



National Lottery
Commission

Commissioner Code of Practice

October 2009



**National Lottery
Commission**

CODE OF PRACTICE FOR COMMISSIONERS

**Agreed by Commission: 13 October 2009
Approved by DCMS:**

CODE OF PRACTICE FOR COMMISSIONERS

Introduction

1. This code of practice follows advice by the Cabinet Office in January 1997 for all executive NDPBs in the light of recommendations from the Nolan Committee and the subsequent Guidance on Codes of Practice for Board Members of Public Bodies issued in 2004. The National Lottery Commission (the Commission) is required by its sponsor department (DCMS) to adopt such a code and this code must be agreed with DCMS. Commissioners are provided with copies of the code on appointment and are required to observe its provisions. Breaches of the code will be discussed with the Chair and, if of sufficient magnitude or frequency, may lead to a request from the Secretary of State for a Commissioner's resignation. This code of practice will be reviewed by the Commission every three years.

Public service values

2. The Commission aims at all times to:
 - observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the Commission;
 - maximise value for money by ensuring that services are delivered in the most economical, efficient and effective way, within available resources and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price, it is the optimum combination of whole life costs and quality to meet the Commission's requirements;
 - be accountable to Parliament, other stakeholders in the lottery (including licensees and players) citizens and staff for its activities in performance of its statutory functions, the stewardship of public funds and the extent to which key performance targets and objectives have been met;
 - in accordance with Government policy on openness and responsiveness, comply fully with the Code of Practice on Access to Government Information and with the seven principles of public life.

Relationship with the sponsor department

3. The Secretary of State for Culture, Media and Sport is answerable to Parliament for the policies and performance of all public bodies sponsored by the department, including their use of resources and the policy framework within which they operate. The respective roles of DCMS and the Commission flow from the originating legislation, the National Lottery etc. Act 1993 (as amended in 1998 and 2006), and are further set out in the management statement, financial memorandum and statutory accounts direction.

Role of the Chair

4. The Chair has particular responsibility for providing effective strategic leadership on matters such as:
 - i. formulating the Commission's strategy for discharging its statutory duties;
 - ii. encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organisation;
 - iii. ensuring that the Commission, in reaching decisions, complies with regulations and directions laid down by the Secretary of State, and takes account of other departmental guidance;
 - iv. representing the views of the Commission to the general public and other stakeholders;
 - v. providing an assessment of performance of individual Commissioners, on request, when they are being considered for re-appointment to the Commission or appointment to the board of some other public body.
5. The Chair also has responsibility for supporting, guiding and monitoring the performance of the Chief Executive.
6. The Chair should ensure that the Commission meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Commissioners.
7. Communications between the Commission and Ministers will normally be through the Chair, except where the Commission has been agreed that an individual member should act on its behalf. Nevertheless, an individual Commissioner has the right of access to Ministers on any matter which he or she believes raises important issues relating to his or her duties as a Commissioner. In such cases, the agreement of the rest of the Commissioners would normally be sought. The main point of contact between the Commission and DCMS on day-to-day matters will be the Chief Executive and other directors of divisions in their own areas of professional expertise.
8. The Chair, together with the Chief Executive, should ensure that all members of the Commission, when taking up office, are fully briefed on the terms of their appointment, and on their rights, duties and responsibilities. Each Commissioner should receive, on appointment, relevant background material describing the Commission's organisational structure and statutory basis of operation and its rules and procedures, including the relevant legislation, regulations and directions, management statement, financial memorandum and statutory accounts direction, corporate plan, annual report and this code, together with the Treasury's memorandum *Responsibilities of an NDPB Accounting Officer* and the Treasury's handbook *Regularity and Propriety*. The Chair will encourage new Commissioners to attend an induction course, if appropriate, on the duties of Commission Members.

Corporate responsibilities of Commission members

9. Commissioners are in effect the board of the Commission, with corporate responsibility, ultimately responsible for the strategic direction and for regulatory policy. Commissioners have corporate responsibility for ensuring that the Commission complies with any statutory or administrative requirements for the use of public funds. Annex C explains how Commissioners can be assured that they are meeting their obligations. Other important responsibilities of Commission members include:
- i. ensuring that high standards of corporate governance are observed at all times;
 - ii. establishing the overall strategic direction of the organisation within the policy and resources framework agreed with DCMS and monitoring its delivery;
 - iii. ensuring that the Commission operates within the limits of its statutory authority, and in accordance with any other conditions relating to the use of public funds;
 - iv. ensuring that the Commission, in reaching decisions, complies with regulations and directions laid down by the Secretary of State, and takes account of other departmental guidance;
 - v. formulating a strategy for implementing *the Code of Practice on Access to Government Information*, including prompt response to public requests for information, and the promotion of openness and responsiveness; and
 - vi. ensuring that the Commission operates sound environmental policies and practices in accordance with government guidelines.

Commissioners will also ensure that they subscribe to the values of the organisation. The Commission values are set out at Annex E.

Strategic planning and control

10. One of the main tasks of the Commission is the oversight of the production of the corporate plan. The process of preparing such a document provides an opportunity for agreeing with DCMS the policy and resources framework within which the Commission will discharge its duties; and for determining its key strategic objectives and targets. Such targets typically cover areas such as the organisation's financial performance; the efficiency and effectiveness of its operations; and the quality of the services it provides.

Delegation

11. Commissioners, with the exception of the CEO, serve on a part-time basis. To the extent permitted by the originating legislation, responsibility for day-to-day management matters is delegated to staff so far as is practicable, within a clearly understood framework of strategic control. The Commission has adopted a scheme of delegation covering those matters delegated to staff and those reserved for decision by the Commission. Whilst the Commission has ultimate responsibility,

under legislation and the provisions of this code, to ensure the proper exercise of its functions and operation of the organisation, it will generally discharge this responsibility through its staff. It will seek assurance from its staff that its responsibilities are being properly met by being properly informed of activities and progress, and will monitor that action is taken as appropriate.

12. The Commission may decide to delegate responsibility for specified matters, where it has power to do so, to individual members or committees. Decisions taken by individual members or committees under delegated powers should be recorded in written minutes available to the Commission as a whole.

Responsibilities of individual Commission members

13. Individual Commissioners should be aware of their wider responsibilities as members of the Commission. Like others who serve the public, they should follow the *Seven Principles of Public Life* set out by the Committee on Standards in Public Life. The principles are included at Annex A. Commissioners must:
 - i. undertake on appointment to comply at all times with this code and with the rules relating to public funds;
 - ii. act in good faith and in the best interests of the Commission;
 - iii. not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations; and to declare publicly any private interests which may be perceived to conflict with their public duties; and
 - iv. ensure that they comply with the Commission's rules on the acceptance of gifts and hospitality.
14. Commissioners are expected not to occupy paid party political posts or hold particularly sensitive or high-profile unpaid roles in a political party. Subject to that, part time members are free to engage in political activities, provided that they are conscious of their general public responsibilities and exercise a proper discretion, particularly in regard to the work of the Commission. On matters directly affecting that work, they should not make political speeches or engage in other political activities.
15. These restrictions do not apply to Commissioners who are local councillors or to Peers in relation to their conduct in the House of Lords. The position of Peers in this regard is covered by a statement reproduced as Annex L to *Non-Departmental Public Bodies: A Guide for Departments*.
16. The arrangements for appointing individual Commission members by the Secretary of State for Culture, Media and Sport make it possible for him or her to remove a Commissioner from office if they fail to perform the duties required of them to the standards expected of those who hold public office.

Information Security Guidance

17. Detailed guidance on Commissioners responsibilities for security of Commission information is attached at Annex D.

Handling other interests

18. **Declaration of Interests.** The Commissioners must “have no such financial or other interest as is likely to affect prejudicially by him of his functions as a member” (National Lottery etc. Act 1993, Schedule 2A, paragraph 2). Accordingly, and in order to provide assurance on this matter, the Commission has established a register of interests. The register also reflects guidance from DCMS as the Secretary of State is required to satisfy him or herself that Commissioners have no such interest as is mentioned in the Act. Separate guidance, agreed with DCMS, is provided to Commissions on the declaration of interests and the action required by DCMS to minimise the possibility of a conflict arising or appearing to arise. Commission members are required to update their declarations as soon as any relevant changes occur.
19. **Conflicts of Interests.** If a Commissioner has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter in relation to the Commission they shall disclose the fact and act in accordance with Commission standing order 6 (copy attached at Annex B). This extends to the interests of close family members (such as personal partners, parents, children (adult or minor)) and any person whose financial affairs significantly affect the Commissioner (including anyone who is financially dependant on the Commissioner). If in any doubt whether standing order 6 applies in a particular case, the Commissioner concerned should seek the advice of the Chief Executive before participating in any decision making process.
20. Commissioners should also be aware of, and comply with, legislation on insider trading and market abuse. These rules are covered in guidance given to Commissioners on handling of interests generally. Specific advice will also be made available, where requested, from the Commission’s commercial lawyers. Commissioners should consult the Chief Executive, who will make the necessary arrangements.
21. The Commission’s register of interests is open to the public. Details of how access can be obtained are freely available and included in the annual report.

Hospitality and gifts

22. Commissioners must exercise discretion in accepting any significant gifts or hospitality from:
 - i. an existing licensee or connected parties or suppliers;
 - ii. other organisations applying to or connected with an organisation who may be applying to operate the National Lottery or games licensed under section 6 of the National Lottery Act.

23. No gifts should be accepted from contractors or suppliers of goods and services to the Commission that might be regarded as an inducement. Commissioners should only accept offers of hospitality if there is a genuine benefit to the Commission to impart information or to represent the Commission in the community, or where a meal is in the nature of a working lunch or representational dinner. If a Commissioner has any doubt about the acceptance of hospitality or a gift, he or she should consult the Chair or Chief Executive. The Commission has agreed that lottery money will not be used to provide gifts over the value of £50.
24. The Commission maintains a register of gifts and hospitality received and given. Commissioners should send details of gifts and hospitality received and given to the Chief Executive for entry in the gifts and hospitality register.
25. Lotteries are an international business and Commissioners may be required to travel overseas from time to time on Commission business. Travel arrangements will normally be made by the Chief Executive and Commissioners should not make any arrangements themselves without the Chief Executive's agreement. Commissioners should also be careful to avoid acceptance of hospitality unless it would cause unnecessary offence to do so. All such hospitality should be recorded in accordance with the rules set out above. Where necessary, further advice should be sought from the Chief Executive.
26. In times of a competition, the Commission shall have regard to guidance on the acceptance of gifts and hospitality set out in the Code of Practice for Commissioners (Competition).

Links and discussions with other organisations

27. Commissioners are appointed because of their experience of particular sectors or bodies. If a Commissioner is still on the board or committee of an organisation which might be connected with the National Lottery e.g. applying for a grant or benefit from the good causes or as an adviser or supplier, they must not make, or appear to make, use of their position as a Commissioner or of any information which they have obtained as a Commissioner, to further the interests of that other organisation. This does not restrict Commissioners from giving general advice and explaining Commission policy and arrangements to outside bodies but Commissioners should be careful to ensure that they do not create a misleading impression or imply that privileged information is being imparted.

Personal liability of Commissioners

28. Although any legal proceedings initiated by a third party are likely to be brought against the Commission, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chair or other individual Commissioners. For example, a Commissioner may be personally liable if he or she makes a fraudulent or negligent statement that results in loss to a third party. A Commissioner who misuses information gained by virtue of his or her position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.

29. However, the Government has indicated that individual Commissioners who have acted honestly and in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their Commission functions, save where the person has acted recklessly. The Commission indemnifies any member, or former member, so affected.
30. Commissioners who need further advice should consult the Commission's Chief Executive.

Openness and responsiveness

31. Commissioners and staff will conduct all their dealings with the public in an open and responsible way and comply with *the Code of Practice on Access to Government Information* and, as far as possible, *the Standard of Best Practice for Openness in Executive NDPBs and NHS bodies* in the First Report of the Committee on Standards in Public Life. The Commission will publish its annual report and will adopt procedures to make its activities open and accountable. To facilitate this openness the Commission will hold public meetings where it is appropriate to do so (for example in conjunction with the publication of its annual report) and it will publicise information about its activities on the world wide web (including its annual report, licence documentation and procedures and its strategic plan). It will also provide information on standards of service, performance and costs and procedures for addressing complaints.
32. The Commission will demonstrate that it is using resources to good effect, with propriety and without grounds for criticism that public funds are being used for private, partisan or party political purposes. It will act consistently with the nature of its business and the need for confidentiality on commercial and other grounds, always subject to the rights of Parliament and the Comptroller and Auditor General to obtain information.

Dealing with the Media

33. Dealing with the media will primarily be the responsibility of the Chair and Chief Executive. In general, the Chair will handle significant policy and reputational issues and the Chief Executive will handle more operational matters. This approach will need to be flexible dependent on the urgency of the issue and the availability of the Chair and Chief Executive. The Chief Executive, with the oversight of the Chair, will be responsible for the management and oversight of the Commission's Communications team and their activities.
34. Except where the Commission and/or the Chair has agreed to alternative arrangements, Commissioners should not deal directly with the media on Commission business. Any approach from the media should be politely referred to the Communications team, and the Chief Executive and/or Head of Communications should be notified of the approach.

Accountability for public funds

35. Commissioners have a duty to ensure that Lottery funds are properly safeguarded, and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that the Commission at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to Government Accounting. The Chief Executive as accounting officer will advise the Commission in this respect.
36. Commissioners are responsible for ensuring that the Commission does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure. The Commission's Chief Executive and legal advisers will normally advise the Commission on these matters.

Annual report and accounts

37. As part of its responsibilities for the stewardship of public funds, the Commission must ensure that it includes a full statement of the use of such resources in its annual report and accounts. Such accounts should be prepared in accordance with the accounts direction issued by DCMS and such other guidance as may be issued, from time to time, by DCMS and Treasury, including *Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance*.
38. The Commission aims to produce the annual report and accounts as a single document and will give it appropriate publicity.
39. The annual report and accounts will provide a full description of the Commission's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current Commissioners and senior staff; and provide details of the remuneration of Commissioners and senior staff in accordance with Treasury guidance. The annual report will contain information on access to the register of interests.

The role of the Chief Executive

40. The Chief Executive has responsibility, under the Commission, for the overall organisation, management and staffing of the Commission, and for its procedures in respect of financial and other matters, including conduct and discipline. As such, the Chief Executive provides, and is responsible for, the link between the Commission itself and its staff. This involves the promotion by leadership and example of the values embodied in the Seven Principles of Public Life. Commissioners should support the Chief Executive by giving him adequate information and advice.
41. The Chief Executive is the Commission's accounting officer and, as such, is responsible to Parliament and the accounting officer of DCMS for the resources under his or her control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all resources in their charge. The accounting office has a responsibility to see that appropriate advice is tendered to the Commission on all these matters. Satisfactory

performance of these responsibilities is fundamental to the role of the Chief Executive. The Chief Executive's responsibilities are set out in more detail in the *Management Statement* and *Financial Memorandum* agreed with DCMS.

42. More detailed guidance on the role of an accounting officer is set out in *The Responsibilities of a NDPB Accounting Officer*, which covers appearances before the Committee of Public Accounts of the House of Commons. A copy will be sent to all Commissioners together with Treasury's handbook *Regularity and Propriety*. Although this handbook is primarily intended for accounting officers, Commissioners should also familiarise themselves with it.

Audit Committee

43. There is an Audit Committee of Commissioners, chaired by a Commissioner (other than the Chair) who has experience of financial matters. The responsibilities of the Committee overlap with those of the accounting officer, who will normally attend meetings of the Committee unless, exceptionally, his or her own performance is being discussed.

Remuneration Committee

44. There is a Remuneration Committee, chaired by a non-executive member of the Commission other than the Chair, who has relevant experience and expertise. The Remuneration Committee is an advisory body with executive powers to determine the Chief Executive's remuneration.

Reference Groups

45. Reference Groups have been established by the Commission to improve the flexibility of Commissioner input to key Commission issues. The aim is to make the best use of Commissioner's time and ensure the decision making and wider governance process is as effective as possible. Reference Groups are normally chaired by a non-executive member of the Commission and have no executive or decision making powers.

The Commission as employer

46. The Commission will ensure that:
 - it complies with all relevant legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff in the public service;
 - all staff are familiar with its main aims and objectives;
 - the organisation adopts management practices which use resources in the most economical, efficient and effective manner;

- its rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff. In filling senior staff appointments, it will satisfy itself that an adequate field of qualified candidates is considered and will always consider the merits of full and open competition;
 - staff and Commissioners have appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.
47. The Commission has a Code of Conduct and Discipline for its staff, based on the model issued by the Cabinet Office amended to take account of the Commission's own circumstances. This covers arrangements enabling members of staff to raise concerns about propriety and safeguards to prevent conflicts of interests when staff leave.
48. The Commission has a responsibility to monitor the performance of the Chief Executive and other senior staff. This will normally be exercised, in the first instance, by the Chair. When considering the Chief Executive's entitlement to performance – related pay, the Commission should ensure that it has access to the information and advice required to make the necessary judgements.

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THE SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Extract from Standing Orders – Standing Order Number 6

ACTIONS REQUIRED OF COMMISSIONERS HAVING A PECUNIARY OR NON-PECUNIARY INTEREST IN ANY MATTER

- 6.1 No Commissioner shall participate in the discussion or determination of any matter in which he has a direct or indirect pecuniary interest.
- 6.2 No Commissioner shall participate in the discussion or determination of a matter in which he has a Clear and Substantial non-pecuniary interest. An interest will be Clear and Substantial if members of the public, knowing the facts of the situation, would reasonably think that the Commissioner might be influenced by it.
- 6.3 In considering for the purposes of paragraph 6.2 whether an interest is Clear and Substantial, a Commissioner should assess (along with any other relevant consideration) whether -
- (a) the Commissioner, or close family member, or a person living in the same household as the Commissioner, or any person whose financial affairs significantly affect the Commissioner (including anyone who is financially dependent on the Commissioner), or
 - (b) a firm business or other organisation with which the Commissioner or anyone else such as is mentioned in paragraph (a) above is connected.
- is likely to be affected to a greater extent than others affected by the decision.
- 6.4 Commissioners who cannot participate in the discussion or determination of a matter by virtue of paragraph 6.1 or 6.2 shall withdraw from the meeting (including leaving the room where it is being held) while that matter is under consideration. The Chair or other Commissioner presiding at the meeting shall have final authority to determine whether a Commissioner's interest is one requiring his withdrawal.
- 6.5 Whether or not a Commissioner is able (in the light of the above) to participate in the discussion or determination of a matter, he shall declare as soon as practicable after a meeting begins if he has an interest in a matter to be considered. If he is aware that a close family member or a person living in the same household as himself has an interest in the matter, he shall declare that too. In addition, he should consider whether he needs to disclose relevant interests of other persons or organisations which members of the public might reasonably think he could influence his judgement.
- 6.6 Where a Commissioner is aware that a spouse with whom he is living or his personal partner has an interest in a matter, that interest shall be deemed to be an interest of the Commissioner for the purposes of this Standing Order.
- 6.7 For the purposes of interpreting this Standing Order:
- “close family members” include
- (a) spouses and personal partners, and

- (b) parents, children, brothers and sisters of the Commissioner or his spouse or personal partner, and the spouses and personal partners of any of these;

“Indirect pecuniary interests” are pecuniary interests arising-

- (a) from connections with bodies which have a direct pecuniary interest in a matter under consideration, including cases where a Commissioner or his nominee is a director of the body concerned; or
- (b) from being a business partner of, or employed by, a person with a direct pecuniary interest in such a matter, and

“non-pecuniary interests” include interests arising from personal connections with a close family member or a person living in the same household or a body with in any case an interest in the matter in question, and membership of clubs and other organisations.

HOW COMMISSIONERS CAN BE ASSURED THAT THEY ARE MEETING THEIR OBLIGATIONS

Code Requirement	How Met / Assurance Mechanism
<u>Role of the Chair</u>	
4. The Chair has particular responsibility for providing effective strategic leadership on matters such as:	
i. Formulating the Commission's strategy for discharging its statutory duties	Through Commission's role in the annual corporate and business planning process.
ii. Encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organisation	Through example, staff meetings, taking reports from the Audit Committee, supporting, guiding and monitoring of Chief Executive etc.
iii. Ensuring that the Commission, in reaching decisions, complies with regulations and directions laid down by the Secretary of State, and takes account of other departmental guidance	All papers for the Commission are cleared with the CE for this, who in turn consults SMT members as appropriate. Also underpinned by the CE's Accounting Officer responsibilities.
iv. Representing the views of the Commission to the general public and other Stakeholders	Through press and other interviews, conference speeches, correspondence etc
v. Providing an assessment of performance of individual Commissioners, on request, when they are being considered for re-appointment to the Commission or appointment to the board of some other public body.	Assessments provided on request from SoS.
5. The Chair also has responsibility for supporting, guiding and monitoring the performance of the Chief Executive.	Through regular meetings with the CE and observation of outputs. Also taking the lead role in the appraisal of the CE.
6. The Chair should ensure that the Commission meets at regular intervals throughout the year, and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Commissioners.	Chair approves meeting schedule and formally signs-off minutes. CE and Commission Secretariat can remind Chair of responsibilities as appropriate.

Code Requirement	How Met / Assurance Mechanism
<p>8. The Chair, together with the Chief Executive, should ensure that all members of the Commission, when taking up office, are fully briefed on the terms of their appointment, and on their rights, duties and responsibilities. Each Commissioner should receive, on appointment, relevant background material describing the Commission's organisational structure and statutory basis of operation and its rules and procedures, including the relevant legislation, regulations and directions, management statement, financial memorandum and statutory accounts direction, corporate plan, annual report and this code, together with the Treasury's memorandum <i>Responsibilities of an NDPB Accounting Officer</i> and the Treasury's handbook <i>Regularity and Propriety</i>. The Chair will encourage new Commissioners to attend an induction course, if appropriate, on the duties of Commission members.</p>	<p>A standard induction process is in place for new Commissioners, in support of the appointment process operated by DCMS.</p>
<p><u>Commissioners' Corporate Responsibilities</u></p>	
<p>9. Commissioners have corporate responsibility for ensuring that the Commission complies with any statutory or administrative requirements for the use of public funds.</p> <p>Other important responsibilities of Commission members include:</p>	
<p>i. Ensuring that high standards of corporate governance are observed at all times</p>	<p>Audit Committee has a role in this respect</p>
<p>ii. Establishing the overall strategic direction of the organisation within the policy and resources framework agreed with DCMS [and targets - para 10]</p>	<p>Through the Commission's role in approving the annual Corporate plan and Budget, and reviewing progress made. Also through setting CE's performance targets.</p>
<p>iii. Ensuring that the Commission operates within the limits of its statutory authority, and in accordance with any other conditions relating to the use of public funds</p>	<p>As noted above, the Chief Executive, in his role as accounting officer, is obliged to advise Commissioners on these matters.</p>

Code Requirement	How Met / Assurance Mechanism
iv. Ensuring that the Commission, in reaching decisions, complies with regulations and directions laid down by the Secretary of State, and takes account of other departmental guidance	Commission papers are cleared by the CE/other employees, who are specifically required to consider these matters and advise the Commissioners accordingly.
v. Formulating a strategy for implementing the <i>Code of Practice on Access to Government Information</i> , including prompt response to public requests for information, and the promotion of openness and responsiveness	The Commission adopted the 'access' code in May 1999. The Commission always seeks to provide full and clear answers to inquiries. The website contains most of our public documents and information notes.
11. The Commission has adopted a scheme of delegation... Whilst the Commission has ultimate responsibility...to ensure the proper exercise of its functions and operation of the organisation, it will generally discharge this responsibility through its staff. It will seek assurance from its staff that its responsibilities are being properly met by being properly informed of activities and progress, and will monitor that action is taken as appropriate.	The Chief Executive's report, presented at each Commission meeting, provides the vehicle for informing the Commission of significant decisions taken under delegated authority. The Deputy Chief Executive's report is also presented at each Commission meeting and provides Commissioners with a report of ongoing regulatory operations activity.
12. Decisions taken by individual members or committees under delegated powers should be recorded in written minutes available to the Commission as a whole.	The Standing Orders prescribe minuting arrangements which are in accordance with the code. The Chief Executive and Commission Secretariat oversee adherence to Standing Orders.
31. Commissioners...will conduct all their dealings with the public in an open and responsible way and comply with the Code of Practice on Access to Government Information and, as far as possible, the Standard of Best Practice for Openness in Executive NDPBs and NHS Bodies in the First Report of the Committee on Standards in Public Life. The Commission will publish its annual report and will adopt procedures to make its activities open and accountable.	As noted with respect to para 9 above, the Commission adopted the 'access' code in May 1999 and, in doing so, sought to establish a balance between the need for commercial confidentiality and the presumption in favour of openness. The Commission always seeks to provide full and clear answers to inquiries. The website contains most of our public documents and information notes. We hold occasional open meetings and radio phone-ins. The Annual Report is laid before Parliament and is routinely published. The accounts are audited by the NAO. Both the NAO and internal audit have direct reporting lines to the Audit Committee and can report without officers present.

Code Requirement	How Met / Assurance Mechanism
<p>The Commission will hold public meetings where appropriate (for example in conjunction with release of the annual rpt).</p> <p>It will publicise information about its activities on the world wide web (including its annual report, licence documentation and procedures and its strategic plan).</p> <p>It will provide information on standards of service, performance and costs and procedures for addressing complaints.</p>	
<p>30. Commissioners have a duty to ensure that Lottery funds are properly safeguarded, and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that the Commission at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to Government Accounting.</p>	<p>The Chief Executive as accounting officer has a duty to advise the Commission in this respect. The Audit Committee also provides an oversight role in this area.</p>
<p>31. Commissioners are responsible for ensuring that the Commission does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure.</p>	<p>The Chief Executive and legal advisers will normally advise the Commission on these matters.</p>
<p>35. As part of its responsibilities for the stewardship of public funds, the Commission must ensure that it includes a full statement of the use of such resources in its annual report and accounts. Such accounts should be prepared in accordance with the accounts direction issued by DCMS and other guidance.</p> <p>36. The Commission aims to produce the annual report and accounts as a single document and will give it appropriate publicity.</p> <p>37. The annual report and accounts will provide a full description of the Commission's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current Commissioners and senior staff; and provide details of the remuneration of Commissioners and senior staff in</p>	<p>The Chief Executive as accounting officer has a duty to ensure the Annual Report complies in this respect. The Accounts are subject to audit by the NAO.</p>

<i>Code Requirement</i>	<i>How Met / Assurance Mechanism</i>
accordance with Treasury guidance. The annual report will contain information on access to the register of interests.	
<u>Commission as Employer</u>	
44. The Commission will ensure that:	
i. It complies with all relevant legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff in the public service	The Commission employs a full-time HR Manager to take forward its obligations in this respect.
ii. All staff are familiar with its main aims and objectives	All staff are involved in the development of the corporate and business plans. The plans are formally announced to Commission staff at a staged event.
iii. The organisation adopts management practices which use resources in the most economical, efficient and effective manner	The Audit Committee, and the Chief Executive in his role as accounting Officer, have roles in this respect.
iv. Its rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff. In filling senior staff appointments, it will satisfy itself that an adequate field of qualified candidates is considered and will always consider the merits of full and open competition.	Current rules aim to reflect these requirements. Commissioners are directly involved in the recruitment of the Chief Executive and Directors. An annual report on equal opportunities is suggested.
v. Staff and Commissioners have appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.	The Commission gains legal and other advice from external experts as appropriate, and otherwise employs a full-time HR Manager to take forward its obligations in this respect.

<i>Code Requirement</i>	<i>How Met / Assurance Mechanism</i>
46. The Commission has a responsibility to monitor the performance of the Chief Executive and other senior staff. This will normally be exercised, in the first instance, by the Chair. When considering the Chief Executive's entitlement to performance-related pay, the Commission should ensure that it has access to the information and advice required to make the necessary judgements.	The Chief Executive's performance targets and performance review are routine elements of the Commission's annual business cycle
<u>Commissioners' Individual Responsibilities</u>	
13. Follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life. Commissioners must:	Generally for individual commissioners to comply, but in addition:
i. Undertake on appointment to comply at all times with this code and with the rules relating to public funds	Adoption of this code binds Commissioners and all new Commissioners receive a copy in the Commissioners' handbook
ii. Act in good faith and in the best interests of the Commission	Other Commissioners and the Chief Executive will advise on this as appropriate.
iii. Not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations; and to declare publicly any private interests which may be perceived to conflict with the public duties	There is a routine process for regularly updating entries in the Register of Interests.
iv. Ensure that they comply with the Commission's rules on the acceptance of gifts and hospitality	The rules, and declaration forms, are contained in the Register file, which is placed on the table at every Commission meeting.

Code Requirement	How Met / Assurance Mechanism
<p>14. Commissioners are expected not to occupy paid party political posts or hold particularly sensitive or high-profile unpaid roles in a political party. Subject to that, part time members are free to engage in political activities, provided that they are conscious of their general public responsibilities and exercise a proper discretion, particularly in regard to the work of the Commission. On matters directly affecting that work, they should not make political speeches or engage in other political activities. [Special rules apply for peers and local councillors].</p>	<p>There is a routine process for regularly updating entries in the Register of Interests.</p>
<p>17-19. Commissioners must “have no such financial or other interest as is likely to affect prejudicially by him of his functions as a member” (1993 Act).... Commissioners are required to update their declarations as soon as any relevant changes occur.</p> <p>Pecuniary interests in any matter of Commission business shall be disclosed, and Standing Order no.6 followed.</p> <p>Register of interests open to the public.</p>	<p>There is a routine process for regularly updating entries in the Register of Interests.</p> <p>The Chief Executive and Commission Secretariat will advise if they believe any declared interests to be relevant.</p> <p>Register is open, and its availability publicised in the Annual Report.</p>
<p>20-23. Must abide by rules on gifts and hospitality.</p> <p>Lottery money will not be used to provide gifts over the value of £50.</p> <p>Commissioners should inform Chief Executive of gifts and hospitality taken and given, for the register.</p>	<p>As noted above, the rules, and declaration forms, are contained in the Register file, which is placed on the table at every Commission meeting.</p>
<p>33-34. Must not deal directly with the media (unless authorized to do so) but should refer any such approach to the Communications team and notify the Chief Executive or Head of Communications forthwith</p>	<p>Generally for Commissioners to comply. The Executive will keep Commissioners briefed on issues that might result in a direct approach from the media.</p>

Information Security Guidance

See also the Commission's Information Systems Security Policy

Purpose and scope

The purpose of this guidance is to set out best practice for dealing with information received or generated in connection with Commissioners duties at the NLC; and to remind Commissioners of their responsibilities in the event of a breach, potential or suspected breach of security.

Introduction to Information Security

Information can be in any form – paper, electronic (created, stored and exchanged via computer), or in spoken or broadcast form. This guidance applies to all information in whatever form.

There are three key aspects of Information Security;

- Availability, knowing that the information can always be accessed;
- Integrity, knowing that the information is accurate and up-to-date and has not deliberately or inadvertently modified from a previously applied version; and
- Confidentiality, knowing that sensitive information can be accessed only by those authorised to do so.

Availability and Integrity

The first two of these are principally the responsibility of the Director of Resources in ensuring the Commission has and operates policies and procedures to control access to and usage of the IT network and arrange for regular backups of the information on the network to be taken and safely stored. These measures are detailed in the Information Systems Security Policy.

However all individuals have a role to play in ensuring the integrity of information by ensuring they follow policy relating to changing and using passwords to access the network and by only accessing the Commission's IT network in a secure environment where unauthorised access is not possible. Guidance on access control is outlined below:

- Users set their own password to gain access to the network. The password must be at least 78 characters long and should include at least one capital letter and one number. Users should not use any part of their user name.
- Clear screen policy – all NLC IT equipment is set up so that after a brief period of non-use the user will be automatically locked out – with re connection only allowed by entry of the password.
- When using remote access connection you should ensure that others cannot view the screen, or leave the equipments unattended so others can access information directly.

Confidentiality

The main risk Commissioners will face and have the ability to manage in handling information is a breach of confidentiality. Measures to address confidentiality risks are outlined below.

Protective markings

The Commission uses a system of Protective Markings. These are most usually seen on written material such as Commission Papers but may also be applied more widely to correspondence or electronic media.

Currently the most frequently used markings are Restricted and Confidential. Markings may be extended to reflect the content of the information. For example “Restricted – Staff” and “Confidential – Commercial” are frequently used.

Protectively marked papers must never be;

- read or discussed (either face to face or by mobile phone) in public
- left (even if protected) with a member of public, for example, in a hotel safe;
- left (even if secured) in an unattended car.

Numbered copies: Occasionally information will be deemed to be of such sensitivity that it should not be taken outside the office or a particular meeting where the content is being discussed. In such an instance numbered copies will be made available (and a record made of who has received each copy) and recipients informed when the papers will be collected. Commissioners should ensure they return copies before they leave the office or the meeting and ensure any notes taken about the material do not contain anything deemed sensitive – if so the notes should be destroyed immediately.

Illegal copies: Where information should not be copied and circulated more widely than the original distribution, security paper that shows up “Illegal Copy” when copied may be used. Commissioners should ensure they do not copy such material, and if they do so inadvertently should destroy the copy immediately. If material marked “Illegal Copy” is received the Chief Executive, or Director of Resources should be informed.

Destruction

It is good practice to regularly review information stored in whatever medium and destroy or arrange for the destruction of any electronic or paper documents that are no longer required. Any information due for destruction that is held in relation to a Commissioners duty at the NLC should be disposed of securely, irrespective of whether a protective marking has been assigned to it. All printed material should be shredded, in the instance of material marked Confidential or higher it should be returned to the Commission's offices and arrangements for secure destruction will be made.

Freedom of Information

Freedom of Information legislation means that information protectively marked may still be releasable to a member of the public or an interested third party making a request. The decision to withhold or release information would be made on a case by case basis.

IT Security: Remote Access and email policy

Commissioners should apply the advice for reading and handling paper documents to accessing the Commission's IT system remotely. Access should only be used where the information on the screen will be secure. Information should not be accessed in a public or other place where there is a possibility of the screen being viewed by an unauthorised person. The computer equipment must not be left unattended while logged on to the Commission's system remotely.

Commissioners are expected when sending and receiving emails about Commission business, which has or would have a protective masking, only to use their "natlotcomm.gov.uk" address.

Breaches, potential or suspected breaches of security

If a Commissioner becomes aware of any actual or potential breach of security the Chief Executive or Director of Resources should be informed.



Our Vision

A **National Lottery** that delivers increased funds for the good causes and enjoyment for the nation.

Our Mission

We secure public trust and enthusiasm for the **National Lottery** through the exercising of our statutory duties:

- to ensure that the **National Lottery** is run, and every lottery that forms part of it, is promoted with all due propriety;
- to ensure that the interests of every participant in a lottery that forms part of the **National Lottery** are protected; and
- subject to the first two duties, to do our best to secure that the proceeds of the **National Lottery** are as great as possible.

Our Values



Excellence

We will deliver to the highest standards, identifying and taking opportunities to continuously improve and develop.

We will demonstrate this by:

- Going the extra mile
- Getting it right
- Delivering quality results
- Demonstrating a professional attitude
- Providing encouragement
- Showing initiative
- Leading by example
- Taking responsibility for our own development
- Being open to new things and embracing change

Accountability

We will each take ownership of our responsibilities, embracing challenges with professionalism to achieve the Commission's goals.

We will do this by:

- Providing clarity of responsibilities
- Being responsible for our own conduct and work
- Taking responsibility when things go wrong
- Accepting both praise and criticism for what we deliver
- Taking decisions where we have the authority to do so

Team work

We will work together to achieve the Commission's goals, encouraging each other to develop and make the organisation an enjoyable and rewarding place to work.

We will demonstrate this by:

- Creating an environment where it is okay to constructively challenge
- Encouraging others
- Being flexible and helping each other out
- Representing the team view
- Valuing the contribution of different team roles
- Praising each other
- Being accountable for our roles



Communication

We will share relevant information in a timely and concise manner with each other and our stakeholders, enabling and encouraging effective two-way communication.

We will demonstrate this by:

- Making information accessible in appropriate formats
- Ensuring there are appropriate mechanisms for feedback and making this possible
- Actively consider what people need to know and recognise others need for information

Integrity

We will be fair, honest and open in all our dealings, decisions and actions.

We will demonstrate this by:

- Knowing the Commission's policies, applying and complying with them consistently
- Challenging and tackling behaviour which is not consistent with our values
- Recognising and rewarding behaviour which demonstrates integrity
- Sharing and explaining decisions
- Accepting a duty to express our view and recognising that we will always get a fair hearing