

FINANCIAL MEMORANDUM FOR EXECUTIVE NDPBS

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I. INTRODUCTION

1. This financial memorandum, which forms part of the management statement for the NDPB, sets out in greater detail certain aspects of the financial framework within which the NDPB 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 Secretary of State in respect of the exercise of any individual functions, powers and duties of the NDPB.
3. The NDPB shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Secretary of State may from time to time impose.

III. THE NDPB'S INCOME AND EXPENDITURE - GENERAL

The Departmental Expenditure Limit (DEL)

4. The NDPB's current and capital expenditure form part of the sponsoring Department's Resource DEL and Capital DEL respectively.

Expenditure not proposed in the budget

5. The NDPB shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside the NDPB's delegations or which is not provided for in the NDPB's annual budget as approved by the Department.

Procurement

6. The NDPB's procurement policies shall reflect guidance from the Office of Government Commerce including *Procurement Policy Guidelines*. The NDPB shall also ensure that it complies with any relevant EU or other international procurement rules.
7. Periodically and wherever practicable the NDPB's procurement shall be benchmarked against best practice elsewhere and contracted out where this would achieve better value for money.

Competition

8. Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
9. Proposals to let single-tender or restricted contracts shall be subject to a specified delegated authority, and the NDPB shall send to the Department after each financial year a report for that year explaining any contracts above [£...] in which competitive tendering was not employed. *[Append details of the evidence needed to support a case by the NDPB for an increase in the delegated limit]*

Value for money

10. Procurement by the NDPB of works, equipment, goods and services shall be based on value for money, ie quality (in terms of fitness for purpose) and delivery against price. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness In paying bills

11. The NDPB 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 NDPB 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. [NOTE: The 1998 Act allows creditors to claim statutory interest and compensation on late payment of commercial debts.]

Novel, contentious or repercussive proposals

12. The NDPB shall obtain the approval of the Department 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 Department;
 - making any change of policy or practice which has wider financial implications (eg because it might prove repercussive among other public sector bodies) or which

might significantly affect the future level of resources required.

Risk management

13. The Agency shall ensure that the risks which it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: A Strategic Overview*.
14. The NDPB 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*.
15. The NDPB 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 or to give grant or grant-in-aid.

Wider markets

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

Fees and charges

17. Fees or charges for any services supplied by the NDPB shall be determined in accordance with the Treasury's *Fees and Charges Guide*, and with the Freedom of Information Act when brought into effect.

II. THE NDPB'S INCOME

Grant-in-aid

18. Grant-in-aid will [normally] be paid to the NDPB in [monthly] instalments, on the basis of a written application from the NDPB showing evidence of need. 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 the NDPB's functions.
19. The NDPB should have regard to the guidance in DAO(GEN)14/01 and to the general principle enshrined in chapter 9 of *Government Accounting* that it should seek grant-in-aid according to need.

20. 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 NDPB. 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 Department 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

21. As set out in PES(2000)25, the Department will aim to set firm multi-year plans and cascade end-year flexibility (EYF) on budgets where possible. In particular, the Department will aim to:
- 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 the NDPB's likely entitlement to EYF against the overall Departmental position (having regard to any loss of EYF as a result of Departmental Expenditure Limit (DEL) Reserve claims made by the Department) and Ministerial priorities, on the presumption that at least 80% of any underspend by the NDPB that represents slippage (as opposed to eg initial overprovision or abandonment of a project or programme) will normally be available for carryover in the area where it has arisen;
 - 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 Department itself.

[NOTE: Unused grant-in-aid does not determine EYF. This is because grant-in-aid is outside the sponsoring department's DEL budget and merely contributes to the cash-financing mechanism for an NDPB. What hits the department's DEL budget is the actual spending of the NDPB in resource terms, whether or not financed by grant-in-aid. (Further details can be found in the SR2002 guidance: Annex C, on detailed budgeting rules.) It is therefore the NDPB's underspending in resource terms which generates the DEL EYF and which the department will aim to cascade down to the NDPB.]

Receipts from sale of goods or services

22. Receipts from the sale of goods and services (including certain licences where there is a significant degree of service to the individual applicant), rent of land, and dividends are classified as negative public expenditure in national accounts and are therefore normally offset against the DEL (ie, they provide additional DEL spending power).
23. If there is any doubt about the correct classification of a receipt the NDPB shall consult the Department, who will consult the Treasury as necessary.

Fines, taxes and other receipts

24. Most fines and most taxes (including levies and some licences) are not negative public expenditure and do not provide additional DEL spending power. Such receipts shall either be surrendered to the Department or, if retained, shall either reduce the need for grant-in-aid or, if used to finance additional expenditure by the NDPB, shall require additional DEL cover from the Department.

Interest earned

25. Any interest earned by the NDPB on its assets shall be given the same budgeting treatment as the cost of capital charge on the assets.
26. Under SR2002 budgeting rules (which operate from 2003-04), the cost of capital charge and any interest receipts on most DEL financed assets score as resource DEL.
27. If the receipts are used to finance additional expenditure by the NDPB, the Department will need to ensure it has the necessary DEL cover. 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. Depending on the budgeting treatment of this receipt, and its impact on the NDPB's cash requirement, it may lead to commensurate reduction of grant-in-aid or be required to be surrendered to the Consolidated Fund via the Department.

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 NDPB shall, unless otherwise agreed with the Department, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded. [NOTE: For example, if an NDPB is allocated £100

resource DEL provision by its parent Department and expects to receive £10 of negative DEL income, it may plan to spend a total of £110. If income (on an accruals basis) turns out to be only £5 the NDPB will need to reduce its expenditure to £105 to avoid breaching its budget. If the NDPB still spends £110 the parent Department will need to find £5 of savings from elsewhere within its total DEL to offset this overspend.]

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 Department to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. the Department shall be 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 sponsor Department. (These arrangements are subject to the provisions set out under the heading *Disposal of assets* below.)

Build-up and draw-down of deposits

30. *[If the NDPB is in the central government sector:]* The NDPB shall comply with the rules that any DEL expenditure financed by the draw-down of deposits counts within DEL and that the build-up of deposits may represent a saving to DEL (if the related receipts are negative DEL in the relevant budgets).
31. *[If the NDPB is a public corporation:]* The NDPB shall comply with the normal budgeting rules for a public corporation. [NOTE: As a result of SR2002, amended rules apply to public corporations in respect of 2003-04 onwards.]
32. The NDPB shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

Proceeds from disposal of assets

33. Disposals of land and buildings are dealt with in Section VI below.

Gifts and bequests received

34. The NDPB is free to retain any gifts, bequests or similar donations. These shall be treated as receipts. [NOTE: 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.]

35. Before proceeding in this way the NDPB shall consider if there are any associated costs in doing so or any conflicts of interests arising. The NDPB 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

36. Receipts from the European Community (if retained by the Department/NDPB) do not provide additional DEL spending power for the NDPB. [NOTE: Such receipts benefit the 'EC net payments' line in the Department's AME total.]

Borrowing

37. The NDPB shall observe the rules set out in Section 29.5 of *Government Accounting* when undertaking borrowing of any kind. The NDPB shall seek the approval of the Department to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long term private sector or foreign borrowing is subject to the value for money test in *Government Accounting*.
38. *[If the NDPB is in the central government sector:] [Set out the arrangements....]* [NOTE: Any expenditure by the NDPB financed by borrowing counts in DEL (provided that is the normal budgeting treatment for such expenditure).]
39. *[If the NDPB is a public corporation:]* Long-term borrowing from the private sector shall not be allowed. Short-term working capital facilities shall be permitted only with Departmental and Treasury approval. [NOTE: Under SR2002 budgeting rules (which operate from 2003-04), borrowing from the Department will impact on the Department's capital DEL. Borrowing from the private or overseas sector is not allowed.]

Reserves

40. No grant or grant-in-aid shall be paid into any reserve held by the NDPB. Funds in any reserve may be a factor for consideration when grant-in-aid is determined.

IV. EXPENDITURE ON STAFF

Staff costs

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

Pay and conditions of service

42. The staff of the NDPB, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) [within the general pay structure] approved by the Department [and the Treasury]. [The NDPB has no delegated power to amend these terms and conditions.]
43. [EITHER: Civil Service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the NDPB's staff and to any other party entitled to payment in respect of travelling expenses or other allowances. Payment shall be made in accordance with the Civil Service Management Code except where prior approval has been given by the Department to vary such rates.]

[OR: Current terms and conditions for staff of the NDPB are those set out in its Employee Handbook. The NDPB shall provide the Department with a copy of the Handbook and subsequent amendments.]
44. The travel expenses of Board Members shall be tied to [the rates allowed to senior staff of the NDPB] [Departmental rates]. Reasonable actual costs shall be re-imbursed.
45. The NDPB shall operate a performance-related pay scheme which shall form part of [the annual aggregate pay budget approved by the Department] [the general pay structure approved by the Department and the Treasury].
46. The NDPB shall comply with the EU directive on contract workers ["Fixed Term Employees Regulations (Prevention of Less Favourable Treatment")].

Pensions; redundancy/compensation

47. The NDPB's staff shall normally be eligible for a pension provided by [insert one of the following]:

- membership of the Principal Civil Service Pension Scheme (PCSPS)
 - admittance to the Local Government Pension Scheme (LGPS)
 - their own scheme [stating whether it is an unfunded by-analogy, or funded defined benefit or defined contribution]
 - no occupational provision apart from stakeholder but membership of S2P, the state second pension (prior to 6 April 2002 the state earnings related pension scheme (SERPS)).
 - [if the NDPBs' arrangements does not fit one of the above listed categories, set out the agreed arrangement].
48. Staff may opt out of the occupational pension scheme provided by the NDPB. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall [normally] be limited to the national insurance rebate level. [NOTE: The exception is for NDPBs covered by the PCSPS Partnership arrangement, and for NDPBs with PCSPS by-analogy versions, where a contribution regime has been agreed. NDPBs with other pension arrangements who are considering contributing to a stakeholder-type arrangement where staff opt out must consult HM Treasury with a formal proposal based on actuarial advice.]
49. Any proposal by the NDPB to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the Department. Proposals on severance payments must comply with DAO(GEN) 04/02.

V. NON-STAFF EXPENDITURE

Capital expenditure

50. 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.

51. Proposals for large-scale individual capital projects or acquisitions will normally be considered within the NDPB's corporate planning process. Applications for approval by the Department [and if necessary the Treasury] shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the Board. Regular reports on the progress of projects shall be submitted to the Department.
52. Within its approved overall resources limit the NDPB shall, as indicated in the attached Appendix on delegations, have delegated authority to spend up to [£...] on any individual capital project or acquisition. Beyond that delegated limit, the Department's prior authority must be obtained before expenditure on an individual project or acquisition is incurred. *[Append details of the evidence needed to support a case by the NDPB for an increase in the delegated limit.]*

Transfer of funds within budgets

53. Unless financial provision is subject to specific Departmental or Treasury controls (eg, where provision is ring-fenced for specific purposes), transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need Departmental approval. [NOTE: Under SR2002 budgeting rules (which operate from 2003-04) transfers from capital to resource budgets are not allowed.]

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

54. The NDPB shall not, without the Department'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 NDPB under Section ... of the founding Act 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 Department, 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. *[Append details of the*

evidence needed to support a case by the NDPB for an increase in the delegated limit.]

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 NDPB, the Department 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 the Appendix to this document must have the prior approval of the Department. *[Append details of the evidence needed to support a case by the NDPB for an increase in the delegated limit]*
60. Gifts by management 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 Departmental approval must be secured for all property and finance leases. The NDPB must have capital DEL provision for finance leases and other transactions which are in substance borrowing (paragraphs 38-39 above).
62. Before entering into any lease (including an operating lease) the NDPB shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

63. The NDPB shall seek opportunities to enter into Public/Private Partnerships where this would be more affordable and offer better value for money than conventional procurement. Where cash flow projections may result in delegated spending authority being breached the NDPB shall consult the sponsor Department.
64. Any partnership controlled by the NDPB shall be treated as part of the NDPB 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 Department will consult the Treasury (who may need to consult with the Office of National Statistics over national accounts treatment).

Subsidiary companies and joint ventures

65. The NDPB shall not establish subsidiary companies or joint ventures without the express approval of the Department. In judging such proposals the Department will have regard to the Department's wider strategic aim[s] objective and current Public Service Agreement.
66. Any subsidiary company or joint venture controlled or owned by the NDPB 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 Department will consult the Treasury (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the Department 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

67. *[Unless specifically provided for:]* The NDPB shall not make any investments in traded financial instruments without the prior written approval of the Department, nor shall it aim to build up cash balances or net assets in excess of what is required for operational purposes. Equity shares in ventures which further the objectives of the NDPB shall equally be subject to Departmental approval unless covered by a specific delegation.

Unconventional financing

68. Unless otherwise agreed with the Department, the NDPB shall not enter into any unconventional financing arrangement.

Commercial insurance

69. The NDPB shall not take out any insurance without the prior approval of the Department, 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*
70. The Department shall have a written agreement with the NDPB about the circumstances in which, in the case of a major loss or third-party claim, an appropriate addition to budget out of the

Department's funds and/or adjustment to the NDPB's targets shall be considered.

71. [A Certificate of Exemption for Employer's Liability Insurance has been issued to the NDPB.]

VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Register of assets

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

Disposal of assets

73. The NDPB 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 Department], and in accordance with *Government Accounting*, Chapter 24.
74. The NDPB may normally retain receipts derived from the sale of assets provided that:
- (i) The Department and the Treasury are content for the NDPB to retain these receipts;
 - (ii) they are used to finance other capital spending;
 - (iii) the Department receives prior notification of individual sales; and
 - (iv) total sales in any financial year do not exceed a specified limit [normally 3% of the NDPB's grant-in-aid (see PES(98)5)].
75. If, notwithstanding the above, the NDPB 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 Department, which shall then submit an Estimate seeking approval for the receipts to be appropriated in aid by the Department and for a corresponding increase in the NDPB's grant-in-aid. If the proposed new investment exceeds the NDPB's relevant delegated authority the Department's approval will be needed. If the

proposed new investment is novel or contentious the Treasury's approval will be also needed.

76. If the criteria in para 74 above are not met, any receipts shall be dealt with in line with the rules on surplus in-year receipts (paragraph 29 above).

Recovery of grant-financed assets

77. Where the NDPB has financed expenditure on capital assets by a third party, the NDPB shall make appropriate arrangements to ensure that any such assets [above a value of £...] are not disposed of by the third party without the NDPB's prior consent. *[Append details of the evidence needed to support a case by the NDPB for an increase in the delegated limit].*
78. The NDPB shall therefore ensure that such conditions are sufficient to secure the repayment of the Exchequer's due share of the proceeds of the sale, in order that funds may be surrendered to the Department.
79. The NDPB shall ensure that if the assets created by grants made by the NDPB cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to the NDPB for surrender to the Department. The amounts recoverable under the procedures in paragraphs 72-74 above shall be calculated by reference to the best possible value of the asset and in proportion to the Exchequer's original investment(s) in the asset.

VII. BUDGETING PROCEDURES

Setting the annual budget

80. Each year, in the light of decisions by the Department on the NDPB's updated draft corporate plan (Section 4.1 of the Management Statement), the Department will send to the NDPB:
- EITHER *[for NDPBs which are mainly grant-in-aided]*: a formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the Department and of any forecast income approved by the Department;

 - OR *[for NDPBs which are self-financing]*: a formal statement of the annual forecast income approved by the Department;

and

- a statement of any planned change in policies affecting the NDPB.
81. The NDPB's approved annual business plan will take account both of its approved funding provision [where this applies] and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any Departmental funding and/or other income over the year. These elements will form part of the approved business plan for the year in question (Section 4.1 of the Management Statement.)
82. Any grant-in-aid provided by a Department for the year in question will be voted in the Department's Estimate and will be subject to Parliamentary control.

General conditions for authority to spend

83. Once the NDPB's budget has been approved by the Department [and subject to any restrictions imposed by Statute/the Secretary of State/this document], the NDPB shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:
- the NDPB shall comply with the delegations set out in Appendix [...] of this document. These delegations shall not be altered without the prior agreement of the Department;
 - the NDPB shall comply with the conditions set out in paragraph 12 above regarding novel, contentious or repercussive proposals;
 - inclusion of any planned and approved expenditure in the NDPB's budget shall not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
 - the NDPB shall provide the Department with such information about its operations, performance individual projects or other expenditure as the Department may reasonably require (paragraph 83 below).

Providing monitoring information to the Department

84. The NDPB shall provide the Department with, as a minimum, information on a [monthly] [regular] basis which will enable the satisfactory monitoring by the Department of:
- the NDPB's cash management;
 - its draw-down of any grant-in-aid;
 - forecast outturn by resource headings;
 - other data required for the Government Expenditure Monitoring Systems.

VIII. BANKING

Banking arrangements

85. The NDPB's Accounting Officer is responsible for ensuring that the NDPB'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 Department's Accounting Officer to enable the latter to satisfy his/her own responsibilities (Section 3.6 of the Management Statement);
 - the NDPB's banking arrangements shall be kept separate and distinct from those of any other person, NDPB or organisation;
 - adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

IX. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

Relevant documents

87. The NDPB 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 NDPBs (reproduced in Chapter 8 of *Government Accounting*);
 - *Non-Departmental Public Bodies - a Guide for Departments* (the “NDPB Guide”), 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;
 - other relevant instructions and guidance issued by the central Departments;
 - specific instructions and guidance issued by the sponsor Department;

- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, which have been accepted by the Government and which are relevant to the NDPB.

X. REVIEW OF FINANCIAL MEMORANDUM

88. This financial memorandum will normally be reviewed at least every [five] years or following a review of the NDPB's functions as provided for in Section 7 of the management statement.
89. The Treasury will be consulted on any significant variation proposed to this financial memorandum and the associated management statement.

27 March 2003