



Guidance for General Grants

Minimum Requirement Two: Governance, Approvals & Data Capture

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Important note

- ▶ This guidance applies only to general grants made by departments and their arm's length bodies (ALBs) using exchequer funding. It does not apply to formula grants or grant in aid, although guidance for the latter grant will be developed in the future. 'Managing Public Money' and local guidance within organisations will continue to apply until then.
- ▶ Organisations' primary concern when administering grants is to have due regard to the 'Grants Functional Standard' (GovS 015) and the key documents referred to within it, including '[Managing Public Money](#)'. Nothing in this guidance is intended to contradict or supersede these. Furthermore, this guidance is not intended to be an additional spending control - departments retain accountability for decisions on all grant expenditure.
- ▶ This guidance should be read in conjunction with the wider set of 'Minimum Requirements' guidance documents (including the Introduction). Further information about how to apply this guidance can be found in the following document: '**Grant Scheme Readiness: a guide to designing and developing a new government grant scheme**', available online through the '[Grants Centre of Excellence \(GCOE\)](#)'. Further references and resources are highlighted throughout. It should also be read alongside organisations' internal guidance, where available, which will provide the departmental policy context.
- ▶ This guidance should be approached on a 'comply or explain' basis. It is important to consider flexibility and proportionality in adhering to the minimum requirements. As such there may be some specific instances where the requirements may not be met in full. In these instances, appropriate justification should be recorded within the business case or equivalent approval documents.

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Minimum Requirement

Departments shall ensure they have a **robust grants approval process to approve spend over £100,000**, and that details of all current grant schemes and awards are **available on the Government Grants Information System (GGIS)**.

Purpose

Minimum Requirement Two: Governance, Approvals and Data Capture is about ensuring that government grant making organisations have a robust and proportionate governance process in place for scrutinising and approving grants - including a related, proportionate approach for grants with a value of less than £100,000. This is particularly important throughout design and development and prior to award: to optimise value for money and minimise risk. The requirement will ensure that key grants data is entered onto the GGIS in line with the Memorandum of Understanding agreed with central departments, to enable strategic planning across government and allow government to meet its transparency commitments.

Grants Functional Standard: Key References

Mandatory requirements are defined by the word ‘shall’ in the Functional Standard. The ‘shalls’ for the management of grants related to this minimum requirement have been extracted from the Standard and are set out below. *Please note that in some cases the information has been paraphrased for conciseness - refer to the standard itself for the full version.*

Area	Requirement(s)	Context	Reference	Page
Governance Framework	The governance framework shall be: <ul style="list-style-type: none"> established in compliance with government and departmental policies and directives, and with the government functional standard for grants referenced from the accounting officer’s system statement 	Grants governance comprises authorising, directing, empowering and overseeing the management of funding. The governance of grant making activities should be an integrated part of the organisation’s overall governance arrangements.	4.1 Governance Framework <i>Also refer to: HM Treasury, Accounting officer system statements</i>	5
Governance Framework	Each organisation shall have a senior officer accountable for its grant funding and a defined and established governance framework which: <ul style="list-style-type: none"> complies with government and organisational policies and directives, and with the government functional standard for grants ^[1]_[SEP] defines which activity should be included and how it should be managed should be reflected in the respective accounting officer system statement [1] should be periodically reviewed to ensure it is still valid 	[As above]	4.1 Governance Framework <i>Also refer to: 4.4 Roles and responsibilities</i>	5
Governance Framework: Approvals	To facilitate governance and scrutiny, grant activity shall be justified and documented throughout the grant life cycle. Such justification should be in accordance with HM Treasury requirements (see <i>Green Book</i>). Justification may be documented either in the form of a business case or other proportionate format, which should be defined in the organisation’s grant governance and management framework.	Decisions should be made, and approvals given in a timely manner, in accordance with the organisation’s grant governance and management framework, financial management controls (including delegations of authority) and government policy.	4.2.2 Justification of grants <i>Also refer to: 5 Grant life cycle Green Book [4] 4.2.1 Decision making</i>	5
Governance Framework: Approvals	If required, subsequent approval [of the business case] shall be obtained in accordance with HM Treasury and Cabinet Office policy and spend controls.	[As above]	4.2.2 Justification of grants <i>Also refer to: 5 Grant life cycle Cabinet Office controls, 2018 4.2.1 Decision making</i>	6

Area	Requirement(s)	Context	Reference	Page
Governance Framework: Governance Constraints	Those accountable for the management of grants shall comply with <i>GovS 006, Finance</i> and in particular with the most current version of the following documents: <ul style="list-style-type: none"> • Managing Public Money • Global design principles 	Grants governance comprises authorising, directing, empowering and overseeing the management of funding. The governance of grant making activities should be an integrated part of the organisation's overall governance arrangements.	4.5 Governance constraints <i>Also refer to: GovS 006, Finance Managing Public Money Global Design Principles</i>	8
Grant Life Cycle: Grant in Aid Life Cycle	Details of the grant shall be entered on to the government grants information system as soon as approval to develop the scheme has been given. Once agreed: <ul style="list-style-type: none"> • the authorised representatives of the funding organisation and the recipient organisation shall sign a copy of the agreement • the documentation relating to the agreement should be securely stored and the information system updated. 	The purpose of the government grants information system is to facilitate the recording and reporting of grant information across government, providing accurate data to help departments to manage their grant portfolios efficiently and effectively, while helping to actively reducing the risk of fraud, through data.	5.3.1 Design and development <i>Also refer to: 6.6 Document management and record keeping 6.8 Reporting and information</i>	12
Supporting practices: Document management and record keeping	Information shall be retained to meet statutory and government requirements, in accordance with organisational information retention policies and legal requirements.	Document management and record keeping ensures necessary information, documentation, data and other records (both physical and electronic) are securely stored, distributed and retrievable when needed to support and evidence grant management practices.	6.6 Document management and record keeping	16
Supporting practices: Reporting and information	Key data on government grants shall be recorded in the grants information system and shall include the following data as a minimum: <ul style="list-style-type: none"> • value • delivery period • brief description of purpose • owning department • intermediary body (if any) 	Reporting ensures management teams and interested parties are aware of the current status and outlook regarding all aspects of government grant management, as defined in the government functional standard for grants.	6.8 Reporting and information	16

Overview

1. The grants governance process comprises authorising, directing, empowering and overseeing the management of grant funding. Key to this is a framework that is fully integrated within the organisation's wider governance arrangements, including such critical factors as ensuring appropriate approvals for overarching grant schemes and individual awards. The Functional Standard also requires detailed and timely document management, record keeping and subsequent reporting.
2. These requirements are needed to enable transparent and robust decision-making; to ensure accountability, and can assist with other areas such as funding optimisation and the assessment of value for money. A thorough governance framework should also assist grant managers, senior officers responsible for grants (SOR) and senior decision makers to better manage risk to within the organisation's tolerance levels.
3. Governance frameworks, document management and reporting requirements are applicable throughout the grants lifecycle, and the associated policies should be applied continuously, particularly at key stages such as at the point of commitment to award the grant and as part of annual reviews. Everyone involved within the development, administration and management of government grants has a responsibility for good governance, and record keeping. However, it is the SOR who is responsible for ensuring that the governance model is appropriate and decisions are made by the appropriate people with the right level of authority, proportionate to value and risk.

Grants Governance

4. The governance of grant-making activities is an integrated part of an organisation's overall governance arrangements. The governance framework shall be:
 - established in compliance with government and departmental policies and directives, and with the government functional standard for grants; and
 - referenced within the accounting officer's system statement.
5. This framework should include organisational policies (if any), financial authority limits, decision-making roles and rules, degree of autonomy, assurance needs, reporting structures, accountabilities and responsibilities. It should also include management frameworks for undertaking the practices listed within the Grants Functional Standard that cover governance, the grants life cycle and supporting practices.

Business case governance

6. The suggested governance process for business cases – to provide advice and direction as the grant develops - covers three stages of development from inception to approval, as outlined below. Departments should adopt this model or equivalent. Consideration of each area should be in proportion to the value of the grant and the perceived risk level, and the process should include (but not be limited to) the points listed below:

I. Strategic stage - idea formulation

- definition of aims, objectives and outputs/ outcomes (see '[Minimum Requirement Eight: Performance and Monitoring](#)');
- value for money and optimum funding levels (see '[Minimum Requirement Four: Business Case Development](#)');
- alternative delivery mechanisms (see '[Minimum Requirement Four: Business Case Development](#)', and the 'Grants and Alternative Funding Options Note' which can be found on the Grants Centre of Excellence¹, which is a dedicated internal resource available to departments and ALBs);
- competition, by default (or clear justification for direct award) (see '[Minimum Requirement Five: Competition for Funding](#)');
- key risks and mitigations, including fraud; and
- referral to the new grants advice panel (NGAP) (see '[Minimum Requirement Three: NGAP](#)').

II. Design stage - developing the detail of the grant model

- risk management, including due diligence and fraud risk, control, and assurance (see '[Minimum Requirement Seven: Risk, Controls and Assurance](#)');
- payment model and links to performance outputs/ outcomes (see '[Minimum Requirement Eight: Performance and Monitoring](#)');
- assurance, both financial and delivery;
- grant agreement including terms and conditions and schedules (see '[Minimum Requirement Six: Grant Agreements](#)');
- defining eligible expenditure and expenditure that is expressly ineligible; and
- impact evaluation (see '[Minimum Requirement Nine: Annual Review and Reconciliation](#)').

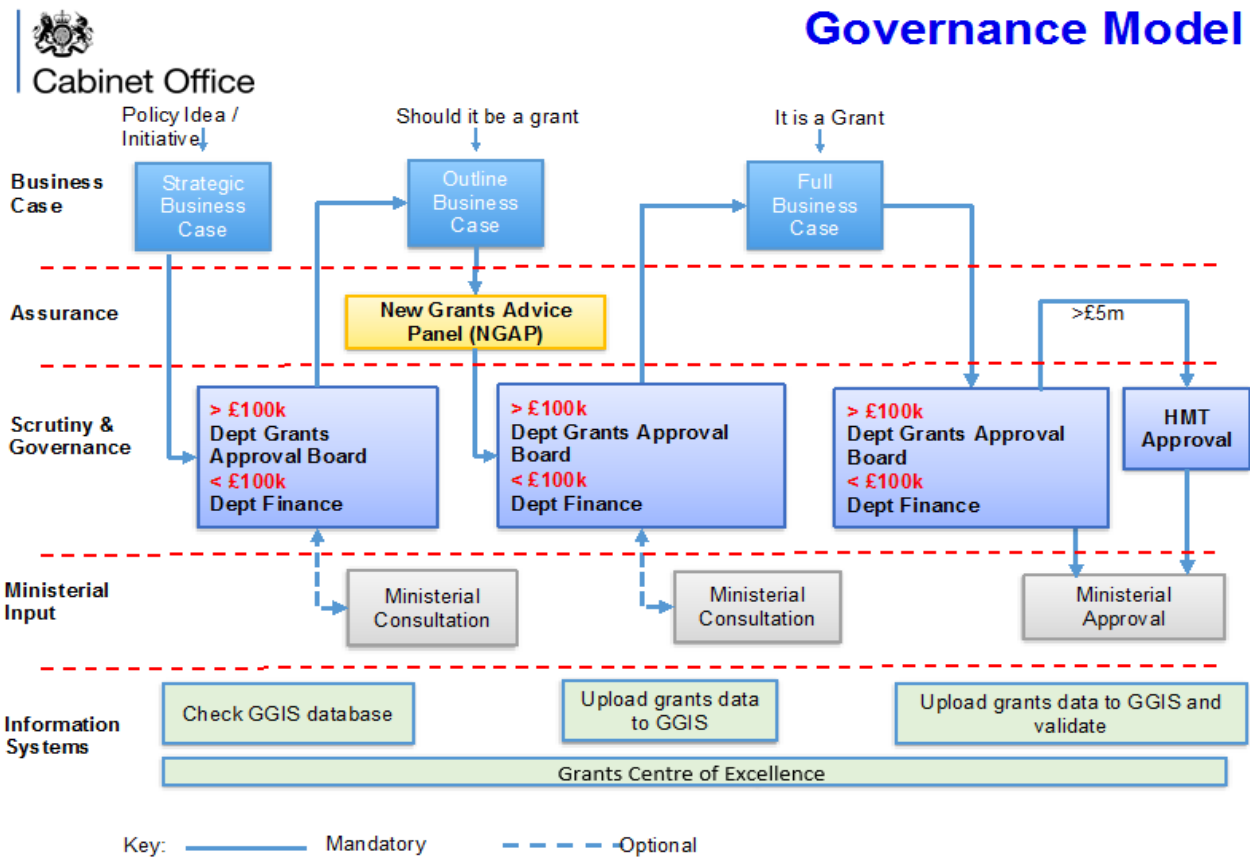
III. Final approval stage - including policy and financial approval

- recording of response(s) to advice from NGAP ('[Minimum Requirement Three: NGAP](#)');
- finalising the business case ('[Minimum Requirement Four: Business Case Development](#)'); and
- obtaining approval and maintaining a record of the process.

Business case governance model

7. The 'governance model' below is illustrative and is intended to describe the process a grant should follow before final sign-off. From the establishment of a business case at the strategic stage, the grant flows through the process with sign-off at key decision points, either through formal meetings or via a virtual process.

¹ grantshub.civilservice.gov.uk



Challenge panels

8. A challenge panel is a made up of a group of individuals in a department, with expertise related to the design, approval and administration of government grants. The Panel's role is to scrutinise grant scheme and award proposals in a particular business area, taking account of established good practice and guidance, including the Grants Functional Standard. Departments are strongly encouraged to convene challenge panels, based on the Ministry of Justice' model. Support for establishing and running challenge panels is available through the Grants Centre of Excellence (CoE).
9. Departments may find it helpful to use challenge panels as part of their business case development process for proposed grant schemes.

Approvals

10. Decisions on approval should be taken in a timely manner, in line with the organisation's governance process, management framework, financial management controls and wider government policy. Decisions should be taken by individuals or committees, with the necessary delegated authority, according to the complexity and the level of risk of the scheme and associated decisions.

11. While decisions may be made throughout the grant lifecycle, it is expected that key approvals will take place prior to making significant commitments, such as deploying resource or awarding funding and where there is exposure to risk. For example, a decision is likely to be made on completion of the business case (or other justification) - prior to going to market.
12. Decisions on approval should be based on accurate, up-to-date information, with input from functional experts - such as policy, financial, commercial, legal, fraud - as appropriate, and should be justified and recorded in the business case or an equivalent document.
13. When considering justification reference should be made to the HM Treasury green book guidance.²

Re-approvals

14. It is imperative that the grant scheme is delivered in accordance with the approvals given. Should delivery deviate materially from this, subsequent approval should be obtained. This too should be in line with the organisation's governance process, management framework, finance management control, and government policy, as described above. There should be a clear understanding within the organisation, of what level of change necessitates re-approval, and this should consider holistic risk as opposed to financial value alone.

Document Management and Reporting

Document Management and Record Keeping

15. The Grants Functional Standard makes reference to the importance of accurate document management and record keeping, in support of and to evidence grant management practices. This information shall be retained to meet statutory requirements, in accordance with the organisation's information retention policies and legal obligations, and should be readily available during the grant lifecycle.

Reporting and the Government Grants Information System (GGIS)

16. Organisations shall ensure that details of all current grant schemes and awards are uploaded to the government grants information system (GGIS). The GGIS provides a database of cross-organisational government grants data, and enables analysis to be undertaken. In providing accurate data, the GGIS can assist management teams and other key stakeholders in reviewing the current status and outlook regarding grant management over a range of issues such as avoiding duplication of funding between departments, targeting regions that are underfunded, and in the reduction of the risk of fraud.
17. In accordance with the government's commitment to transparency, GGIS data is published annually on gov.uk. Government grants data is published at both the scheme and award level, to [the 360Giving Standard](#). Individual organisations shall

² <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

report the status of their grants within their annual report and published accounts in accordance with the [Finance Functional Standard GovS 006](#).

18. Organisations are expected to upload grants data to the GGIS at an early stage within the grant lifecycle as agreed in the GGIS Memorandum of Understanding (MoU) with central departments. The MoU can be accessed via the CoE.
19. Data provided on the GGIS should be drawn from the organisation's wider monitoring activities (see '[Minimum Requirement Eight: Performance and Monitoring](#)') and should be verified to ensure it is correct.
20. The GGIS is covered by a privacy notice that complies with GDPR legislation.
21. The Senior Officer Responsible for the grant (SOR), or a person with delegated authority, should be involved in the process, ensuring that due regard is given to each area; that the details of the grant are entered on to the GGIS at an early stage, and updated / maintained wherever necessary.

Duplicate funding

Within grant funding it is important to review the information available on the Government Grant Information System (GGIS), which has searchable fields of data including: recipients, objectives, and even locations (allowing for geographical analysis of grant spending reaching specific areas). When considering grant funding, departments should use the GGIS as part of their market engagement and due diligence processes.

GGIS may also support departments considering alternative options, and access can be requested by emailing the Grants Management Function mailbox here:

grants-management-function@cabinetoffice.gov.uk.

Further Resources

22. In seeking to comply with this minimum requirement, and in addition to the references and resources highlighted earlier in this guidance, organisations may want to consider accessing the following training:
 - 'Overview & How to Guide' GGIS Training, available through the Grants Hub (see link below).
23. Organisations should also make full use of wider resources available through the [Grants Centre of Excellence and the Government Grants Academy](#).