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CRIMINAL JUSTICE REFORM
Criminal Justice System: working together for the public



MANAGEMENT STATEMENT FOR THE CRIMINAL CASES REVIEW COMMISSION

CCRC
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MANAGEMENT STATEMENT FOR THE CCRC

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1. INTRODUCTION

1.1 This document

1.1.1 This management statement and its associated financial memorandum have been drawn up by the Home Office in consultation with the Northern Ireland Office and the Criminal Cases Review Commission (CCRC). The document is derived from a model prepared by the Treasury.

1.1.2 Subject to the legislation noted below, the management statement sets out the overarching framework within which the CCRC will operate, in particular:

- (1) the CCRC's overall aims, objectives and goals in support of the Home Office's wider strategic aims and current Public Service Agreement (PSA);
- (2) the rules and guidelines relevant to the exercise of the CCRC's functions, duties and powers;
- (3) the conditions under which any public funds are paid to the CCRC;
- (4) how the CCRC is to be held to account for its performance.

However, the management statement and financial memorandum do not convey any legal powers or responsibilities. In its work reviewing individual cases the Commission operates independently and nothing in this management statement is intended to change or qualify that independence.

1.1.3 The associated financial memorandum sets out in greater detail certain aspects of the financial provisions which the CCRC shall observe.

1.1.4 The document shall be periodically reviewed by the Home Office when it is appropriate to do so, but no later than 3 years from the date of approval.

1.1.5 The CCRC, the Northern Ireland Office or the Home Office (Office for Criminal Justice Reform (OCJR)) may propose amendments to this document at any time. Any such proposals by the CCRC shall be considered in the light of evolving Home Office policy aims, operational factors and the track record of the CCRC itself. The guiding principle shall be that the extent of flexibility and freedom given to the CCRC shall reflect both the quality of its internal controls and its operational needs. The Home Office shall draft, in consultation with the CCRC, what changes, if any, are to be incorporated in the document, and significant variations shall require the approval of the Principal Finance Officer. Legislative provisions shall take precedence over any part of the document.

1.1.6 The combined document will be signed and dated by the Home Office [Office for Criminal Justice Reform;Head of Better Trials Unit] and the CCRC [Chair and Accounting Officer] to the effect that agreement has been reached, and will then be put to the Principal Finance Officer of the Home Office for final approval.

1.1.7 Any question regarding the interpretation of the document shall be resolved jointly by the Home Office, the Northern Ireland Office and the CCRC.

1.1.8 Copies of this document and any subsequent substantive amendments shall be forwarded to HM Treasury and Cabinet Office, and placed in the Libraries of both Houses of Parliament. Copies shall also be made available to members of the public on the CCRC's website www.ccrcc.gov.uk.

1.2 Founding legislation; status

1.2.1 The CCRC was established as a body corporate under the provisions of the Criminal Appeal Act 1995 ('the Act'). The Act specifies that the CCRC does not hold Crown status (*The Commission shall not be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown; and the Commission's property shall not be regarded as the property of, or held on behalf of, the Crown*). The CCRC must have no fewer than eleven Commissioners, appointed by Her Majesty on the recommendation of the Prime Minister. Her Majesty must also, on the recommendation of the Prime Minister, appoint one of the Commissioners to be Chairman of the Commission. In addition;

- (1) at least one third of the Commissioners must be legally qualified as defined in section 8(5) of the Act;
- (2) at least two thirds of the Commissioners must have knowledge or experience of any aspect of the criminal justice system;
- (3) at least one Commissioner must have knowledge or experience of the criminal justice system in Northern Ireland.

1.3 The functions, duties and powers of the CCRC

1.3.1 Legislative provision for the CCRC was set out in the Criminal Appeal Act 1995. The CCRC was established as an Executive Non-Departmental Public Body [NDPB] from 1 January 1997. The Commissions functions under the Act extend to England and Wales and Northern Ireland.

1.3.2 The functions of the Commission are set out in the Act;

- (1) To refer a conviction, verdict, finding or sentence to an appropriate court of appeal whenever the Commission considers that there is a real possibility that it would not be upheld (sections 9 to 12 of the Act);
- (2) to investigate and report to the Court of Appeal on any matter which the Court directs the Commission to investigate and report (section 15 of the Act);
- (3) to consider any reference from the Secretary of State of any matters in relation to the Royal Prerogative of Mercy and give a statement of the Commission's conclusions (section 16(1) of the Act);
- (4) to give reasons for the Commission's opinion in any case where it determines that the Secretary of State should consider recommending an exercise of the Royal Prerogative of Mercy (section 16(2) of the Act);
- (5) to send to the Secretary of State an annual report on the discharge of its function (paragraph 8 of Schedule 1 of the Act);
- (6) to send a copy of the statement of accounts prepared in respect of each financial year, to the Secretary of State and to the Comptroller and Auditor General (paragraph 9 of Schedule 1 of the Act).

1.4 Classification

1.4.1 For policy/administrative purposes the CCRC is classified as an executive non-departmental public body [ENDPB].

1.4.2 For national accounts purposes the CCRC is classified to the central government sector.

1.4.3 References to the CCRC include all its subsidiaries and joint ventures that are classified to the public sector for national account purposes. If such a subsidiary or joint venture is created, there shall be a document setting out the arrangements between it and the CCRC.

2. AIMS OBJECTIVES AND TARGETS

2.1 Overall aims

2.1.1 The overall aim of the CCRC is to review alleged and suspected miscarriages of justice. The Commission's aims can be further defined as:

- (1) to review and investigate alleged and suspected miscarriages of justice and to refer to the appropriate court of appeal any cases where there is a real possibility that a conviction, finding, verdict or sentence will not be upheld;
- (2) to ensure that all cases are dealt with effectively and expeditiously;
- (3) to deliver services in ways appropriate to stakeholders' needs;
- (4) to promote public understanding of the Commission's role;
- (5) to enhance public confidence in the criminal justice system.

2.2 Objectives and key targets

2.2.1 The sponsor unit, in consultation with the CCRC, determines the CCRC's performance framework on behalf of the Home Office (OCJR) and the Northern Ireland Office in the light of the provisions in the Act, in the light of the Home Office's (OCJR) wider strategic aims and current PSA. In exercising this role, the sponsor unit shall take account of any related representations made by the Northern Ireland Office. The CCRC's objectives and key targets shall be agreed within the CCRC's corporate and business planning process (Sections 4.1, 4.2 and 4.3 below).

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1 The Secretary of State

3.1.1 The Secretary of State for the Home Department is responsible for setting the framework within which the Commission operates in respect of England and Wales cases. The Secretary of State for Northern Ireland retains similar policy responsibilities for Northern Ireland cases.

3.1.2 The Secretary of State is accountable to Parliament for the CCRC. His/Her responsibilities include:

- (1) Approving the CCRC's strategic objectives and the performance framework within which the CCRC will operate (as set out in this management statement and financial memorandum and associated documents);

- (2) keeping Parliament informed about the CCRC's performance;
- (3) approving the amount of grant-in-aid/grant/other funds to be paid to the CCRC, and securing Parliamentary approval; defraying the expenses of the Commission up to such an amount as may be approved by him;
- (4) carrying out responsibilities specified in the founding legislation including appointments to the Commission, approving the terms and conditions of Commission members, approval of terms and conditions of staff, and laying of the annual report and accounts before Parliament.

3.2 The Accounting Officer

3.2.1 The Permanent Secretary, as the Home Office Departmental Accounting Officer, is responsible for the overall organisation, management and staffing of the Home Office and for ensuring that there is a high standard of financial management in the Home Office as a whole. The Departmental Accounting Officer is accountable to Parliament for the issue of any grant-in-aid to the CCRC. The Departmental Accounting Officer designates the CCRC's Accounting Officer, and may withdraw the accounting officer designation if he/she believes that the incumbent is no longer suitable for the role.

3.2.2 In particular the Departmental Accounting Officer shall ensure that:

- (1) The CCRC's strategic aims and objectives support the Home Office's wider strategic aims and current PSA;
- (2) the financial and other management controls applied by the Home Office (OCJR) to the CCRC are appropriate and sufficient to safeguard public funds and for ensuring that the CCRC's compliance with those controls is effectively monitored
- (3) the internal controls applied by the CCRC conform to the requirements of regularity, propriety and good financial management;
- (4) any grant-in-aid to the CCRC is within the ambit and the amount of the Request for Resources and that Parliamentary authority has been sought and given.

3.2.3 The responsibilities of an Accounting Officer are set out in more detail in *Government Accounting*.

3.3 The Home Office (OCJR) Sponsor Unit

3.3.1 Within the Home Office (OCJR), the Better Trials Unit (BTU) is the sponsor unit for the CCRC. The BTU is the primary source of advice to the Home Office on the discharge of its responsibilities in respect of the CCRC, and the primary point of contact for the CCRC in dealing with the Home Office.

3.3.2 The sponsor unit shall advise the Secretary of State on:

- (1) an appropriate framework of objectives and targets for the CCRC in the light of the Home Office's (OCJR) wider strategic aims and current PSA;
- (2) an appropriate budget for the CCRC in the light of the Home Office's (OCJR) overall public expenditure priorities;
- (3) how well the CCRC is achieving its strategic objectives and whether it is delivering value for money.

3.3.3 In support of the Home Office Departmental Accounting Officer the sponsor team shall:

3.3.3.1 ***On performance and risk management –***

- (1) monitor the CCRCs activities on a continuing basis through an adequate and timely flow of information from the CCRC on performance, budgeting, control and risk management, including early sight of the CCRC's Statement on Internal Control;
- (2) address in a timely manner any significant problems arising in the CCRC, whether financial or otherwise, making such interventions in the affairs of the CCRC as the Home Office judges necessary;
- (3) periodically carry out a risk assessment of the CCRC's activities to inform the Home Office's (OCJR) oversight of the CCRC; strengthen these arrangements if necessary; and amend the management statement accordingly. The risk assessment shall take into account the nature of the CCRC's activities; the public monies at stake; the body's corporate governance arrangements; its financial performance; internal and external auditors' reports, the openness of communications between the body and the Home Office (OCJR); and any other relevant matters;

3.3.3.2 ***on communication with the CCRC –***

- (1) Inform the CCRC of relevant Home Office (OCJR) and Government policy in a timely manner; advise on the interpretation of that policy; and issue specific guidance to the CCRC as necessary;
- (2) bring concerns about the activities of the CCRC to the attention of the full Commission, and require explanations and an assurance from the Commission that appropriate action has been taken;
- (3) conform to the dialogue set out in Annex A to ensure that joint responsibilities are met.

3.4 The Chairman of the CCRC

3.4.1 The Chairman is appointed by the Queen, for a five-year term. The appointment is renewable to a maximum of 10 years.

3.4.2 The Chairman is ultimately responsible to the Secretary of State but shall normally communicate with the Home Office on routine matters through the Sponsor Unit. The Chairman shall aim to ensure that the CCRC's policies and actions support the wider strategic policies of the Home Office (OCJR); and that the CCRC's affairs are conducted with probity. The Chairman shares with other Commissioners the corporate responsibilities set out in paragraph 3.5.3, and in particular for ensuring that the CCRC fulfils the aims and objectives agreed with the Home Office (OCJR).

3.4.3 The Chairman has a particular leadership responsibility on the following matters:

- (1) Formulating the Commission's strategy;
- (2) ensuring that the Commission, in reaching decisions, takes proper account of guidance provided by the Home Office (OCJR). (With regard to procurement please see Financial Memorandum);
- (3) promoting the efficient and effective use of staff and other resources;
- (4) encouraging high standards of propriety;
- (5) representing the views of the Commission to the general public.

3.4.4 The Chairman shall also:

- (1) ensure that all Commissioners, 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;
- (2) in consultation with the Sponsor Team, advise the Home Office (OCJR) of the needs of the CCRC when Commissioner vacancies arise, with a view to ensuring a proper balance;
- (3) establish a performance appraisal system for individual Commission members to assess their ongoing effectiveness. This is an OCPA requirement for the re-appointment of an individual Commissioner to be approved.

3.4.5 The Chairman shall also ensure that a Code of Practice for Commissioners is in place, based on the Cabinet Office's model Code of Practice for Board Members of Public Bodies. The Code shall commit the Chairman and other Commissioners to the Nolan seven principles of public life, and shall include a requirement for a comprehensive and publicly available register of Commissioners' interests.

3.4.6 Communications between the Commission and the Secretary of State shall normally be through the Chairman. The Chairman shall ensure that the other Commissioners are kept informed of such communications.

3.5 The Commission

3.5.1 The Commissioners are initially appointed by the Queen, for a period of up to five years, in line with the Commissioner for Public Appointments [OCPA] Code of Practice. Commissioners may be re-appointed for a second period but the total term in Office must not exceed 10 years.

3.5.2 The Commission must have no fewer than eleven Commissioners, appointed by Her Majesty on the recommendation of the Prime Minister. Her Majesty must also, on the recommendation of the Prime Minister, appoint one of the Commissioners to be Chairman of the Commission. In addition:

- (1) At least one third of the Commissioners must be legally qualified as defined in section 8(5) of the Act;
- (2) at least two thirds of the Commissioners must have knowledge or experience of any aspect of the criminal justice system;
- (3) at least one Commissioner must have knowledge or experience of the criminal justice system in Northern Ireland;

- (4) an appointment as a Commissioner of the Commission may be full-time or part-time.

3.5.3 The Commissioners have corporate responsibility for ensuring that the CCRC fulfils its statutory functions, the aims and objectives agreed with the Home Office (OCJR) and for promoting the efficient and effective use of staff and other resources by the CCRC. To this end, and in pursuit of its wider corporate responsibilities, the Commissioners shall:

- (1) establish the overall strategic direction of the CCRC within the policy and resources framework determined by the Home Office (OCJR);
- (2) ensure that the Home Office (OCJR) is kept informed of any changes which are likely to impact on the strategic direction of the CCRC or on the attainability of its targets, and determine the steps needed to deal with such changes;
- (3) ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Commission members operate within the limits of the Commissions statutory authority and any delegated authority agreed with the Home Office (OCJR), and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Commissioners take into account guidance issued by the Home Office (OCJR);
- (4) ensure that the Commissioners receive and review regular financial information concerning the management of the CCRC; are informed in a timely manner of any concerns about the activities of CCRC and provide positive assurance to the Home Office (OCJR) that appropriate action has been taken on such concerns;
- (5) demonstrate high standards of corporate governance at all times, including by using the independent audit committee (paragraphs 62-65) to help the Commissioners to address the key financial and other risks facing the CCRC;
- (6) appoint [with Home Office consultation and agreement] a member of the senior management team of the CCRC to perform an executive function and, in consultation with the Home Office (OCJR), set performance objectives for the post holder which give due weight to the proper management and use of public monies.

3.5.4 Individual Commissioners shall act in accordance with their wider responsibility as Members of the Commission – namely to:

- (1) comply at all times with the Code of Practice [paragraph 3.4.5 above] that is adopted by the CCRC and with the rules relating to the use of public funds and to conflicts of interest;
- (2) not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- (3) comply with the Commission's rules on the acceptance of gifts and hospitality, and of business appointments;
- (4) act in good faith and in the best interests of the CCRC.

3.6 The role of Accounting Officer

3.6.1 The Accounting Officer of the CCRC is appointed by the Home Office Departmental Accounting Officer. Specific conditions relating to the current appointment are contained in the letter of 25 February 2005 to the Chairman of the CCRC from the Head of the Better Trials Unit.

3.6.2 The Accounting Officer of the CCRC is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those public funds; and for overseeing the day-to-day operations and management of the CCRC.

3.6.3 As Accounting Officer he/she shall exercise the following responsibilities in particular:

3.6.3.1 On planning and monitoring -

- (1) Establish, in agreement with the Home Office (OCJR), the CCRC's corporate and business plans reflecting and supporting delivery of the Home Office's (OCJR's) Strategic Objectives and PSA targets;
- (2) inform the Home Office (OCJR) of the CCRC's progress in helping to achieve the Home Office's (OCJR's) policy objectives and in demonstrating how resources are being used to achieve those objectives;
- (3) ensure that timely forecasts and monitoring information on performance and finance are provided to the Home Office (OCJR).

3.6.3.2 **On advising the Commission -**

- (1) Advise the Commission on the discharge of its responsibilities as set out in this document and in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- (2) advise on the Commission's performance compared with its aims and objectives;
- (3) ensure that financial considerations are taken fully into account by Commission at all stages in reaching and executing its decisions and that standard financial and Value for Money appraisal techniques are followed appropriately;
- (4) take action as set out in the relevant paragraphs of the Commission Accounting Officer Memorandum if the Commission, or its Chairman, is contemplating a course of action involving a transaction which the Accounting Officer considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration or efficiency or effectiveness;

3.6.3.3 **On managing risk and resources -**

- (1) Ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- (2) ensure that an effective system of programme and project management and contract management is maintained;
- (3) ensure that all public funds made available to the Commission including any approved income or other receipts are used for the purpose intended by Parliament, and that such moneys, together with the CCRC's assets, equipment and staff, are used economically, efficiently and effectively;
- (4) ensure that adequate internal management and financial controls are maintained by the CCRC, including effective measures against fraud and theft;
- (5) maintain a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations;
- (6) ensure that effective personnel management policies are maintained.

3.6.3.4 **On accounting for the CCRC's activities -**

- (1) sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- (2) sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- (3) sign a Statement on Internal Control regarding the CCRC's system of internal control, for inclusion in the annual report and accounts;
- (4) ensure that effective procedures for handling complaints about the CCRC are established and made widely known within the CCRC; act in accordance with the terms of this document and with the instructions and guidance in Government Accounting and other instructions and guidance issued from time to time by the Home Office, the Treasury and the Cabinet Office - in particular, the Treasury documents *The Responsibilities of a [NDPB] Accounting Officer and Regularity and Propriety*, both of which the Accounting Officer shall receive on appointment. Section IX of the attached financial memorandum refers to other key guidance;
- (5) give evidence, normally with the Home Office Departmental Accounting Officer, when summoned before the Committee of Public Accounts on the use and stewardship of public funds by the CCRC.

3.7 The Consolidation Officer

3.7.1 For the purposes of Whole of Government Accounts the Accounting Officer of the CCRC will be also be appointed by the Treasury as the CCRC's Consolidation Officer.

3.7.2 As the CCRC's Consolidation Officer the Accounting Officer shall be personally responsible for preparing the consolidation information that sets out the financial results and position of the CCRC, for arranging for its audit and for sending the information and the audit report to the Principal Consolidation Officer nominated by the Treasury.

3.7.3 As Consolidation Officer the Accounting Officer shall comply with the requirements of the Consolidation Officer Memorandum and shall, in particular:

- (1) ensure that the CCRC has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process;
- (2) prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions [“Dear Consolidation Officer” (DCO) and “Dear Consolidation Manager” (DCM) letters] issued by the Treasury on the form, manner and timetable for the delivery of such information.

3.8 Delegation of duties

3.8.1 The Accounting Officer may delegate the day-to-day administration of his/her Accounting Officer and Consolidation Officer responsibilities to other employees in the CCRC. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.

3.9 The Chair’s role as Principal Officer for Ombudsman cases

3.9.1 The Chair is the Principal Officer for handling cases involving the Parliamentary Commissioner for Administration. As Principal Officer the Chair shall inform the Permanent Secretary of the Home Office of any complaints about the CCRC accepted by the Ombudsman for investigation, and about the CCRC’s proposed response to any subsequent recommendations from the Parliamentary Ombudsman.

4. PLANNING, BUDGETING AND CONTROL

4.1 The corporate plan

4.1.1 Consistent with the timetable for public spending reviews the CCRC shall submit annually to the Home Office (OCJR) an updated corporate plan covering three years ahead. The CCRC shall have agreed with the Home Office the issues to be addressed in the plan, the timetable for its preparation, and the indicative budget.

4.1.2 The plan shall reflect the CCRC’s statutory duties and, within those duties, the priorities and targets as set by the Home Office (OCJR). In particular, the plan shall demonstrate how the CCRC contributes to the achievement of the Home Office’s PSA targets.

4.1.3 The corporate plan shall set out:

- (1) the CCRC’s key objectives and associated key performance targets and financial plans for the [three] forward years, and its strategy for achieving those objectives;

- (2) a review of the CCRC's performance in the preceding financial year [together with comparable outturns for the previous [2-5] years], and an estimate of performance in the current year;
- (3) alternative scenarios to take account of factors which may significantly affect the execution of the plan but which cannot be accurately forecast;
- (4) other matters as agreed between the Home Office (OCJR) and the CCRC

4.1.4 The main elements of the plan - including the key performance targets - shall be agreed between the Home Office (OCJR) and the CCRC in the light of the Home Office's (OCJR) decisions on policy and resources taken in the context of the Government's wider public expenditure plans and decisions.

4.1.5 In reaching annual decisions on the CCRC's rolling corporate plan and in monitoring progress, the Home Office shall aim to give the CCRC greater planning certainty through the development of its own internal planning arrangements.

4.2 The business plan

4.2.1 The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones, for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Home Office (OCJR).

4.3 Publication of plans

4.3.1 Subject to commercial and policy confidentiality a corporate and business plan shall be published and made available on the Internet, following approval by the Minister.

4.4 Reporting performance to the Home Office

4.4.1 The CCRC shall operate management information and accounting systems which enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in its agreed corporate and business plans.

4.4.2 The CCRC shall take the initiative in informing the Home Office (OCJR) of changes in external conditions which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives set out in the corporate or business plans.

4.4.3 The CCRC's performance, including the achievement of key objectives, shall be reported to the Home Office on a monthly basis. Performance will be formally reviewed regularly by officials of the Home Office (OCJR).

4.4.4 The CCRC's performance against key targets shall be reported in the CCRC's annual report and accounts [see Section 5.1 below].

4.5 Budgeting procedures

4.5.1 The CCRC's budgeting procedures are set out in the financial memorandum.

4.6 Internal audit

4.6.1 The CCRC shall establish and maintain arrangements for internal audit in accordance with the Treasury's Government Internal Audit Standards. The CCRC shall seek approval from the Home Office (OCJR) for any significant change to its internal audit arrangements and to ensure that the latter is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointment in accordance with Government Internal Audit Standards (GIAS) 5.24.6.2 The CCRC shall set up an independent audit committee as a committee of its Board in accordance with the Cabinet Office's Guidance on Codes of Practice for Public Bodies and the Treasury's Audit Committee guidance.

4.6.2 The CCRC shall arrange for periodic quality reviews of its internal audit in accordance with the GIAS. The Home Office shall consider whether it can rely on these reviews to provide assurance on the quality of internal audit. However, the Home Office (OCJR) reserves a right of access to carry out independent reviews of internal audit in the CCRC.

4.6.3 The Home Office's Internal Audit Service shall also have a right of access to all documents prepared by the CCRC's internal auditor, including where the service is contracted out. The audit strategy, periodic audit plans and annual audit report, including the CCRC's Head of Internal Audit's opinion on risk management, control and governance shall be forwarded as soon as possible to the sponsoring team who shall consult the Head of Internal Audit as appropriate.

4.6.4 In addition, the CCRC shall forward to the Home Office (OCJR) an annual report on fraud and theft suffered by the CCRC; notify any unusual or major incidents as soon as possible; and notify any changes to internal audit's terms of reference, the audit committee's terms of reference or the CCRC's Fraud Policy and Fraud Response Plan.

4.7 Security

4.7.1 The CCRC is required to provide an annual assurance report to the Home Office in support of the Permanent Secretaries accountability for security arrangements across the Home Office including its NDPBs and Agencies. The report will be initiated by the Home Office Departmental Security Officer through Sponsor Units when it is required.

4.8 Freedom of Information [FOI]

4.8.1 As an NDPB the CCRC will need to consider how it will release information into the public domain. The Commission should consult any other third party (private or public organisation or person) that has an interest in the release of information under the freedom of Information Act. The type of information that may well involve a third party includes:

- (1) Contracts
- (2) Tendering of contracts
- (3) Information used to develop policy e.g. statistical information
- (4) Information provided by foreign governments
- (5) Information provided by other public authorities

4.9 Sustainable Development

4.9.1 Sustainable Development (SD) is a cross-cutting theme integrating economic, social and environmental policy across government. All Government Departments and their Executive Agencies are covered by the Framework for Sustainable Development on Government Estate and must work towards meeting the targets set out in that document. Full details available at <http://www.sustainable-development.gov.uk/sdig/improving/targetsa.htm>

4.9.2 CCRC is not covered by the Framework but must consider the responsibilities it has for meeting the Government's commitment to sustainable development. Sustainable development principles should be embedded in its strategic framework as well as in its day-to-day policy making and operational practices.

4.9.3 Further details and guidance can be obtained from the Home Office SD team.

4.10 Additional Home Office access to the CCRC

4.10.1 In addition to the right of access referred to in paragraph 4.6.2 above, the Home Office shall have a right of access to all the CCRC's records [this requirement excludes any records pertaining to individual review cases] as required to discharge the obligations of the Home Office and the Departmental Accounting Officer.

5. EXTERNAL ACCOUNTABILITY

5.1 The annual report and accounts

5.1.1 After the end of each financial year the CCRC shall publish an annual report of its activities together with its audited annual accounts. A draft of the report shall be submitted to the Home Office (OCJR) prior to the publication.

5.1.2 The report and accounts shall comply with the Treasury document *Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance*. The accounts shall be prepared in accordance with the relevant statutes and the specific Accounts Direction issued by the Home Office. The model accounts direction, which is included at Annex B of the Executive Non-Departmental Public Bodies Annual Reports and Accounts Guidance, will be used as the basis of the CCRC's Accounts Direction.

5.1.3 The report and accounts shall outline the CCRC's main activities and performance during the previous financial year and set out in summary form the CCRC's forward plans. Information on performance against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit.

5.1.4 The report and accounts shall be laid before Parliament on a date as agreed with the Home Office (OCJR) and made available on the Internet, in accordance with the guidance on the procedures for presenting and laying the combined annual report and accounts as prescribed in Chapter 13 of the Executive Non-Departmental Public Bodies Annual Reports and Accounts Guidance.

5.2 External audit

5.2.1 The arrangements in paragraph 65 below will lapse as and when the decisions announced in the Government's response to Lord Sharman's report "Holding to Account" are implemented.

5.2.2 For the purpose of audit the C&AG has a statutory right of access to relevant documents as provided for in the Government Resources and Accounts Act 2000, including by virtue of any Order made under section 25(8) of that Act.

5.2.3 The C&AG has agreed to consult the Home Office and the CCRC on who - the NAO or a commercial auditor - shall undertake the actual audit on his behalf. The final decision rests with the C&AG.

5.2.4 The C&AG has agreed to share with the Home Office, information identified during the audit process and the audit report (together with any other outputs) at the end of the audit. This shall apply, in particular, to issues which impact on the Home Office's responsibilities in relation to financial systems within the CCRC. The C&AG has also agreed, where asked, to provide the Home Office and other relevant bodies with Regulatory Compliance Reports and other similar reports which the Home Office may request at the commencement of the audit and which are compatible with the independent auditor's role.

5.3 VFM examinations

5.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the CCRC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the CCRC shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

6. STAFF MANAGEMENT

6.1 General

6.1.1 Within the arrangements approved by the Home Office (OCJR) the CCRC shall have responsibility for the recruitment, retention and motivation of its staff not including Public Appointments. To this end the CCRC shall ensure that:

- (1) Its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- (2) the level and structure of its staffing, including gradings and numbers of staff, is appropriate to its functions and the requirements of efficiency, effectiveness and economy;
- (3) the performance of its staff at all levels is satisfactorily appraised and the CCRC's performance measurement systems are reviewed from time to time;
- (4) its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the CCRC's objectives;

- (5) proper consultation with staff takes place on key issues affecting them;
- (6) adequate grievance and disciplinary procedures are in place;
- (7) whistle blowing procedures consistent with the Public Interest Disclosure Act are in place;
- (8) code of conduct for staff is in place based on the Cabinet Office document *Model Code for Staff of Executive Non-Departmental Public Bodies*.

7. REVIEWING THE ROLE OF THE CCRC

7.1 The CCRC shall be reviewed every five years, in accordance with the Cabinet Office guidance on “lighter touch” reviews.

7.2 The next review of the CCRC will take place in the financial year 2006/07

JANUARY 2006

ANNEX A

CCRC/SPONSOR DEPARTMENT LIASION

What?	Who?	When?	Key Business
Liaison meetings	MJT Section Head/at least one CCRC Director. Other CCRC and Departmental staff as necessary	Monthly	Monthly financial reports and cash flow. Review Grant In Aid (GIA) profiles. Risk management. Procurement and appointments issues. Monitor performance against business plan including monthly casework statistics. Other issues as they arise.
Monitoring meeting	MJT Section Head/ all CCRC Directors, other relevant BTU, CCRC and HO staff	Quarterly (March, June, September, December)	<p>MARCH – final version of draft Business and Corporate Plans (to be submitted to Ministers by 31st March). Objectives costed – linked to OCJR; Commissioners pay settlement. 12 Monthly forecast and GIA profile agreed.</p> <p>JUNE – Statement of Accounts and draft Annual Report for submission to Ministers following Audit completed in May; Annual Report (for publication in July); revision of monthly profiles; [end of last year processing complete]; begin next year's budget process; risk management review; Statement of Internal Control and Annual Assurance Statement</p> <p>SEPTEMBER – update on budget allocation for next year; mid year review and budget adjustment; begin negotiation for staff pay review; begin to draft to update next year's Business and Corporate Plans.</p> <p>DECEMBER – performance against targets forecast and end year out turn; staff pay review finalised; begin members pay review; finalise draft Business and Corporate Plans for next year to HO Sponsor Unit. Any budget changes for Spring Supplementary.</p>
Departmental Committee meeting	OCJR Director/Head of BTU/Accounting Officer, all relevant senior CCRC and sponsoring department staff	Six monthly January and July	<p>January: End year forecasts and confirmation of next year's budget; draft business plan.</p> <p>July: End year processing; next year's budget; Annual Report.</p>
Health Check	CCRC Chairman/OCJR Dir General/PUSS/Minister,	June	Overall performance against targets; priorities for the coming year, Accounts/outturns



OFFICE FOR
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Criminal Justice System: working together for the public



FINANCIAL MEMORANDUM FOR THE CRIMINAL CASES REVIEW COMMISSION (CCRC)

CCRC

Criminal • Cases • Review • Commission

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INTRODUCTION

1. This financial memorandum, which forms part of the management statement for the CCRC, sets out in greater detail the financial framework within which CCRC is required to operate.
2. The terms and conditions set out in the combined management statement and financial memorandum may be supplemented by guidelines or directions issued by the Home Office (OCJR) in respect of the exercise of any individual functions, powers and duties of the CCRC.
3. The CCRC shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Home Office may from time to time impose.

CCRC'S INCOME AND EXPENDITURE - GENERAL

The Departmental Expenditure Limit (DEL)

4. The CCRC's current and capital expenditure form part of the Home Office's Resource DEL and Capital DEL respectively. Appendix B contains guidance on Resource Accounting and Budgeting.

Expenditure not proposed in the budget

5. The CCRC shall not, without prior written Home Office (OCJR) approval, enter into any undertaking to incur any expenditure which falls outside CCRC's delegations or which is not provided for in the CCRC's annual budget as approved by the Home Office (OCJR).

Procurement

6. The CCRC's procurement policies shall reflect Home Office policies and the Home Office Procurement Manual. The Home Office will provide to CCRC a statement of delegated authority for general procurement; any expenditure above this delegation requires Home Office approval. The CCRC shall also ensure that it complies with its legal obligations including those under the European Communities' Procurement rules and other international agreements. The CCRC shall ensure that its staff are aware of the Procurement Policy Guidelines (chapter 22 of Government of Accounting) and the guidance on procurement which is issued by the Office of Government Commerce.
7. Periodically and wherever practicable CCRC's procurement shall be benchmarked against best practice elsewhere.

Competition

8. Goods and services, including works, should be acquired by competition unless there are compelling reasons to the contrary. Proposals to let single-tender or restricted contracts shall be subject to a specified delegated authority and CCRC shall send to the Home Office after each financial year a report for that year giving details of any contracts let on a single-tender basis.

Value for Money

9. Procurement by CCRC of goods and services, including works, is to be based on value for money, having due regard to propriety and regularity. Value for money is the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement. Where appropriate, a full option appraisal shall be carried out and procurement strategy produced before procurement decisions are taken.

Separation of Duties

10. The CCRC shall ensure that the roles and responsibilities of staff with respect to procurement are clearly defined and that there is adequate and appropriate separation of duties. This should include separation of financial authority and purchasing authority, and if possible the segregation of duties within the purchasing cycle between staff that place orders, those who receive goods or services, and those who authorise payment. Separation of functions should be designed both to provide necessary safeguards against impropriety or unethical practice and to ensure achievement of value for money.

Purchasing Professional Services

11. Home Office [Ministerial] approval should be obtained prior to the commencement of procurement action in respect of: all non-competitive procurements of any external professional service with a likely value in excess of £50k; and all competitive procurements of any external professional service with a likely value in excess of £250k. The Home Secretary has requested that Ministers must always be notified of requirements to purchase professional services if the value is likely to exceed £50k. CCRC shall consult the sponsor unit in cases where the procurement could be regarded as contentious, novel, sensitive, unduly complex or any other cases that are judged to require such consideration. See Home Office Notice 41/2003.

Procurement Structure

12. The CCRC will operate within the framework document agreed with the Home Office Commercial Directorate which sets out its procurement structure, organisation, processes, control mechanisms and the circumstances under which it would be appropriate to consult with CAPU.

13. CAPU has the right of procurement audit and inspection.

Timeliness in paying bills

14. The CCRC shall collect receipts and pay all matured and properly authorised invoices in accordance with the terms of contracts or within 30 days, as provided for in Annex 16.2 of Government Accounting. The CCRC shall comply with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended.

Novel, contentious or repercussive proposals

15. CCRC shall obtain the approval of the Home Office before:

- incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Home Office;
- making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required.

Risk management

16. The CCRC shall ensure that the risks, which CCRC face are dealt with in an appropriate manner, in accordance with the Treasury guidance Management of Risk: A Strategic Overview and the Home Office Guide: Risk Management – a practice guide from the Home Office.

17. The CCRC shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with Treasury's guide Managing the Risk of Fraud.

18. The CCRC shall take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.

Wider markets

19. In accordance with the wider markets policy the CCRC shall seek to maximise receipts from non-Exchequer sources provided that this is consistent with (a) CCRC's main functions (b) its corporate plan as agreed with the Home Office.

Fees and charges

20. Fees or charges for any services supplied by the CCRC shall be determined in accordance with the Treasury's Fees and Charges Guide, and with the Freedom of Information Act.

CCRC'S INCOME

Grant-in-aid

21. Grant-in-aid will normally be paid to the CCRC in monthly installments, on the basis of a written application from CCRC showing evidence of need and supported by a cash flow forecast. The application shall certify that the conditions applying to the use of grant in aid have been observed to date and that further grant in aid is now required for purposes appropriate to CCRC's functions.

22. The CCRC should have regard to the guidance in DAO (GEN) 14/01 and to the general principle enshrined in Government Accounting that it should seek grant-in-aid according to need.

23. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept at the minimum level consistent with the efficient operation of the CCRC. Grant-in-aid not drawn down by the end of the year shall lapse. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, the Home Office will make available in the next financial year - subject to approval by Parliament of the relevant Estimates provision - any such grant-in-aid which is required to meet any liabilities at year end, such as creditors.

End-year flexibility

24. As set out in PES (2000)25, the Home Office will aim to set firm multi-year plans and cascade end-year flexibility (EYF) on budgets where possible, however, EYF for NDPBs is determined by their Sponsor Directorate and is not automatic. Notwithstanding the above the Home Office will aim to apply the following principles:

- agree, ahead of the year in question, a rolling three-year budget, fixed for at least the first year and with indicative amounts for subsequent years;
- decide at that point CCRC's likely entitlement to EYF against the overall Home Office position (having regard to any loss of EYF as a result of Home Office Expenditure Limit (DEL) Reserve claims made by the Home Office) and Ministerial priorities;
- adjust (if necessary) and confirm the amount of EYF when accurate information is available in the Public Expenditure Outturn White Paper, taking account of outturn and of any DEL Reserve claims which might limit the EYF entitlement of the Home Office itself.

Unused grant in aid does not determine EYF.

Receipts from sale of goods and services

25. Receipts from the sale of goods and services are generally classified as negative public expenditure in national accounts and are therefore normally offset against DEL. If

there is any doubt about the correct classification of a receipt CCRC should consult the Home Office.

Fines, taxes and other receipts

26. These specific receipts are not classified as negative public expenditure and are either surrendered or retention requires formal Home Office approval to facilitate additional DEL expenditure cover or a grant in aid reduction. If there is any doubt about the correct treatment CCRC should consult the Home Office (OCJR).

Interest earned

27. Any interest earned on cash balances arising from grant-in-aid or other Exchequer funds shall be treated as a receipt from an Exchequer source requiring a commensurate reduction of grant-in-aid and will be required to be surrendered to the Consolidated Fund via the Home Office.

Unforecast changes in in-year income

28. If the negative DEL income realised or expected to be realised in-year is less than estimated, the CCRC shall, unless otherwise agreed with the Home Office, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded.

29. If the negative DEL income realised or expected to be realised in the year is more than estimated, the Board may apply to the Home Office to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The Home Office shall consider such applications, taking account of competing demands for resources. If an application is refused any grant-in-aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the Exchequer via the Home Office (OCJR). (These arrangements are subject to the provisions set out under the heading Disposal of assets below.)

Build-up and draw-down of deposits

30. The CCRC shall comply with the rules regarding DEL expenditure, and shall ensure that it has the necessary DEL provision for any expenditure financed by drawdown of deposits.

Proceeds from disposal of assets

31. Disposals of land and buildings are dealt with in paragraphs 76-78 below.

Gifts and bequests received

32. The CCRC is free to retain any gifts, bequests or similar donations. These shall be treated as negative DEL. Donated assets do not attract a cost of capital charge, and a release from the donated assets reserve should offset depreciation in the operating cost statement

33. Before proceeding in this way the CCRC shall consider if there are any associated costs in doing so or any conflicts of interests arising. The CCRC shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

Receipts from the EC

34. Receipts from the European Community (if retained by the Home Office/CCRC do not provide additional DEL spending power for the CCRC. Such receipts benefit the 'EC net payments' line in the Home Office's AME total.

Consolidated Fund Extra Receipts (CFERs)

35. Normally receipts have to be surrendered to the Treasury via the Home Office as CFERs by means of a reduction in grant in aid unless they have been generated from the business of the CCRC and they have been specifically agreed by the Home Office to be retained by the CCRC.

Borrowing

36. The CCRC shall not borrow money unless authorised to do so (whether generally or specifically) by the Home Secretary.

EXPENDITURE ON STAFF

Staff costs

37. Subject to its delegated budgetary levels of authority the CCRC shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

Chairs, Members and Senior Staff

38. This section covers the remuneration of Chairs and Commissioners and the salary of any staff who it is proposed to pay a package greater than that of a Commissioner.

39. Remuneration or salary packages for this group will require explicit justification and Home Office approval to ensure consistency in the approach to remuneration across the Home Office group, and to prevent any risk of "leap-frogging" of salaries and bonus packages.

40. Each proposal must be approved by The Sponsor Unit who should, in all cases seek the advice of the Sponsors Advisory Team (SAT) and the Group HR Director. Each proposal must be, as a minimum, benchmarked within Home Office NDPBs and fully justified. Once a proposal has been agreed by SAT and HR it should be submitted by the Sponsor Unit through the Permanent Secretary to Ministers for approval. The CCRC has no delegated power to agree remuneration or salary levels for this group although they may, of course, submit proposals for consideration. The requirement for approval includes the payment of performance-related or other bonuses.

41. Sufficient time should be allowed for the Home Office to give approval for a proposed package. Retrospective approval will not be agreed. The Sponsor Unit and the CCRC should therefore agree with the Home Office a range or remit for pay for a member of staff, Chair or Commissioner before entering into negotiations with the individual concerned.

42. The policy on the re-imbusement of travel expenses of Commissioners shall be approved by the Home Office.

Pay and conditions of service – other staff

43. The Home Office [HR in consultation with Sponsor Units and the Sponsors Advisory Team] has an assurance role to ensure that NDPBs have appropriate and complete strategies in place that are consistent with Home Office HR strategy, and have sufficient competency to manage the HR function, and will periodically carry out research to validate these. The staff of CCRC, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including Superannuation) approved by the Home Office. The CCRC should not vary or amend these strategies or the overarching terms and conditions or overall staff numbers without prior Home Office (OCJR) approval although the CCRC may vary individual terms and conditions providing they do not breach the overall approval and the CCRC and can meet the commitment from its existing resource. Significant changes to pay and grading arrangements, including pay award remits, will require a business case to be submitted as per the guidance issued from time to time by the Home Office's HR Policy and Employment Relations Unit. Pay remits require ministerial approval and this will be sought by Home Office officials when a satisfactory business case has been agreed at official level.

44. The CCRC shall operate an appropriate performance-related pay scheme, which shall form part of the annual aggregate pay budget approved by the Home Office.

Pensions; redundancy/compensation

45. The CCRC's staff, other than public appointees, shall normally be eligible for a pension provided by membership of the Principal Civil Service Pension Scheme (PCSPS)

46. Staff may opt out of the occupational pension scheme provided by the CCRC. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall [normally] be limited to the National Insurance rebate level.

47. Any proposal by the CCRC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the Home Office. Proposals on severance payments must comply with DAO (GEN) 04/02.

48. Public appointees are not entitled to enter the PCSPS but will normally be offered an individual pension arrangement that is Broadly by Analogy with the PCSPS [DAO (GEN) 10/04 provides the full guidance relating to Public Appointee pension arrangements]. Individual schemes are set up by the Sponsor Unit in liaison with the Treasury, Inland Revenue, GAD and the Pension Administrator. Liability for the payment of the pension rests with the CCRC.

NON-STAFF EXPENDITURE

Capital expenditure

49. Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis. Expenditure to be capitalised shall include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.

50. From time to time the Home Office will introduce new procedures and policies for dealing with capital expenditure of which CCRC will be required to comply with.

51. Any major asset or assets with an initial procurement cost, or total life contract value of £40M or more requires Home Office Group Investment Board's [GIB] approval. A Gateway 1 review must be carried out before a project can be considered by GIB. CCRC should consult the Home Office for any projects below £40M total life cost where they are either novel and contentious or represent a significant commitment in the context of CCRC's overall delegation.

52. In the context of Para 51, within its approved overall resources limit the CCRC shall have delegated authority to spend up to that limit which is delegated by the Home Office on any individual capital project or acquisition, pending the agreement, with Commercial Directorate, of the framework setting out the Commission's procurement structure etc. (paragraph 12 refers). Beyond that delegated limit, the Home Office's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

Transfer of funds within budgets

53. Unless financial provision is subject to specific Home Office or Treasury controls (e.g., where provision is ring-fenced for specific purposes), the following applies:

- transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need Home Office approval.
- Transfers from resource to capital may be allowed but the case must be made and Home Office approval sought

- Transfers from capital to resource budgets are not allowed.

Lending, guarantees, indemnities; contingent liabilities; letters of comfort

54. The CCRC shall not, without the Home Office's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in chapter 26 of Government Accounting), whether or not in a legally binding form.

55. Any financial guarantees and indemnities given by the CCRC must be adequately covered against undrawn resources.

Grant or loan schemes

56. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, shall be subject to prior approval by the Home Office, together with the terms and conditions under which such grant or loan is made. If grants or loans are to be made under a continuing scheme statutory authority is likely to be required.

57. The terms and conditions shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by the CCRC, the Home Office and the C&AG.

58. See also below under the heading Recovery of grant-financed assets.

Gifts made, write-offs, losses and other special payments

59. Proposals for making gifts or other special payments (including write-offs) outside the delegated limits set out in Appendix A to this document must have the prior approval of the Home Office.

60. Gifts to staff are subject to the requirements of DAO (GEN) 13/01 and the associated Cabinet Office guidance on non-pay rewards.

Leasing

61. Prior Home Office approval must be secured for all property and finance leases. The CCRC must have capital DEL provision for finance leases and other transactions, which are in substance borrowing.

62. Before entering into any lease (including an operating lease) The CCRC shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

63. The CCRC shall seek opportunities to enter into Public/Private Partnerships where this would be more affordable and offer better VFM than conventional procurement. Where cash

flow projections may result in delegated spending authority being breached CCRC shall consult the Home Office.

64. Any partnership controlled by the CCRC shall be treated as part of the CCRC in accordance with UK GAAP and consolidated with it [subject to any particular treatment required by UK GAAP]. Where the judgment over the level of control is a close one the Home Office will consult the Treasury (who may need to consult with the Office of National Statistics over national accounts treatment).

Voluntary and Community Sector

65. The Government is committed to partnership working with the voluntary and community sector (VCS). CCRC should consider what opportunities exist for engaging with the sector, to help CCRC deliver its objectives and targets.

Recovery of grant-financed assets

66. Where the CCRC has financed expenditure on capital assets by a third party, the CCRC shall make appropriate arrangements to ensure that any such assets are not disposed of by the third party without the Authority's prior consent.

67. The CCRC shall therefore ensure that such repayment conditions are sufficient to secure the repayment of the whole or part of the proceeds of the sale, in order that funds may be surrendered to the Home Office.

Subsidiary companies and joint ventures

68. The CCRC shall not establish subsidiary companies or joint ventures without the express approval of the Home Office. In judging such proposals the Home Office will have regard to the Home Office's wider strategic aim[s] objective and current Public Service Agreement.

69. Any subsidiary company or joint venture controlled or owned by the CCRC shall be consolidated with it in accordance with UK GAAP for public expenditure accounts purposes [subject to any particular treatment required by UK GAAP]. Where the judgment over the level of control is a close one the Home Office will consult the Treasury (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the Home Office and the Treasury, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this management statement and financial memorandum, and to the further provisions set out in supporting documentation.

Financial investments

70. The CCRC shall not make any investments in traded financial instruments without the prior written approval of the Home Office.

Unconventional financing

71. Unless otherwise agreed with the Home Office, the CCRC shall not enter into any unconventional financing arrangement.

Commercial insurance

72. The CCRC shall not take out any insurance without the prior approval of the Home Office, other than third party insurance required by the Road Traffic Acts and any other insurance which is a statutory obligation or which is permitted in paragraph 30.4.2 of Government Accounting

73. In the event of a major loss or third-party claim, the Home Office (OCJR) shall consider an appropriate addition to CCRC's budget out of the Home Office's/OCJR's funds and/or adjustment to CCRC's targets..

74. The CCRC has a certificate of exemption from Employers Liability Insurance, as set out in the provisions of Para 1 of Schedule 2 of the Employers Liability (Compulsory Insurance) Regulations 1998.

MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Register of assets

75. The CCRC shall maintain an accurate and up-to-date register of its fixed assets.

Disposal of assets

76. The CCRC shall dispose of assets, which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. High value assets shall be sold by auction or competitive tender unless otherwise agreed by the Home Office, and in accordance with Government Accounting, Chapter 24.

77. The CCRC may normally retain receipts derived from the sale of assets provided that:

- (i). they are used to finance other capital spending;
- (ii). the Home Office receives prior notification of any significant individual sales; and
- (iii). total sales in any financial year do not exceed 3% of CCRC's grant-in-aid (see PES (98)5).

78. If, notwithstanding the above, the CCRC disposes of assets which have been purchased, improved or developed with Exchequer funds and the receipts amount to more than £1 million, or where the disposal has unusual features of which Parliament should be aware, Parliamentary approval shall be secured for the receipts to be reinvested. The receipts shall therefore be surrendered to the Home Office, which shall then submit an Estimate seeking approval for the receipts to be appropriated in aid by the Home Office and

for a corresponding increase in CCRC's grant in aid. If the proposed new investment exceeds CCRC's relevant delegated authority the Home Office's approval will be needed. If the proposed new investment is novel or contentious the Treasury's approval will be also needed.

79. If the criteria in paragraph 74 above are not met, any receipts shall be dealt with in line with the rules on surplus in-year receipts (paragraph 31 above).

BUDGETING PROCEDURES

Setting the annual budget

80. Each year, in the light of decisions by the Home Office on the CCRC's updated draft corporate plan (Section 4.1 of the Management Statement), the Home Office will send to the CCRC:

- a formal statement of the annual budgetary provision allocated by the Home Office in the light of competing priorities across the Home Office and of any forecast income approved by the Home Office (OCJR), identifying the Resource DEL, Capital DEL and Grant in Aid under suitable Resource headings. Resource DEL and Capital DEL are the main methods of budgetary control whereas Grant in Aid is purely for financing purposes;

and

- a statement of any planned change in policies affecting the CCRC.

81. The CCRC's approved annual business plan will take account both of its approved funding provision, and will include a budget of estimated draw-down of any Home Office (OCJR) funding over the year.

82. Any grant-in-aid provided by the Home Office (OCJR) for the year in question will be voted in the Home Office's Estimate and will be subject to Parliamentary control.

General conditions for authority to spend

83. Once the CCRC's budget has been approved by the Home Office (OCJR), the CCRC shall have authority to incur expenditure approved in the budget without further reference to the Home Office (OCJR), on the following conditions:

- The CCRC shall comply with the delegations issued annually by the Sponsor Unit. These delegations shall not be altered without the prior agreement of the Home Office (OCJR);
- The CCRC shall comply with the conditions set out in paragraph 15 above regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in CCRC's budget shall not remove the need to seek formal Home Office (OCJR) approval

where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;

- The CCRC shall provide the Home Office (OCJR) with such information about its operations, performance individual projects or other expenditure as the Home Office (OCJR) may reasonably require (paragraph 84 below).

Providing monitoring information to the Home Office

84. The CCRC shall provide the Home Office (OCJR) with, information on a monthly basis, which will enable the satisfactory monitoring by the Home Office (OCJR) of:

- The CCRC's cash management;
- its draw-down of any grant-in-aid;
- actual and budget for the month and year to date by resource and capital headings
- forecast outturn by resource headings;
- budget variances
- other data required for the Government Expenditure Monitoring Systems.
- information for consolidation of the CCRC's resource and capital outturn and budgets into the Home Office financial system

BANKING

Banking arrangements

85. The CCRC's Accounting Officer is responsible for ensuring that the CCRC's banking arrangements are in accordance with the requirements of Government Accounting and the Treasury guidance document Departmental Banking: a Manual for Government Departments. In particular he/she shall ensure that the arrangements safeguard public funds and are carried out efficiently, economically and effectively.

86. He/she shall therefore ensure that:

- these arrangements are suitably structured and represent value-for-money, and are reviewed at least every two years, with a comprehensive review, usually leading to competitive tendering, at least every three to five years;
- sufficient information about banking arrangements is supplied to the Home Office's Accounting Officer to enable the latter to satisfy his/her own responsibilities (Section 3.6 of the Management Statement);

- The CCRC's banking arrangements shall be kept separate and distinct from those of any other person, or organisation;
- adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

Relevant documents

87. The CCRC shall comply with the following general guidance documents:

- this document (both the management statement and the financial memorandum);
- Government Accounting, including in particular the Accounting Officer Memorandum for NDPB's (reproduced in Chapter 8 of Government Accounting);
- Non-Departmental Public Bodies - a Guide for Departments, issued by the Cabinet Office;
- Government Internal Audit Standards, issued by the Treasury;
- Managing the Risk of Fraud, issued by the Treasury;
- Executive NDPBs - Annual Reports and Accounts Guidance, issued by the Treasury;
- the Fees and Charges Guide, issued by the Treasury;
- Departmental Banking: A Manual for Government Departments, issued by the Treasury;
- relevant Dear Accounting Officer letters;
- Regularity and Propriety, issued by the Treasury;
- the Consolidation Officer Memorandum, issued by the Treasury;
- relevant Dear Consolidation Officer letters;
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- Freedom of Information guidance

- Euro preparation issued by the Home Office
- other relevant instructions and guidance issued by the Home Office;
- specific instructions and guidance issued by the Home Office;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, which have been accepted by the Government and which are relevant to the CCRC.

REVIEW OF FINANCIAL MEMORANDUM

88. This financial memorandum will normally be reviewed at least every three years or following a review of CCRC's functions as provided for in paragraph 11 of the management statement.

89. The Treasury will be consulted on any significant variation proposed to this financial memorandum and the associated management statement.

January 2006

Appendix A

Delegation of Write-offs and Losses

The Home Office has delegated to the CCRC the authority to write off cash and stores losses up to £20,000, which are within the Home Office's authority as specified in paragraph 18.2.4 of Government Accounting.

Other items specified in the above paragraph, such as errors on grant payments, inadequate service charges, waiver of claims and special payments require the approval of H M Treasury, via the Home Office, regardless of the amount.

Appendix B

Resource Accounting and Budgeting Guidance

1. Introduction

1.1 This Appendix provides a précis of Resource Accounting and Budgeting rules that are set out in detail in the Resource Accounting Manual and the Executive NDPBs Annual Reports and Accounts Guidance, which are on the H M Treasury website.

1.2 All information, including bids, budgets, monthly reports and annual accounts, must be presented on a Resource basis and include the following: -

- Accruals and prepayments
- Non-cash costs such as depreciation, cost of capital, impairment of fixed assets and profit/loss on disposal of fixed assets
- Increases/reductions in provisions and utilisation of provisions by payment
- Modified Historical Cost Accounting (MHCA), particularly for fixed assets

All accounting policies must follow UK Generally Accepted Accounting Practice (GAAP).

2. Budget Preparation and Delegation

2.1. Budgetary bids will be submitted to the Sponsor Unit in accordance with an agreed timetable in the format specified. They must be presented under suitable headings and reconcile to a total for Resource DEL, Capital DEL and the Net Cash Requirement, with the latter being the Grant in Aid bid.

2.2. The Home Office (OCJR) will determine the allocations in the light of Departmental priorities and the NDPB's corporate plan and aims and objectives. The budget will be formally delegated by the Home Office (OCJR) Sponsor Unit before the commencement of the financial year under suitable headings.

2.3. The Chief Executive (Accounting Officer) will make further delegations to members and staff of the NDPB.

3. Budgetary Control

3.1. The Resource DEL and Capital DEL are the sole methods of budgetary control. Grant in Aid is purely for financing to support the cash flow of the NDPB.

3.2. The NDPB shall submit monthly reports of actual, budget and forecast annual outturn as compared with the annual budget in an agreed format. Explanations must be supplied of significant variances.

3.3. Further information will be supplied in an agreed format for updating the central Home Office finance records.

4. Accounting Policies: Balance Sheet

4.1. Fixed Assets

4.1.1. There must be a clear definition of capital expenditure that has been agreed by the NAO and the Sponsor Unit, together with a de minimis limit that is reasonable in relation to the level of capital expenditure.

4.1.2. Fixed assets must be measured at the lower of depreciated replacement cost and recoverable amount. Impairment occurs when the recoverable amount falls below the carrying net balance and results in a charge to the Income and Expenditure Account. Fixed assets should be re-valued at least annually by reference to the appropriate table issued by the Office for National Statistics and should be applied to both the gross book value and the accumulated depreciation. The net surplus should be credited to the Revaluation Reserve but reductions should be charged to the Income and Expenditure Account when they fall below historic cost. Land and buildings should be professionally re-valued at least every 5 years.

4.1.3. Depreciation should be calculated on a straight-line basis by reference to lives as agreed with NAO.

4.2 Current Assets

4.2.1. Stocks should normally be valued at cost except when their value has fallen, because of lack of use, deterioration etc., when they should be reduced to the net recoverable amount.

4.2.2. Debtors are goods and services delivered before the period end but not yet paid. The amount should be reduced for bad and doubtful debts.

4.2.3. Prepayments are payments or recorded costs that relate to a later period than the one covered and should be apportioned to the correct period as appropriate.

4.2.4. Cash and bank balances should be as shown in the accounting records not the bank statements.

4.3 Liabilities

4.3.1. These should be analysed between amounts due for payment within one year and due later.

4.3.2. They include creditors and accruals for goods and services that have been delivered before the period end.

4.3.3. A provision should be recognised when an obligation exists as a result of a past event and a reliable estimate can be made of the amount.

5. Taxpayers' Equity

5.1. This is made up of the following which equals the net value of the total net assets/liabilities: -

- Income and Expenditure Account as adjusted for the reversal of cost of capital and for the transfer of non-cash fixed asset costs to the Government Grant Reserve
- Revaluation Reserve for the surplus on fixed assets re-valuations and actuarial gains and losses on pensions
- Donated Assets Reserve against which the depreciation on these assets should be charged but there is no cost of capital charge
- Government Grant Reserve which is credited with the capital grant in aid received and charged with the transfer of non-cash fixed assets costs from the Income and Expenditure Account

6. Accounting Policies: Income and Expenditure Account

6.1. Grant in aid shall be the actual cash received in the period and no adjustment should be made for debtors, creditors or deferred grant.

6.2. Other grants can be treated on an accruals basis as agreed with the sponsor.

6.3. All other income must be treated on an accruals basis.

6.4. Programme costs include grants made to third parties to carry out a programme of work independently of the NDPB but under its supervision.

6.5. All other costs are treated as administration costs and are normally analysed between pay and non-pay costs and must be recorded on an accruals basis.

6.6. Non-cash costs include the following: -

- Depreciation which is charged on a straight-line basis. See paragraph 4.1.3.
- Profit/loss on the disposal of fixed assets

- Impairment of fixed assets.
- Downward re-valuation of fixed assets below historic cost.
- Cost of capital charge that is calculated at the H M Treasury standard rate (currently 3.5% per annum) on all net assets and can be a credit if there are net liabilities. It is acceptable to base this on the average annual figures unless more detailed information is available.

7. Financial Statements

7.1. These must follow the format as contained in the Executive NDPBs Annual Reports and Accounts Guidance, which is on the H M Treasury website – [www.hm-treasury.gov.uk/A-Z/N/Executive NDPBs](http://www.hm-treasury.gov.uk/A-Z/N/Executive%20NDPBs).

7.2. The financial statements must contain the following: -

- Foreword
- Statement of Accounting Officer's Responsibilities
- Statement on Internal Financial Control
- Income and Expenditure Account
- Statement of Recognised Gains and Losses
- Balance Sheet
- Cash Flow Statement
- Notes

Appendix C

Procurement - Relationship with Home Office Commercial Directorate

This will be in accordance with the delegation letter issued annually by the Home Office Commercial Directorate.

Signed on behalf of the Home Office (Office For Criminal Justice Reform)



Mark de Pulford
Head of Better Trials Unit

Signed on behalf of the Criminal Cases Review Commission



Professor Graham Zellick
Chairman



Colin Albert
Accounting Officer