusions of these evaluations will be published in its annual review of activities.

Financial Stewardship

- 3.6 The financial framework within which RCEP operates is described in Annex B.
- 3.7 RCEP will provide DETR not later than early June each year with a financial report showing actual expenditure in relation to provision for the previous financial year, and commenting on the specific financial management issues set out in paragraph 6 of Annex B.

- 3.8 The Head of EPSD must be satisfied with the financial report and in particular that the expenditure and receipts provided value for money and that action has been taken to remedy any weaknesses identified in previous reports. The Head of EPSD will record that he has received a satisfactory report from RCEP in the end year report for EPSD, which is prepared in June each year.

CHAPTER 4

Human Resources

General provisions

- 4.1 The Secretary to RCEP is responsible for ensuring that the Secretariat is adequately staffed, and for managing those staff.

Status of Staff and Conditions of Service

- 4.2 The staff in the Secretariat are civil servants employed by the Crown working within DETR. Their terms and conditions of service will therefore be the same as those of staff in DETR in corresponding pay bands and DETR will exercise personnel functions in relation to them. Staff remain in, and new recruits will join, the Principal Civil Service Pension Scheme, unless they opt not to do so. Staff in the Secretariat have the same eligibility as staff on corresponding circumstances in DETR to transfer and be promoted within DETR, its Executive Agencies or other government Departments, where opportunities exist.

Recruitment

- 4.3 The Secretary to RCEP is responsible for ensuring that, within the budget available, the Secretariat is staffed to meet the Commission's needs. Where recruitment to a post is confined to DETR staff or civil servants generally, the procedures of DETR's Job Advertising Scheme will be followed. Where the Secretary decides that a post should be open to non-civil servants, the procedures for recruitment shall be in accordance with the rules and conditions promulgated by the Civil Service Commissioners and in accordance with the Civil Service Management Code. RCEP may also enter into agreements for the secondment of staff on terms agreed with their employer.

Development and Training

- 4.4 The Secretary to RCEP is responsible for identifying the development and training needs of all staff and for drawing up a development and training strategy designed to ensure that all staff acquire the appropriate professional, management and other skills and expertise. The Secretary to RCEP has a particular responsibility for ensuring that staff have suitable training and expertise in financial management. All staff in the Secretariat will be eligible to take part in any training course or development scheme operated by DETR for its own staff. In pursuing development and training policies the Secretariat will employ the principles set out in the Investor in People Standard.

Employee Relations

- 4.5 The Secretary to RCEP is responsible for good employee relations, communication and consultation within the Secretariat. S/He attaches importance to the need to make full use of the skills and talents of staff and to provide them with an opportunity to contribute to decisions affecting their jobs.

Equal Opportunities

- 4.6 The Secretary to RCEP is responsible for ensuring equal opportunity and treatment for all staff in the Secretariat and for promoting diversity.

Health and Safety

- 4.7 RCEP will comply with all relevant health and safety legislation. It will also follow DETR's Health and Safety Policy Statement. In accordance with the Health and Safety Guidance, the Secretary to RCEP is the responsible manager for health and safety and appoints a health and safety co-ordinator.

CHAPTER 5

Amendment and Review

- 5.1 Any changes to this document are subject to the agreement of the Chairman of RCEP and the Secretary of State, after consultation with the Members of the Commission and the Head of EPSD within DETR.
- 5.2 Changes to the Annexes, with the exception of Annex A, can be made at any time subject to the agreement of the Secretary to RCEP and the Head of EPSD.
- 5.3 This document will be reviewed as part of the next Financial, Management and Policy Review of RCEP, which, in line with the normal five year cycle, is due to take place during the year 2004.

ANNEX A

The Royal Warrant

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories QUEEN, head of the Commonwealth, Defender of the Faith, to

Our Trusty and Well-beloved Sir Eric Ashby, Knight;
The Right Reverend Father in God William Launcelot Scott, Lord Bishop of Norwich;
Our Trusty and Well-beloved Sir Solly Zuckerman, Member of the Order of Merit, Knight Commander of Our Most Honourable Order of the Bath;
Sir John Winnifrith, Knight Commander of Our Most Honourable Order of the Bath;
Aubrey Leland Oakes Buxton, Esquire, upon whom has been conferred the Decoration of the Military Cross;
Wilfred Beckerman, Esquire;
Frank Fraser Darling, Esquire;
Neil Atkinson Iliff, Esquire;
Vero Copner Wynne-Edwards, Esquire,

Greeting!

WHEREAS We have deemed it expedient that a Commission should forthwith issue, to advise on matters, both national and international, concerning the pollution of the environment; on the adequacy of research in this field; and the future possibilities of danger to the environment;

NOW KNOW YE that WE, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these Presents authorise and appoint you the said Sir Eric Ashby (Chairman); William Launcelot Scott, Lord Bishop of Norwich; Sir Solly Zuckerman; Sir John Winnifrith; Aubrey Leland Oakes Buxton; Wilfred Beckerman; Frank Fraser Darling; Neil Atkinson Iliff; and Vero Copner Wynne-Edwards to be Our Commissioners for the purpose and with the powers following, that it to say, to enquire into any such matters referred to you by one of Our Secretaries of State or by one of Our Ministers, or any other such matters on which you yourselves shall deem it expedient to advise;

AND We do by these Presents authorise you, the said Commissioners, to hold office respectively for a term of three years commencing from the date of this, your appointment, and to be eligible for re-appointment on the expiry thereof:

AND We do by these Presents authorise you to sit as a whole or otherwise for the purpose of inquiring into such matters as the said Sir Eric Ashby may deem expedient to allocate to you:

AND for the better effecting the purposes of this Our Commission, We do by these Presents give and grant unto you full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; to call for information in writing; and also to call for, have access to and examine all such books,

documents, registers and records as may afford you the fullest information on the subject and to inquire of and concerning the premises by all other lawful ways and means whatsoever:

AND We do by these Presents authorise and empower you, or any of you, to visit and personally inspect such places as you may deem it expedient so to inspect for the more effectual carrying out of the purposes aforesaid:

AND We do by these Presents will and ordain that this Our Commission shall continue in full force and virtue, and that you, Our said Commissioners, may from time to time proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment:

PROVIDED that, should you deem it expedient, the powers and privileges hereinbefore conferred on you shall belong to and may be exercised by, any four or more of you:

AND We do by these Presents authorise you or any four or more of you to report to Us your proceedings under this Our Commission from time to time if you judge it expedient so to do, so however that you do not disclose in any of your reports material which in your opinion relates to confidential industrial information or techniques.

GIVEN at Our Court at Saint James's
The twentieth day of February 1970;
In the Nineteenth Year of Our Reign.
By Her Majesty's Command.

ANNEX B

Financial Management Framework

- B.1 RCEP's resources shall be managed in accordance with the requirements of Government Accounting

Departmental expenditure control system

- B.2 The resources allocated to RCEP come from DETR's administration Vote (for 2000/01, in subsequent years from DETR's Administration Request for Resources). DETR's resources, including its administration resources, are fixed for periods of three years and reviewed every two years. For example, the 2000 Spending Review has confirmed the resources available for 2001-02 and set limits on the amounts available in 2002-03 and 2003-04; the resources available for 2003-04 will be confirmed in the next review in 2002. DETR allocates administration resources according to Ministerial objectives and priorities in the context of an annual business planning exercise.

Allocation of resources to RCEP

- B.3 Resources for RCEP will be included in the total administration resources allocated to DETR's Environmental Protection Group by the Corporate Financial Management Division. The Head of EPSD will allocate resources to RCEP for the next financial year from the Group's budget and also give indicative allocations for the subsequent two financial years. The level of resources allocated will take account of the objectives, outputs and targets set out in the Commission's Corporate Plan (see paragraphs 3.1 and 3.2 of main text above).
- B.4 All of RCEP's current spending is subject to Single Running Cost Control i.e. it has freedom to vire between its current expenditure headings. Viring between current and capital budgets requires the agreement of EPSD.

Monitoring expenditure

- B.5 By September each year, the Secretary and the Head of EPSD will review RCEP's spending and requirements for the remainder of the financial year and RCEP's allocation may be adjusted accordingly. The Secretary shall provide quarterly reports and notify EPSD as soon as it becomes apparent that overspending or underspending of resources allocated is likely to occur. The Secretary shall not commit RCEP to expenditure beyond the resources at its disposal (see paragraph 9 in Annex C).

End of year report

- B.6 The Secretary will provide the following information and commentary in his/her end of year report in June each year:
- any variation between actual expenditure and the resources allocated resulting in overspends of at least 2% or £50,000 (whichever is the lower) or underspends of at least 3% (providing the underspend is at least £10,000);
 - the adequacy of the financial management and control systems operated by the Secretariat;
 - the outcome of any audits, risk assessments, staff inspections, grading reviews and RCEP's response to any recommendations relevant to financial control;
 - details of any contracts awarded by single tender action (see paragraph 12 in Annex C); and
 - the arrangements for asset management and IT security; and the financial management training received by, or planned for, Secretariat staff.

Insurance

- B.7 RCEP shall adhere to the normal criteria governing insurance by public sector bodies, namely that commercial insurance policies should be taken out only where there is a statutory or contractual requirement to insure. Exceptions to the general presumption in favour of self insurance are only permissible with the prior approval of DETR and Treasury, which will only be given where it can be demonstrated beyond doubt that commercial insurance offers better value for money.

Audit

- B.8 The Secretary may seek assurance from either DETR's Internal Audit Service or external auditors that the systems and controls established by RCEP do comply with the principles of regularity, propriety and value for money.
- B.9 DETR may arrange for an evaluation of RCEP's systems and controls to be carried out in order to be able to provide assurance to DETR's Principal Accounting Officer about the maintenance of appropriate standards and performance.
- B.10 RCEP shall maintain such books and records as are proper to the discharge of its responsibilities. These shall be available for inspection at all reasonable times by DETR, its nominated representatives and the Comptroller and Auditor General or his representatives. The Comptroller and Auditor General may carry out examinations under Section 6 of the National Audit Act 1983 into the economy, efficiency and effectiveness with which RCEP has used its resources in discharging its functions and report to the Parliament the results of any such inspection he has undertaken.

Arrangements for use of DETR services

- B.11 RCEP will agree with DETR service providers the provision of services on terms and under arrangements corresponding to those that apply ordinarily to DETR divisions. Any payments under such arrangements will appear in DETR accounts as notional costs.

Liaison between EPSD and DETR Finance Directorate

- B.12 In discharging its financial management responsibilities for RCEP's resources, EPSD may seek advice from DETR's Finance Directorate, with the Financial Advice and Resource Management (FARM) Division acting as the focal point. Consulting other finance divisions as necessary, FARM will advise on:
- the financial regularity and propriety of expenditure by RCEP;
 - proposals for expenditure which have novel or contentious features and on cases which could give rise to criticism of the Principal Accounting Officer on the grounds of propriety, regularity or value for money, including losses, special payments, fraud or corruption;
 - systems and procedures for controlling and monitoring expenditure; and
 - responses to NAO management letters and reports.
- B.13 FARM will also:
- ensure that the Head of EPSD or RCEP, as appropriate, follow up the recommendations of internal audit reports;
 - report this follow-up action to the DETR Audit Committee; and
 - write off any losses by RCEP in accordance with the relevant Treasury delegation.

ANNEX C

Delegation of Financial Management Responsibilities to the Secretary to RCEP

Financial Management Responsibilities of the Secretary to the Royal Commission on Environmental Pollution

INTRODUCTION

- C.1 This minute delegates to you, as the Secretary to the Royal Commission on Environmental Pollution (RCEP), responsibility for the management of the administrative resources used by RCEP. I will notify you separately of the resources allocated to RCEP in each financial year, together with an indicative allocation for the subsequent two financial years.
- C.2 The delegation set out in this minute supersedes any previous delegations and is personal to you. I look to you to seek approval from me for any necessary changes to the delegation. You will need to consider what further sub-delegations of these responsibilities to staff in the Secretariat would be appropriate.

Financial Management Responsibilities

- C.3 As Secretary to RCEP your financial management responsibilities are as follows.

ACCOUNTABILITY

- C.4 You are responsible to the Chairman and Members of RCEP for the application, in accordance with RCEP's priorities, of the Secretariat's staff, financial and other resources to the progress and conduct of studies and other RCEP business. You should ensure that proper advice is given to the Chairman and Members on the financial aspects of any matter which involves the expenditure or use of the resources made available by DETR. In particular, you may advise on the economy, efficiency and effectiveness of expenditure proposals and RCEP's actual or proposed use of staff.
- C.5 If you have reason to believe that the position of DETR's Principal Accounting Officer might be called into question as a result of the financial aspects of a decision by the Chairman and Members, or that such a decision might conflict with your financial management responsibilities, you should inform the Chairman in writing. Should the Chairman and Members nevertheless choose to proceed, you shall comply with their written instructions and inform the Head of EPSD.

- C.6 You are responsible for the propriety and regularity of RCEP's financial activities. In this you are answerable to the Head of EPSD, and ultimately to the Principal Accounting Officer.
- C.7 You shall ensure that all public funds made available to RCEP are safeguarded and applied only to the purposes of RCEP in accordance with its Royal Warrant and the ambit of the Vote for 2000-01 (in subsequent years the Request for Resources) approved by Parliament. You shall ensure that the Secretariat takes financial considerations fully into account at all stages in the preparation, making and implementation of decisions.

PROVISION OF INFORMATION

- C.8 You shall provide briefing and information, which may be requested by the Head of EPSD or DETR's Finance Directorate for budgeting purposes or to respond to the NAO or to Parliamentary business relating to RCEP's financial management.

FINANCIAL MANAGEMENT CONTROLS

- C.9 You are under a duty to ensure that the necessary sub-delegations and staff instructions (giving authority to commit expenditure, award contracts, make payments, etc) are in place, and staff are properly trained, organised and supervised; and that economic, efficient and effective internal arrangements are made, maintained and kept under review for the proper financial management of the Commission's affairs. This should include:
- recording the expenditure and receipts incurred by, and assets held on behalf of, RCEP;
 - the preparation of estimates of future expenditure (and any receipts which may be received), as may be needed by RCEP or requested by the Department;
 - the control of contractual commitments on behalf of RCEP;
 - the certification of claims by Members for the payment of fees in accordance with the rates prevailing;
 - the authorisation of payments for travelling and subsistence to Members of RCEP and Secretariat staff;
 - the certification and authorisation of other payments on behalf of RCEP;
 - the monitoring and control of expenditure and receipts against the approved budget and providing outturn information as requested by FARM;
 - the collection of any money due to RCEP;
 - the safe custody of any cash and any property held on behalf of RCEP;
 - the effective management of RCEP's assets;
 - providing independent and effective checks of cash balances and other assets including stores, equipment or property of any kind;

- ensuring proper, effective and timely follow-up action to NAO and other audit reports and FMPR reports in consultation with the Head of EPSD and the Finance Directorate;
- seeking the approval of the Head of EPSD before incurring any expenditure of a novel or contentious nature or raising or guaranteeing any loan, or giving any indemnity or acquiring any interest in land; and
- seeking the approval of the Head of EPSD before making any disposal expected to realise more than £2,000 of any fixed asset that has been purchased with public funds or making any disposal at less than market value.

MONITORING

- C.10 In addition to quarterly monitoring, if you at any time believe there will be insufficient provision to fulfil RCEP's programme for the year, you must promptly inform the Head of EPSD, who should also be informed of any significant underspends that are forecast. New commitments affecting the current and subsequent years shall not be entered into before the allocations (final or indicative) for those years have been notified to RCEP except with the prior approval of the Head of EPSD, who may need to consult FARM.
- C.11 You shall ensure that discrepancies between ASP reports and RCEP's internal records are investigated and resolved.

PROCUREMENT

- C.12 As Secretary to RCEP you shall ensure that all contracts let by RCEP, whether for works, consultancies, stores or services are designed to secure best value for money and comply with the Public Procurement Guidelines (November 1998: www.hm-treasury.gov.uk/pub/html/cup/procpol.html). Procurement circular 2/99 gives good practice guidance for organising procurement and further advice may be sought from DETR Procurement Policy and Advice Division. You may approve contracts up to £30,000 (including VAT).
- C.13 Contracts should normally be let on a competitive basis, with the reasons for rejecting unsuccessful bids being recorded. However, RCEP may without further justification make purchases under DETR call-off contracts or the G-CAT service of the Central Computer and Telecommunications Agency without obtaining any other quotation and may enter into contracts for £500 (including VAT) or less on the basis of a single quote without further justification. You may approve single tender action for contracts up to £30,000 (including VAT) subject to the following:
- the case falls within the criteria for single tender action set out in Procurement circular 2/99;
 - the reasons for the single tender action are recorded;
 - the contract is not with a former civil servant;
 - you are not the officer nominated to be responsible for the project in question;

- where appropriate, the fees are within rates approved by DETR; and
- details of all single tender action are reported annually to the Head of EPSD (see B.6).

All other cases where you propose to place orders or contracts without competitive tendering are subject to the prior agreement of the Head of EPSD.

- C.14 You shall ensure that, where purchases of information and communication technology (ICT) equipment or services are not made from the current DETR Information Technology Standards List or under a DETR call-off contract, an adequate technical assessment is made to ensure that the purchase is appropriate and represents value for money. For this purpose RCEP will consult DETR IT Services Division, and, in particular must obtain their views before undertaking any major upgrade of RCEP's IT system.

RECEIPTS

- C.15 You should seek to maximise any receipts for the provision of facilities, publications or services.

MANAGEMENT AND DISPOSAL OF ASSETS

- C.16 You are responsible for the effective management of all RCEP's assets and for ensuring that adequate arrangements are in place:
- to maintain and keep up to date records of all its assets;
 - to ensure that the property is maintained (as a minimum, to comply with health and safety legislation, recommendations and codes); and
 - to ensure accommodation costs represent value for money.

Normally, disposals of assets shall be at market value (i.e. the best price reasonably obtainable).

LOSSES

- C.17 You shall not write off any losses but shall refer all such cases at the earliest opportunity to EPSD who should refer them to FARM with comments.

FRAUD

- C.18 You shall ensure that all cases of attempted, suspected or proven fraud shall be reported to the head of EPSD, who should refer them to the Internal Audit Service and FARM as soon as they are discovered, irrespective of the amount involved. Reports shall be in the form specified in the Annexes to Chapter 31 of Government Accounting.

GUIDANCE

- C.19 In all these matters you shall comply with the requirements of 'Government Accounting', DETR's Resource Management Guidance (including the volumes on procurement), guidance in "Procurement in DETR-External Consultancy" and any other relevant Departmental codes, instructions and guidance. You should put into effect any recommendation of Parliamentary Committees or other Parliamentary authority which relates to your financial and management responsibilities and have been accepted by the Government.