



Department  
for Environment  
Food & Rural Affairs

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# **Triennial review of the Marine Management Organisation**

## **Principles of corporate governance**

**December 2014**



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MMO triennial review: December 2014

## Principles of good corporate governance

<b>Statutory Accountability</b>	<b>Principle: The public body complies with all applicable statutes and regulations, and other relevant statements of best practice.</b>	
<b>Supporting provisions</b>	<p>The public body must comply with all statutory and administrative requirements on the use of public funds. This includes the principles and policies set out in the HMT publication “Managing Public Money” and Cabinet Office/HM Treasury spending controls.</p>	<p>Comply</p> <p>i. The MMO complies with all statutory and administrative requirements on the use of public funds,. The MMO has appointed a Financial Controller (Chief Finance Officer) to support the Accounting Officer in the discharge of appropriate internal management, governance and financial controls; guidance issued to staff; appropriate delegation levels (Scheme of Delegations) and a mechanism for discussion and clarification with Defra where there is doubt or uncertainty.</p> <p>ii. Internal and external auditing review to provide assurance as to the internal management, governance and financial controls in place, coupled with regular consideration and scrutiny by the MMO’s Audit and Risk Assurance Committee.</p> <p>In May 2013, Internal Audit gave substantial assurance in respect of the MMO’s financial control framework and associated key controls, confirming that they had established a robust governance framework, operating with minimal risk, following an audit that evaluated the adequacy of the key controls operating within the principal financial systems, to ensure that they were being applied effectively to manage the operations of the MMO.</p> <p>Presented within the statutory Annual Report and Accounts for 2012/13, is a Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament. Within it, the Comptroller and Auditor General states that in all material respects, the expenditure</p>

		<p>and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them. In addition, they state that the financial statements give a true and fair view of the state of the MMO's affairs as at 31 March 2013, of the net expenditure for the year then ended; and that financial statements have been properly prepared in accordance with the Marine and Coastal Access Act 2009 (henceforth MCAA) and direction of the Secretary of State.</p> <p>iii. The MMO prepares and presents its Annual Report and Accounts in accordance with HM Treasury guidance including the Financial Reporting Manual and the Clear Line of Sight.</p> <p>iv. Any fee or charge imposed by the MMO is done so in accordance with HM Treasury guidance e.g. costs must be objectively justifiable, reflect actual costs incurred and result in no profit. There are internal systems and processes to justify and defend the imposition of any fee or charge with oversight provided by the Financial Controller.</p> <p>v. Overall compliance with this provision is ensured by the Financial Controller with adherence evidenced within the Governance Statement, presented within the MMO's Annual Report and Accounts.</p>
	<p>The public body must operate within the limits of its statutory authority and in accordance with any delegated authorities agreed with the sponsoring department.</p>	<p>Comply</p> <p>i. The MMO operates within the limits of its statutory authority and in accordance with delegated authorities agreed with Defra, including those contained with the MCAA and the Framework Document 2012. The Framework Document sets out the overarching framework for the sponsorship, governance and accountability arrangements between the MMO and Government. It describes the controls that exist to safeguard propriety and regularity, and clarifies the roles and responsibilities of the sponsoring department and the MMO.</p>

		<p>Oversight as to compliance with this provision is provided by the Chair and Board of the MMO as it discharges responsibilities set out within the 'Terms of Reference and Standing Orders of the Board (June 2010)'; in particular, Non-Executive Board Members are responsible for determining the strategic direction of the MMO to enable it to carry out its responsibilities and duties under the MCAA and all other relevant legislation and directions, and having regard the guidance on sustainable development and other guidance from Ministers.</p>
	<p>The public body should operate in line with the statutory requirements and spirit of the Freedom of Information Act 2000. It should have a comprehensive Publication Scheme. It should proactively release information that is of legitimate public interest where this is consistent with the provisions of the Act.</p>	<p>Comply</p> <p>i. The MMO has in place a dedicated 'Access to Information Team' that administers a framework designed to deliver compliance with information rights legislation including the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 (EIRs) and the Data Protection Act 1998 (DPA).</p> <p>The work of the Access to Information Team, to deliver the framework and embed the statutory requirements, was assessed by the Audit and Risk Assurance Committee in 2013 whereby it agreed that the MMO's delivery arrangements and performance in the delivery of compliance with information rights legislation are both robust and of high quality.</p> <p>The findings of the Audit and Risk Assurance Committee were supplemented by an audit report from the Northumbria Centre for Information Rights Law &amp; Practice. This audit report commended the MMO for its commitment to a culture of openness and positive approach to information rights. The audit found that the MMO takes its responsibilities under the FOIA and EIRs seriously and that the culture is one of openness and transparency; furthermore, it commended the MMO for its provision of staff training; case management; advising and assisting requesters and compliance with statutory deadlines. The audit report also highlighted areas of concern; however, these were not considered of paramount importance in respect of achieving compliance with information rights legislation but would strengthen</p>

		<p>service delivery and best practice: subsequently, these were captured and addressed through an action plan.</p> <p>ii. The MMO has published, on its website, a comprehensive Publication Scheme that is in full compliance with the requirements of section 19 of the FOIA. The MMO's publication scheme provides those with an interest information on:</p> <ul style="list-style-type: none"> <li>• Who we are and what we do</li> <li>• What we spend and how we spend it</li> <li>• What are our priorities and how we are doing</li> <li>• How we make decisions</li> <li>• Policies and procedures</li> <li>• Lists and registers</li> <li>• The services we offer</li> </ul> <p>iii. The MMO proactively releases information of legitimate public interest on its website and via data.gov.uk, consistent with the provisions of the FOIA and the DPA, including a public register detailing marine licence applications and decisions, a Master Data Register which provides those with an interest a comprehensive catalogue of spatially referenced environmental data, a Marine Planning Portal and evidence reports.</p>
	<p>The public body must be compliant with Data Protection legislation.</p>	<p>Comply</p> <p>i. The MMO has appointed a Chief Information Officer who is responsible for data control to ensure compliance with the Data Protection Act 1998 and the eight principles outlined within it. In addition, the Chief Information Officer administers the published privacy policy and ensures that we are placed upon the Data Protection Register (Registration no. Z2205091), as managed by the Information Commissioner's Office.</p>

		<p>ii. A '2013-15 Information Management Strategy', to be delivered by a specialist 'Knowledge and Information Management team', sets out the MMO's overall vision for information management which will, in turn, strengthen information asset identification and ownership; compliance with legislation, Government policies standards and regulations; and Service delivery for internal and external customers. This work will be underpinned by a range of work streams that focus on Governance, Communication and Training; Information Asset Management and Ownership; Information Security and Assurance; Information Architecture; Quality Management; Records Management; and Knowledge Management.</p> <p>iii. The MMO's Access to Information Team is responsible for ensuring that compliance with the FOIA and the EIRs aligns with the requirements of the DPA. In addition, it also manages 'subject access requests' in accordance with section 7 of the DPA.</p>
	The public body should be subject to the Public Records Acts 1958 and 1967.	<p>Comply</p> <p>The MMO is subject to the Public Records Act 1958 and 1967 and through its bespoke '2013-15 Information Management Strategy', it will introduce governance for records management and enable the production of policy and guidelines for the standardisation records management practice; deliver a new records management service to enable the business to manage information in hard copy; and enable the business to comply with changes in record management practice and reduce the volume of information that we currently store. Localised policy and procedure is in place in advance of the work set to be undertaken as detailed above.</p>
<b>Accountability for Public Money</b>	<b>Principle: The Accounting Officer of the public body is personally responsible and accountable to Parliament for the use of public money by the body and for the stewardship of assets.</b>	
<b>Supporting provisions</b>	There should be a formally designated Accounting Officer for the	<p>Comply</p> <p>The Accounting Officer of Defra has appointed the Chief Executive</p>

	public body. This is usually the most senior official (normally the Chief Executive).	Officer as Accounting Officer of the MMO.
	The role, responsibilities and accountability of the Accounting Officer should be clearly defined and understood. The Accounting Officer should have received appropriate training and induction. The public body should be compliant with the requirements set out in “Managing Public Money”, relevant Dear Accounting Officer letters and other directions. In particular, the Accounting Officer of the NDPB has a responsibility to provide evidence-based assurances required by the Principal Accounting Officer (PAO). The PAO requires these to satisfy him or herself that the Accounting Office responsibilities are being appropriately discharged. This includes, without reservation, appropriate access of the PAO’s internal audit service into the NDPB.	<p>i. The MMO’s Accounting Officer complies with the requirements of the Government Financial Reporting Manual; in particular, they:</p> <ul style="list-style-type: none"> <li>• Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis</li> <li>• Make judgements and estimates on a reasonable basis</li> <li>• State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts</li> <li>• Prepare the accounts on a going concern basis</li> </ul> <p>ii. The responsibilities of the MMO’s Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the MMO’s assets, are set out in ‘Managing Public Money’ issued by HM Treasury; support in achieving compliance with this provision is provided by the MMO’s Financial Controller.</p> <p>iii. The MMO’s Accounting Officer and Financial Controller are suitably trained and qualified, and attend the MMO’s Audit and Risk Assurance Committee meetings, alongside representatives of Internal and External Audit.</p>
	The public body should establish appropriate arrangements to ensure that public funds:	<p>Comply</p> <p>i. The MMO’s Accounting Officer, with support from the MMO’s Financial Controller, delivers the responsibility for maintaining a sound system of risk management, governance and control, which in turn</p>



	<ul style="list-style-type: none"> <li>- are properly safeguarded;</li> <li>- used economically, efficiently and effectively;</li> <li>- used in accordance with the statutory or other authorities that govern their use; and</li> <li>- deliver value for money for the Exchequer as a whole</li> </ul>	<p>support the achievement of the policies, aims and objectives of the MMO, whilst safeguarding the public funds and MMO assets for which they are personally responsible; this is in accordance with the responsibilities assigned in 'Managing Public Money'. Each year, a Governance Statement is prepared to provide assurances of operating sound systems of internal control and set out how these duties have been carried out and this is published within the MMO's Annual Report and Accounts.</p> <p>ii. Through the publication of an annual Corporate Plan, and subsequent Annual Report and Accounts, the MMO reports on progress made against its strategic objectives together with any underpinning Key Performance Indicators and Key Steps; in addition, information as to how resources have been allocated and used is presented.</p> <p>iii. The work of Internal Audit and review and comments from the External Auditor in the Audit Completion Report facilitate continued scrutiny by the MMO's Audit and Risk Assurance Committee.</p> <p>iv. The MMO provides Defra with monthly information, in a format and according to a timetable agreed with Defra, which includes a budget profile, monthly financial data and a management information report. This will then enable the department to satisfactorily monitor:</p> <ul style="list-style-type: none"> <li>• the MMO's cash and financial management;</li> <li>• its draw-down of grant-in-aid;</li> <li>• forecast outturn by resource headings;</li> <li>• other data required for the Combined On-line Information System (COINS);</li> <li>• achievement against performance measures in the Corporate Plan including any changes which could affect future performance; and</li> </ul>
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		<ul style="list-style-type: none"> <li>any relevant longer-term financial/budgetary issues.</li> </ul> <p>In addition, at the beginning of April each year, the MMO will provide Defra with an expenditure profile of the forthcoming financial year on an accruals basis. The profile shall identify its forecast expenditure by strategic outcome.</p>
	The public body's annual accounts should be laid before Parliament. The Comptroller and Auditor General should be the external auditor for the body.	<p>Comply</p> <p>The MMO's Annual Report and Accounts are prepared and laid in accordance with the Accounts Direction issued by the Secretary of State for the Environment, Food and Rural Affairs, with the approval of HM Treasury in accordance with Schedule 1 of the MCAA. Under Schedule 1, Section 27(4) of the MCAA, the Comptroller and Auditor General examines and reports on the statements of account.</p>
<b>Ministerial Accountability</b>	<b>Principle: The Minister is ultimately accountable to Parliament and the public for the overall performance of the public body.</b>	
<b>Supporting provisions</b>	The Minister and sponsoring department should exercise appropriate scrutiny and oversight of the public body.	<p>Comply</p> <p>i. It is set out within the Framework Document 2012 that the Secretary of State for Environment, Food and Rural Affairs has overall responsibility for the MMO and is accountable to Parliament for all matters concerning the MMO. The Secretary of State represents Government in the execution of duties towards the MMO.</p> <p>There is a provision within the Framework Document that permits the Secretary of State to empower a Defra Minister to act on their behalf on matters related to the MMO.</p> <p>ii. Ministers are responsible for representing their departmental interests through the usual course of day-to-day Government business. Ministers are granted access to the MMO's Chair and Chief Executive in so far as this is required to carry out their departmental</p>

		<p>responsibilities, informing other departments of any impacts these may have on the MMO's ability to deliver strategic objectives. Ministers will be informed about matters relating to the sponsorship of the MMO through the departmental representatives on a Cross-Government Sponsorship Group.</p> <p>iii. Those departments with the closest interest in the MMO's activities are represented on a Cross-Government Sponsorship Group. The Cross-Government Sponsorship Group, comprising senior officials from DECC, Defra, DfT and DCLG, advises both the Secretary of State and the Chair of the MMO on strategic guidance, the MMO's outcomes in light of the Government's wider strategic aims, departmental priorities and Business Plans. It monitors MMO performance and is chaired, impartially, by Defra's Marine Director, who also acts as Senior Sponsor on behalf of all the sponsoring departments. The Sponsorship Group assists the Secretary of State and other sponsoring Ministers in the discharge of their duties, supporting and advising as necessary and ensuring collective ownership and responsibility across Government.</p> <p>iv. The MMO operates 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 indicators set out in the Corporate Plan. The MMO informs the sponsor departments of any changes that make achievement of objectives more or less difficult, reporting financial and non-financial performance (including performance in helping to deliver Government policies) and the achievement of key objectives on a regular basis to an agreed timetable. In addition, the Chief Executive formally reports quarterly to Defra's Supervisory Board.</p> <p>Senior Responsible Owners within Government and Executive Directors within the MMO are responsible for the performance management of their respective functional areas. In addition to regular informal meetings and discussions, a minuted periodic review meeting</p>
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		between the Marine Sponsorship Team and the Chief Executive and Executive Directors of the MMO is held, to discuss the MMO's performance and any issues that need to be raised. Periodic review meetings are held at least twice a year. The Secretary of State or Ministers meet the MMO Chair periodically to discuss alignment with Government objectives.
	Appointments to the board should be made in line with any statutory requirements and, where appropriate, with the Code of Practice issued by the Commissioner for Public Appointments.	Comply Appointments to the MMO Board are made in accordance with Schedule 1 of the MCAA, where it is stated at 3(1)(b) that the members of the MMO are to be: " <i>not fewer than 5, nor more than 8, other members ("ordinary members") who are to be appointed by the Secretary of State.</i> " The MMO understands that appointments to the MMO Board are made in line with the Code of Practice issued by the Commissioner for Public Appointments.
	The Minister will normally appoint the Chair and all non-executive board members of the public body and be able to remove individuals whose performance or conduct is unsatisfactory.	Comply It is set out within Schedule 1 of the MCAA, that the "chair of the MMO" and "members of the MMO" are appointed by the Secretary of State. It is also set out that the Secretary of State may suspend or terminate the appointment of any person as the chair of the MMO or an ordinary member.
	The Minister should be consulted on the appointment of the Chief Executive and will normally approve the terms and conditions of employment.	Comply i. It is set out within the Framework Document 2012 that the Secretary of State's responsibilities include approving a person to be appointed the Chief Executive and approving their terms and conditions of employment.
	The Minister should meet the Chair and/or Chief Executive on a regular basis.	Comply It is set out within the Framework Document 2012 that Secretary of State or Ministers will meet the Chair periodically to discuss alignment with Government objectives. This meeting happened late last year

		<p>and many matters relating to the MMO's performance and plans were discussed. A meeting with the new Minister is planned for this coming year.</p> <p>In addition, the Sponsorship Team schedule at least one routine meeting each year between the Minister, the MMO Chair and/or Chief Executive and, in their respective roles as Principal Accounting Officer and Accounting Officer, the Defra Permanent Secretary and the MMO Chief Executive.</p>
	<p>A range of appropriate controls and safeguards should be in place to ensure that the Minister is consulted on key issues and can be properly held to account. These will normally include:</p> <ul style="list-style-type: none"> <li>- a requirement for the public body to consult the Minister on the corporate and/or operational business plan;</li> <li>- a requirement for the exercise of particular functions to be subject to guidance or approval from the Minister;</li> <li>- a general or specific power of Ministerial direction over the public body;</li> <li>- a requirement for the Minister to be consulted by the public body on key financial decisions. This should include proposals by the public body</li> </ul>	<p>i. It is set out within the Framework Document 2012 that the MMO's Corporate Plan sets out how the MMO will deliver its strategic outcomes and objectives through the period covering at least three years ahead. The corporate plan will be rolled forward and reviewed each year to provide an annual Corporate Plan, articulating what the organisation expects to achieve reflecting its statutory duties and priorities. The plan is linked to budgeting information so that the resources allocated to achieve specific objectives can be readily identified and cost effectiveness assessed. The plan is developed in liaison with Defra and joint sponsors and is submitted for the Secretary of State's approval, to a timetable agreed with the Sponsorship Team. The plan provides a basis for setting targets and performance measures, allocating and managing resources, periodic review (including preparation of Annual Reports and Accounts) and budgeting.</p> <p>ii. The Framework Document 2012 provides for a range of appropriate controls and safeguards to ensure that Ministers are consulted on key issues, including the delegation of duties and taking on additional functions. It does this through setting out the overall legal framework and a governance framework that guides and defines the MMO, including primary legislation; statutory guidance; statutory direction; the Marine Policy Statement; National Policy Statements; Corporate Plan and Memoranda of Understanding, Service Level Agreements and</p>

	<p>to: (i) acquire or dispose of land, property or other assets; (ii) form subsidiary companies or bodies corporate; and (iii) borrow money; and</p> <p>- a power to require the production of information from the public body which is needed to answer satisfactorily for the body's affairs.</p>	<p>contracts.</p> <p>iii. Oversight as to compliance with this provision is provided by the Chair and Board of the MMO as it discharges responsibilities set out within the 'Terms of Reference and Standing Orders of the Board (June 2010)'; in particular, Non-Executive Board Members are responsible for determining the policy of the MMO to enable it to carry out its responsibilities and duties under the MCAA and all other relevant legislation and directions, and having regard the guidance on sustainable development and other guidance from Ministers. In addition, Members are responsible for evolving and approving the short and long term strategy of the MMO, together with the means for its implementation; determining the allocation of resources including finances to functions; and approving the Corporate Plan and the Annual Report and Accounts.</p>
	<p>There should be a requirement to inform Parliament of the activities of the public body through publication of an annual report.</p>	<p>Comply</p> <ul style="list-style-type: none"> <li>i. The MMO publishes an Annual Report and Accounts that focuses on its activities, together with its audited accounts, after the end of each financial year. The MMO provides Defra with its finalised (audited) accounts as soon as practicable after the end of the Financial Year and in any case, by a date agreed with Defra.</li> </ul>
<b>Role of the Sponsoring Department</b>	<p><b>Principles: The departmental board ensures that there are robust governance arrangements with the board of each arm's length body. These arrangements set out the terms of their relationship and explain how they will be put in place to promote high performance and safeguard propriety and regularity.</b></p> <p><b>There is a sponsor team within the department that provides appropriate oversight and scrutiny of, and support and assistance to, the public body.</b></p>	
<b>Supporting provisions</b>	<p>The departmental board's regular agenda should include scrutiny of the performance of the public body. The departmental board should establish appropriate systems and processes</p>	<p>Comply</p> <p>The MMO's Chief Executive reports quarterly on MMO performance to the Defra Supervisory Board, with focus on matters pertaining to governance, performance risk management and internal control, as appropriate. The Supervisory Board is the main departmental</p>

	to ensure that there are effective arrangements in place for governance, risk management and internal control in the public body.	decision-making board and provides collective strategic and corporate leadership to the department; minutes of these meetings are published on 'gov.uk'.
	There should be a Framework Document in place which sets out clearly the aims, objectives and functions of the public body and the respective roles and responsibilities of the Minister, the sponsoring department and the public body. This should follow relevant Cabinet Office and HM Treasury guidance. The Framework Document should be published. It should be accessible and understood by the sponsoring department, all board members and by the senior management team in the public body. It should be regularly reviewed and updated.	Comply i. Set out within the Framework Document 2012, amended in July 2013, is the overarching framework for the sponsorship, governance and accountability arrangements between the MMO and Government. It was drawn up by the Department for Environment, Food and Rural Affairs (Defra) and the MMO in collaboration with the other four sponsoring Government departments. ii. The Framework Document sets out the arrangements which enable Defra and the other sponsoring departments to monitor the MMO's performance and delivery. It describes the controls that exist to safeguard propriety and regularity, and clarifies the roles and accountabilities of the sponsoring departments and the MMO. In drawing up the framework, reference has been made throughout the document to current best practice including 'Managing Public Money' and other HM Treasury and Cabinet Office guidance documents. All parties seek to adhere to guidance and best practice as it changes over time without continually amending this document.
	There should be a dedicated sponsor team within the parent department. The role of the sponsor team should be clearly defined.	Comply A cross-Government Sponsorship Group provides oversight of the governance arrangements between HMG and MMO and provides challenge to the MMO Chair. The sponsorship group comprises a member from four departments with the closest interest in MMO's activities: DCLG, DECC, Defra and DfT. The group is chaired by the Defra Marine Director and supported by the Defra Marine sponsorship team. Their roles are clearly defined in Annex 5 of the Framework Document 2012.
	There should be regular and ongoing	Comply

	<p>dialogue between the sponsoring department and the public body. Senior officials from the sponsoring department may as appropriate attend board and/or committee meetings. There might also be regular meetings between relevant professionals in the sponsoring department and the public body.</p>	<p>The MMO informs the sponsor departments of any changes that make achievement of objectives more or less difficult, reporting financial and non-financial performance and the achievement of key objectives on a regular basis to an agreed timetable or when required. In addition to regular informal meetings and discussions, minuted periodic review meetings are held at least twice a year between the Marine Sponsorship Team and the Chief Executive and Executive Directors of the MMO.</p>
<p><b>Role of the Board</b></p>	<p><b>Principle: The public body is led by an effective board which has collective responsibility for the overall performance and success of the body. The board provides strategic leadership, direction, support and guidance.</b></p> <p><b>The board – and its committees – have an appropriate balance of skills, experience, independence and knowledge.</b></p> <p><b>There is a clear division of roles and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.</b></p>	
	<p>The board of the public body should:</p> <ul style="list-style-type: none"> <li>- meet regularly;</li> <li>- retain effective control over the body; and</li> <li>- effectively monitor the senior management team.</li> </ul>	<p>Comply</p> <p>i. Formal MMO Board meetings are convened at least five times a year, and published agendas and minutes provide evidence as to frequency. An annual programme of meetings is produced in accordance with 4.1 of the 'Terms of Reference and Standing Orders of the Board (June 2010)' which dictates that meetings of the Board will take place on a regular basis throughout the year as deemed appropriate by the Chair in consultation with the Chief Executive, and agreed by the Board. The Board and Executive Services Manager will circulate the programme of meetings and presents this information within a 'forward look' at each Board meeting.</p> <p>ii. The roles and responsibilities of the Board are set out in three documents that are published externally on the MMO website:</p> <ul style="list-style-type: none"> <li>• Terms of Reference and Standing Orders of the Board (June 2010)</li> <li>• Code of Conduct for Board Members of the Marine</li> </ul>



		<p>Management Organisation (June 2010)</p> <ul style="list-style-type: none"> <li>• Framework Document 2012 (amended July 2013)</li> </ul> <p>Additionally, individual Non-Executive Board Members agree to discharging the role and duties by virtue of agreeing to the terms and conditions for appointment to the MMO Board.</p> <p>The Code of Conduct sets out the collective responsibility of the Board for the MMO</p> <p>It is set out within the terms and conditions for appointment that the Non-Executive Chair of the MMO will lead the Board, set the overall strategic operational direction of the MMO, ensure good governance and with the Board, hold the Executive to account.</p>
	The size of the board should be appropriate.	<p>Comply</p> <p>The MCAA states that members of the MMO are to be “not fewer than 5, nor more than 8, other members (“ordinary members”) who are to be appointed by the Secretary of State.” The Board of the MMO currently comprises eight ordinary members.</p>
	Board members should be drawn from a wide range of diverse backgrounds.	<p>Comply</p> <p>The MMO’s Non-Executive Board Members are recruited by Defra in compliance with the Office of the Commissioner for Public Appointments. The Board has representatives with a background in, but not limited to, government, law and marine law, regulation, conservation, science, finance and accounting.</p>
	The board should establish a framework of strategic control (or scheme of delegated or reserved powers). This should specify which matters are specifically reserved for the collective decision of the board. This framework must be understood	<p>Comply</p> <p>i. There is in place an agreed Scheme of Delegations (April 2011) which sets out those matters, both financial and non-financial, that are delegated to the Chief Executive Officer and those that are retained by the Board.</p> <p>ii. In recognition of the fact that the Financial and Non Financial</p>

	<p>by all board members and by the senior management team. It should be regularly reviewed and refreshed.</p>	<p>Scheme of Delegations are an essential part of the Corporate Governance framework, and that they need to provide clear accountability with respect to the decision making authority of individuals in the MMO, a review was undertaken to:</p> <ul style="list-style-type: none"> <li>• Identify any inconsistencies with business operations or framework documents</li> <li>• Identify potential conflicts of interest</li> <li>• Identify any updates required to reflect business changes</li> <li>• Evaluate effectiveness of Scheme of Delegation</li> <li>• Identify proposed changes to address issues discovered.</li> </ul> <p>The contractors undertaking this review will produce a new scheme of delegations (both financial and non-financial), a new contract register, and a cross organisational assurance process for all managers to take place in late March 2014. The MMO will present all products to their Performance and Risk Management Board in April 2014 for ratification.</p>
	<p>The Board should establish formal procedural and financial regulations to govern the conduct of its business.</p>	<p>Comply</p> <p>The Board has formally agreed, and conducts business in accordance with, its Terms of Reference and Standing Orders for the Board supplemented by a Code of Conduct; in addition, Terms of Reference are in place for two Board advisory committees: the Audit and Risk Assurance Committee and the Remuneration Committee. The Audit and Risk Assurance Committee advises the Board, and supports the Accounting Officer, on matters of financial stewardship and accountability, risk control and governance. The Remuneration Committee provides assurance to the Board on the governance of remuneration and other staffing systems and processes.</p>
	<p>The Board should establish appropriate arrangements to ensure that it has access to all such relevant information, advice and resources as</p>	<p>Comply</p> <p>The Board is supported by the MMO's Chief Executive Officer and the Executive Directors who provide information, advice and resources in order that the Board can carry out its role effectively. In addition, the</p>

	is necessary to enable it to carry out its role effectively.	Board are supported by, and have ready access to, a dedicated Board and Executive Services Team.
	The Board should make a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters.	<p>Comply</p> <p>i. The MMO's Chief Executive Officer is appointed to be the Accounting Officer and is supported by a Financial Controller. The Chief Executive Officer's report to each Board meeting includes appropriate information on financial matters supplemented by more detailed information provided by a finance pack.</p> <p>ii. The MMO's Accounting Officer routinely attends Audit and Risk Assurance Committee meetings whose role is to advise the Board, and to support the Accounting Officer, on matters of financial stewardship and accountability.</p>
	The Board should make a senior executive responsible for ensuring that Board procedures are followed and that all applicable statutes and regulations and other relevant statements of best practice are complied with.	<p>Comply</p> <p>The MMO's Director of Corporate Services has responsibility for ensuring good governance and best practice with regards to Board procedures. It is the role of the Board and Executive Services Manager to maintain the governance framework for Board procedures, and provides advice to the Board and the Executive Team, in the discharge of this responsibility. Compliance is reported in the Governance Statement published within the Annual Report and Accounts.</p>
	The Board should establish a remuneration committee to make recommendations on the remuneration of top executives. Information on senior salaries should be published. The board should ensure that the body's rules for recruitment and management of staff provide for appointment and	<p>Comply</p> <p>i. The Board has established a Remuneration Committee to provide assurance to the Board on the governance of remuneration and other staffing systems and processes. Members of the committee are appointed by the Board and it is made up of three Non-Executive Board members. All decisions relating to Chief Executive Officer's remuneration are decided by the Board following recommendations by the Remuneration Committee, and decisions on the Executive Directors' remuneration are taken by the Chief Executive Officer for</p>

	advancement on merit.	<p>approval by the Remuneration Committee.</p> <p>ii. The MMO publishes details as to the remuneration for senior and junior staff within a 'salary disclosure' section of the MMO's website. Detailed information in respect of the remuneration for Non-Executive Board Members and Executive Directors is published within the Remuneration Report, presented within the Annual Report and Accounts.</p>
	The Chief Executive should be accountable to the Board for the ultimate performance of the public body and for the implementation of the Board's policies. He or she should be responsible for the day-to-day management of the public body and should have line responsibility for all aspects of executive management.	<p>Comply</p> <p>The MMO's Chief Executive Officer has line responsibility for all aspects of executive management and day-to-day management that encompasses governance, decision-making and financial management. The Board of the MMO holds the Chief Executive to account, ensuring that the MMO is properly and effectively managed, and provides stewardship for the public funds entrusted to it.</p>
	There should be an annual evaluation of the performance of the board and its committees – and of the Chair and individual board members.	<p>Comply</p> <p>i. The Board of the MMO conducts an annual review to assess its effectiveness and performance against best practice principles, resulting in an agreed set of improvement actions. Facilitation is provided by an independent party to ensure impartiality.</p> <p>ii. The performance of the Chair of the MMO is assessed annually by the Senior Sponsor on behalf of the Secretary of State.</p> <p>iii. The MMO Chair conducts annual appraisals with all Board members in accordance with section five of the 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)'.</p>

		<p>iv. The Audit and Risk Assurance Committee conducts an annual review of its effectiveness and performance and reports the findings to the MMO Board; this requirement is conferred by 4.6 of its Terms of Reference (April 2013).</p> <p>The Chair of the Audit and Risk Assurance Committee holds an annual conversation on performance and conduct with each member on a 360 degree basis, which inter alia will be used to identify improvement areas on either side as well as any training and development needs; this is provided by Annex B of the Audit and Risk Assurance Committee Terms of Reference (April 2013).</p> <p>v. The Remuneration Committee prepares a report on its activity that is presented to the Board annually; this is a requirement conferred by 2.8 of its Terms of Reference (May 2013).</p>
<b>Role of the Chair</b>	<b>Principle: The Chair is responsible for leadership of the board and for ensuring its overall effectiveness.</b>	
<u>Supporting provisions</u>	The board should be led by a non-executive Chair.	Comply The Board is led by a Non-Executive Chairman, appointed by the Secretary of State in compliance with the MCAA.
	There should be a formal, rigorous and transparent process for the appointment of the Chair. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments. The Chair should have a clearly defined role in the appointment of non-executive board members.	Comply Appointment of the MMO Chair is administered by the MMO's Sponsorship Team within Defra. The process is appropriately formal, rigorous and transparent and compliant with the Code of Practice issued by the Commissioner for Public Appointments.
	The duties, role and responsibilities,	Comply

	<p>terms of office and remuneration of the Chair should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The responsibilities of the Chair will normally include:</p> <ul style="list-style-type: none"> <li>- representing the public body in discussions with Ministers;</li> <li>- advising the sponsoring Department and Ministers about board appointments and the performance of individual non-executive board members;</li> <li>- ensuring that non-executive board members have a proper knowledge and understanding of their corporate role and responsibilities. The Chair should ensure that new members undergo a proper induction process and is normally responsible for undertaking an annual assessment of non-executive board members' performance;</li> <li>- ensuring that the board, in reaching decisions, takes proper account of guidance provided by the sponsoring department or Ministers;</li> </ul>	<p>The MMO Chair has counter-signed 'Terms and Conditions for Appointment as Chair of the Marine Management Organisation'. A 'role description' is provided within Annex 1 which states that the Chair will be responsible for:</p> <ul style="list-style-type: none"> <li>• Providing effective leadership and strategic direction to develop a cohesive and focused Board which recognises the need to work collaboratively with Government, other delivery bodies and stakeholders to deliver Government objectives effectively and efficiently.</li> <li>• Leading the formulation of the Board's strategy, ensuring the Board and the MMO discharges its statutory duties as set out in the MCAA and other associated legislation.</li> <li>• Leading the Board in overseeing the timely production of realistic and costed corporate plans, monitoring in-year performance and examining change proposals with rigour to maintain focus on delivery.</li> <li>• Leading the Board in scrutinising and holding the Executive to account.</li> <li>• Ensuring that the Board, in reaching decisions, takes proper account of evidence and any guidance provided by Ministers or the sponsor departments.</li> <li>• Encouraging high standards of governance, propriety and promoting the efficient and effective use of staff and resources throughout the MMO.</li> <li>• Taking a key role in representing the Board and the MMO in communications with key senior stakeholders and partners.</li> <li>• Meeting Defra Ministers and/or Secretary of State periodically and accompanying the Minister, if asked to do so, to give evidence to Select Committees.</li> <li>• Fostering a range of key relationships.</li> </ul>
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	<ul style="list-style-type: none"> <li>- ensuring that the board carries out its business efficiently and effectively;</li> <li>- representing the views of the board to the general public; and</li> <li>- developing an effective working relationship with the Chief Executive and other senior staff.</li> </ul>	The role of the Chair is also set out within the 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)' and the 'Framework Document 2012 (amended July 2013)'.
	The roles of Chair and Chief Executive should be held by different individuals.	Comply The posts of MMO Chair and Chief Executive Officer are held by different individuals.
<b>Role of Non-Executive Board Members</b>	<b>Principle: As part of their role, non-executive board members provide independent and constructive challenge.</b>	
<b>Supporting provisions</b>	There should be a majority of non-executive members on the board.	Comply All members of the MMO Board are Non-Executive Members and there is a clear division of roles and responsibilities between Non-Executive Members and the Executive Team; this is evidenced by different role profiles and responsibilities.
	There should be a formal, rigorous and transparent process for the appointment of non-executive members of the board. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments.	Comply The appointment of Non-Executive Members to the MMO Board is administered by the MMO's Sponsorship Team within Defra. The MMO is assured that the process is formal, rigorous and transparent and compliant with the Code of Practice issued by the Commissioner for Public Appointments.
	The duties, role and responsibilities, terms of office and remuneration of non-executive board members	Comply i. It is set out within the 'Terms of Reference and Standing Orders of the Board' that Non-Executive Members of the MMO Board are

	<p>should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The corporate responsibilities of non-executive board members (including the Chair) will normally include:</p> <ul style="list-style-type: none"> <li>- establishing the strategic direction of the public body (within a policy and resources framework agreed with Ministers);</li> <li>- overseeing the development and implementation of strategies, plans and priorities;</li> <li>- overseeing the development and review of key performance targets, including financial targets;</li> <li>- ensuring that the public body complies with all statutory and administrative requirements on the use of public funds;</li> <li>- ensuring that the board operates within the limits of its statutory authority and any delegated authority agreed with the sponsoring department;</li> <li>- ensuring that high standard of</li> </ul>	<p>responsible to Government for determining the policy of the MMO to enable it to carry out its responsibilities and duties under the MCAA. The 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)' clearly sets out the collective responsibility of the Board of the MMO.</p> <p>The MMO Chair conducts annual appraisals with all Board members in accordance with section five of the Code of Conduct.</p>
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	<p>corporate governance are observed at all times. This should include ensuring that the public body operates in an open, accountable and responsive way; and</p> <p>- representing the board at meetings and events as required.</p>	
	<p>All non-executive Board members must be properly independent of management.</p>	<p>Comply</p> <p>All Non-Executive Members of the MMO Board are properly independent of management and are required by the 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)', to observe the highest standards of propriety involving impartiality, integrity and objectivity, in relation to the stewardship of public funds and the management of the MMO. The MMO Chair conducts annual appraisals with all Board members in accordance with section five of the Code of Conduct to ensure compliance with this provision.</p>
	<p>All non-executive board members must allocate sufficient time to the board to discharge their responsibilities effectively. Details of board attendance should be published (with an accompanying narrative as appropriate).</p>	<p>Comply</p> <p>i. It is a contractual requirement for Non-Executive Board Members to allocate sufficient time to discharge their responsibilities effectively, which is set out within the Terms and Conditions of appointment. The MMO's Board and Executive Services Manager works alongside the Chair, and others where appropriate, to ensure that there is sufficient time allocated to convene Board meetings, Members meetings and workshops, and to partake in appropriate engagement activity.</p> <p>ii. Attendance of the Non-Executive Board Members at Board meetings is monitored by the Board and Executive Services Manager, and detail as to attendance is published within the Governance Statement, as set out within the MMO's Annual Report and Accounts.</p>

	<p>There should be a proper induction process for new board members. This should be led by the Chair. There should be regular reviews by the Chair of individual members' training and development needs.</p>	<p>Comply</p> <p>i. It is a requirement of the Framework Document 2012 (amended July 2013) that the Chair will ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies (and on any differences which may exist between private and public sector practice). An induction for two new Non-Executive Board Members was completed in 2013.</p> <p>ii. The MMO Chair conducts annual appraisals with all Board members in accordance with section five of the Code of Conduct for Board Members of the Marine Management Organisation (June 2010). These appraisals also consider training and development needs.</p>
<b>Effective Financial Management</b>	<b>Principle: The public body has taken appropriate steps to ensure that effective systems of financial management and internal control are in place.</b>	
<p><b>Supporting provisions</b></p> <p>Annual reporting:</p>	<p>The body must publish on a timely basis an objective, balanced and understandable annual report. The report must comply with HM Treasury guidance.</p>	<p>Comply</p> <p>The MMO publishes an Annual Report and Accounts that details its activities, together with its audited accounts, after the end of each financial year. The MMO provides Defra with its finalised (audited) accounts as soon as practicable after the end of the Financial Year and in any case, by a date agreed with Defra. In addition:</p> <ul style="list-style-type: none"> <li>• The annual report covers any corporate, subsidiary or joint ventures under the MMO's control; complies with HM Treasury's Financial Reporting Manual (FReM); and outlines its main activities and performance during the previous financial year and sets out in summary form forward plans.</li> <li>• Information on performance against key financial targets is within the scope of the audit and is included in the notes to the accounts. The report and accounts are laid in Parliament and</li> </ul>

		<p>made available on the MMO's website in accordance with the guidance in the FReM.</p> <ul style="list-style-type: none"> <li>• A draft of the report and accounts is submitted, in tandem with a consolidation template, to Defra to an agreed timetable before the proposed publication date.</li> <li>• The accounts are prepared in accordance with the relevant statutes, timetables and specific HM Treasury accounts direction issued by Defra and HM Treasury as well as the FReM.</li> <li>• Defra's departmental reporting boundary includes all NDPBs and as a result, the annual report and accounts of the MMO are consolidated in Defra's annual report and accounts, including key data for performance, delivery and sustainability. This departmental report is also laid before Parliament.</li> </ul>
Internal Controls:	The public body must have taken steps to ensure that effective systems of risk management are established as part of the systems of internal control.	<p>Comply</p> <p>i. The MMO operates a structured risk and control framework which enables the identification, prioritisation and escalation of key strategic risks. As part of the 2012/13 annual review, a number of revisions have been made to the risk management strategy to better reflect developments in the organisation as it continues to grow and how it manages risk. Changes to the risk management strategy include the articulation of MMO risk appetite and the defining of the four layers of stratified risk, i.e. strategic, corporate, key operational and those considered to be business as usual.</p> <p>The Performance and Risk Management Board, chaired by the Accounting Officer, scrutinises organisational progress on performance, risk management and financial management on a monthly basis. This ensures risk is managed in a way that coordinates effort, minimises duplication, sets direction, creates an audit trail and enables timely decision making around risk management. Executive Directors and Heads of Function provide letters of assurance which</p>

		<p>confirm that they have complied with the MMO risk procedures and controls.</p> <p>ii. The ARAC provides an independent view on the appropriateness, adequacy and value for money of the MMO governance, risk management and assurance processes. It provides constructive challenge, opinion and advice, taking account of risks, on effectiveness of the MMO control environment.</p> <p>iii. The MMO has procured an internal audit function through the recruitment of Defra Internal Audit. The Head of Internal Audit's (HIA's) Annual Report provides the MMO with an opinion on the framework of risk management, governance and internal control.</p>
	<p>The public body must have taken steps to ensure that an effective internal audit function is established as part of the systems of internal control. This should operate to Government Internal Audit Standards and in accordance with Cabinet Office guidance.</p>	<p>Comply</p> <p>It is a requirement of the Framework Document 2012 that the MMO must maintain arrangements for internal audit in accordance with HM Treasury's 'Public Sector Internal Audit Standards'. The MMO has procured an internal audit function through the recruitment of Defra Internal Audit. The Head of Internal Audit's (HIA's) Annual Report provides the MMO with an opinion on the framework of risk management, governance and internal control.</p>
	<p>There must be appropriate financial delegations in place. These should be understood by the sponsoring department, by board members, by the senior management team and by relevant staff across the public body. Effective systems should be in place to ensure compliance with these delegations. These should be regularly reviewed.</p>	<p>Comply</p> <p>i. The Framework Document 2012 dictates that the MMO Chief Executive has delegated authority as recorded in the Defra Delegated Authority document, summarised as follows:</p> <ul style="list-style-type: none"> <li>• primarily responsible for securing financial authority, for preparing budgets and exercising budgetary control, and for general financial matters;</li> <li>• ensuring that authorised, sub-delegated authorities are properly used; and</li> </ul>

		<ul style="list-style-type: none"> <li>• ensuring that, within the delegated authorities system, important or unusual cases will be detected and referred to MMO senior management or the Chief Executive, as appropriate, for authorisation.</li> </ul> <p>At all times, the delegations are subject to the general requirements set out in the Defra Finance Manual and other departmental guidance. In addition, the MMO will consult Defra and obtain the Secretary of State's approval before making financial commitments not covered by these requirements.</p> <p>The Limits to Delegated Authority (Capital Expenditure, Losses, Write-Offs, Special Payments and Unexpected Income) can be found at Annex 7 of the Framework Document 2012.</p> <p>ii. There is in place an agreed Scheme of Delegations (April 2011) which sets out those matters, both financial and non-financial, that are delegated to the Chief Executive Officer and those that are retained by the Board.</p> <p>In recognition of the fact that the Financial and Non Financial Scheme of Delegations are an essential part of the Corporate Governance framework, and that they need to provide clear accountability with respect to the decision making authority of individuals in the MMO, a review was undertaken to:</p> <ul style="list-style-type: none"> <li>• Identify any inconsistencies with business operations or framework documents</li> <li>• Identify potential conflicts of interest</li> <li>• Identify any updates required to reflect business changes</li> <li>• Evaluate effectiveness of Scheme of Delegation</li> <li>• Identify proposed changes to address issues discovered.</li> </ul>
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	<p>There must be effective anti-fraud and anti-corruption measures in place.</p>	<p>Comply</p> <p>i. The MMO has in place an Anti-Fraud Policy (which encompasses corruptive practices) explaining to staff why there is a need for an anti-fraud policy, the responsibilities for effective controls and the associated procedures for dealing with identified fraud. Mandatory training entitled 'Counter fraud and corruption', tailored for all line managers and non-line managers, has been completed by MMO staff. This policy is published on the MMO's intranet. This policy is currently being developed further in line with latest Cabinet Office steer.</p> <p>ii. An MMO Whistleblowing Policy sets out the procedure to be used by workers who wish to raise any concerns they might have about any malpractice within the organisation. This is known as public interest disclosure but, more commonly, as whistleblowing. This policy is published on the MMO's intranet and has been used on 3-4 occasions. The policy has been reviewed with an independent consultant. The MMO are taking forward the recommendations from the review, and will be publishing the revised policy in April 2014 following ratification from the MMO Board.</p>
	<p>There must be clear rules in place governing the claiming of expenses. These should be published. Effective systems should be in place to ensure compliance with these rules. The public body should proactively publish information on expenses claimed by board members and senior staff.</p>	<p>Comply</p> <p>i. The MMO's Travel and Subsistence Policy has been established in line with HM Treasury's travel and subsistence principles and the specific principles set out in the Civil Service Management Code that departments should apply to expenses. This is monitored by the checking and verification procedures for travel and subsistence, including a register of claims and copies of all claims with supporting documents (e.g. invoices, receipts); in addition, information is checked by Internal Audit as part of preparations for the Annual Report and Accounts together with compliance auditing and checking.</p> <p>ii. The MMO publishes all business expenses incurred by its Non-</p>

		Executive Board members, while on official duty, which are not subject to UK taxation. These are published quarterly reflecting the MMO's commitment to transparency. Expenses may encompass travel, hotel and other costs, including details of any hospitality given and/or received. P11Ds, and other tax liabilities, are recorded and paid appropriately.
	The annual report should include a statement on the effectiveness of the body's systems of internal control.	Comply Within the MMO's published Annual Report and Accounts, the Governance Statement provides assurances of operating sound systems of internal control and sets out how these duties have been carried out; in addition, any internal control challenges identified and managed throughout the year are also highlighted.
Audit Committee:	The board should establish an audit (or audit and risk) committee with responsibility for the independent review of the systems of internal control and of the external audit process.	Comply The Board of the MMO has established an Audit and Risk Assurance Committee. This committee operates as a standing committee whose principal role is to advise the Board and to support the Accounting Officer on matters of financial stewardship and accountability, risk control and governance, together with reviewing the systems of internal control and the external audit process.
External Auditors:	The body should have taken steps to ensure that an objective and professional relationship is maintained with the external auditors.	Comply i. An objective and professional relationship is maintained with the MMO's external auditors. This is fostered through their routine attendance at all Audit and Risk Assurance Committee meetings and an annual, auditors only session held with members of the Audit and Risk Assurance Committee.  ii. It is set out within section 3.3 of the Terms of Reference (April 2013) that the Comptroller and Auditor General is statutorily appointed as the MMO's external auditor. The Audit and Risk Assurance Committee undertakes to review the work and findings of the external auditor and

		<p>consider the implications of, and management's responses to, their work. This is achieved by:</p> <ul style="list-style-type: none"> <li>• considering the performance of the external auditor;</li> <li>• reviewing and advising the Accounting Officer on the contents of the annual external audit plan;</li> <li>• discussing with the external auditor, before an audit commences, the nature and scope of the audit as set out in the annual plan and the audit fee;</li> <li>• reviewing all external audit reports, including agreement of the audit completion report before final submission to the Accounting Officer and MMO Board, in addition any work undertaken outside the annual audit plan, together with the appropriateness of management responses.</li> </ul>
<b>Communications</b>	<b>Principle: The Public Body is open, transparent, accountable and responsive.</b>	
<p><b>Supporting provisions</b></p> <p>Communications with Stakeholders:</p>	<p>The public body should have identified its key stakeholders. It should establish clear and effective channels of communication with these stakeholders.</p>	<p>Comply</p> <p>A stakeholder map identifies the MMO's key stakeholders and underpins activity to integrate the relevant interests, responsibilities, aspirations and contributions of all those with a stake in the marine area. The MMO is dependent on a wide range of delivery partners and stakeholders and we have developed a comprehensive network of relationships to promote coherence, cooperation and communication across the whole marine area. In 2012/13, the MMO continued to look for more opportunities to gain insight and feedback from stakeholders and customers, for example:</p> <ul style="list-style-type: none"> <li>• The MMO has dedicated 65 days to meeting members of the fishing industry, in addition to our regular contact with people through our coastal office engagement. Members of the MMO Board and MMO Executive regularly engage with stakeholders.</li> <li>• The MMO has started a marine licensing industry interchange programme so that we can improve the level of service we</li> </ul>



		<p>provide. The programme includes visiting a range of organisations, delivery partners and devolved administrations to learn more about day-to-day and strategic activities, building awareness of other operating environments and establishing relationships. People employed in relevant industries will be offered the opportunity to carry out similar visits to the MMO as part of the programme.</p> <ul style="list-style-type: none"> <li>• The MMO held 3 marine licensing workshops and 12 marine planning events that attracted over 600 people who were able to inform our work in the East and South marine plan areas. The MMO has regular interaction with local stakeholders through our coastal operations. The MMO also holds quarterly stakeholder focus groups to inform its thinking on marine issues and regularly contact customers through customer insight groups, telephone surveys and our annual customer and stakeholder surveys. It also invites anyone to share their views with by emailing or calling us.</li> </ul> <p>The MMO has in place a dedicated 'Communications Team' to ensure compliance with this provision, led by a 'Director of Customers and Partnerships'. This team is supported by functions dedicated to Strategic Development and Stakeholder Relations.</p>
Communications with the Public:	The public body should make an explicit commitment to openness in all its activities. It should engage and consult with the public on issues of real public interest or concern. This might be via new media. It should publish details of senior staff and boards members together with appropriate contact details.	<p>Comply</p> <p>i. The MMO makes clear that it is committed to promoting and actively developing a culture of openness, transparency and accountability. For example, it is set out within the 13/16 Corporate Plan that the MMO will be assessing transparency across key MMO business areas and it is also set out within the MMO's Customer Charter.</p> <p>A demonstrable example of our ongoing commitment to openness is that under 'marine licensing and regulation', the MMO publishes a section entitled 'openness in decision making'; this is published</p>

		<p>alongside a public register. Through our Marine Case Management System, the MMO publicises up-to-date information of:</p> <ul style="list-style-type: none"> <li>• marine licence applications and decisions, this includes marine minerals extraction and renewable energy documents</li> <li>• environmental impact assessment documents, including screening and scoping opinions and environmental impact assessment consent decisions</li> <li>• number of wildlife licences issued.</li> </ul> <p>In supplement to the above, the MMO publishes detailed pages on the MMO's website reflective of key MMO areas: marine licensing and regulation, marine planning, fisheries and protecting the environment; the MMO actively welcomes contact on any matter via a number of ways including email or telephone.</p> <p>ii. The MMO routinely engages and consults on those matters of public interest, even where there is no statutory requirement to do so. The MMO recognises that consultations are essential in helping us deliver our objectives and that we need to know that the work we are doing is clearly understood by those who are affected by any changes we make. The MMO maintains a list of all current and past consultations on our website. The MMO has also embraced new media communication tools such as Twitter and Facebook in communicating with its customers and stakeholders.</p> <p>iii. The MMO publishes on its website profiles of its Non-Executive Board Members and the Executive Team, together with an organisation chart.</p>
	The public body should consider holding open board meetings or an annual open meeting.	Comply The MMO respects the principles supporting an open Board meeting; however, as an organisation with a regulatory and decision-making

		remit, there are challenges in the delivery of an effective, yet open, Board meeting to be surmounted. The holding of an open Board meeting or an annual open meeting will remain under review.
	The public body should proactively publish agendas and minutes of board meetings.	Comply All Board meeting minutes and agendas are published online; this is indicative of the MMO delivering its commitment to openness and transparency.
	The public body should proactively publish performance data.	Comply The MMO, in recognition of a commitment to continuously improving how performance data is communicated to wider stakeholders, has taken steps to develop the ways that information about our work is published. For example, the evidence and data behind major decisions, as well as performance data behind published targets, is published. This includes performance against key performance indicators in licensing and customer service statistics. The MMO also reports annually on performance through its Annual Report and Accounts.
	In accordance with transparency best practice, public bodies should consider publishing their spend data over £500. By regularly publishing such data and by opening their books for public scrutiny, public bodies can demonstrate their commitment to openness and transparency and to making themselves more accountable to the public.	Comply i. The MMO publishes all GPC spend data for transactions with a single transaction value of £500 or above on the 'data.gov' website. This data has been published quarterly from April 2011, and monthly from 2012/13.  ii. The MMO's commitment to transparency is further demonstrated by our support of the Smarter Government Initiative, whereby monthly financial data detailing all transactions with spend over £25,000, is published on 'data.gov'. This allows for improved transparency and facilitates increased public scrutiny of MMO spend.
	The public body should establish	Comply

	<p>effective correspondence handling and complaint procedures. These should make it simple for members of the public to contact the public body and to make complaints. Complaints should be taken seriously. Where appropriate, complaints should be subject to investigation by the Parliamentary Ombudsman. The public body should monitor and report on its performance in handling correspondence.</p>	<p>The MMO has a section on its website entitled 'customer services': this section provides those with an interest in corresponding with us our customer charter (which sets out what can be expected from us), the service standards to which we seek to deliver and the process for making a complaint. These sections make it clear how a potential enquirer or complainant can get in contact with us and details how their correspondence or complaint will be handled. The MMO's customer service processes and procedures are administered and maintained by the MMO's Customer Service Manager. Accountability for delivery is provided by monitoring and reporting systems that allow for us to publish customer service statistics on a quarterly basis.</p>
<p>Marketing and PR:</p>	<p>The public body must comply with the Government's conventions on publicity and advertising. These conventions must be understood by board members, senior managers and all staff in press, communication and marketing teams.</p>	<p>Comply</p> <p>i. The MMO fully adheres to a freeze on publicity and advertising. The MMO attends monthly Defra communications meetings and the Head of Communications provides reports to the marketing freeze group as and when required.</p> <p>ii. Guidance so that the MMO may operate in line with the spending controls set by Government on various categories of spend, including advertising, marketing and communications, have been issued to MMO staff. The Head of Communications acts as the marketing gatekeeper and all Heads of Function are required put any proposed expenditure through the gateway for approval. The MMO has yet to exceed its delegated marketing budget in year: this has been, in-part, facilitated by the MMO's adoption of social media used to raise aware of its work together with pro-active publicity and other forms of unpaid editorial. It is a requirement of the Staff Code of Conduct that before engaging in social media as a representative of the MMO, staff must have sought the authority to do so by the MMO Communications Team.</p> <p>iii. Checks to track and monitor spend on publicity and advertising are</p>

		conducted by the Finance Team which is discussed monthly with the appropriate budget holder.
	Appropriate rules and restrictions must be in place limiting the use of marketing and PR consultants.	Comply The Head of Communications oversees MMO policy that it does not procure or engage with marketing and PR consultants.
	The public body should put robust and effective systems in place to ensure that the public body is not, and is not perceived to be, engaging in political lobbying. This includes restrictions on board members and staff attending Party Conferences in a professional capacity.	Comply A set of rules and guidelines in respect of political activities are set out and monitored through the published Staff Code of Conduct. Formal permission is required before any member of staff may take part in any political activity. Detailed guidance with regards political activity for the Non-Executive Board Members is provided by the 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)', alongside their terms and conditions of appointment.
<b>Conduct and Behaviour</b>	<b>Principle: The board and staff of the public body work to the highest personal and professional standards. They promote the values of the public body and of good governance through their conduct and behaviour.</b>	
<b>Supporting provisions</b>  Conduct:	A Code of Conduct must be in place setting out the standards of personal and professional behaviour expected of all board members. This should follow the Cabinet Office Code. All members should be aware of the Code. The Code should form part of the terms and conditions of appointment.	Comply The MMO has published a 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)' which sets out the personal standards and exemplary level of probity that Board members of the MMO are expected to meet. The code sets out in detail: <ul style="list-style-type: none"> <li>• the public service values to which Board members must adhere to</li> <li>• the role and duties of the Board</li> <li>• the role of the Chair</li> <li>• Board members' roles and responsibilities</li> <li>• responsibilities of individual Board members</li> <li>• when and how to declare interests</li> <li>• rules in respect of gifts and hospitality</li> </ul>

		<ul style="list-style-type: none"> <li>• personal liability of Board members</li> <li>• rules in respect of openness and responsiveness</li> <li>• accountability for public funds</li> </ul> <p>It is set out within the terms and conditions of appointment that Board members are "...accountable to the Chair for your conduct and will be required as a condition of your appointment to abide by the MMO's Code of Practice for Board Members". Compliance with the Code of Conduct is monitored through an annual appraisal with the MMO Chair and ongoing monitoring.</p>
	<p>The public body has adopted a Code of Conduct for staff. This is based on the Cabinet Office model Code. All staff should be aware of the provisions of the Code. The Code should form part of the terms and conditions of employment.</p>	<p>Comply</p> <p>The Staff Code of Conduct sets out that staff are expected to carry out their role with dedication and a commitment to the MMO and its expected behaviours: integrity, honesty and fairness. These behaviours support good governance and ensure the achievement of the highest possible standards in all that the MMO delivers. The Staff Code of Conduct is further underpinned by a range of policies reflecting the requisite standards of behaviour. Compliance with the Staff Code of Conduct is monitored through the MMO's performance appraisal process and line management.</p>
	<p>There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available Register of Interests for board members and senior staff. This is regularly updated.</p>	<p>Comply</p> <p>i. To ensure that the MMO complies with the accepted standards of conduct for public bodies, in line with openness and accountability standards, it is set out within the terms of reference and standing orders that govern Board activity that all interests of members, either financial or non-financial, will be declared.</p> <p>All Non-Executive Board Members are asked to declare any direct or indirect interests that they believe may conflict with their responsibilities as a Board Member, or could be perceived by the public as having the potential to influence their judgement. It is the</p>

		<p>responsibility of the Board and Executive Services Manager to collate this information and will catalogue this on a Register of Interests. Board members' interests will be reviewed and updated accordingly and are published on the MMO's website. In addition, the MMO's register of interests is available at every meeting of the Board, where members must also declare any conflicts of interest with agenda items and absent themselves while the item is discussed. This procedure is evidenced via the minutes of each Board meeting.</p> <p>ii. As part of the published Staff Code of Conduct, guidance is given on outside interests, propriety and registering interests. All employees of the MMO are responsible for ensuring there is no conflict between their interests outside of work, be they business, hobby or trade, and their role within the organisation. This includes not only potential conflicts that may arise in their normal line of work but can also include any potential conflicts that may arise in other situations such as participation in a procurement or recruitment panel. If a potential conflict of interest is identified, employees are directed to discuss this with their line manager so they can satisfy themselves that it will not impact on their duties or adversely affect the reputation of the organisation.</p>
	<p>There are clear rules and guidelines in place on political activity for board members and staff. There are effective systems in place to ensure compliance with any restrictions.</p>	<p>Comply</p> <p>A set of rules and guidelines, in respect of political activities, are set out and monitored through the published Staff Code of Conduct. Formal permission is required before any member of staff may take part in any political activity. Detailed guidance with regards political activity for the Non-Executive Board Members is provided by the 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)' and their counter-signed terms and conditions of appointment.</p>
	<p>There are rules in place for board members and senior staff on the</p>	<p>Comply</p> <p>i. Provision is made within the Staff Code of Conduct for a policy</p>

	<p>acceptance of appointments or employment after resignation or retirement. These are effectively enforced.</p>	<p>entitled 'Business appointment rules'. This policy sets out in detail the rules on the acceptance of outside appointments by Crown servants on retirement or resignation.</p> <p>The business appointment rules provide for the scrutiny of appointments that former Crown servants propose to take up in the first two years after they leave the service. To provide an independent element in the scrutiny process, the Advisory Committee on Business Appointments (comprising people with experience of the relationship between the public service and the private sector) is appointed by the Prime Minister to give advice on applications at the most senior levels, and review a wider sample in order to ensure consistency and effectiveness.</p> <p>ii. It is set out within the terms and conditions of appointment for Non-Executive Board Members that they are required to clear with the Chair of the MMO, in advance, any appointment or employment taken up within two years of leaving the MMO where their official duties resulted in personal involvement with the company or other organisation making the offer, or to access to commercially sensitive information of this company or other organisation.</p>
Leadership:	<p>Board members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective Codes of Conduct.</p>	<p>Comply</p> <p>The MMO's Non-Executive Board Members are required to adhere to the adopted 'Code of Conduct for Board Members of the Marine Management Organisation (June 2010)' which sets out the personal standards and exemplary level of probity that the Non-Executive Board Members and senior staff of the MMO are expected to exhibit. Senior staff members are expected to adhere to the Staff Code of Conduct which states that they should carry out their role with dedication and a commitment to the MMO and its expected behaviours: integrity, honesty and fairness. Adherence is monitored through the annual performance appraisal process and day-to-day line management, with support from the MMO's Human Resources where required.</p>