



Marshall Aid Commemoration Commission
Accounts 2022/23

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Presented to Parliament pursuant to Section 2(7) of the Marshall Aid
Commemoration Act 1953

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Performance Report for the year ended 31 March 2023

Introduction by the Chair of the Commission

I am pleased to present the Accounts for 2022/23 for the Marshall Aid Commemoration Commission (MACC).

*John Raine CMG OBE
Chair and Accounting Officer*

Aims and Objectives

The aims and objectives of the Marshall Aid Commemoration Commission ('the Commission') are to strengthen US-UK relations and to promote British influence in the United States by providing Marshall Scholarships to US Citizens of high academic achievement, who have the ability to be leaders, opinion formers and decision makers in the United States and, by doing so, to recognise the generosity of the Marshall Plan.

As future leaders of America, with a lasting understanding and appreciation of contemporary British society, Marshall Scholars will add to the enduring ties between the British and American peoples, their governments and institutions.

The Commission's objectives are to strengthen the cultural, economic, trade, personal and historic ties between the US and the UK by using the Scholarships to:

- Motivate Scholars to act as ambassadors from America to the UK and vice versa throughout their lives thus strengthening British-American understanding;
- Raise the profile of the UK in the US, particularly among its young people;
- Enable intellectually distinguished young Americans, their country's future leaders, to study in the UK;
- Help Scholars gain an understanding and appreciation of contemporary Britain; and
- Contribute to the advancement of knowledge in science, technology, the humanities, social sciences and the creative arts at Britain's centres of academic excellence.

The principal objective of the Commission's work is, therefore, to make the best arrangements possible to enable Marshall Scholars to carry out their studies and to put their awards to their fullest use.

Statutory Background and Historical Information

Marshall Scholarships were established by HM Government under the Marshall Aid Commemoration Act 1953 as an expression of gratitude for the benefits received by the United Kingdom under the European Recovery Programme (known as Marshall Aid) after World War II. The Act, as subsequently amended, allows for up to 50 Scholarships per year to be awarded to American college graduates, for tenure on a degree course at any British university, for periods of one, two and sometimes three years.

Since its inception the number of new awards increased from 12 to 24 in 1960, to 30 in 1973, and to 40 in 1991. From 2004 the number was up to 44, an increase accommodated by some scholarship costs being borne by universities. The 2022 academic year saw 42 new scholars starting, down from 44 in 2021.

The Marshall Scholarship Programme has established itself as one of the most prestigious scholarships for young Americans wishing to undertake graduate study at universities in the United Kingdom, most commonly for two years. In the sixty or so years since the programme began over 2,000 American men and women have become Marshall Scholars. Competition for Marshall Scholarship awards is intense: last year there were around 25 endorsed applicants for each award.

Marshall Scholarship alumni occupy senior and influential positions in all walks of American life. They include two Supreme Court Justices, the Director of the CIA, members of Presidential administrations, members of Congress, a Nobel Prize winner, an astronaut who served on the International Space Station, Pulitzer Prize winners, leaders in journalism, academia, business, entertainment, sports, the military, science, engineering and law.

Going Concern Basis

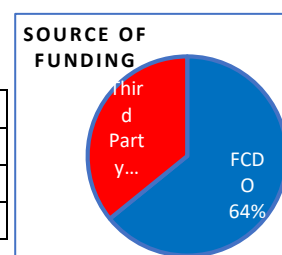
The Commissioners consider the use of the going concern basis is appropriate based on the facts that:

- both cash and reserves exceed immediate commitments
- there are no material uncertainties related to events or conditions that may cast significant doubt over the ability of the Commission to continue as a going concern
- future commitments can be managed by adjusting the number of new awards in the year
- the Commission has confidence that they will continue to receive funding from HMG for the foreseeable future

Performance Summary

These accounts show the costs of the Programme net of the benefit of Partner support. The table below illustrates the value of partnership support and gives a better feel for the overall scale of the Programme, which stands at over £4m. Partnership support consists of tuition fee waivers, stipends paid directly to the scholars and donations received by MACC.

Financial Year	2018/19	2019/20	2020/21	2021/22	2022/23
FCDO grant	2,550	2,650	2,700	2,700	2,650**
Partnership support *	1,226	1,491	1,768	1,566	1,480
Total	3,776	4,141	4,468	4,266	4,130



* Consists of benefits in kind of £1,294k disclosed in Note 2 (2021-22: £1,398k) and grants and donations of £186k disclosed in Note 5 (2021-22: £168k)

**Grant in Aid allocation was £2,700k however, £50k was received post year end

Scholarship costs have increased by £232k. This is due to a combination of factors including a 9.1% increase in stipend rates, reduced third-party funding and introduction of disability grants.

Selection process costs have increased by £43k due to the first post-Covid in person events.

Administrative costs have increased by £114k reflecting increased support for our scholars.

Due to increased costs and fewer scholars meeting partnership funding criteria, our discretionary reserves reduced by £337k in the year. The core and discretionary reserves balance and the Grant in Aid is sufficient to cover 2023/24 costs. Number of awards made in October 2023 is reflective of the financial position to March 2024.

Key Issues and Risks Facing the Marshall Aid Commemoration Commission

The Commission recognises the significant downturn in the economy and high inflation has put pressure on all government-funded programmes. The Grant-in-Aid budget ensured that the Programme and support for Scholars could continue this year. The 3-year budget from the FCDO from 2022/23 onwards is welcomed by the Commission to ensure sound planning over the next three year. It is anticipated that the MACC's Grant in Aid budget will be held at the same level as 2022/23 (£2.7m), which will put pressure on the number of awards available due to rising costs as a result of inflation.

Partnerships with universities are of growing significance in the Commission's overall funding model. This support is widely based but there is a risk that University financial challenges could affect these contributions, although this is mitigated by the breadth of university support.

For more detail on the risks faced by the Commission see page 11.

Scholarship Analysis

In the academic year 2022-23, 82 Marshall Scholars were studying in the UK of whom 32 were fully funded by the Commission and 50 to varying degrees by donations from external partners and partnership arrangements with UK academic institutions. As a result of this support the Commission has been able to fund the equivalent of 34 additional scholarships. The Commission wishes to acknowledge and thank:

- Association of Marshall Scholars (AMS) and its donors
- British Schools and Universities Foundation (BSUF) and its donors
- Annenberg Foundation
- US Military
- UK academic institutions, as set out below:

Three Scholars:

- University of Edinburgh
- London School of Economics and Political Science
- King's College, London

Two Scholars:

- Cardiff University
- University of Bristol
- University of East Anglia
- University of Sussex
- London School of Hygiene and Tropical Medicine
- Imperial College, London
- University College, London
- Trinity College, Cambridge
- Balliol College Oxford

One Scholar:

- Durham University
- Queen's University Belfast
- School of Oriental and African Studies
- University of Bath
- University of Birmingham
- University of Exeter
- University of Glasgow
- University of Manchester
- Downing College, Cambridge
- King's College, Cambridge
- Pembroke College, Cambridge
- Gonville & Caius College, Cambridge
- St John's College, Cambridge
- Christ Church, Oxford
- Exeter College, Oxford
- University College, Oxford
- New College, Oxford
- Oriel College, Oxford
- St Peter's College, Oxford
- Somerville College, Oxford
- Trinity College, Oxford

The table below sets out the value of the contribution from our partners. Other partnership support includes military scholars and fully and partly funded doctoral study beyond the usual two year Masters.

£'000	2022/23	2021/22	(Decrease) / Increase
Academic partnerships in support of core Scholarship Programme	1,034	1,203	(169)
Other partnership support	260	195	65
Total partnership support	1,294	1,398	(104)
Grants, donations and other support	186	168	18
Total third-party support	1,480	1,566	(86)

The Commission remains focused on sustaining Partnership support following its significant growth in recent years, particularly for the core Scholarships Programme. In 2022-23 overall Partnership support reduced by £86k to £1,480k. This reduction in 2022-23 is due to a combination of fewer partnership awards available where multiple Scholars attend the same university and fewer scholars choosing to apply to other partnership institutions.

The Marshall Sherfield Fellow was supported by private funds from the Marshall Sherfield Fellowship Foundation and the Marshall Sherfield Endowment fund held by the Association of Commonwealth Universities. The funds for the Marshall Sherfield Fellowship are not managed by the Commission and the Commission bank account is not used for these funds. The income and expenditure relating to this scholarship does not pass through the Commission's accounts.

A full report of the Commission's activities, including details on Scholar distribution, selections and placements, can be found in its 69th Annual Report for the year to 30 September 2022. The Commission is required by the Foreign, Commonwealth and Development Office to submit an Annual Report on its activities from 1 October until 30 September of each year.

Copies of the Commission's annual reports are available electronically on

<https://www.marshallscholarship.org/the-commission/annual-reports>

Sustainability

The Commission has considered HM Treasury's Guidance on Sustainability Reporting. As the Commission is a small Non-Departmental Public Body with no staff or physical assets and does not occupy any office accommodation, the Commissioners consider that there is nothing material to report.

On behalf of the Commission

John Raine CMG OBE
Chair and Accounting Officer

30 June 2022

Accountability Report for the year ended 31 March 2023

a) Corporate Governance Report

i. Directors' Report

Organisational Structure

Mr John Raine CMG OBE	Chair and Accounting Officer
Ms Caroline Harrison	Executive Secretary

Page 8 lists the membership of the Commission.

Register of Interests

Marshall Commissioners are required to complete a declaration of any interests. These are reviewed annually by the Audit Risk Management (ARM) Committee and any conflicts are minuted. In addition the Chair of the Commission and the Chairs of the Committees ask for any conflicts at the beginning of each meeting and if there are any these are minuted. For 2022/23 no significant conflicts were identified. A copy of the Register of Interests is kept by the Secretariat and can be made available upon request.

Diversity and Inclusion

In appointing Marshall Commissioners, the FCDO seeks to be open and inclusive and seeks to recruit and develop a diverse and talented Commission which is representative of society today.

Personal Data Incidents

There were no reportable personal data incidents in 2022-23 (2021-22: NIL).

ii. Statement of the Commission's and the Accounting Officer's Responsibilities

Under the Marshall Aid Commemoration Act 1953, the Secretary of State for Foreign, Commonwealth and Development Affairs (FCDO), has directed the Marshall Aid Commemoration Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Commission's state of affairs, its net expenditure, cash flow and statement of changes in taxpayers' equity for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and, in particular, to:

- Observe any Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- 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; and
- Prepare the accounts on a going concern basis.

The Accounting Officer of the FCDO has designated the Chair as the Accounting Officer of the Commission. The responsibilities of an 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 Commission's assets, are set out in *Managing Public Money* published by HM Treasury.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Commission's accounts are audited by the Comptroller and Auditor General. So far as the Accounting Officer is aware, there is no relevant audit information of which the Commission's auditors are unaware.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

iii. Governance Statement

The Commission was set up under the Marshall Aid Commemoration Act 1953 to:

- Administer the Grant-in-Aid;
- Select the persons to receive the Marshall Scholarships;
- Place the holders of Marshall Scholarships in Universities in the UK; and
- Oversee the welfare of the Marshall Scholars throughout their tenure in the UK.

The Commission consists of not less than seven nor more than ten members appointed by the Secretary of State, of whom not less than two shall be chosen as persons of eminence in academic matters and such one of the members as the Secretary of State may designate shall be Chair of the Commission. In addition, two Alumni Observers attend the Commission. Commissioners are appointed initially for three years with the possibility of renewal for a further three years. Commissioners are volunteers and receive no remuneration.

The Commission considers the following matters annually:

- Government policy as it applies to the Commission and the Scholarships
- Financial matters: accounts, partnerships and budgets
- Selection: the mechanisms for selecting Scholars, contents of the application, outreach, the selection process, management of selection committees and final outcomes
- Scholars: policies relating to the Scholars and their activities in the UK, including Marshall Plus activities, rules and regulations, placements and the general well-being of Scholars
- University relationships: partnership agreements and promotion of UK higher education in the US
- Annual Report: the production of an Annual Report
- Alumni Relations: the work of the AMS and the Commission's relationship with the alumni
- Other policies that may impact the administration of the Scholarships.

Membership of the Commission during 2022-23:

Mr John Raine CMG OBE (Chair)	Senior Advisor at the International Institute for Strategic Studies
Mr Alan Bookbinder*	Master, Downing College, Cambridge
Professor Judith Buchanan*	Master, St Peter's College, Oxford
Mr Adrian Greer	Chancellor's Assessor, University of St Andrews
Mrs Suzanne McCarthy*	Chairman of DePaul UK
Professor Adam Smith	Director, Rothermere American Institute, Oxford
Dr Leslie Vinjamuri	Director, US and the Americas Programme, Chatham House
Ms Xenia Wickett*	VP Political Analysis, Equinor
Lord Wood of Anfield*	Fellow in Practice at the Blavatnik School, University of Oxford
Professor Chris Millward**	Professor, Practice in Education Policy, University of Birmingham
Dr Andrew Bell**	Senior Tutor, University College, Oxford
Lady Sarah Wolffe**	Professor, Law, University of Strathclyde; Honorary Professor, Law, University of Edinburgh
Ms Anulika Ajufo**	Venture Partner, EMEA - SAGANA
Professor Richard Black**	Pro-Vice-Chancellor & Head of the College of Social Sciences, University of Birmingham
Professor Frances Brodsky**	Professor of Cell Biology, University College London
Alumni Observers	
Professor Jon Erichsen	1972 Marshall Scholar
Professor Frances Brodsky*	1976 Marshall Scholar

*until June 2022

**from September 2022

In the United States the selection of Marshall Scholars is undertaken by Regional Selection Committees, supported by the British Embassy in Washington DC, and the Consulates-General in Atlanta, Boston, Chicago, Houston, Los Angeles, New York and San Francisco, and overseen by the Commission's Education Committee.

The Commission's Secretariat is provided by the Association of Commonwealth Universities (ACU), whose offices at Woburn House, 20-24 Tavistock Square, London, WC1H 9HF serve as the Commission's headquarters.

Governance Framework

The Commission met formally four times in 2022-23. Commissioner attendance was as follows:

Mr John Raine (Chair)	4/4 meetings	
Mr Alan Bookbinder	1/1 meeting	To 31/07/2022
Prof Judith Buchanan	1/1 meeting	To 31/07/2022
Mr Adrian Greer	4/4 meetings	
Ms Suzanne McCarthy	0/1 meeting	To 31/07/2022
Prof Adam Smith	4/4 meetings	
Dr Leslie Vinjamuri	4/4 meetings	

Ms Xenia Wickett	1/1 meeting	To 30/06/2022
Lord Stewart Wood	0/1 meeting	To 30/06/2022
Professor Chris Millward	3/3 meetings	From 01/11/2022
Dr Andrew Bell	3/3 meetings	From 01/11/2022
Lady Sarah Wolffe	3/3 meetings	From 01/11/2022
Ms Anulika Ajufo	1/3 meetings	From 01/11/2022
Professor Richard Black	3/3 meetings	From 01/11/2022
Professor Frances Brodsky	3/3 meetings	From 01/11/2022

Alumni Observers

Professor Frances Brodsky	1/1 meeting	To 01/11/2022
Professor Jon Erichsen	4/4 meetings	

The Commission is supported by three committees, namely Audit and Risk Management (ARM), Education and Scholar Experience. The Commission may appoint independent members to these committees.

The ARM Committee advises the Commission and Accounting Officer on:

- the strategic processes for risk, control and governance;
- the accounting policies and financial management;
- statutory accounts and the external audit of MACC accounts;
- internal audit work carried out by FCDO's internal audit department
- adequacy of management response to issues identified by audit activity, including external audit's management letter.

In 2022-23 membership of the ARM Committee was as follows:

Adrian Greer (Chair)	4/4 meetings	
Alan Bookbinder	1/1 meeting	To 31/07/2022
Xenia Wickett	1/1 meeting	To 30/06/2022
Sarah Wolffe	1/1 meeting	From 01/11/2022
Richard Black	2/2 meetings	From 01/11/2022

Independent members

Laura Lafave	2/2 meetings	To 16/11/2022
Ruth Kosmin	3/4 meetings	
Diane Flynn	2/2 meetings	From 01/01/2023

Attendee:

Mr John Raine	4/4 meetings
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The Education Committee advises the Commission on:

- all educational matters relating to the management and administration of the Marshall Scholarships.
- matters of policy
- educational matters for individual Scholars (including any disciplinary processes)

In 2022-23 the membership of the Education Committee was as follows:

Professor Adam Smith (Chair)	1/1 meeting	
Professor Jon Erichsen	1/1 meeting	
Dr Andrew Bell	1/1 meeting	From 01/11/2022
Professor Chris Millward	1/1 meeting	From 01/11/2022

The Scholar Experience Committee advises the Commission on:

- all Scholar experience matters, with particular emphasis on Scholar opportunities, Scholar engagement and Scholar Welfare.
- equity and inclusion policies.

Leslie Vinjamuri (Chair)	2/2 meetings	
Frances Brodsky	1/1 meeting	From 01/11/2022
Sarah Wolffe	1/1 meeting	From 01/11/2022
Jon Erichsen	2/2 meetings	
Suzanne McCarthy	1/1 meeting	To 31/07/2022
Lord Wood	0/1 meeting	To 30/06/2022

The Scholar Experience Committee is also attended by the Class Secretaries and representatives, and therefore, provides a forum for discussing and monitoring the current priorities of Scholars.

Commission Performance

The Chair reviewed with individual new members their role in the MACC and sub-committees. He reviewed with existing members and committee chairs the performance of the MACC and plans to do the same with new members in the course of the year. The Commission believes it has been effective during the year.

In addition, the departing Scholars are surveyed each year on the effectiveness of the Scholarship and the Administration. These results are reviewed by the Commission annually. A summary of last year's results can be found in the 69th Annual Report.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the Commission, particularly its system of internal control. This review of the effectiveness of the system of internal control is informed by the work of the ACU, which has responsibility for the development and maintenance of the internal control framework and which is separately audited, advice from the FCDO, and comments made by the Commission's external auditors in their management letter and other reports. I have been advised on the implications of the result of this review of the effectiveness of the system of internal control by the ARM Committee so that the system can remain fit for purpose.

Corporate Governance Code

The Commission has considered HM Treasury's Corporate Governance in Central Government Departments: Code of Good Practice. The Code's requirements are most directly applicable to central government departments. The Commission is a small Non-Departmental Public Body, so many of the

detailed requirements are not relevant. However, where the Code is materially relevant, the Commission considers that it does conform.

Risk Assessment

The following key principles outline the Commission's approach to risk management and internal control:

The Commission's risk policy is that it:

- has responsibility for overseeing risk management within the organisation as a whole;
- has an open and receptive approach to solving risk problems;
- makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- identifies key risk indicators and closely monitor them on a regular basis.

The Commission's Risk Register incorporates this approach to risk management, and the roles and responsibilities of the Commission and its Secretariat and its risk management processes. The Commission and its Secretariat seek guidance where appropriate from the FCDO on risk management issues. The Commission and its Secretariat conduct risk assessments of some of its activities, e.g. the annual Easter visit by Scholars to a centre outside of London.

The Commission's Risk Register is reviewed at the Audit and Risk Management (ARM) Committee and the Commission meetings. Risks are reported to the ARM Committee throughout the year, by email if their comments are required before the next scheduled meeting. The Commission's key business processes (financial and non-financial) are documented in the Commission's section on the website <https://www.marshallscholarship.org/the-commission/policies-and-open-data>

The Commission's most significant risks and mitigations or controls are:

- loss of funding – as the Commission makes long term financial commitments (three or four years into the future), any loss of near-term funding must be met with a disproportionate reduction in costs and therefore Scholar numbers, which could destabilise the programme and lead to reputational harm. The primary mitigation to this risk is close liaison with the FCDO and with our funding partners.
- Cyber-security – due to the increased cyber risk environment for organisations linked to the UK government, IT systems provided by the Secretariat to host Marshall data may not be adequate to meet potential cyber-attacks, malware or ransomware attacks. The Commission will work with the IAID to undertake periodic reviews in the area of cyber security and implement recommendations. This is supported by the ACU achieving cyber essential plus accreditation.
- Scholar needs such as financial, academic, and welfare are not met with negative experiences shared with other scholars on award or potential applicants. The Commission via the scholar experience committee will work with class reps to discuss the needs of scholars and look at options for additional funding to support hardship requests via the AMS. An additional Programme Officer post has been put in place to support scholars in 2022/23.

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Commission's policies, aims and objectives whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Commission policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts and accords with HM Treasury guidance.

The Secretariat regularly reports to the Commission on expenditure to date, forecast outturn and projections for future years. These projections enable the Commission to assess the potential impact of increased tuition and maintenance fees.

The Commission works closely with the FCDO's Scholarships Unit which is represented at meetings of the Commission and its Committees. The Commission also works closely with the British Ambassador to the US and relevant Embassy and Consulate staff.

Data Quality

All information presented to the Commission is derived from existing and management information systems. The Commission is content with the quality of the data presented to it and considers it sufficient to properly inform decision making.

b) Remuneration and Staff Report (subject to audit)

The Commission continued the arrangement under which its Secretariat is provided by the Association of Commonwealth Universities (ACU). The FCDO is assessing the tenders for a new commercial contract for Secretariat service from 1 August 2023. The Commission itself does not have any employees and Commissioners are reimbursed their expenses only.

c) Parliamentary Accountability and Audit Report (subject to audit)

The Commission monitors the regularity of its expenditure through its expenditure approval process and by scrutinising expenditure against budget. No irregularities were identified during the year.

The Commission levies no fees or charges. It has incurred no losses or special payments above the reporting threshold of £300k. It has no remote contingent liabilities.

John Raine CMG OBE
Chair and Accounting Officer

30 June 2022

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Marshall Aid Commemoration Commission for the year ended 31 March 2023 under the Marshall Aid Commemoration Act 1953.

The financial statements comprise the Marshall Aid Commemoration Commission's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Marshall Aid Commemoration Commission's affairs as at 31 March 2023 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Marshall Aid Commemoration Act 1953 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure 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.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Marshall Aid Commemoration Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Marshall Aid Commemoration Commission's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Marshall Aid Commemoration Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Commission and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Marshall Aid Commemoration Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the parts of the Accountability Report marked as subject to audit, financial statements nor my auditor's certificate and report. The Commission and the Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Marshall Aid Commemoration Act 1953; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Marshall Aid Commemoration Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Marshall Aid Commemoration Commission; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Commission and the Accounting Officer for the financial statements

As explained more fully in the Statement of the Commission's and Accounting Officer's Responsibilities, the Commission and Accounting Officer are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Commission and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Marshall Aid Commemoration Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commission and the Accounting Officer anticipates that the services provided by the Marshall Aid Commemoration Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Marshall Aid Commemoration Act 1953.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Marshall Aid Commemoration Commission's accounting policies.
- Inquiring of management, the Foreign, Commonwealth and Development Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Marshall Aid Commemoration Commission's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Marshall Aid Commemoration Commission's controls relating to the Marshall Aid Commemoration Commission's compliance with the Marshall Aid Commemoration Act 1953, Managing Public Money and the Framework Agreement with the Foreign, Commonwealth and Development Office;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Marshall Aid Commemoration Commission for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Marshall Aid Commemoration Commission's framework of authority as well as other legal and regulatory frameworks in which the Marshall Aid Commemoration Commission operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Marshall Aid Commemoration Commission. The key laws and regulations I considered in this context included the Marshall Aid Commemoration Act 1953, Managing Public Money and the Framework Agreement with the Foreign, Commonwealth and Development Office;

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- enquiring of management, the Audit and Risk Management Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Commission and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- review of new transaction streams to confirm they are regular

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 14 July 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Expenditure (SoCNE) for the year ended 31 March 2023

	Notes	2022-23	2021-22
		£	£
Grants and Donations from third parties	5	(185,607)	(167,651)
Total operating income		(185,607)	(167,651)
Scholarship costs	2	2,649,205	2,416,958
Selection process		73,069	30,504
Administration	3	410,345	296,062
Scholar experience in the UK		42,868	33,323
Total operating expenditure		3,175,487	2,776,847
Net operating expenditure		2,989,880	2,609,196
Finance Income		(2,718)	(132)
Net expenditure for the year		2,987,162	2,609,064

All activities are continuing.

The notes on pages 22 to 27 form part of these accounts.

Statement of Financial Position (SoFP) as at 31 March 2023

	Notes	2023 £	2022 £
Current assets			
Trade receivables and other current assets	7	693,477	451,505
Cash and cash equivalents	8	702,906	1,158,898
Total current assets		1,396,383	1,610,403
Current liabilities			
Trade payables and other current liabilities	9	(290,225)	(167,083)
Total current liabilities		(290,225)	(167,083)
Total assets less total liabilities		1,106,158	1,443,320
Taxpayers' equity and other reserves:			
General Fund		581,409	581,409
Discretionary Reserves		524,749	861,911
Total reserves	10	1,106,158	1,443,320

The notes on pages 22 to 27 form part of these accounts.

The financial statements were approved by the Marshall Aid Commemoration Commission on 30th June 2022 and signed on its behalf by:

John Raine CMG OBE
Chair and Accounting Officer

30 June 2022

Statement of Cash Flows (SoCF) for the year ended 31 March 2023

	Notes	2022-23	2021-22
		£	£
Cash Flows from operating activities			
Net operating expenditure before interest		(2,989,880)	(2,609,196)
Decrease/(increase) in trade and other receivables		(198,972)	(192,275)
Increase/(decrease) in trade and other payables		80,142	37,657
Net cash outflow from operating activities		(3,108,710)	(2,763,814)
Cash Flows from financing activities			
Grant-in Aid received from FCDO		2,650,000	2,700,000
Interest receivable		2,718	132
Net financing		2,652,718	2,700,132
(Decrease) / Increase in net cash and cash equivalents		(455,992)	(63,682)
Cash and cash equivalents at the beginning of the period		1,158,898	1,222,580
Cash and cash equivalents at the end of the period	8	702,906	1,158,898

The notes on pages 22 to 27 form part of these accounts.

Statement of Changes in Taxpayers' Equity (SoCTE) for the year ended 31 March 2023

	£	General Reserves £
Balance at 31 March 2021		1,352,384
Changes in Taxpayers' equity 2021-22		
Grant from FCDO		2,700,000
Deficit arising on core reserves before grant from FCDO	(2,700,000)	
Surplus arising from value of partnership benefits	90,936	
Net Expenditure for the year		(2,609,064)
Balance at 31 March 2022		1,443,320
Changes in Taxpayers' equity 2022-23		
Grant from FCDO		2,650,000
Deficit arising on core reserves before grant from FCDO	(2,650,000)	
Surplus arising from value of partnership benefits	(337,162)	
Net Expenditure for the year		(2,987,162)
Balance at 31 March 2023		1,106,158

The notes on pages 22 to 27 form part of these accounts.

Notes to the Accounts

1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FRoM) issued by HM Government. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Marshall Aid Commemoration Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Marshall Aid Commemoration Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

a. Basis of preparation

The financial statements have been prepared in accordance with the Marshall Aid Commemoration Act 1953 and directions made thereunder by the Secretary of State and with applicable United Kingdom accounting standards. They have been prepared on a going concern basis as outlined on page 3. They have also been prepared under the historical cost convention.

b. Grant-in-Aid

Grant-in-Aid is received from the FCDO in support of the Scholarship scheme. The grants are voted and received in respect of the financial year ending 31 March; however, they cover the university tuition fees for the academic year ending 31 July. Under resource accounting, advance payment of the summer term fees is shown as a prepayment.

Grant-in-Aid is used to finance activities and expenditure which support the statutory and other objectives of the Commission and are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party, which gives rise to a financial interest in the residual interest of NDPBs. Grant-in-Aid is credited to General Reserve on a cash received basis.

c. Income

The Commission receives donations to support the scholarship programme. A Memorandum of Understanding sets out the expected terms of the donation and what restrictions the donor may place upon the usage of the funds e.g. it can be used to fund a scholar studying music. Donations received from each donor are accounted for separately under a scheme name reflecting who the donor is. The amounts received from each donor may vary from year to year and any unspent amount is recognised in contract liabilities. The Commission does not select Scholars to meet the donation criteria but rather recognises the donation as income if a selected Scholar meets the criteria set out in the MoU. Donations are recognised in income in the year expenditure is incurred. If there are insufficient funds to support a new Scholar from the donation, no Scholar is assigned to the scheme/donation. Should a donor stop donating, the outstanding cost will be paid for by the Commission from the FCDO Grant-in-Aid.

Income recognised in the financial year (Note 5) reflect the full cost in the year associated with the individual Scholarship partnership schemes. The current balance of donations received, but not yet used to pay Scholarship fees, are disclosed as contract liabilities in Note 9.

d. Expenditure

Expenditure is accounted for on an accruals basis. Tuition fees that cover an academic year (autumn to summer) are paid during the current financial year so 1/3rd is prepaid on the basis that the academic year comprises three terms, two of which come before 31 March and one comes after 1 April.

The Commission has set a de-minimis level for accruals and prepayments at £1,000 on an individual cost item or a class of cost item.

e. VAT

As its supplies are outside the scope of VAT, the Commission is not registered for VAT. Any VAT incurred on inputs is therefore irrecoverable and charged to expenditure in the year in which it is incurred.

f. Taxation

As a Non-Departmental Public Body, the Commission does not pay tax on its results for the year.

g. Cash and cash equivalents

Cash and cash equivalents comprise bank balances held by the Commission all translated to GBP, where applicable, at year-end using the prevailing exchange rate. All cash balances are held with commercial banks.

h. Reserves

The Commission's general reserve (Taxpayers' equity) apportioned between core and discretionary reserves. The Commission makes more Scholarship awards than could be funded by the Grant-in-Aid and third-party funding which it receives, reflecting the value it obtains from university and college partnerships, principally through fee-waivers. To the extent this partnership support gives rise to a surplus in any given year this is applied to the discretionary reserve. It is intended that the discretionary reserve will be used to fund future Scholarship awards.

*i. Financial Instruments**Financial assets*

These comprise of receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently held at amortised cost after an appropriate provision for expected credit loss. The main risk is non-recovery of accommodation deposit. However this is low risk as most deposits are paid to landlords and the Commission has the right to refund un-returned deposits from the final payments due to scholars.

Financial liabilities

These comprise trade and other payables, and other financial liabilities. They are initially recognised at the fair value of consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost. Although the Association of Marshall Scholars (AMS) has the right to reclaim any unspent donations, the Commission is confident this will not happen as the deferred donation income will be used post year end on scholars who are currently in place.

j. Operating Segments

In the opinion of the Commission, owing to the scale and nature of the activity there is a single segment of business activity which is the awarding of scholarships to American students who want to study for a master's or PhD degree in the UK.

k. Upcoming changes to accounting standards

The following changes to IFRS have been issued but were not effective in the reporting period:

- IFRS 17 Insurance Contracts is expected to be effective for financial reporting periods beginning on or after 1 April 2025 and sets out the principles for measuring insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. This is not relevant to the Commission as it does not have any leases.

There are no other future accounting developments that will have a significant impact on the Commission's accounts.

2 Scholarship Costs

	2022-23	2021-22
	£	£
Marshall Commission Scholarships (excluding partnership benefits)*	2,471,804	2,249,366
Annenberg Marshall Scholarship	17,030	32,934
British Schools & Universities Foundation Scholarship	30,653	47,362
Association of Marshall Scholars - Endowed Scholarship	62,707	43,912
Bristol Scholarship	36,618	32,702
Alumnus funded Sussex partnership place	15,354	10,682
Magdalen Oxford	15,039	-
	<u>2,649,205</u>	<u>2,404,479</u>

* Partnership benefits in kind total £1,294k (2021-22: £1,398k). These partnership benefits are almost entirely tuition fee waivers from higher education institutions in the UK. Benefits in kind are not included in these Financial Statements.

3 Administration

	2022-23	2021-22
	£	£
Secretariat	359,458	252,058
Other support costs	43,061	39,348
Auditors' remuneration*	16,000	12,000
Unrealised currency (gain)/loss	(8,174)	(7,344)
	<u>410,345</u>	<u>296,062</u>

* No non-audit work was complete during the year.

4 Staff Costs

The Commission does not employ any staff. The administration of the Scheme is undertaken by staff of the Association of Commonwealth Universities under a service contract with the Commission. The costs of the Secretariat are detailed in note 3. As the Commission has no staff there is no facility time allocated to trade union activity.

5 Grants and Donations from third parties

	2022-23	2021-22
	£	£
Annenberg Endowment (via Association of Commonwealth Universities)	17,030	32,934
British Schools & Universities Foundation	30,653	47,362
Association of Marshall Scholars - Endowed Scholarship	63,085	43,912
Other direct alumni support	74,839	43,443
	<u>185,607</u>	<u>167,651</u>

6 Financial Instruments

Cash requirements of the Commission are met through Grant-in-Aid and donations. Financial instruments therefore play a limited role in creating and managing risk compared to a non-public sector body.

7 Trade Receivables and Other Current Assets

	2022-23	2021-22
	£	£
Amounts falling due within one year:		
Accommodation deposits	50,959	41,368
Prepayments	<u>642,518</u>	<u>410,137</u>
	<u><u>693,477</u></u>	<u><u>451,505</u></u>

8 Cash and Cash Equivalents

	2022-23	2021-22
	£	£
Balance at 1 April	1,158,898	1,222,580
Net change in cash and cash equivalent balances	<u>(455,992)</u>	<u>(63,682)</u>
Balance at 31 March	<u><u>702,906</u></u>	<u><u>1,158,898</u></u>

Cash is held with a commercial bank in GBP and USD.

9 Trade Payables and Other Current Liabilities

	2022-23	2021-22
	£	£
Amounts falling due within one year:		
Other Creditors	8,200	5,261
Accruals	161,270	22,340
Contract liabilities	<u>120,755</u>	<u>139,482</u>
	<u><u>290,225</u></u>	<u><u>167,083</u></u>

Movements in Contract Liabilities

	Opening	Donations & Income		Closing
	balance	Received	Released	Balance
	£	£	£	£
Annenberg Endowment	24,679	21,670	(17,030)	29,319
British Schools & Universities Foundation	9,843	44,086	(30,653)	23,276
Association of Marshall Scholars - Endowed Scholarship	24,373	51,315	(63,085)	12,603
Other direct alumni support	75,754	54,642	(74,839)	55,557
Other	4,832	-	(4,832)	-
	<u>139,481</u>	<u>171,713</u>	<u>(190,439)</u>	<u>120,755</u>

10 Movements on General Reserves

	Opening balance £	Grant-in- Aid £	Bank Interest £	Net Expenditure £	Closing balance £
Core Reserves	581,409	2,650,000	2,718	(2,652,718)	581,409
Discretionary Reserves	861,911	-	-	(337,162)	524,749
Total reserves	<u>1,443,320</u>	<u>2,650,000</u>	<u>2,718</u>	<u>(2,989,880)</u>	<u>1,106,158</u>

11 Related Party Transactions

The Commission is an Executive Non-Departmental Public Body of the FCDO. The FCDO is regarded as a Related Party with which the Commission's only material transaction during the year was Grant-in-Aid. None of the Commissioners or key members of the Secretariat, or other related parties, has undertaken any other material transactions with the Commission during the year.

12 Commitments

In the autumn of each year the Commission offers Scholarships for the following academic year, and the academic year following that. The Commission does not account for the future cost of these offers as there is some uncertainty over the university at which the Scholar will study, the cost of the study and whether the tuition fee will be covered by a fee waiver. There can also be uncertainty over whether the Scholar will accept and take up the offered Scholarship.

13 Events after the Reporting Date

No non-adjusting events after the reporting date have been identified. The Accounting Officer authorised these financial statements for issue on the same date the Comptroller and Auditor General signed his certificate.

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