



Department  
for Culture  
Media & Sport

Equality and  
Human Rights  
Commission

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**Department for Culture,  
Media and Sport (DCMS)/ Secretary of State for  
Education and Minister for Women and Equalities**

**&**

**Equality and Human Rights  
Commission (EHRC)**

# **FRAMEWORK DOCUMENT**

**1 March 2015**

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## Equality and Human Rights Commission (EHRC): Key Information Sheet

### 1. Priorities

- 1.1. The EHRC's priorities are set by its Board and will be set out in the EHRC's published Business Plan, and notified to the Department for Culture, Media and Sport (DCMS) in due course.

### 2. Financial Allocation

- 2.1. Following the Comprehensive Budget Review, the EHRC and the DCMS have agreed that the following is adequate for the EHRC to discharge its functions effectively:

#### Core Budget

<i>£million</i>	2013/14	2014/15	2015/16
Administration	15.027	15.027	14.727
Depreciation (Admin)	0.500	0.500	0.620
Programme	1.400	1.400	1.400
<b>Resource</b>	<b>16.927</b>	<b>16.927</b>	<b>16.747</b>

<b>Capital</b>	<b>0.150</b>	<b>0.150</b>	<b>0.387</b>
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- 2.2. In addition to this budget allocation, as the EHRC has requested, DCMS has provided a separate ring-fenced fund for the EHRC to spend on the implementation of its change programme, as follows:

#### Transitional Budget

<i>£million</i>	2013/14	2014/15	2015/16
Administration	4.820	0.285	0
Depreciation (Admin)	0.900	0.120	0
Programme			0
<b>Resource</b>	<b>5.720</b>	<b>0.405</b>	<b>0</b>

<b>Capital</b>	<b>0.840</b>	<b>0.250</b>	<b>0</b>
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- 2.3. The EHRC will be able to access additional programme funding of up to 7.976m in 2014/15 and £6.493m in 2015/16 to support wider activities that contribute to equalities and human rights priorities, as appropriate.

### 3. Delegated Financial Limits

3.1. See Annex B.

### 4. Performance Measures

4.1. Key performance measures are set by the EHRC's Board and will be set out in the EHRC's published Business Plan, and notified to the DCMS in due course.

### 5. Engagement

5.1. The DCMS and the EHRC have agreed an engagement calendar as follows:

- Annual meeting with Secretary of State for Education and Minister for Women and Equalities and EHRC Chair and Chief Executive, to review previous year's performance.
- The Parliamentary under Secretary of State for Women and Equalities will meet the EHRC Chair and Chief Executive four times a year.
- The Senior Sponsor and the Chief Executive will meet on a monthly basis.
- Quarterly Performance Reviews to review the EHRC's performance against its plans, achievements against its targets and its expenditure against its budget allocation.

### 6. Management Information

6.1. See Annex C.

### 7. Spend controls

7.1. The EHRC follows the Cabinet Office spend controls set out at: <http://www.cabinetoffice.gov.uk/resource-library/cabinet-office-controls-guidance-actions-and-processes-document>, with the following exceptions:

**Advertising and marketing:** As the EHRC sets its own priorities and activities, these criteria for approval in the above guidance should be read as 'the EHRC' in place of 'Government', as follows (at the time of writing):

*Only expenditure on the following essential activity will be approved:*

- *where the EHRC has a legal duty to provide people with information, such as changes to legislation or public services;*
- *where marketing and advertising is critical to the effective running of the EHRC;*
- *where there is robust evidence that marketing and advertising delivers measurable outcomes that meet EHRC objectives.*

**7.2.** The purpose of the spending controls is to ensure that operational efficiency/maximum value for money for the taxpayer is achieved without constraining operational decision making. The DCMS's consideration for approval will be in relation to value for money only and not whether the EHRC should undertake the activity in line with its statutory powers or duties.

## **Equality and Human Rights Commission Framework Document**

### **1. Introduction**

- 1.1. This Framework Document has been drawn up by the Department for Culture, Media and Sport (“**DCMS**”) and the Equality and Human Rights Commission (“**EHRC**”). This document sets out the broad framework within which the EHRC will operate, and the relationship between the EHRC and the DCMS as the sponsor Department. The document does not convey any legal powers or responsibilities.
- 1.2. This Framework Document has been developed to be consistent with the provisions of the Equality Act 2006 as amended, which enshrines the operational independence of the EHRC by ensuring that the EHRC is able to exercise its functions independently of Government. This Framework Document takes account of the Principles Relating to the Status of National Human Rights Institutions (the Paris Principles).
- 1.3. This Framework Document is signed and dated by DCMS and the EHRC. Copies of the document will be placed in the Libraries of both Houses of Parliament and made available to members of the public on the EHRC’s website, with a link to it on the DCMS website.
- 1.4. Legislative changes will take precedence over any part of this document. Significant variations will be cleared with the Treasury or the Cabinet Office as appropriate.
- 1.5. If, in practice, any of the controls contained in this Framework Document or related documents should be found to constrain the EHRC in the discharge of its functions, the EHRC agrees to alert DCMS, and the DCMS agrees to review the relevant controls as soon as reasonably practicable. In any event, the provisions and operation of this Framework Document will be reviewed jointly by DCMS and the EHRC at least every three years. Revisions will be made by the DCMS and the EHRC, if appropriate.

### **2. Governance and accountability**

- 2.1. The EHRC’s functions, duties and powers are laid out in Part 1 of the 2006 Act. Schedule 1 to the 2006 Act sets out detailed provisions about its constitution. The EHRC has been established as an executive non-departmental public body (NDPB). It does not carry out Government business

or perform its functions on behalf of Government. The EHRC also works closely with the Welsh Government and the Scottish Government, such as through its power - at section 11 (2)(c) and (2)(d) to Part 1 of the 2006 Act – to provide advice to the Welsh and Scottish Governments on specific issues.

- 2.2.** The overall aims of the EHRC are determined by its Board, in light of the 2006 Act, and set out in its Strategic Plan, which is laid before Parliament by the Secretary of State for Education and Minister for Women and Equalities (the Secretary of State).
- 2.3.** The Secretary of State and other members of the ministerial team will account for the EHRC's business in Parliament. DCMS and the EHRC will continue to support further engagement to strengthen the EHRC's relationship with Parliament, where appropriate. The EHRC will provide substantive answers to Parliamentary Questions directly by letter from the Chief Executive to the Member, where appropriate and agreed with the Sponsor Department. This will generally be appropriate where the Question relates wholly to the EHRC's own activities. In these cases, the Minister will table a written answer indicating that the EHRC will write to the Member directly, and undertaking to place a copy of the letter in the Libraries of both Houses.
- 2.4.** The EHRC also has important relationships with other government departments, for example, the Ministry of Justice (which has responsibility for human rights), with which the EHRC works in support of shared human rights objectives.
- 2.5.** The respective responsibilities of the Departmental Accounting Officer and Accounting Officers for NDPBs and other arm's-length bodies (ALBs) are set out in Chapter 3 of Managing Public Money (at the time of writing) which is sent separately to the NDPB Accounting Officer on appointment and summarised in section 4.
- 2.6.** The Board will be appointed in accordance with the provision of Part 1 of Schedule 1 to the 2006 Act. Where the Joint Committee on Human Rights (JCHR) wishes to conduct a pre-appointment hearing with the Government's chosen candidate for the position of Chair, the Government will support the JCHR in any such hearing. The terms of appointment of the Chair and Board members are as set out in the letters which are sent separately to the Commissioners on appointment. Such appointments will comply with the Code of Practice of the Commissioner for Public Appointments, and will have regard to the need for the Board to have a balance of skills and experience appropriate to directing the EHRC's business, as set out in the Code of Practice.

- 2.7.** The Chief Executive is appointed by the Board in accordance with Paragraphs 7 (1a) and (2) of Schedule 1 of the 2006 Act. He/she will report to the Board on the day-to-day running of the organisation and its performance against objectives. In addition to this, he/she will normally be the Accounting Officer for the EHRC and will have specific duties in this regard, which are set out in section 4 below.

### **3. Departmental Accounting Officer's responsibilities**

- 3.1.** The Permanent Secretary, as Accounting Officer for DCMS, is accountable to Parliament for the issue of any grant-in-aid to the EHRC and is also responsible for ensuring arrangements are in place to:

- provide oversight to the EHRC's activities on a regular basis;
- address significant problems in the EHRC, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the DCMS and EHRC objectives and activities;
- inform the EHRC of relevant government policy in a timely manner; and,
- bring concerns about the activities of the body to the full EHRC Board; requesting explanations and assurances that appropriate action has been taken.

- 3.2.** The Head of the Government Equalities Office (GEO) in DCMS is the Senior Sponsor for the EHRC within DCMS. The Senior Sponsor will:

- act as the senior point of liaison between the EHRC and DCMS and the Ministers for Women and Equalities;
- support the Principal Accounting Officer (PAO) in the discharge of his/her responsibilities;
- work collaboratively with the EHRC's Chief Executive to facilitate the smooth operation of this Framework Document, including ensuring that the EHRC is free to exercise its statutory functions free from ministerial interference or undue influence, in accordance with the Equality Act 2006;
- as part of a reciprocal 'no surprises' agreement between EHRC and Government (see paragraph 4.4), ensure that the EHRC's Chief Executive where reasonably possible receives near final versions of external GEO



communications 48 hours before issue for information, and that where possible the EHRC has advance notice of wider Government announcements on equality, human rights and/ or the EHRC;

- (on behalf of the Secretary of State) appraise the Chair of the EHRC against agreed objectives and the Board's performance; and
- ensure requests for approval of spend are dealt with promptly and proportionately, and that approval is not unreasonably delayed or withheld for any reason except to ensure maximum value for money.

**3.3.** The EHRC Sponsorship Team in GEO, is the primary contact for the EHRC. It is the main source of advice to the Secretary of State for Education and Minister for Women and Equalities on the discharge of his/her responsibilities in respect of the EHRC. The DCMS Finance Team supports the DCMS Principal Accounting Officer on his/her responsibilities in respect of the EHRC.

#### **4. EHRC Accounting Officer's responsibilities**

**4.1.** The permanent head of EHRC, i.e. the Chief Executive, will normally be appointed as Accounting Officer for the body by the Departmental Accounting Officer. The duties of the EHRC Accounting Officer are set out in full in the Permanent Secretary's appointment letter to him/her. The EHRC Accounting Officer is responsible for accounting to Parliament, the Secretary of State, DCMS, the EHRC's Board and other stakeholders.

**4.2.** The EHRC Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and, reporting to the Board of the EHRC, for the day-to-day operations and management of the EHRC and the achievement of its strategic aims. In addition, he or she should ensure that the EHRC as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 to Managing Public Money (at the time of writing).

**4.3.** The key accountabilities are:

- 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 Treasury guidance and with any directions issued by the Secretary of State;
- signing a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;

- signing a Governance Statement concerning the organisation's management and control of resources during the year and setting out how risk has been managed, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the EHRC are established and made widely known within the body;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the DCMS, the Treasury and the Cabinet Office; and
- giving evidence, normally with the Accounting Officer of the DCMS, when summoned before the Public Accounts Committee on the EHRC's stewardship of public funds.

**4.4. EHRC will:**

- inform the DCMS of progress in achieving the EHRC's 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 the DCMS; that the DCMS is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the DCMS in a timely fashion;
- as part of a reciprocal 'no surprises' agreement between EHRC and Government (see paragraph 3.2), ensure that DCMS's senior sponsor and the GEO Press Office where possible receives near final versions of external EHRC communications for information 48 hours before issue;
- where to do so supports the EHRC's objectives, to work in partnership with the DCMS and other members of the DCMS 'family' of ALBs in support of shared priorities; and with the Ministry of Justice in support of any shared human rights objectives; and with the Scottish and Welsh Governments in support of shared objectives.

**4.5. The duties of the EHRC Accounting Officer with respect to the Board of the EHRC are:**

- advising the Board on the discharge of its responsibilities as set out in the Equality Act 2006, in this document, and in any other relevant instructions and guidance that may be issued from time to time;
- advising the Board on the EHRC'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; and
- taking action as set out in paragraph 3.7.1 of Managing Public Money (at the time of writing) if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

## **5. The EHRC Board**

- 5.1.** In line with good practice in corporate governance, the Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.
- 5.2.** The Board has set up an Audit Committee (chaired by a Commissioner) and will ensure this remains in place for the duration of this Framework Document. The Audit Committee should support the Board and Accounting Officer by providing advice and assurance on risk management, governance and internal control.
- 5.3.** The Board has set up a Human Resources and Remuneration Committee (HRRC), chaired by a Commissioner and will ensure this remains in place for the duration of this Framework Document. The HRRC shall support the Board and Accounting Officer by providing advice and assurance on issues relating to staff remuneration, human resources strategy and the Chair's appraisal of the Chief Executive.
- 5.4.** The Board is specifically responsible for:
  - establishing the strategic direction of the EHRC and ensuring it discharges its statutory duties set out in the Equality Act 2006 and within the resources framework available;

- determining the steps necessary to deal with any developments which are likely to affect the EHRC's ability to discharge its statutory duties and obligations and keeping the Secretary of State informed if any such developments arise;
- ensuring that any statutory or other agreed requirements for the use of public funds are complied with;
- ensuring that that the Board operates within the limits of its statutory authority, within the resources made available by the Secretary of State and any delegated authority agreed with the DCMS, and in accordance with any agreed conditions relating to the use of public funds, and that, in reaching decisions, the Board acts in accordance with relevant guidance issued by the DCMS;
- determining the EHRC's performance metrics and monitoring performance against them; ensuring that the Board receives and reviews regular financial information concerning the management of the EHRC; is informed in a timely manner about any concerns about the activities of the EHRC; and provides positive assurance to the DCMS that appropriate action has been taken on such concerns;
- demonstrating high standards of corporate governance at all times, including using its Audit Committee to help the Board to address key financial and other risks;
- appointing, with the consent of the Secretary of State, a Chief Executive and in consultation with the DCMS setting remuneration terms linked to performance against objectives for the Chief Executive; and
- ensuring that any public functions of the EHRC are carried out in compliance with statutory duties.

## **6. The Chair's personal responsibilities**

**6.1.** The Chair is responsible to the Secretary of State for ensuring that the EHRC fulfils its statutory purpose as set out in its founding legislation, and that the EHRC's affairs are conducted with probity.

**6.2.** The Act sets out the role of the Chair as follows, to:

- preside over meetings of the EHRC;

- perform such functions as may be specified in the terms of his/her appointment; and
- perform such other functions as may be assigned to him/her by the EHRC.

**6.3.** The Chair has particular responsibility for ensuring the Board operates effectively to fulfil its responsibilities, makes collegiate and inclusive decisions, and provides effective strategic leadership. In addition, the Chair's leadership responsibilities include:

- leading the Board and, in partnership with the Chief Executive, setting the overall direction, policy and plans for the EHRC;
- encouraging high standards of propriety and promoting the efficient and effective use of resources throughout the organisation;
- representing the views of the Board to the general public;
- building and maintaining positive and effective working relationships with partners;
- being a visible national presence for equality and human rights, representing the EHRC;
- supporting Commissioners, including the Chief Executive, in undertaking their roles, and agreeing objectives, and undertaking annual appraisals for the Chief Executive and Commissioners; and
- establishing a relationship of trust with the Chief Executive, informing him/her of key developments in a timely manner and seeking advice and support as appropriate.

**6.4.** The Chair also has an obligation to ensure that:

- the Board and its members are reviewed and are working effectively;
- the Board has a balance of skills appropriate to directing the EHRC business, as set out in the Government Code of Good Practice on Corporate Governance, fulfilled primarily through Board development activities;

Framework Document (management agreement) between the Department for Culture, Media and Sport and the Equality and Human Rights Commission.

- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- when required, he or she, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible minister is advised of EHRC needs when Board vacancies arise;
- the performance of individual Board members is assessed if they are being considered for re-appointment; and
- there is a code of practice for Board members in place consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

## **7. Individual Board members' responsibilities**

### **7.1. Individual Board members should:**

- work with the Chair and Chief Executive to set the strategic direction of the EHRC;
- scrutinise the EHRC's performance, and support the Chair in holding the Chief Executive to account;
- comply at all times with the Board Members' Code of Practice 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 conflicts of interest and the acceptance of gifts and hospitality; and
- act in good faith and in the best interests of the EHRC.

## **8. Publications and information strategy**

**8.1.** The EHRC will have responsibility for contributing to the Government's system of democratic accountability by making information available to the public on the quality and productivity of its services, value for money, performance and progress on delivery. The EHRC will:

- provide timely and accurate information required for Parliamentary Questions, responses by the Chief Executive to Parliamentary Questions and contributions to ministerial and public correspondence. The EHRC will be responsible for responding to requests under the Freedom of Information Act within the statutory time limit;
- publish, or cause to be published, an annual report of its activities together with its audited resource accounts after the end of each financial year. The EHRC shall provide the DCMS with its finalised (audited) accounts in accordance with the annual guidance produced by DCMS; and
- having regard to the provisions set out in the Equality Act 2006, publish other information as required by the DCMS and subject to any overriding legal rights or obligations, in the interests of transparency and as communicated from time to time.

**8.2.** The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the Treasury's Financial Reporting Manual (FReM);
- contain a governance statement, setting out the ways in which the Accounting Officer has managed and controlled the resources used in the organisation during the course of the year, demonstrating how well the organisation is managing risks to the achievement of its aims and objectives; and
- outline main activities and performance during the previous financial year.

**8.3.** The report and accounts shall be laid in Parliament and made available on the EHRC's website, in accordance with the guidance in the FReM. The EHRC should aim to submit a draft of the report to the DCMS in May/early June. The final version should be made available to the Minister for information at least three weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the DCMS as well as the FReM.

- 8.4.** Additionally the EHRC will be expected to publish information relating to the delivery of its services and policies. In particular this should include information that will help the public to: (i) see progress against activity which the EHRC has made a public commitment to deliver; (ii) judge if the services and/or outputs offer value for money; and (iii) consider whether the way in which the body operates gives rise to any issues around fairness.
- 8.5.** Where the EHRC conducts or commissions social or economic research, relevant professional standards should be applied to ensure that research is impartial, of sufficient quality, legal and ethical. The EHRC should nominate a lead contact for research of this type and share their programme of planned and published research with the Head of the DCMS Evidence and Analysis Unit for information purposes.

## **9. Internal Audit**

### **9.1. The EHRC will:**

- establish and maintain arrangements for internal audit in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS);
- ensure DCMS is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS 5.2;
- maintain an Audit Committee of its Board in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the EHRC Head of Internal Audit's opinion on risk management, control and governance to the DCMS on request;
- have effective controls to prevent fraud and theft; and
- report all cases of attempted, suspected or proven fraud, irrespective of the amount involved, and notify the DCMS of any unusual, novel or major incidents (for example, incidents where impropriety or illegality is suspected) as soon as they are discovered, irrespective of the amount involved.

- 9.2.** DCMS's internal audit service has a right of access to all documents prepared by the EHRC internal auditor, including where the service is contracted out, for



the purpose of obtaining assurance as to the EHRC's handling of public funds and effectiveness of financial controls, except where they relate to an action taken against a government department and it is clear that access to the documents could compromise the ability of the EHRC to exercise that function independently of government influence or interference. Access will also be refused where section 6 of the 2006 Act prohibits disclosure of the information.

## **10. External Audit**

**10.1.** In accordance with Schedule 1 of the Equality Act 2006, the Comptroller & Auditor General (C&AG) audits the EHRC's annual accounts. In practice, where the EHRC's Annual Report and Accounts form one document, this is laid before Parliament by the Secretary of State on behalf of the EHRC.

**10.2.** In the event that the EHRC has set up and controls subsidiary companies:

- the EHRC will ask (or will have asked) HM Treasury to designate the company as either profit making or non-profit making;
- where HM Treasury determines that the company is non-profit making, it will be (or will have been) included in a Government Resources and Accounts (GRAA) Order, which will make (or will have made) the C&AG its statutory auditor. The company should appoint the C&AG as auditor by agreement until such time as the GRAA Order is issued; and
- where HM Treasury determines that the company is profit making, it should either appoint the C&AG when its audit contract next comes up for renewal or, where they are required to go out to tender for audit services, the C&AG should be invited to compete. Where the C&AG is not appointed, the company must clearly explain the reasons for selecting a different auditor to DCMS.

**10.3.** The C&AG:

- will consult the DCMS and the EHRC on who – the National Audit Office or a commercial auditor – shall undertake the audit(s) on his behalf, 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 the EHRC;
- will share with DCMS information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in

particular on issues impacting on the DCMS's responsibilities in relation to financial systems within the EHRC; and

- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

**10.4.** The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the EHRC 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 EHRC 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.

## **11. Right of access**

**11.1.** The EHRC will allow reasonable access by DCMS to EHRC records and personnel where this is necessary for the proper discharge of the Minister for Women and Equalities' responsibilities in respect of the EHRC to Parliament – except where they relate to an action taken against the Government and access to specific documents/personnel could compromise the ability of the EHRC to exercise that function independently of Government influence or interference. Access will also be refused where section 6 of the 2006 Act applies.

## **12. Managing Public Money and other government-wide corporate guidance and instructions**

**12.1.** Unless agreed by the DCMS and (as necessary) HM Treasury, the EHRC follows the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to DCMS in the first instance. A list of guidance and instructions with which the EHRC follows is in **Annex A**.

**12.2.** Once the overall budget has been allocated by DCMS subject to the conditions in this document the EHRC shall have authority to incur expenditure approved in the budget without further reference to the DCMS, subject to the following:

- the EHRC complies with the delegated financial limits agreed with the DCMS. These delegations shall not be altered without the prior agreement of DCMS;
- the EHRC complies with Managing Public Money regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits;
- the EHRC shall provide DCMS with such information about its operations, performance individual projects or other expenditure as the sponsor department may reasonably require; and
- the EHRC will comply with any additional requirements notified to them by the DCMS, for instance on spending controls or delegated authorities, provided that these requirements are reasonable and provide sufficient assurance of the EHRC's continued operational independence.

### **13. Risk management**

- 13.1.** The EHRC has (and will continue to have) and will enforce a risk management strategy in accordance with best practice in corporate governance and act in accordance with relevant Treasury guidance to ensure that risks are managed appropriately. It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guide: Managing the Risk of Fraud. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

### **14. Business planning**

- 14.1.** In accordance with section 4 of the 2006 Act, the EHRC will prepare and publish a three-year strategic plan or any revised version, and will submit it to the DCMS for the Secretary of State to lay before Parliament on the EHRC's behalf.
- 14.2.** Each year of the three-year plan, amplified as necessary, should form the basis of the EHRC's annual business plan. The business plan should include a forecast of expenditure, suitably classified by activity and key objectives, and clear success indicators.

**14.3.** The strategic and business plans will be published by the EHRC on its website and made available to staff.

**15. EHRC staff**

**15.1.** Within the arrangements determined by the EHRC and agreed with the responsible minister, in line with paragraph 7(3) of Schedule 1 to the 2006 Act, the EHRC has responsibility for the recruitment, retention and motivation of its staff and for determining individuals' levels of pay and reward. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and the EHRC's performance measurement or appraisal systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the EHRC's objectives;
- proper consultation with staff and their representatives takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 2010 are in place; and
- has in place a staff code of conduct in line with the Model Code for Staff of Executive Non-departmental Public Bodies.

**15.2.** Any proposal by the EHRC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office under the Civil Service Compensation Scheme or an analogous scheme, requires the prior approval of the Cabinet Office. Proposals on severance must comply with the

rules in chapter 4 of Managing Public Money (at the time of writing) and will require Treasury approval.

**15.3.** EHRC staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure agreed with DCMS. These terms and conditions will be subject to an agreed annual pay negotiating remit and should be in line with the current Public Sector pay policy guidelines issued by the Treasury. The remit will be subject to the agreement of the DCMS. The EHRC has no delegated power to amend these terms and conditions.

**15.4.** The EHRC will not remunerate employees via special purpose companies or by means of any other tax avoidance devices, unless by prior agreement with the DCMS.

## **16. Review of the EHRC**

**16.1.** The EHRC will be reviewed every three years, in line with the arrangements set out in the Cabinet Office's *'Guidance on reviews of non-departmental public bodies'*.

## **17. Arrangements in the event that Parliament should legislate for the EHRC to be wound up**

**17.1.** In the event that Parliament should pass primary legislation for the EHRC to be wound up as a legal entity, and its powers and duties passed to one or more successor organisations, the EHRC will be required to wind-up its affairs as soon as practicable and to put in place a plan for its closure. This will include arrangements for the handover of its residual business and assets and liabilities.

**17.2.** The draft wind-up plan should be forwarded to DCMS as soon as practicable.

**17.3.** DCMS shall put in place arrangements to ensure that, when the EHRC is wound up, this shall be done in an orderly manner. In particular DCMS should ensure that where an EHRC is wound up, the assets and liabilities of the body are passed to any successor organisation and accounted for properly (in the event that there is no successor organisation, the assets and liabilities should revert to the sponsor department). To this end, the DCMS, in conjunction with the EHRC, shall:

- ensure that procedures are in place in the EHRC 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;

- where a body is audited by the National Audit Office; 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; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another Arm's Length Body (ALB) takes on the role, responsibilities, assets and liabilities, the succeeding ALB Accounting Officer should sign the closing accounts. In the event that the DCMS inherits the role, responsibilities, assets and liabilities, the Permanent Secretary should sign.

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

## **18. Budgets, Grant-in-Aid and any ring-fenced grants**

- 18.1.** Expenditure against resource and capital budgets must be recorded and monitored by the EHRC in accordance with the Treasury's Consolidated Budgeting Guidance (or its successor). These are the net expenditure limits for the EHRC in each year - including any use of reserves for which budgetary cover has been given - and must be adhered to. Net expenditure above these limits may not be committed until or unless a revised budget has been agreed in writing by the DCMS.
- 18.2.** The EHRC will not breach the component parts of the capital and resource budgets (e.g. core capital). Agreement will be sought in advance and in writing if the EHRC wishes to spend more in one category and less in another. In all these matters, the DCMS may be required to refer a decision to the Treasury before granting approval.
- 18.3.** Grant-in-aid is the amount payable by the DCMS to the EHRC in each year and is independent of the budget figures, although derived from them. It does not include depreciation or any budgetary cover allocated by the DCMS for the EHRC's use of its own reserves.
- 18.4.** Both the grant-in-aid provided by the DCMS and the overall budgets set by it for the year in question will be voted in the DCMS's Supply Estimate and be subject to Parliamentary control.

**18.5.** The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of expenditure required. EHRC will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the EHRC. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the DCMS will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors and accruals.

**18.6.** As a minimum, the EHRC shall continue to provide the DCMS with monthly information via its grant-in-aid claims that will enable the DCMS satisfactorily to monitor:

- the EHRC's cash management;
- its draw-down of grant-in-aid;
- forecast outturn; and
- other data required for the Treasury's Combined On-line Information System (COINS) or its successor.

## **19. Reporting performance to the Department**

**19.1.** The EHRC shall operate management information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in its Strategic and Business Plans. The EHRC's performance will be reviewed by the DCMS periodically in accordance with the engagement strategy, set out at Section 5 of this Framework Document.

## **20. Delegated authorities**

**20.1.** The EHRC will obtain the DCMS's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the EHRC's annual budget as approved by the DCMS;

- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of a specific initiative or scheme previously approved by the Department;
- redirecting funding provided by the DCMS for one purpose to other purposes;
- 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.

## **21. Capital projects**

- 21.1.** The EHRC abides by the DCMS's investment appraisal processes for capital projects, whether already underway or beginning during this period. Any capital expenditure that exceeds the EHRC's delegated capital limit will be referred to the DCMS Investment Committee for approval at three stages of development, as set out in guidance issued by the DCMS. The figure used in calculating whether the costs exceed the delegated limit is the lifetime cost of the capital project, including non-exchequer funding and any increased running costs ensuing from it.
- 21.2.** Where projects are reliant on donations or sponsorship that have yet to be confirmed, demonstration of a staggered approach to completion (i.e. that takes account of the funds secured to date before proceeding with each stage) will be more likely to receive approval to proceed.
- 21.3.** When considering the case for capital projects, the EHRC is expected to use the Treasury's Green Book methodology (or its successor), as modified or enhanced by guidance from DCMS. This is the case for evaluating a capital project regardless of whether the project requires DCMS Investment Committee approval. EHRC agrees to provide to the DCMS on request copies of business cases for projects below the EHRC's delegated limit or elements of it, such as the Net Present Value calculation.

## **22. Procurement**

- 22.1.** The EHRC agrees to:



- comply with current requirements on additional spend controls, delegated authorities and authorisations on procurement and leases as notified to them by the DCMS.

1 March 2015

Signed by:



**Alison Pritchard, Director, Government Equalities Office (DCMS)**



**Baroness Onora O'Neill, Chair of the EHRC**



**Mark Hammond, Accounting Officer of the EHRC**

## **Annex A: Compliance with guidance and instructions**

The EHRC follows the following general guidance documents and instructions. Where the EHRC considers there may be difficulties, or exceptions required, the EHRC will bring this to the attention of the DCMS before expenditure is incurred:

- Appropriate adaptations of sections of the Corporate Governance Code for Central Government Departments;  
[http://www.hm-treasury.gov.uk/psr\\_governance\\_corporate.htm](http://www.hm-treasury.gov.uk/psr_governance_corporate.htm)
- Managing Public Money (MPM);  
[http://www.hm-treasury.gov.uk/psr\\_mpm\\_index.htm](http://www.hm-treasury.gov.uk/psr_mpm_index.htm)
- Consolidated Budgeting Guidance;

<https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2014-to-2015>

- Government Internal Audit Standards;

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

- Appropriate adaptations of the Audit Committee Handbook;  
[http://www.hm-treasury.gov.uk/audit\\_committee\\_handbook.htm](http://www.hm-treasury.gov.uk/audit_committee_handbook.htm)
- Management of Risk: Principles and Concepts;  
[http://www.hm-treasury.gov.uk/d/orange\\_book.pdf](http://www.hm-treasury.gov.uk/d/orange_book.pdf)
- Treasury guidance on Managing the Risk of Fraud;  
<https://www.gov.uk/government/publications/anti-fraud-policy-and-response-plan>  
Government Financial Reporting Manual (FReM);  
[http://www.hm-treasury.gov.uk/frem\\_index.htm](http://www.hm-treasury.gov.uk/frem_index.htm)
- If applicable, the Charities SORP;  
[http://www.charitycommission.gov.uk/Charity\\_requirements\\_guidance/Accounting\\_and\\_reporting/Preparing\\_charity\\_accounts/sorpfront.aspx](http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_charity_accounts/sorpfront.aspx)
- Fees and Charges Guide, Chapter 6 of MPM;

<https://www.gov.uk/government/publications/managing-public-money>

- Banking guidance, annex 5.7 of MPM;

<https://www.gov.uk/government/publications/managing-public-money>

- Relevant Dear Accounting Officer letters;  
<https://www.gov.uk/government/collections/dao-letters>
- Regularity, Propriety and Value for Money;

[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm)

- The Parliamentary Ombudsman's Principles of Good Administration;

- <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice);  
<http://www.justice.gov.uk/guidance/freedom-and-rights/freedom-of-information/>
- Model Code for Staff of Executive Non-departmental Public Bodies: Chapter 8 of Public Bodies: A Guide for Departments (Cabinet Office);  
<http://www.civilservice.gov.uk/about/resources/information-on-public-bodies>
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;  
[http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)
- Guidance on major projects issues by the Major Projects Authority;  
<http://www.cabinetoffice.gov.uk/content/major-projects-authority>
- The Statistics and Registration Services Act 2007;  
<http://www.legislation.gov.uk/ukpga/2007/18/contents>
- The Code of Practice for Official Statistics;  
<http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the EHRC.

## Annex B: Delegated financial limits

**ALL DELEGATIONS ARE SUBJECT TO THE REQUIREMENT THAT SPENDING PROPOSALS FALLING WITHIN MANAGING PUBLIC MONEY Para. A.2.3.10 (expenditure and resource commitments which the Treasury cannot delegate) SHOULD BE REFERRED TO THE DEPARTMENT. These are:**

- Items which are novel, contentious or repercussive, even if within delegated limits
- Items which could exceed the agreed budget and Estimate limits
- Contractual commitments to significant spending in future years for which plans have not been set
- Items requiring primary legislation (e.g. to write off NLF debt or PDC)
- Any item which could set a potentially expensive precedent

*Unlimited (unless otherwise specified)*

### 1. CAPITAL EXPENDITURE

Expenditure on new construction, land, extensions of, and alterations to, existing buildings and the purchase of any other fixed assets (e.g. machinery, plant, and vehicles) with an expected working life of more than one year. Also includes exchanges of fixed assets.	£2m
Expenditure on the signing of new leases, renewals of existing leases, the non-exercise of lease break options, any new property acquisitions (including those made through a Public Finance Initiative provider), new build developments, sale and leaseback, and any freehold sales as part of national property controls.	£100,000  Approval for leases over £100,000 can only be given by the Chief Secretary to the Treasury and must provide value for money for Government as a whole or demonstrate exceptional circumstances.

### 2. GIFTS

1. gifts received by the EHRC	Unlimited
2. in a financial year, any one gift or total of gifts to one	£1,000

person/organisation	
Gifts to staff are subject to the Cabinet Office guidance which replaced DAO (Gen) 13/01.	

### 3. NON-STATUTORY CONTINGENT LIABILITIES

**Up to £100,000**

### 4. LOSSES AND SPECIAL PAYMENTS

The write-off of losses or approval of special payments should only be carried out by staff authorised to do so by and on behalf of EHRC's Accounting Officer.

Classification of losses and special payments

Type	Description	Delegation
<i>A. Losses</i>		
(i)	Cash losses. Physical losses of cash and equivalents (e.g. banknotes, postal orders, stamps) by any cause.	£100,000
(ii)	Bookkeeping losses: because of unvouched or incompletely vouched payments, including cases where vouchers are missing; because of changes to estimates or other accounts to clear inexplicable or erroneous balances.	£100,000 £100,000
(iii)	Exchange rate fluctuations. Losses due to fluctuations in exchange rates or revaluations of currencies.	£100,000
(iv)	Losses of pay allowances and superannuation benefits.	£100,000
(v)	overpayments due to miscalculation, misinterpretation of acts, regulations or scheme rules or the full facts not being known.	£100,000
(vi)	unauthorised issues, e.g. payments not admissible under the acts, regulations or scheme rules.	£100,000
(vii)	losses arising from other causes, e.g. non-disclosure of full facts by the beneficiary, short of proven fraud.	£100,000

(viii)	Losses arising from overpayments of grants, etc. arising from miscalculation, misinterpretation of acts regulations or scheme rules, or the full facts not being known.	£100,000
(ix)	Losses arising from failure to make adequate charges for the use of public property or services.	£100,000
<b>B</b> Losses of accountable stores:		
(i)	because of fraud, whether or not it has been possible to charge anyone with an offence, or proven or suspected theft, arson or sabotage, or any other deliberate act (including repairable damage caused maliciously to buildings, stores; etc. which is not the subject of an identifiable legal claim against some person); wherever possible recovery must be effected and prosecution mounted.	Unlimited
(ii)	losses arising from other causes.	£100,000
<b>C</b>	Fruitless payments and constructive losses.	£100,000
<b>D</b>	Claims waived or abandoned.	£100,000
<b>E</b> Special payments:		
(i)	extra-contractual and ex gratia payments to contractors.	£100,000
(ii)	other ex gratia payments.	£100,000
(iii)	compensation payments.	£100,000
(iv)	extra-statutory and extra-regulatory payments.	£100,000

## 5. CONTRACTS

For contracts generally, or specific types, e.g. Single Tender Action, consultancy, information technology, land & buildings etc. Unlimited, subject to the following exceptions:

- ICT contracts over £5m and specifically ICT contracts over £1m on systems that support administration, including HR, finance or procurement activities or upgrades and hosting contracts for such systems will require approval from the Efficiency and Reform Group in the Cabinet Office.
- All advertising and marketing spend that is considered essential will require approval from DCMS and if over £100,000 by the Efficiency and Reform Group in the Cabinet Office.
- All consultancy expenditure above £20,000 (see definition in Cabinet Office Spending controls guidance).

## 6. GRANTS

**Unlimited**

## 7. DISPOSAL OF ASSETS

Land and Buildings purchased wholly or mainly with Exchequer money or National Lottery funds. **£1,000,000**

## Annex C: Management Information Table - grouped in order of frequency

These may be subject to change depending on future information requirements.

<b>Timescale</b>	<b>What</b>	<b>How</b>	<b>Purpose</b>
Monthly (around 14 <sup>th</sup> of each month)	Grant-in-Aid requests	Via Finance Partnership Webpage	To get ALBs' latest forecast income and expenditure for reporting to Board and HMT. Also the mechanism for paying GIA to ALBs.
Monthly	Spend over £500	On EHRC's website	Transparency: to inform public how public money is spent.
Monthly	Key metrics (total procurement spend, spend with SMEs and the Voluntary, Community and Social Enterprise sector)	By email to Procurement and Property Services	Benchmarking of procurement spend and provision of data on economic effect of spend by Departments and ALBs.
Monthly	Staffing return	By email to Sponsor Team	To enable Cabinet Office to keep track of the number and cost of staff.
Monthly	Consultancy return (including nil returns)	By Email to DCMS Procurement and Property Services Team	To enable Cabinet Office to keep track of the number of public sector consultancy contracts.
Monthly	Operational and financial performance report	By email to Sponsor team	To provide summary of performance and progress against business plan.
Quarterly	Exchequer funds held in commercial bank accounts	By email to Finance	To supply Treasury with details of how



Framework Document (management agreement) between the Department for Culture, Media and Sport and the Equality and Human Rights Commission.

			much government funding is held outside GBS.
Quarterly	Medium Term Financial Model returns	By email to Finance	To get ALBs' latest capital profiles for internal management and reporting to Investment Committee.
Six-monthly	Publication of senior salaries and organograms	On EHRC website or hosted on DCMS website	Transparency: to inform public how public money is spent.
Annually - Early May	Provisional Outturn for the Public Expenditure Outturn White Paper (PEOWP)	By email to Finance	HM Treasury requirement. Feeds into the PEOWP and presented to Parliament.
Annually - Mid August	Final Outturn	By email to Finance	HM Treasury requirement – give bodies chance to bring data in line with Audited accounts.
Annually	Annual report and accounts (including separate Lottery Accounts)	By email to Finance and relationship manager as per timetable (separate guidance is issued on this)	Statutory obligation.
Annually	Alignment/WGA	Alignment consolidation packs, WGA transactions and balances exercise	Alignment: to consolidate ALBs' resource accounts within the DCMS resource accounts WGA: to gather counter-party details for consolidation. Any ALBs' not in alignment to supply resource accounts for publication by HMT.
Annually	Pay Remit and outturn	By email to ALB	To ensure spend

Framework Document (management agreement) between the Department for Culture, Media and Sport and the Equality and Human Rights Commission.

		Team	on pay is aligned across Government.
Annually	Total size of office estate (m2)	Directly to Cabinet Office	For Cabinet Office to compile data on public sector office occupation.
Annually	Total cost of office estate (£)	Directly to Cabinet Office	For Cabinet Office to compile data on public sector office occupation.
Annually	Cost per FTE (£)	Directly to Cabinet Office	For Cabinet Office to compile data on public sector office occupation.
Annually	Cost per m2 (£)	Directly to Cabinet Office	For Cabinet Office to compile data on public sector office occupation.
Annually	EU public procurement statutory return (Schedule 1 or Schedule 2 as appropriate)	Email to Cabinet Office	Legal requirement to provide data on number of tenders advertised in the European Journal.
Annually	Publication of salaries over £150k	By email to ALB team (for publication on Cabinet Office website)	Transparency: to inform public how public money is spent.
Ad hoc immediate as detected	Total identified fraud (£)	By email to DCMS Finance Team	To enable dissemination of fraud cost information to the authorities.
Ad hoc immediate as detected	Total prevented fraud (£)	By email to DCMS Finance Team	To enable dissemination of fraud cost information to the authorities.
On request	Sharing of audit strategy, periodic audit plans and annual audit report, including the Head of Internal Audit's opinion on risk management, control and governance.	With Finance and Head of, when requested	Assurance of financial management.

Other information:

Framework Document (management agreement) between the Department for Culture, Media and Sport and the Equality and Human Rights Commission.

Data to be provided as per the Publications and information strategy section of the Governance Framework.

Annually: completed strategic and corporate documents as per the Business planning section of the Governance Framework.

