Section 1 - Introduction

This framework document has been drawn up by the Department for Environment, Food and Rural Affairs (Defra) in consultation with the Animal and Plant Health Agency (APHA). This document sets out the broad framework within which APHA will operate. This document does not convey any legal powers or responsibilities. It is signed and dated by Defra and APHA. 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 via the Gov.uk website.

1. Purpose of APHA

1.1 Name and main aim

APHA is an Executive Agency bringing together some of the functions from the Food and Environment Research Agency (Fera) and the whole of the Animal Health and Veterinary Laboratories Agency (AHVLA). It was set up in order to support the strategic aims and business plans of Defra, the Scottish Government and the Welsh Government. Its main aim is to safeguard animal and plant health.

1.2 Statutory duties

The Secretary of State for Environment, Food and Rural Affairs ("the Secretary of State") established APHA to fulfil its legal obligations operate in the field as a GB-wide organisation providing agreed services to the Scottish Executive and the Welsh Assembly Government as well as throughout England. The operations of APHA throughout Great Britain are subject to the relevant law(s) pertaining to either that Administration or across GB as a whole.

 Relationships between APHA and the Devolved Administrations come within, and are subject to, the principles and procedures enshrined in wider concordats and agreements that exist between the different Administrations.

Published October 2014
The specific services provided by APHA to each Administration are detailed in APHA’s annual agreed Business Plan.

These statutory functions may additionally be supplemented by the Secretary of State’s common law powers.

1.3 Strategic aims

APHA will safeguard animal and plant health, for the benefit of people, the environment and the economy. APHA’s strategic aims are:

- Aim 1 - Rapid control of pests and disease outbreaks in animals and plants
- Aim 2 - Reduced threat from new and emerging animal and plant diseases
- Aim 3 - Enhanced food security
- Aim 4 - Improved agricultural economy
- Aim 5 - Healthier people, plants, animals and environments
- Aim 6 - Improved policy making in UK and EU

1.4 Mission Statement

To safeguard animal and plant health for the benefit of people, the environment and the economy.

Section 2 - Governance and accountability

2. APHA legal origins of powers and duties

2.1 Part of Act(s) which empowers the Agency

APHA fulfils the functions of the Secretary of State for Defra in relation to plant and animal health in secondary legislation made under the European Communities Act 1972 and relevant EC legislation. These statutory functions may additionally be supplemented by the Secretary of State’s common law powers.

3. Overall aims

3.1 Aims

A key aim of Defra and the Devolved Administrations in Scotland and Wales is to maintain a sustainable farming industry. APHA is central to that as it helps protect public health, animal health and welfare, plant health and standards of production in the farmed animal and plant sectors. These activities help support the economic viability of agricultural industries.

Published October 2014
OFFICIAL

APHA is responsible for delivering and advising on the statutory services for the implementation of legislation and standards on animal health, plant health, bee health and plant varieties and seeds in England, Wales and when appropriate Scotland. It operates government inspectorates with the common aim of balancing effective regulation of risks to plants, animals and people with minimising the regulatory burden on industry and trade. It plays a key role in facilitating import and export trade by advising industry on best practice and international standards.

The Secretary of State has agreed that to deliver the strategic aims detailed in paragraph 1.3 of this framework Document, the main activities of APHA should encompass (but are not limited to) the following:

- Deliver applied expert advice to decision makers
- Provide a range of reference laboratory functions for animal health
- Undertake threat surveillance
- Carry out risk assessment and mitigation
- Influence international policy development
- Undertake expert research and play a part in the wider scientific community
- Carry out inspection, certification and enforcement
- Provide high quality laboratory services
- Provide a rapid emergency response
- Help provide an interface between government and industry
- Engage with farmers, industry groups and the public
- Exploiting core capabilities and facilities in wider markets (including international markets) to help achieve the strategic aims and to maximise the efficiency and effectiveness of the activities for UK governments.

4. Ministerial responsibility

4.1 Role of secretary of State

The Secretary of State for Defra will account for APHA business in Parliament.

5. Defra’s Accounting Officer’s specific accountabilities and responsibilities as Principal Accounting Officer

5.1 Designating the Agency Chief Executive Officer (CEO) as Accounting Officer (AO)

The Principal Accounting Officer (PAO) of Defra has designated the CEO as APHA AO.

5.2 PAO responsibilities to Minister

Published October 2014
The PAO is accountable to Parliament for the issue of any budget allocation to APHA. The PAO is also responsible for advising the Secretary of State:

- on an appropriate framework of objectives and targets for APHA in the light of the department's wider strategic aims and priorities;
- on an appropriate budget for APHA in the light of Defra's overall public expenditure priorities; and
- how well APHA is achieving its strategic objectives and whether it is delivering value for money.

5.3 **PAO additional responsibilities**

The PAO is also responsible for ensuring arrangements are in place in order to:

- monitor APHA's activities;
- address any significant problems in APHA as they arise, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to Defra and APHA's objectives and activities;
- inform APHA of relevant government policy in a timely manner; and,
- bring concerns about the activities of APHA to the Defra Board with explanations and assurances that appropriate action has been taken.

5.4 **Key point of contact in department**

The Director General Chief Operating Officer (DGCOO) is the key point of contact within Defra and is the main source of advice to the Secretary of State in the discharge of their responsibilities in the respect of APHA.

Officials of the Finance and Performance Directorate working with other Defra teams as appropriate will support DGCOO and the Defra PAO on their responsibilities toward APHA.

6. **Responsibilities of the Executive Agency's CEO as APHA AO**

6.1 **General responsibilities**

The CEO as AO is personally responsible for safeguarding the public funds in their charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and of the day-to-day operations and management of APHA. In addition, the AO will ensure that APHA as a whole is run on the basis and standards, in
terms of governance, decision making and financial management, which are set out in Box 3.1 of *Managing Public Money*.

### 6.2 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 APHA are established and made widely known within APHA;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by Defra, the Treasury and Cabinet Office; and
- giving evidence, normally with the Defra Principal Accounting Officer, when summoned before the Public Accounts Committee on APHA ‘s stewardship of public funds, or to other Select Committees should they wish to take evidence on matters assigned to APHA.

### 6.3 Particular responsibilities to Defra

Particular responsibilities to Defra include:

- establishing, in agreement with Defra, APHA ‘s corporate and business plans in light of Defra’s wider strategic aims and agreed priorities;
- informing Defra of progress in helping achieve Defra’s policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to Defra; that Defra is notified promptly if over or under spends are likely and that corrective action is being taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to Defra in a timely fashion.

### 6.4 Particular responsibilities to APHA Management Board

The CEO is responsible for:

---

advising the board on the discharge of APHA Board’s responsibilities as set out in this document and in any other relevant instruction and guidance that may be issued from time to time;

• advising the board on APHA’s performance compared with its aims and objectives

• ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions and that financial appraisal techniques are followed.

7. Annual Report and Accounts

7.1 Requirement to publish annual report
APHA must publish an annual report of its activities with its audited accounts after the end of each financial year. APHA shall provide Defra its finalised (audited) accounts each year in accordance with the Defra accounting timetable in order for APHA accounts to be consolidated within the Defra accounts.

7.2 Content of annual report

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 form forward plans.

7.3 Inclusion of performance against KPIs in annual accounts

Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in parliament and made available on the Gov.uk website, in accordance with the guidance in the FReM.

A draft of the report should be submitted to Defra at least two weeks before the proposed publication date. The accounts should be prepared in accordance with relevant statutes and specific accounts direction issued by the department as well as the FReM.

8. Internal audit

8.1 Internal audit requirements

APHA shall:

Published October 2014
OFFICIAL

- establish and maintain arrangements for internal audit in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS) and ensure that Defra's internal audit and performance assessment teams have complete access to all relevant records;
- forward the audit strategy, periodic audit plans and annual audit report, including APHA Head of Internal Audit opinion on risk management, control and governance to Defra in line with any timing agreed with Defra; and
- keep records of, and prepare and forward to Defra, an annual report on fraud and theft suffered by APHA and notify Defra of any unusual or major incidents as soon as possible.

8.2 Internal audit right of access

The internal audit service and Defra internal audit and performance teams have a right of access to all documents, including where the service is contracted out.

9. External audit

9.1 Parliamentary process

The Comptroller and Auditor-General (C&AG) will pass the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before Parliament.

9.2 C&AG and the audit process

The C&AG:

- will consult Defra and APHA on whom - the NAO or a commercial auditor - shall undertake the audit(s) though the final decision rests with 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 or grants from APHA;
- will share with Defra 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 Defra's responsibilities in relation to financial systems within APHA; and
- will, where asked, provide Defra and other relevant bodies with Regulatory Compliance Reports and other similar reports which Defra may request at the commencement of the audit and which are compatible with the independent auditor's role.

9.3 C&AG access to documentation

The C&AG may carry out examinations into the economy, efficiency and effectiveness with which APHA 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

Published October 2014
section 8 of the National Audit Act 1983. In addition, APHA 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 examination; 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.

9.4 Defra access to documentation

Defra has the right of access to all APHA records, and personnel for any purpose including, for example, sponsorship audits and operational investigations.

10. Managing Public Money and other government-wide corporate guidance and instructions

10.1 Budgetary compliance exception procedures

Unless agreed by Defra and, as necessary, HM Treasury, APHA shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to officials within the Director of Finance & Performance directorate in Defra in the first instance. A list of guidance and instructions with which APHA should comply is in Appendix 2.

10.2 Budgetary compliance, freedoms and limitations

Once the budget has been approved by Defra APHA shall have the authority to incur expenditure approved in the budget without further reference to Defra, on the following conditions:

- APHA shall comply with the delegations set out in Appendix 1. These delegations shall not be altered without the prior agreement of Defra;
- APHA shall comply with the requirements of Managing Public Money regarding novel, contentious or repercussive proposals;
- inclusions of any planned and approved expenditure in the budget shall not remove the need to seek formal Defra approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- APHA shall provide Defra with such information about its operations, performance, individual projects or other expenditure as Defra may reasonably require.

11. Structure and corporate governance

11.1 The Chief Executive (CEO)


Published October 2014
The CEO will be an SCS member of Defra, and their appointment is made by the relevant Director-General in consultation with the Defra PAO and Ministers.

The CEO will be line managed within the department by DGCOO as ‘Corporate Owner’ of APHA. The CEO is accountable to the Defra sponsor minister for the day-to-day operation of APHA. The CEO will formally report agency performance against agreed targets and performance indicators on a quarterly basis to the Defra Board (via DGCOO and in conjunction with the Defra corporate policy customer). The CEO may approach the Minister if circumstances require.

### APHA Governance Structure

#### APHA structure & governance

![APHA Governance Diagram]

**Key:**
- Formal governance relationship
- Informal relationship (e.g. advisory, customer)

#### 11.2 Role of APHA Agency Management Board

The role of APHA Agency Management Board is to ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board will provide advice on strategy and the deliverability of policies and key objectives (agreed annually with the Minister and published in the Business Plan), achieving value for money, scrutinise performance and provide support and challenge in the delivery of APHA responsibilities and the exercise of the CEO’s responsibilities as AO.

The board takes into account guidance issued by the sponsor department and will receive and review regular financial information concerning the management of APHA; and provides positive assurance to the department that appropriate action has been taken on such concerns.

The board must set up an Audit and Risk Assurance Committee (ARAC) chaired by an independent non-executive member to provide independent advice and ensure that the

Published October 2014
The department’s ARAC provides assurance on risk. The board is expected to assure itself of the effectiveness of the internal control and risk management systems.

11.3 Structure and composition of the Agency Management Board

The structure of APHA Agency Management Board is agreed with Defra by the DGCOO and APHA CEO. APHA Agency Management Board is chaired by a Non-executive Director (NED) and provides the internal governance board for APHA. It consists of the Chief Executive, a Non-Executive Director as Chair, a minimum of 2 further Non-Executive Directors, a minimum of 4 APHA Directors and the UK Chief Veterinary Officer and UK Chief Plant Health Officer. The Agency Management Board meets a minimum of 6 times a year.

11.4 Board appointments - the chair and board members

The non-executive APHA Agency Management Board chair is appointed by the relevant sponsor minister. The other non-executive board members are appointed by the Board Chair or the relevant sponsor minister. Appointments are for a period of up to three years following the principles as set out in the Government Code of Good Practice for Corporate Governance. The recruitment and appointment process will be organised by the agency and take due cognisance of the requirements of OCPA guidance. The non-executive members will provide independent expert advice and challenge to the CEO on the performance and management of the agency. APHA will be responsible for payment arrangements for the NEDs.

11.5 Role of Board Chair

The role of the chair is to ensure the Management Board provides appropriate independent expert advice, support and constructive challenge to the Chief Executive. The role of the chair is to:

- facilitate board meetings;
- ensure that a board effectiveness review is performed annually with independent input at least every three years, and that results are acted upon;
- ensure that APHA is in compliance with the Code, or that it has adequately explained any deviations from it.

11.6 Individual board members’ role and responsibilities

The role of non-executive board members is to provide advice, support and constructive challenge to the CEO on the development of targets and delivery plans.

Individual board members should:
• comply at all times with the *Code of Conduct for Board Members of Public Bodies*[^3] 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 board's rules on the acceptance of gifts and hospitality, and of business appointments; and

• act in good faith and in the best interests of APHA.

### 11.7 APHA audit and risk assurance committee (ARAC)

The Audit and Risk Assurance Committee (ARAC) is a committee of APHA Agency Management Board. Its role is to advise the APHA Board and Accounting Officer and it has no executive powers or responsibilities.

The ARAC is established to support and advise on issues of risk, control, governance and assurance and other related matters, and to assist internal audit’s role and status within APHA. The ARAC will comprise of two non-executive members. In addition the CEO, 1 APHA Director, a representative of Defra's Finance and Performance Directorate, a representative from Defra's Internal Audit and an external auditor may attend.

The Chair will be a non-executive member of APHA agency management board. The APHA Management Board will appoint members for a fixed term of 3 years, after which the appointment will end or become eligible for renewal up to a maximum of six years. APHA will provide the ARAC with a secretariat function.

The ARAC will meet at least four times a year and a minimum of two members of the ARAC will be present for the meeting to be deemed a quorate. Meetings will be scheduled at key points along the accounts timetable. The Chair of the ARAC may convene additional meetings when they consider it necessary, or at the request of other members.

12. Risk management

12.1 Risk management handling procedures

APHA shall ensure that the risks faced are dealt with in an appropriate manner, in accordance with the relevant aspects of best practice in corporate governance and in accordance with HMT guidance *Management of Risk: Principles and Concepts*[^4].

The CEO is responsible for developing a risk management strategy and implementing a robust approach to risk and a supportive risk-aware culture in APHA. It will adopt and implement policies and practices to safeguard APHA against fraud and theft in line with HMT guidance on *Tackling Fraud*[^5].

APHA will 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 or to give a grant or grant-in-aid.

13. Business Plans

13.1 Business Planning

The CEO will submit, for consideration and approval by the Minister, an annual Business Plan to a timescale agreed with Defra. The Plan sits alongside the framework document


and articulates how APHA operates and is resourced, and what APHA expects to achieve in the short and medium term.

The Business Plan is developed by APHA Agency Management Board, with input from a range of sources. It is the key document against which the Agency’s and the CEO's performance will be assessed.

13.2 Business Plan requirements

This plan sets out APHA’s annual priorities, including actions to meet the key performance indicators and will demonstrate how APHA contributes to the achievement of Defra's priorities. It includes a rolling overview of strategic direction, budgets and resourcing expectations, and provides the main framework for monitoring progress against longer term objectives.

The annual performance indicators set by the Minister, included in the business plan, will be published. These published indicators may be varied only by agreement between the Minister, the Corporate Owner, the Corporate Customer and the CEO. The detailed technical note underpinning the tracking and assessment of indicators shall be agreed between the Corporate Owner and CEO.

13.3 Matters to be included

The following key matters should be included in the plan:

- key objectives and associated KPIs, and the strategy for achieving those objectives
- key non-financial performance targets;
- 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 Defra and APHA.

14. Budgeting procedures

14.1 Budgetary provision and policy changes impacting on the Agency

Prior to the start of the financial year and in light of the decisions relating to financial provision and the policy delivery requirements of Defra, APHA will receive:

- an indicative statement of the annual budgetary provision allocated by Defra in light of competing priorities across Defra and of any forecast income approved by Defra. This will be supported by a formal statement during the relevant financial year when the final allocation is revised following any adjustments; and
- notification of any planned changes in Defra or wider government policy affecting APHA’s delivery and policy functions. These will be discussed and agreed as part of an on-going dialogue between APHA and Defra and recorded as part of the regular performance process.

Published October 2014
14.2 Annual Business Plan budgetary requirements

The approved annual business plan will take account both of approved funding provision and 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 Defra funding and/or other income over the year. These elements form part of the approved business plan.

15. Financial arrangements

15.1 Parliamentary control

Funding for APHA expenditure on services provided to Defra will be provided by Defra for the year in question and it will be voted in Defra's Supply Estimate and will be subject to Parliamentary control.

15.2 Financial procedures

As an on-vote agency, APHA is included within the Annual Report and Consolidated Accounts that Defra prepares for all entities within its boundary. APHA operates as an agency under the Net Control Accounting Regime. APHA annual business plans will include annual bids for resources set against estimated income for the next financial year and the subsequent period covered by the relevant public Spending Review to the Director General line-manager, and ultimately the Defra Board.

APHA is consulted in principle on its annual allocation but is not involved directly in the spending review discussions with HM Treasury. Defra will take the advice of APHA in any Spending Review discussions with HM Treasury mainly or wholly concerning APHA. At the conclusion of the Spending Review Defra, will inform APHA of allocations agreed for the Spending Review period.

15.3 Charging for regulatory services

APHA may charge fees to users of services in relation to its regulatory activities. In setting fees due account is taken to ensure compliance with Chapter 6 of Managing Public Money\(^6\). Fees are reviewed annually and set at a level that is designed to recover the full cost of providing the service.

15.4 Ring fenced grants

In the event that Defra provides APHA separate grants for specific (ring-fenced) purposes, it would issue the grant at the time of the requirement on the basis of a written request. APHA would provide evidence that the grant was used for the purposes authorised by Defra. APHA shall not have uncommitted grant funds in hand nor carry funds over to another financial year.


Published October 2014
16. Reporting performance to the department

16.1 Performance assessment and accounting systems

APHA shall operate management, information and accounting systems that enable it to review in a timely manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

APHA shall inform Defra of any changes that have an impact on the delivery of objectives. APHA will report financial and non-financial performance, including performance in helping to deliver ministers’ policies, and the achievement of key objectives at least on a quarterly basis. Defra will formally review APHA’s performance at least twice a year.

16.2 Monthly financial reporting

As a minimum, APHA shall provide Defra with information monthly that will enable the department satisfactorily to monitor:

- APHA cash management;
- other data required for the Online System for Central Accounting and Reporting (OSCAR).

16.3 APHA / Department working liaison arrangements

On behalf of the DGCOO, as corporate owner of APHA, officials of the Finance & Performance Directorate will liaise regularly with departmental and APHA officials to review:

- performance against plans with key performance indicators and underlying operational indicators measured (including financial, health and safety, average working days lost, environmental performance and staff engagement);
- expenditure against its DEL and AME allocations;
- wider departmental Corporate Owner policy developments that may impact on APHA’s ability to deliver against agreed objectives and targets.

17. Delegated authorities

17.1 Delegated authorities’ restrictions

APHA’s delegated authorities are set out in appendix 1 and the Agency shall obtain the department’s prior written approval before:

Published October 2014
entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in APHA’s annual budget as approved by Defra;

incurred 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 Defra;

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.

18. Staff

18.1 Staffing arrangements

The staff of APHA are civil servants employed by Defra and are members of the Civil Service Pension Schemes unless they elect to opt out of the schemes. APHA manages the staff in line with Defra HR policies and practices and has delegations detailed below for certain staff related management issues.

18.2 Recruitment, retention and motivation of staff

Within the arrangements approved by the responsible Defra minister and the Treasury APHA will have responsibility for the recruitment, retention and motivation of its staff.

19. Parliamentary Questions, Ministerial correspondence and Devolved Administrations

19.1 Parliamentary Questions

The CEO will provide the Secretary of State or Minister with any information needed to deal with Parliamentary Questions or other Parliamentary business about matters for which APHA is responsible within agreed departmental timeframes for responses. The Secretary of State for Defra will account for APHA business in Parliament.

19.2 Ministerial Correspondence

Members of Parliament may raise matters relating to APHAs’ delivery operations, by writing direct to the CEO. The CEO will refer to the Minister any matter which is raised with APHA but which is not wholly concerned with the management of its affairs. The Minister will either seek input from or ask the CEO to write to the MP in response to their enquiry or letters from constituents about matters assigned to APHA.

19.3 Devolved administrations
In respect of matters carried out by APHA on behalf of the Devolved Administrations, the relevant Minister shall remain accountable to his or her respective Parliament or Assembly.

The CEO will provide the relevant Minister with any information needed to deal with Parliamentary/Assembly Questions or other Parliamentary/Assembly business about matters for which APHA is responsible.

If members of the Parliament or Assembly wish to raise a matter bearing on APHA’s operations, they will be encouraged to write to the CEO. The Minister will usually ask the CEO to write to Parliamentary or Assembly Members in response to letters about matters assigned to him or her. The CEO will refer to the relevant Minister any matter which is raised with APHA, but which is not wholly concerned with the management of its affairs.

20. Complaints procedure

20.1 Comments and complaints

APHA handles comments, suggestions and complaints in accordance with a clear procedure, publicly accessible and published on APHA website and that meets public sector customer service excellence standards.

20.2 Parliament

Members of Parliament have the right to refer complaints from the public to the Parliamentary and Health Service Ombudsman where an individual claims to have suffered injustice through maladministration.

The activities of APHA are subject to review by the Ombudsman. The Permanent Secretary, as the Defra PAO, asks the CEO to reply to the Ombudsman about complaints of maladministration in APHA.

21. Review of Executive Agency’s status (and winding up arrangements)

21.1 Review timing

Defra will formally review APHA as part of wider strategic business planning at least once in each five-year Parliament. A formal review of APHA will include a review of the Framework Document. The content and scope of the review will be decided by the department and consider, but not be limited to, the following topics:

- Does the function still need to be delivered, and if so, is APHA still the most appropriate model for delivering it?
- Do arrangements maximise efficiency and value for money in all aspects of the agency?
- Do governance arrangements deliver the maximum possible transparency and accountability?

Published October 2014
Defra in consultation with APHA will review the framework document on a regular basis and amend the document in response to any significant change to the governance arrangements or to the functions carried out by APHA.

22. Arrangements in the event that APHA is wound up

22.1 Assurance and accounts when winding up

Defra shall, if necessary, put in place arrangements to ensure the orderly winding up APHA. If the event arises it will ensure that the assets and liabilities of APHA 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 Defra, and where appropriate the Devolved Administrations). To this end, Defra shall:

- ensure that procedures are in place in APHA 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 APHA’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; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another executive agency takes on the role, responsibilities, assets and liabilities, the succeeding executive agency AO should sign the closing accounts. In the event that Defra inherits the role, responsibilities, assets and liabilities, Defra’s PAO should sign.

22.2 Legacy agreements and arrangements

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

A signed copy of this document is held on file by Defra.

Signed…………………………………. Signed…………………………………
Betsy Bassis, DG COO Chris Hadkiss, CEO
Date…………………………………….. Date……………………………………..
(On behalf of Defra) (On behalf of APHA)

Published October 2014
Limits of Delegated Authority: Expenditure, Losses, Write-Offs, Special Payments and Unexpected Income

Detailed guidance on categories of expenditure, losses etc is provided in HMT’s ‘Managing Public Money’ Annexes 4.10 and 4.13.

The Agency Accounting Officer may exercise the following financial delegations (subject to treatment in full accordance with Departmental delegations and the provisions of Managing Public Money). **Cases above these limits require Defra’s prior approval:**

- Commit expenditure, including all contractual commitments **£100 million** (see Note 1)
- Certify expenditure **£100 million**
- Authorise payments **£100 million**
- ICT expenditure **£5 million** (ICT spend on systems that support administration **£1 million**)
- Accept receipts **Unlimited**
- Write-offs and/or losses:
  - Theft, fraud, arson, sabotage, gross carelessness **£100,000**
  - Physical loss of cash due to fire, accident or similar cause **£100,000**
  - Unvouched or incompletely vouched payments **£100,000**
  - Failure to make adequate charges for public property or services (sub-letting below market value) **£25,000**
  - Accountable stores **£100,000**
  - Overpayments of pay, pensions and allowances **£100,000**
  - Under-deduction of social security **£100,000**
- Fruitless payments & constructive losses **£100,000**
- Extra contractual & Ex-gratis payments to contractors **£5,000**
- Other ex-gratia and special payments **£5,000** (see Note 2)
- Gifts:
  - Stores and official property **£10,000pa**
  - To visiting dignitaries **£500pa**
  - Rewards; e.g. for return of stolen property **£5,000**
  - Received by Agency **Unlimited**
- Claims and Compensation payments:

Published October 2014
a. For loss or damage:
   1) to personal property of Agency staff on official business £5,000
   2) to third party property in course of Agency activities £5,000
b. For personal injury:
   1) in respect of Agency employees on official business £5,000
   2) to third parties on Agency premises £5,000
c. Other £5,000

- Extra-statutory & extra-regulatory payments £5,000
- Lease property above market rate (NPV+costs) £5 million
- Property related transactions £100,000 (see Note 3)
- Capital expenditure – expenditure plans and capital allocations to be agreed annually with Defra.

**Increases in Delegated Limits**
Should APHA want to increase the levels of the delegated limits set out in this Annex, they will need to submit a business case to Defra.

**Other Controls and Delegations**
APHA must also comply with other controls that might be periodically imposed by for example the Treasury or the Cabinet Office (through the work of its Efficiency Reform Group (ERG)). These will be notified separately.

**Note 1:** Any contractual commitments that would entail significant levels of spending in future years for which budgets have not been set must be referred to Treasury for approval through Defra. Significant would be a commitment of £5m p.a. or £10 million in total.

**Note 2:** There are no delegations in relation to special severance payments which are all subject to HMT approval in advance.

**Note 3:** This category comprises the signing of new leases, renewals of existing leases, the non-exercise of lease break options, any new property acquisitions, new build developments, sale and leaseback, and any freehold sales as part of national property controls. The Treasury will not normally approve spending in these areas over £100,000 without Cabinet Office agreement.
APPENDIX 2

APHA shall comply with the following general guidance documents and instructions:

- This Framework Document;
- Managing Public Money (MPM);
  - Fees and Charges Guide, Chapter 6 of Managing Public Money;
  - Departmental Banking: A Manual for Government Departments, annex 5.6 of Managing Public Money;
- Relevant Dear Accounting Officer letters;
- Consolidation Officer Memorandum, and relevant DCO letters;
- 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;

Published October 2014
• Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the ALB.