

FRAMEWORK DOCUMENT
concerning the
MOD (AD) GRANT IN AID
support to the
ARMY FAMILIES FEDERATION (AFF)

INTRODUCTION

References:

1. This Framework sets out an arrangement between the Army and the Army Families Federation (AFF) of Ramillies Building, Marlborough Lines, Andover, Hampshire, SP11 8HJ on the conditions governing payment and expenditure of the annual Grants in Aid (GiA) made by the MOD (AD) to AFF.
2. AFF is a Charity established by the Army Families Federation Constitution. AFF is a Charitable Incorporated Organisation (CIO) registered in England and Wales with registered charity number 1176393 and a charity registered in Scotland with registered charity number SC0482282 having its principle office at IDL 414, Ramillies Building, Marlborough Lines, Andover, Hampshire, SP11 8HJ.

OBJECTIVE OF THE GRANT IN AID

3. A GiA is provided to AFF as the recognised independent representative of Army Families in order to provide Ministers, MOD, Army HQ and the Army with evidence based views of Army Families to inform MOD (AD) on Army Conditions of Service policy and delivery. Since the introduction of The Armed Forces Covenant, its role has expanded to ensure that the Covenant is used to remove the disadvantages associated with service life. AFF uses the GiA to provide support and advice to Army Families, through direct contact with the AFF Specialist, Regional and Enquiries teams and via the AFF website, social media platforms and online presence.
4. AFF receives two principle sources of annual funding, firstly from MOD (AD) via the GiA (Public Funds) and secondly from the Army Central Fund (Charitable Grant). Details on GiA funding are:
 - a. The GiA will cover, within affordable limits, the following:
 - Salaries paid from UK, including salaries for staff Overseas.
 - Travel and subsistence costs to enable authorised AFF representatives to attend Ministerial, MOD, MOD (AD), Army and other appropriate meetings and events including meetings with local and central Government, plus private, commercial and third sector organisations.
 - Training costs for staff including induction, internal training and specific training to individual staff members as required.
 - Support costs.
 - Costs associated with running information events for families complimenting existing communications strategy.
 - Production and postal distribution of a regular publication (AFF Army & You) and other publications and cost of online communications with families.
 - b. The GiA will cover, within affordable limits, the full cost of office accommodation and support services in UK and EJSU, to enable AFF employees to carry out their duties.
 - Supply and maintenance of office furniture and fittings.
 - Utilities and rates
 - Rental for accommodation property maintenance and any new works services required or

approved by MOD (AD).

- General administration and other operating costs including telephone, post and 0111 support.
- EJSU salary.
- The use of Military Cars in some overseas locations.

c. The GiA excludes funding for:

- The acquisition of capital assets (excluding office equipment).
- Investment for the purpose of generating additional funds and reserves
- Fund-raising activities.
- Making loans, grants or gifts.

AFF is not to make any long-term financial commitments which fall outside of the term of the GiA, or exceeds its ability to pay for them, without prior approval from the TLB sponsor. AFF will provide an annual report of related liabilities, if appropriate.

RELATIONSHIP WITH MOD (AD)

5. For the purposes of day-to-day dealings, all reference in this document to MOD (AD) may be taken as referring to Director Personnel Army (D PERS) as AFF's principal point of contact at Army HQ - together with the TLB Budget staffs. Payment of the GiA is subject to the MOD (AD) being satisfied that the conditions set out in this document are being met, except where some variation in these has been agreed between the parties in writing. This Framework recognises that the achievement of agreed aims and objectives will inform the way in which MOD (AD) is able to approach future funding rounds with the Treasury.

6. At the start of each financial year the MOD (AD) will send to AFF a formal statement of the GiA approved for that FY as a result of the objectives laid out in the AFF Business Plan and the final Departmental Control Total negotiations and a statement of any planned changes in policies affecting AFF. However, the final payment will be subject to the value of GiA remaining after any in-year adjustments. The amount notified will be subject to Parliamentary approval and will represent a cash limit.

Payment of Grant in Aid

7. Payments will be authorised by the MOD (AD) on the basis of spend against the GiA and in accordance with need. The GiA will be paid to AFF in quarterly instalments based on

an application from AFF. The payment of the GiA is to be recorded and shown separately in AFF's accounting records.

8. The in-year GiA allocation not issued to AFF by the end of the FY shall lapse. Any GiA already issued but not spent by AFF may be carried over to the next FY. Any excess carried over may be taken into account in the following year's GiA, where appropriate.

Inspection and Review

9. The MOD (AD) may carry out, with the agreement of the AFF Trustees, such periodic inspections or reviews of AFF's management or other internal controls, in relation to GiA funds, if it is deemed necessary. AFF will co-operate with such inspections or reviews where such agreement has been given.

Aims, Objectives and Performance Indicators

10. AFF shall have appropriate aims, objectives and measurable performance indicators in respect of the GiA within the AFF Business Plan, which will be reviewed by AFF's Board of Trustees and MOD(AD). The aim of the GiA is to contribute to the cost of AFF in the provision of an independent voice of Army families while abiding to the following key financial objectives and performance indicators.

11. Key financial objectives are:

- a. To improve value for money in terms of GiA expenditure.
- b. To ensure that the level and structure of staffing, including grading and numbers of staff, is appropriate to its functions and the requirements of efficiency, effectiveness and economy.
- c. To ensure that effective corporate governance arrangements apply to all AFF offices and conduct of business.

Accountability

12. The MOD (AD) is accountable through its Principal Accounting Officer to Parliament for the following:

- a. Determination and payment of the GiA in accordance with the rules of Managing Public Money;
- b. The conditions attaching to the GiA framework.
- c. Monitoring AFF's observance of the conditions.

THE ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OF AFF

13. The Chief Executive (CE) is responsible to AFF Board of Trustees for the proper conduct of AFF's business in accordance with the Charity's Constitution and accounting for all the funds of the Charity in accordance with the Charity Commission Statement of Recommended Practice (SORP). The CE is responsible for safeguarding public and charitable funds for which they have charge; for ensuring propriety and regularity in the handling of those public funds; and for day-to-day operations and management of AFF. Much of the day-to-day financial management is delegated to AFF's Hd of Finance. In addition, he or she should ensure that AFF as a whole is run on the basis of the standards, in terms of governance, decision making and financial management that are set out in Box 3.1 Managing Public Money. The accountabilities include:

- a. The administration of and proper accounting for the GiA, so that all resources are used economically, efficiently, and effectively.
- b. The maintenance of adequate internal expenditure controls in relation to GiA funds.
- c. The provision of advice to AFF Board of Trustees so that financial issues affecting GiA are considered fully at all stages in framing and reaching decisions and in their execution.
- d. Observance of the conditions attaching to the GiA.
- e. The maintenance of adequate systems of financial control to prevent theft or fraud in relation to GiA funds.
- f. Write-off of losses from GiA funds.
- g. Ensuring that the GiA is used only for the purposes detailed in this agreement and is not used for investment or speculation with the intent of generating additional income.
- h. The signing off by the Chair of the Trustees (on behalf of the Board) of AFF Annual Report & Accounts:
 - AFF will 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 budget.

- AFF will take the initiative in informing D Pers (or equivalent new role after restructure) 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 strategy.
- Performance will be formally reviewed annually by AFF's Board of Trustees.
- AFF's performance will be reported in AFF's Annual Report and Statement of Accounts.

14. In the event that the CE receives instructions which he/she regards as conflicting with this framework, in relation to the GiA, he/she should make appropriate written representation to the Chair of the AFF Trustees with a copy to D Pers at Army HQ.

15. The CE may delegate day-to-day duties (apart from his/her personal authority to write off losses) to the AFF Hd of Finance.

THE PLANNING FRAMEWORK

16. Each year AFF will provide a projection of the expenditure to be met from the GiA in the coming financial year (FY), together with any receipts (if appropriate) and an outline projection of the funding likely to be required over the 4-year financial cycle which will contain sufficient detail to enable the MOD (AD) to fulfil the requirements of public accountability, and to ensure that allocations match MOD (AD)'s ability to fund AFF's GiA.

17. The MOD (AD) will agree with AFF predicated funding over this four-year period. In addition, AFF will provide information on how it plans to utilise the GiA funding within its planning framework which will be made available to MOD(AD). The planning framework is constituted of:

- a. The AFF Strategy and annual Business Plan. The Strategy sets out AFF's key objectives and the annual Business Plan will set out the activities for achieving those objectives.
- b. The AFF Annual Report and Accounts which will constitute a review of AFF's performance in the preceding financial year.

18. The planning framework should also contain details of any capital projects and new areas of work, which may have a future impact on the requirement for GiA funding.

19. Payments and receipts shall be closely monitored by AFF at all times during the FY so that timely action can be taken to ensure that the cash limit of the GiA is not exceeded. The MOD (AD) is to be advised immediately if any overspend or under spend of the approved GiA

is forecast so that appropriate action can be taken. Every 6 months or on request the AFF will provide the TLB with:

- a. A financial statement showing for each budget heading the payments made and any receipts received, together with the accumulated net payment to date and the balance of cash remaining available to AFF for the year.
- b. An analysis of financial outturn against forecasts of expenditure and income, indicating proposed action where necessary.
- c. Details of the outturn for the full financial year for each main budget heading.

20. The AFF has the authority to move funds between cost headings (Appendix 1) without recourse to the MOD provided that this does not breach the terms of paragraph 4 or result in any increase to the GiA not previously agreed by the MOD.

FINANCIAL CONTROLS AND FINANCIAL AUTHORITIES

21. In respect of the GiA, AFF will:

- a. Maintain to the MOD (AD)'s satisfaction an appropriate system of financial management.
- b. Maintain adequate records, covering the last five financial years of payments and receipts made against the GiA to meet National Audit Office external audit needs.
- c. Ensure that the GiA is accounted for and managed separately from any other funds managed by AFF.
- d. Maintain the minimum level of cash balances and reserves consistent with the efficient conduct of business.

MANAGEMENT AND DISPOSAL OF ASSETS

22. AFF is accountable to MOD (AD) for the safe keeping of all assets obtained through the GiA, including maintenance of inventories or other records, as agreed with the MOD (AD).

ACCOUNTING ARRANGEMENTS

23. AFF Annual Report & Accounts (R&A) shall be produced in accordance with the current SORP.

AUDIT

24. AFF's accounting and financial records shall be audited by an independent auditor appointed by the AFF Trustees. The annual audited accounts will be signed by the Chair of

the Board after acceptance by the Board. Section 26 of the AFF constitution confirms the charity trustee's commitment to compliance with charity commission rules.

25. The auditor shall also examine the economy, efficiency and effectiveness with which AFF has used its resources to carry out the tasks at paragraph 4 and the procedures adopted to comply with the principles of Managing Public Money, the expenditure of the Army Central Fund grant, all other income and expenditure from grants and donations, and for the prevention of fraud.

26. Defence Internal Audit may also examine any or all of these same aspects, in relation to GiA funds, at the request of the MOD (AD), AFF's Board of Trustees or its CE. AFF accepts this requirement for access as a condition of GiA payment.

27. AFF must comply with Government Internal Audit standards (GIAS) in order that the Departmental Accounting Officer may receive an annual assurance on risk management, governance and control. This assurance can be provided by the Director of Defence Internal Audit (DIA) or alternatively by an external organisation. If an external organisation is chosen, the Departmental Accounting officer requires DIA to ensure periodically that the service provided meets the requirements of GIAS. AFF accepts this requirement for access as a condition of GiA payment.

INSURANCE

28. AFF is responsible for its own insurance and is expected to purchase commercial insurance to cover all of its business risks. AFF is required to have appropriate Employer's Liability and Public Liability insurance cover (and certificates as appropriate) to cover the organisation's legal liability from accidents arising from non-public funded activities. AFF may use the GiA to fund AFF insurance for public liability. The AFF Trustee Board is responsible for all other insurances and the activities of AFF.

DURATION

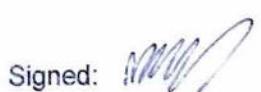
29. This Framework will remain in effect for 3 years from the date of signature unless a new CE is appointed or either party requests termination or amendment before that date. The agreement may be terminated by either party following 12 months' notice, unless both parties agree to a shorter time scale. Amendments may be proposed by either party at any time, but amendments may be implemented only by agreement.

LIST OF APPENDICES:

Appendix 1 - GiA Delegations and Budget Headings.

MOD signature:

Signed:



Director Resources Army HQ

Date..... 25 March 24

(On behalf of the Ministry of Defence)

AFF signature:

Signed:

Chief Executive, CAROLETTE MUSGRANE

Date: 8 MAY 2024

(On behalf of the Army Families' Federation)

Grant in Aid Framework – The Army Families' Federation			
Date:	25 March 24	Version:	1

APPENDIX 1

GIA DELEGATIONS AND BUDGET HEADINGS**DELEGATIONS IN RESPECT OF DEFINED LOSSES, SPECIAL PAYMENTS**

AFF will maintain details of, and record in its accounts 'Losses and Special Payments' as prescribed in 'Managing Public Money', and Joint Services Publication 472, Losses (Including Fraud), Write-off, Special Payments and Gifts.

AFF has full delegated authority to write off such Defined Losses and make such Special Payments, but any case involving a sum of over £2000 (£500 if fraud is suspected) shall be reported immediately to MOD (AD) (DPS(A)). All cases of suspected fraud by staff shall be investigated. LF Assurance should be informed orally at the first indication that fraud may have occurred, and a written report made to the Trustees of AFF as soon as the circumstances are clear.

BUDGET HEADINGS

AFF Administration and Infrastructure sub-headings for D Pers HLB Funds are as follows:

DESCRIPTION
CIVILIAN STAFF COSTS
CIVILIAN STAFF OVERTIME
FURNACE FUEL OIL
GAS
ELECTRICITY
WATER
RATES
WORKS - CONTRACTED OUT
EST & FMS ACCN STORES - C/OUT
BLDG MAINT/ACCOM STORES/FURNITURE
ADMIN (POSTAL)
IT SERVICES INTERNAL COSTS
TELECOM & BROADCASTING OP COSTS
IT MINOR EQUIPMENT
TELS MINOR EQUIPMENT
TELECOM FACILITY CHANGES
IT SERVICES
IT & COMMS PF SERVICE CHARGE
FUELS (NON-UTILITIES)
STATIONERY/OFF SUPP/PUBS
PERS MOVT
CIVILIAN T & S
CIVILIAN STDD AIR TRAVEL
DEF SP EQPT OTHER (OFFICE MACHINERY)
OP LEASE P&M (Photo Copier)
OP LEASES P&M (Car Hire)