



Department
for Environment
Food & Rural Affairs



Centre for Environment
Fisheries & Aquaculture
Science

FRAMEWORK DOCUMENT FOR THE CENTRE FOR ENVIRONMENT FISHERIES AND AQUACULTURE SCIENCE (Cefas) v2.0

Document History	Version	Change detail
14 November 2015	1.0	New Framework Document
17 August 2016	2.0	Aim refresh and Net to Gross Agency change

Section 1 - Introduction

This framework document has been drawn up by the Department for Environment, Food and Rural Affairs (Defra) in consultation with the Centre for Environment, Fisheries and Aquaculture Science (Cefas). This document sets out the broad framework within which Cefas will operate. This document does not convey any legal powers or responsibilities. It is signed and dated by Defra and Cefas. 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.

Purpose of Cefas

1.1 Name and main aim

Cefas is an Executive Agency and it was set up in order to support the strategic aims and business plans of Defra and the devolved administrations. Our activities support Defra and the government's ambition to: grow the national economy, improve our environment and safeguard animal health and biosecurity. In addition to its statutory duties set out in section 1.2 of the Framework Document, Cefas has a clear purpose as the government's foremost source of marine evidence, applied science and impartial expert advice.

1.2 Statutory duties

The statutory duty of Cefas on behalf of Defra is to undertake inspection of aquatic animal health and investigate serious outbreaks of disease in both farms and the wild.

1.3 Strategic aim

Cefas will, as the UK's leading centre for marine and aquatic science, deliver the best outcomes for all its customers.

Section 2 - Governance and accountability

2. Cefas origins of powers and duties

Cefas was created as an Executive Agency of Defra to provide scientific advice and fulfil the functions of the Secretary of State for Defra.

3. Overall focus

3.1 Outcomes

The Secretary of State has agreed that, subject to paragraph 1.3 of this Framework Document, the Cefas' outcomes should be as follows:

Support the long term economic prosperity and well-being of the industries and communities that enjoy and depend on our marine sectors, by delivering government priorities:

- Enabling innovation in the fishing and aquaculture industries, continuing to work with Defra and the fishing industry to secure positive outcomes from Common Fisheries Policy reform, and sustaining effective aquatic animal disease controls;
- Leading on the national evidence base and providing trusted advice to support sustainable development of marine and coastal environments. For example, the implementation of Marine Plans and Marine Conservation Zones, and prepare Defra for cost-effective implementation of the Marine Strategy Framework Directive;
- Improving human health and well-being by supporting food safety and sustainable food production, working with the Food Standards Agency and food producers;
- Supporting the “blue” economy and UK energy policy through our work with marine industries.

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf

4. Ministerial responsibility

4.1 Role of Secretary of State

The Secretary of State for Defra will account for Cefas 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 the Cefas AO.

5.2 PAO responsibilities to Minister

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

- on an appropriate framework of objectives and targets for Cefas in the light of the department's wider strategic aims and priorities;
- on an appropriate budget for Cefas in the light of Defra's overall public expenditure priorities; and
- how well Cefas 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 Cefas' activities;
- address any significant problems in Cefas as they arise, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to Defra and Cefas' objectives and activities;
- inform Cefas of relevant government policy in a timely manner; and,
- bring concerns about the activities of Cefas 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 in conjunction with the Corporate Customer (Director, EU Marine and International) will provide advice to the Secretary of State in the discharge of their responsibilities in the respect of Cefas activities.

Officials of the Transformation directorate working with other Defra teams as appropriate will support DGCOO, Corporate Customer and the Defra PAO in their responsibilities toward Cefas.

5.5 Other important Defra relationships

The Corporate Customer provides the high level focal point on matters relating to the overall purchase, delivery and quality of services provided to Defra by Cefas. A key role of the Corporate Customer is to look ahead in framing Defra requirements and associated funding, so underpinning Cefas' strategies and long term plans for its assets.

The Defra Chief Scientific Adviser (CSA) is responsible for independent challenge to the scope, content and quality of Defra's scientific activities, including its investment plans for science, its programmes and its specialist resources. The CSA also plays a key role in explaining and championing the science underpinning Defra policies (including science provided by the laboratory agencies) to the public and the science community and helps the Department engage with the public in a two-way dialogue on scientific issues.

The Deputy Chief Veterinary Officer provides the high level advice on matters relating to fish health policy that Cefas manages as part of Defra's statutory duties in this area.

6. Responsibilities of the Executive Agency's CEO as Cefas 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 Cefas. In addition, the AO will ensure that Cefas 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 the executive agency are established and made widely known within Cefas;
- 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 Cefas' stewardship of public funds, or to other Select Committees should they wish to take evidence on matters assigned to Cefas.

6.3 Particular responsibilities to Defra

Particular responsibilities to Defra include:

- establishing, in agreement with Defra, Cefas' 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 the Cefas Management Board

The CEO is responsible for:

- advising the board on the discharge of the Cefas 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 the Cefas performance compared with its aim and objectives; and
- 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

Cefas must publish an annual report of its activities with its audited accounts after the end of each financial year. Cefas shall provide Defra its finalised (audited) accounts each year in accordance with the Defra accounting timetable in order for Cefas 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*² (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.

² <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

8. Internal audit

8.1 Internal audit requirements

Cefas shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's *Public Sector Internal Audit Standards*³ (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 the Cefas 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 Cefas and notify Defra of any unusual or major incidents as soon as possible.

8.2 Internal audit right of access

Defra group internal audit and performance teams have a right of access to all documents, including where the internal audit function 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.

Cefas will [in the light of the provisions in the Companies Act 2006] ensure that the C&AG is appointed auditor of Cefas Technology Limited (CTL) (a wholly owned subsidiary company of Cefas). Cefas shall discuss with the sponsor department the procedures for appointing the C&AG as auditor of CTL.

9.2 C&AG and the audit process

The C&AG:

- will consult Defra and Cefas 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 Cefas;

³https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207064/public_sector_internal_audit_standards_december2012.pdf

- 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 Cefas; 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 Cefas 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*⁴. In addition, Cefas 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.

9.4 Defra access to documentation

Defra has the right of access to all Cefas 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, Cefas shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to officials within the Group Finance directorate in Defra in the first instance. A list of guidance and instructions with which Cefas should comply is in Appendix 2.

10.2 Budgetary compliance, freedoms and limitations

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

- Cefas shall comply with the delegations set out in Appendix 1. These delegations shall not be altered without the prior agreement of Defra;

⁴ <http://www.legislation.gov.uk/ukpga/1983/44/contents>

- Cefas 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
- Cefas shall provide Defra with such information about its operations, performance, individual projects or other expenditure as Defra may reasonably require.

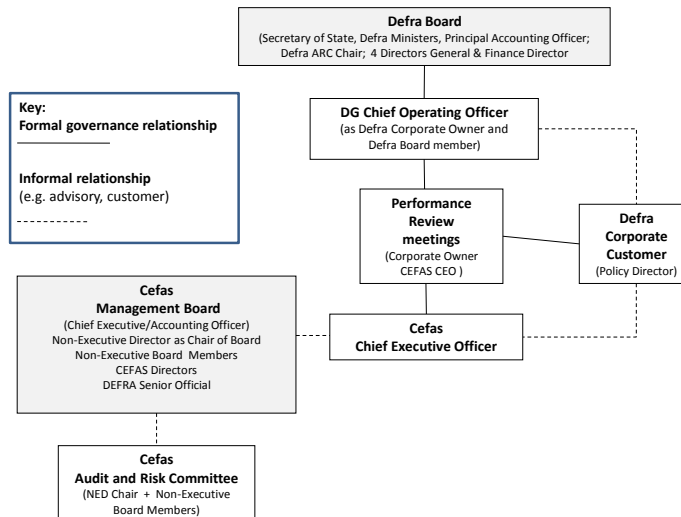
11. Structure and corporate governance

11.1 The Chief Executive Officer

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 the Agency. The CEO is accountable to the Defra sponsor Minister for the day-to-day operation of Cefas. The CEO will formally report agency performance against agreed targets and performance indicators on a quarterly basis to the ExCo (via DGCOO and in conjunction with the Defra Corporate Customer). The CEO may approach the Minister if circumstances require.

CEFAS structure & governance



11.2 Role of the Cefas Management Board

The role of the Cefas 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 to the CEO 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 Cefas 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 Cefas; 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 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 Cefas Management Board

The structure of the Cefas Management Board is agreed with Defra by the DGCOO and the Cefas CEO. The Board is chaired by a Non-Executive Director (NED) and provides the internal governance board for Cefas. It consists of the CEO, five Cefas Directors, three other Non-Executive Directors (in addition to the Chair) and a senior Defra official. The Board meets four times a year. Each meeting is also attended by selected Divisional Directors from Cefas as appropriate and applicable to the tabled Agenda.

11.4 Board appointments - the chair and non-executive board members

The non-executive Cefas 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, after which the appointment will end or become eligible for renewal up to a maximum of six years and following the principles as set out in the *Government Code of Good Practice for Corporate Governance*⁵. The recruitment and appointment process will be organised by the agency and all appointments to the Cefas board will follow the principles in OCPA. The non-executive directors will provide independent expert advice and challenge to the CEO on the performance and management of the agency. Cefas will be responsible for payment arrangements for the NEDs.

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220645/corporate_governance_good_practice_july2011.pdf

11.5 Role of Board Chair

The role of the chair is to ensure the Management Board provides appropriate advice, support and constructive challenge to the CEO. 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; and
- ensure that Cefas is in compliance with the *Code of Good Practice for Corporate Governance*, or that it has adequately explained any deviations from it.

11.6 Individual non-executive 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*⁶ 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 Cefas.

11.7 Cefas audit and risk assurance committee (ARAC)

The ARAC is a committee of the Cefas Management Board. Its role is to advise the Cefas Board and AO 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 the agency. The ARAC will comprise of three non-executive members.

The Chair will be a non-executive member of the Cefas Management Board. The Cefas Management Board will appoint members of the ARAC for a fixed term of 3

⁶ <http://www.bl.uk/aboutus/governance/blboard/BoardCodeofPractice2011.pdf>

years, after which the appointment will end or become eligible for renewal up to a maximum of six years and following the principles as set out in the *Government Code of Good Practice for Corporate Governance*. Cefas 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

Cefas 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*⁷.

The CEO is responsible for developing a risk management strategy and implementing a robust approach to risk and a supportive risk-aware culture in Cefas. It will adopt and implement policies and practices to safeguard Cefas against fraud and theft in line with HMT guidance on *Tackling Fraud*⁸.

Cefas 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 for Cefas that covers issues to address and timescales agreed with Defra. The plan shall reflect the statutory and other duties and, within those duties, the priorities set from time to time by the responsible minister (including decisions taken on policy and resources in the light of wider public expenditure decisions) which Cefas will deliver. The plan shall demonstrate how the Agency contributes to the achievement of the department's priorities. The plan sits alongside the framework document and articulates how Cefas operates and is resourced, and what Cefas expects to achieve in the short and medium term.

⁷ <https://www.gov.uk/government/publications/orange-book>

⁸ http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf

The plan is developed by the Cefas 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

The plan sets out Cefas' annual priorities, including actions to meet key performance indicators, and will demonstrate how Cefas contributes to the achievement of Defra's priorities. The indicators may be varied by agreement between the agency and the department. The plan includes a rolling overview of strategic direction, budgets and resourcing expectations, and provides the main framework for monitoring progress against longer term objectives.

Subject to any commercial considerations, the business plan will be published by Cefas on the Gov.uk website and separately made available to staff.

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 Cefas.

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, Cefas 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 Cefas' delivery and policy functions. These will be discussed and agreed as part of an on-going dialogue between Cefas and Defra and recorded as part of the regular performance process.

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 Cefas expenditure on services provided to Defra will be provided by Defra for the year in question. 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, Cefas is included within the Annual Report and Consolidated Accounts that Defra prepares for all entities within its boundary. Cefas operates as an agency under the Gross Control Accounting Regime. Cefas 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.

Cefas 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 Cefas in any Spending Review discussions with HM Treasury mainly or wholly concerning Cefas. At the conclusion of the Spending Review, Defra will inform Cefas of allocations agreed for the Spending Review period.

15.3 Charging for services

Cefas is required to operate in full compliance with the guidance in HM Treasury's *Managing Public Money*. As part of this, Cefas must ensure it complies in full with the guidance on fees, charges and levies which is set out in Chapter 6 of *Managing Public Money* and in the annexes to Chapter 6.

Cefas Technology Limited (CTL) as a private limited company wholly owned by Cefas, whose primary purpose is also subject to the guidance in HM Treasury's *Managing Public Money*.

15.4 Ring fenced grants

In the event that Defra provides Cefas 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. Cefas would provide evidence that the grant was used for the purposes authorised by Defra. Cefas shall not have uncommitted grant funds in hand nor carry funds over to another financial year.

16. Reporting performance to the department

16.1 Performance assessment and accounting systems

Cefas 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.

Cefas shall inform Defra of any changes that have an impact on the delivery of objectives. Cefas 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 Cefas' performance at least twice a year.

16.2 Financial reporting

As a minimum, Cefas shall provide Defra on request with information that will enable the department satisfactorily to monitor:

- Cefas cash management;
- other data required for the Online System for Central Accounting and Reporting (OSCAR).
- 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 Departmental Expenditure Limits and Annually Managed Expenditure allocations; and
- wider departmental policy developments that may impact on Cefas' ability to deliver against agreed objectives and targets.

17. Delegated authorities

17.1 Delegated authorities' restrictions

Cefas' delegated authorities are set out in Appendix 1 and the Agency shall obtain the department'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 Cefas' annual budget as approved by Defra;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by 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 Cefas are civil servants employed by Defra and are members of the appropriate civil service pension schemes unless they elect to opt out of the schemes. Cefas 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 Cefas 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 Cefas is responsible within agreed departmental timeframes for responses. The Secretary of State for Defra will account for Cefas business in Parliament.

19.2 Ministerial Correspondence

Members of Parliament may raise matters relating to Cefas' delivery operations, by writing direct to the CEO. The CEO will refer to the Minister any matter which is raised with Cefas 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 Cefas.

19.3 Devolved administrations

In respect of matters carried out by Cefas 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 Cefas is responsible.

If members of the Parliament or Assembly wish to raise a matter bearing on Cefas' 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 Cefas, but which is not wholly concerned with the management of its affairs.

20. Complaints procedure

20.1 Comments and complaints

Cefas handles comments, suggestions and complaints in accordance with a clear procedure, publicly accessible and published on Cefas website and that meets government complaint resolution 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 Cefas 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 Cefas.

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

21.1 Review timing

Defra will formally review Cefas as part of wider strategic business planning at least once in each five-year Parliament. A formal review of Cefas 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 Cefas 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?

Defra in consultation with Cefas 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 Cefas.

22. Arrangements in the event that Cefas 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 of Cefas. If the event arises it will ensure that the assets and liabilities of Cefas 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 Cefas 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 Cefas' 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

Cefas shall provide Defra with full details of all agreements where Cefas 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 Cefas.

Signed: Betsy Bassis

Signed: Tom Karsten

Betsy Bassis, DG COO
(On behalf of Defra)

Tom Karsten, CEO
(On behalf of Cefas)

Date:

Date

Appendix 1 – Delegated Authorities

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

Cases above these limits require Defra's prior approval.

Limits of Delegated Authority - Losses, Write-Offs, Special Payments and Unexpected Income		
A. Expenditure & Income	Amount	Other limits /conditions
Commit expenditure, including all contractual commitments	£10 million	See Note 1
Certifying expenditure	£10 million	
Authorise payments	£10 million	
Accept receipts	Unlimited	
B. Capital Expenditure		
Building – per project	Capital expenditure budgets to be agreed separately with Defra.	
Equipment – per project		
IT system hardware & software – per project		
Management and IT consultancy – per project		
C. Losses, Write-Offs, Special Payments		
1. LOSSES		
Cash Losses:	£100,000	
Bookkeeping losses:	£100,000	
Exchange rate fluctuations:	Unlimited	All gains/losses should be reported to Defra as they arise.
Losses arising from Overpayments of pay; pensions, allowances;	£100,000	
Losses arising from Overpayments of Grants and Subsidies etc.	£100,000	
Losses due to failure to make adequate charges for the use of public property or services	£100,000	
Losses of accountable stores	£100,000	
Fruitless payments & Constructive losses	£100,000	
Claims waived or abandoned	£100,000	

2. OTHER		
Gifts of stores or property	£10,000	
Gifts to visiting Dignitaries	£500	
Rewards for return of stolen property	£5,000	See Note 2
Special Payments	£5,000	See Note 2
Other compensation payments	£5,000	See Note 2
Loss or damage for staff on official business	£5,000	See Note 2
Injury payments to non – staff - official vehicles	£5,000	See Note 2
Personal injury - non staff	£5,000	See Note 2
Extra-statutory and ex-gratia payments	£5,000	See Note 2
Property related transactions	£100,000	See Note 3
3. GIFTS RECEIVED	Unlimited	

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 - All Special Payments above the delegation limits shall be referred through Defra to the Treasury for approval in line with Chapter 4 and Annex 4.13 of *Managing Public Money*. Special severance payments are always classified as novel and contentious and therefore require HMT approval through Defra.

Note 3 - This category comprises the signing of new leases, renewals of existing leases, and 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.

Increases in Delegated Limits

Should Cefas 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

Cefas 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

The Cefas shall comply with the following general guidance documents and instructions:

- This Framework Document;
- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice*
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>;
- *Code of Conduct for Board Members of Public Bodies*
http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf
- *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 Freedom of Information Act guidance and instructions (Ministry of Justice); A7.2 Drawing up framework documents *Managing Public Money*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf
- Public Sector Internal Audit Standards,
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- Management of Risk: Principles and Concepts;
<https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud,
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf;
- Government Financial Reporting Manual (FReM),
<https://www.gov.uk/government/publications/government-financial-reporting-manual>;
- Regularity, Propriety and Value for Money,
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm;
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples> ;
- Relevant 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;
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the ALB.