

Framework document between the Department for Business, Energy and Industrial Strategy and the Groceries Code Adjudicator

Introduction

This document has been agreed by the Department for Business, Energy and Industrial Strategy (“BEIS”) and the office of the Groceries Code Adjudicator (“GCA”). It sets out the framework within which the GCA will operate and the respective responsibilities of the GCA, BEIS and Ministers. The document does not convey any legal powers or additional legal responsibilities and does not affect the application of the Groceries Code Adjudicator Act 2013 (“the Act”), or legislation made under that Act but is intended to support the performance of their respective statutory and other legal duties by the GCA and the Secretary of State. It is signed and dated by BEIS and the GCA. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the GCA’s page on GOV.UK.

This document will be reviewed every 3 years or whenever certain events trigger a review.

1. Purpose of the GCA

1.1. The GCA was set up under the Act to monitor, encourage compliance with and enforce the Groceries Supply Code of Practice (“the Code”), part of the Groceries (Supply Chain Practices) Market Investigation Order 2009. The Code regulates the relationship between specified large retailers of groceries (as defined in the Code) (“Designated Retailers”) and their direct suppliers (“Suppliers”).

Powers and duties of the GCA

1.2. The powers and duties of the GCA are set out in the Act and further provision has been made in respect of fines through the Groceries Code Adjudicator (Permitted Maximum Financial Penalty) Order 2015. The GCA’s statutory functions include:

- providing advice and publishing guidance to both Suppliers and Designated Retailers on matters relating to the Code;
- arbitrating in disputes between Suppliers and Designated Retailers (or appointing someone else to arbitrate);
- investigating issues to ascertain whether there has been a breach of the Code;
- imposing enforcement measures for breaches of the Code; and
- preparing and publishing an annual report on the GCA’s activities.

The GCA’s investigative powers:

1.3. Under the Act, the GCA may launch an investigation if the GCA has reasonable grounds to suspect that a Designated Retailer has:

- (a) broken the Code; or
- (b) failed to follow a recommendation issued by the GCA following a previous investigation.

The GCA’s enforcement powers:

1.4. If a breach of the Code is found following investigation, the GCA can take one or more of the following enforcement measures:

- (a) make recommendations;
- (b) require Designated Retailers to publish information; and
- (c) impose a fine.

Classification

1.5. Cabinet Office have classified GCA as a statutory office holder without administrative classification. The GCA is a corporation sole, and the office of the GCA continues even during periods of vacancy. It is separate from, but as a matter of machinery of government, sponsored by, BEIS. It is classified as a central government organisation by the ONS for the purpose of the national accounts and related statistics.

2. Ministerial accountability

- 2.1. The Secretary of State for Business, Energy and Industrial Strategy is responsible for the overall policy framework within which the GCA operates and has statutory powers and duties in relation to the GCA. Furthermore, the Secretary of State is ultimately responsible to Parliament for the GCA and accordingly will account for its business in Parliament. In practice, the Secretary of State's responsibilities may be discharged by Ministers or officials with responsibility for the Act to act on his or her behalf.
- 2.2. The GCA maintains operational independence from BEIS in relation to the exercise of the statutory functions, powers and duties of the role. This is subject to any guidance the Secretary of State may give to the Adjudicator, following a review under section 15 of the Act, in relation to the exercise of the Adjudicator's functions. Where such guidance is issued, the Adjudicator must take it into account in discharging his/her functions. BEIS retains obligations in relation to financial oversight of, and accountability for, the GCA as set out in this document and section 7.1.3 of HM Treasury's Managing Public Money.
- 2.3. The GCA is responsible for the day-to-day management of the office of the GCA under the Act.
- 2.4. Under the Act, the Secretary of State must appoint the GCA and may appoint a Deputy GCA ("DGCA") who may carry out any of the GCA's functions. The DGCA is also a statutory office holder but is not a corporation sole.

3. Contact and engagement

- 3.1. BEIS is the responsible department in relation to the GCA.
- 3.2. Within BEIS, the BEIS sponsorship team and relevant policy teams within the Market Frameworks Group will maintain a close working relationship with their counterparts in the GCA on all relevant matters but subject always to the operational independence of the GCA under the Act ("Independence"). The sponsorship function will be based on a transparent, fair, rational, and well-understood model of working in partnership, tailored towards the complexities of the organisation. It will ensure that there are effective and efficient department processes and systems in place to support governance activities. This includes implementing a BEIS-wide policy to establish four levels of sponsorship within the department. The Deputy Director in Market Frameworks Group is the policy sponsor. He/she and his/her team form the BEIS sponsorship team. The BEIS sponsorship team will provide the main points of contact for the GCA within BEIS and undertake the day to day relationship management with the office of the GCA.
- 3.3. The BEIS sponsorship team is responsible for co-ordination between the three other sponsor roles within BEIS:
- a) a ministerial champion – providing ministerial oversight and support for key priorities. This will be the minister responsible for this policy area at the relevant time;
 - b) a policy champion – accountable for the overall relationship, this will be the Director General in the Market Frameworks Group or as otherwise notified to the GCA; and
 - c) a corporate governance sponsor within the Partnerships Team - working with policy sponsors and the GCA on governance-related issues.

3.4. BEIS and the GCA are expected to have an open and honest, trust-based partnership supported by the principles set out in the Partnerships between Departments and ALBs: Code of Good practice¹. As such, both parties will ensure they clearly understand the strategic aims and objectives of the other. Both partners will also commit to keeping each other informed of any significant issues as appropriate, opportunities or concerns in a timely manner, subject always to Independence.

3.5. The BEIS sponsorship team is the main source of advice to the responsible Minister on the discharge of his or her responsibilities in respect of the GCA. It also supports the Principal Accounting Officer (“PAO”), who is the BEIS Permanent Secretary, on his or her responsibilities toward the GCA.

Dispute resolution

3.6. Any disputes between BEIS and the GCA, in relation to the operation of the office of the GCA but subject always to Independence, including (but not limited to) spending and standards expected of a public body, will be resolved by:

- a series of discussions at official level between the BEIS sponsorship team and appropriate staff from the office of the GCA with a goal of finding a joint and agreeable solution;
- a series of discussions between the GCA and the Director for GCA sponsorship to determine appropriate next steps and resolution, following discussions at official level and if a joint and agreeable solution is not settled; and
- a discussion between the BEIS POA and the GCA as Accounting Officer (“AO”) to agree a joint solution, depending on the success of the above intervention routes. Where necessary, the BEIS PAO may also choose to nominate a non-executive member of the Department’s Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Minister.

GCA/BEIS working level liaison arrangements

3.7. The GCA and/or appropriate staff from the office of the GCA will meet officials from the BEIS sponsorship team on a regular basis as appropriate. These meetings will cover governance, review the progress and achievements of the GCA, and jointly assess the effectiveness of the partnership arrangements. These meetings will be kept under review, but the expectation is that they will occur every two months. They could occur on a more or less frequent basis where considered that would be useful. The meetings will provide an opportunity for:

- the BEIS sponsorship team to share, where appropriate, wider policy developments that might have an impact on the GCA;
- the GCA and/or appropriate staff from the office of the GCA to share information (subject to Independence and the confidentiality provisions set out in the Act) about developments in the sector, feedback from stakeholders and other information that could help inform policy development;
- the GCA and/or appropriate staff from the office of the GCA to share upcoming issues, opportunities or challenges;
- the BEIS sponsorship team and the GCA and/or appropriate staff from the office of the GCA to review the strength of partnership arrangements and mutually agree actions, where necessary, to address any issues.

3.8. In addition to routine and policy lead contact between BEIS and the GCA, engagements will take place between:

- the responsible Minister for the GCA policy and the GCA once a year;
- the BEIS PAO and the GCA as part of the GCA’s induction as AO;

¹ <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice> - The Code of Good Practice does not override any provisions governing relationships between departments and arms-length bodies that might exist in statute or other formal arrangements. In all cases, such existing provisions take primacy.

- Director for GCA sponsorship (or other suitably senior official acting in their place) and the GCA/DGCA as part of an end-of-year performance appraisal review at BEIS;
- the Director/ Deputy Director for GCA sponsorship and the GCA once every six months.

3.9. BEIS and the GCA jointly recognise the importance of support services to the operation of the GCA as a small organisation and that these functions can impose a disproportionate burden on the office of the GCA. Where the office of the GCA is unable to identify appropriate contacts for required services, it should contact the Sponsor team, who will liaise with the Partnerships Team.

3.10. If agreed to be necessary, separate Terms of Reference / Memorandum of Understanding on specific issues, will be drawn up between the office of the GCA and the service suppliers to set out roles, responsibilities and service delivery expectations.

3.11. BEIS will provide timely promulgation of instructions and guidance from BEIS, HMT and Cabinet Office that enable the GCA to meet his/her obligations as AO.

GCA/BEIS good communication practice

3.12. Subject to Independence and the other provisions of the Act, the GCA and office of the GCA will, in particular, keep the BEIS sponsorship team in the loop and liaise with communications colleagues within the BEIS media team and the BEIS sponsorship team (and vice a versa) to provide reasonable advance notice (where possible) of:

- announcements and significant publications;
- media and communications plans and media appearances – including details of what will be covered in the plans or appearances;
- reactive media handling, including media queries and bids.

3.13. The provision of reasonable advance notice is to enable the GCA and office of the GCA and the BEIS sponsorship team to:

- prepare responses to any communications or media appearances (including supportive statements);
- ensure that all communications are accurate and take into account wider work;
- effectively promote communications and media appearances with stakeholders; and
- brief Ministers as necessary.

4. Specific accountabilities and responsibilities of the Principal Accounting Officer (PAO)

4.1. The BEIS PAO has designated the GCA as AO for the purpose of carrying out the statutory functions of the GCA. The respective responsibilities of the PAO and AOs are set out in Chapter 3 of Managing Public Money which is sent separately to the AO on appointment.

4.2. As the GCA has been classified as central government by ONS, GCA expenditure is classified as public funds for budgetary and accounting purposes. The PAO is accountable to Parliament for all resources used by the GCA, whether from the levy, or any grant, grant-in-aid or loan. The PAO must be satisfied that resources are used for the purposes intended by Parliament and that these funds are properly accounted for. The PAO relies on the assurances of the GCA, as AO, to carry out this role.

4.3. The PAO is responsible for advising the responsible Minister in relation to:

- how well the GCA is achieving its statutory duties;
- an appropriate budget for the GCA after considering the GCA's levy proposals; and
- whether it is delivering value for money.

4.4. The PAO is also responsible for ensuring arrangements are in place to:

- review the GCA in line with requirements of the Act;
- address significant problems in the operation of the office of the GCA where necessary, while respecting the GCA’s operational independence in the exercise of the GCA’s statutory functions and day-to-day management of the office of the GCA;
- review the operation of the office of the GCA in relation to spending and standards expected of a public body in line with the aims of central government; and
- inform the GCA of relevant government policy in a timely manner.

4.5. The GCA sponsorship team in BEIS will support the PAO in his/her responsibilities toward the GCA.

5. Responsibilities of the GCA as Accounting Officer (AO)

General

5.1. The GCA is a Statutory Office and Corporation Sole. The GCA as AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring and promoting propriety, regularity, affordability, sustainability, management of risk, value for money and feasibility in the handling of those public funds; for accounting accurately and transparently for the office of the GCA’s financial position and transactions; and for the day-to-day operations and management of the office of the GCA.

5.2. In addition, the AO should ensure that the office of the GCA as a whole is run in accordance with the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of Managing Public Money.

5.3. This framework document should be considered to supplement the responsibilities of the GCA as AO as set out in the formal AO appointment letter. It should not be considered to undermine any of the responsibilities set out in that letter. In particular, the GCA, as AO, must abide by the Nolan Principles of Public Life.

Responsibilities for accounting to Parliament through BEIS

5.4. The accountabilities include:

- producing, signing and publishing an annual report and accounts detailing the activities of the GCA, and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared, audited, and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and assurance of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the office of the GCA are established and publicised;
- acting in accordance with the terms of this document, including the list of government-wide corporate guidance instructions listed at Appendix 2, *Managing Public Money* and other instructions and guidance issued from time to time by BEIS, HM Treasury and the Cabinet Office; and
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee (“PAC”) on the GCA’s stewardship of public funds.

Responsibilities to the Department for Business, Energy and Industrial Strategy

5.5. The GCA is operationally independent. Responsibilities of the GCA to BEIS include:

- keeping BEIS informed of the GCA’s strategic objectives as part of the regular engagement with the BEIS sponsorship team;
- informing BEIS of how resources are being used to achieve those objectives;

- keeping BEIS informed of any planned advice to Ministers and preparations for external communications activity as part of the regular engagement with the BEIS media team and the BEIS sponsorship team;
- ensuring BEIS is aware of any significant problems, risks or challenges (whether financial or otherwise) that may affect the discharge of the GCA's statutory functions and other legal duties, or harm the reputation of the Office of the GCA by notifying the BEIS sponsorship team in a timely fashion;
- upon request, providing information to help the Secretary of State to carry out functions under the Act and on any recurrent themes or issues that have come to the GCA's attention that could support policy development. This requirement does not override any obligation of confidentiality or protection of data; and
- engaging with the BEIS sponsorship team to ensure that (within the remit of the Act) the operation of the office of the GCA continues to align with the aims of central government.

6. Corporate governance

6.1. Under the Act, the GCA and the DGCA are appointed for a period of not more than four years by the Secretary of State. Ministers may re-appoint a person to the office of the GCA or the DGCA for up to two further terms of office, subject to a maximum tenure of three years per term. Any appointment will comply with the *The Governance Code for Public Appointments*² which came into effect on 1 January 2017. This includes no presumption of automatic reappointment and includes the requirement for an annual performance appraisal. This will be conducted by the BEIS Director/Deputy Director for GCA sponsorship (or other suitably senior official acting in their place).

Governance Board

6.2. The GCA is accountable to the Secretary of State for his or her activities and performance of the office of the GCA, and for ensuring the discharge of their statutory responsibilities.

6.3. The GCA will set up a robust and proportionate governance structure i.e. a board, that will ensure that effective arrangements are in place to provide assurance on risk management, governance and internal controls. In accordance with the *Code of Good Practice for Corporate Governance*³ and the *Audit and Risk Assurance Committee Handbook*⁴ the board is expected to assure itself of the effectiveness of the internal controls and risk management systems. The GCA shall put in place arrangements for independent scrutiny and advice on audit and risk, through a committee which will include at least one non-executive member.

6.4. The board will be specifically responsible for:

- establishing and taking forward the strategic aims and objectives of the GCA consistent with its overall statutory functions as set out in the Act;
- ensuring that the responsible Minister is kept informed of any changes which are likely to impact on the strategic direction of the GCA;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with;
- considering guidance issued by BEIS;
- subject to the Act, providing information, as necessary and on request, to BEIS in order for the Secretary of State to comply with their duties to Parliament;

²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf

³ <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

⁴ <https://www.gov.uk/government/publications/audit-committee-handbook>

- making procedural arrangements for dealing with any conflicts of interest affecting themselves, any Deputy and any staff to the office of the GCA;
- ensuring that the board receives and reviews regular financial information concerning the management of the GCA; and
- demonstrating high standards of corporate governance at all times.

7. Financial responsibilities

Budget/Levy

7.1. The GCA is in practice wholly funded by a levy imposed on the Designated Retailers as set out in the Act. Before imposing any levy, the GCA must obtain the Secretary of State's consent under Section 19 of the Act. The GCA will submit a levy business case to the Secretary of State for approval. In addition to the provisions of the Act, BEIS will seek HM Treasury's views to ensure the levy regime remains consistent with Managing Public Money.

7.2. Unless otherwise agreed by the Department and, as necessary, HM Treasury, the GCA will follow the principles, rules, guidance and advice in *Managing Public Money*.

7.3. Once the levy business case has been approved by the Secretary of State the GCA has authority to incur lawful expenditure approved in its budget without further reference to BEIS, on the following conditions:

- the GCA complies with the delegations set out in Appendix 1. These delegations will not be altered without the prior agreement of the sponsor department; and
- the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or terms of the approved levy business case.

Loans

7.4. The Secretary of State may make a loan or grant available to the GCA as provided for in section 20 of the Act, to cover any shortfall in funding due to unforeseen/unavoidable costs which its levy funding is insufficient to cover.

7.5. A business case is needed for a loan to be approved. The business case must detail why the loan is required and provide BEIS with relevant assurances that the GCA is confident that the loan would be fully recovered in the next financial year. The business case is submitted to the relevant Minister for agreement and in parallel to the BEIS sponsorship team.

Grants

7.6. In the event that BEIS provides the GCA with a separate grant it will issue the funding on the basis of a business case from the GCA. This will be voted in BEIS's Supply Estimate and be subject to Parliamentary control. Grants are arranged and controlled in line with Annex 5.1 of Managing Public Money.

Delegated authorities

7.7. The GCA's delegated authorities are set out in an annual financial delegation letter from the BEIS Director General of Market Frameworks. The annual letter sets out that the GCA is delegated the authority to commit resources or incur expenditure against the budgets which the GCA is responsible for administering in carrying out its role.

7.8. The GCA's delegated authorities as at the date hereof are set out in Appendix 1. These may be amended from time to time and the most recent delegation letter should take priority over the annexed delegations. The GCA will obtain BEIS's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or the GCA's levy as approved by the Secretary of State;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- make any significant change in the scale of operation or funding of any initiative approved within the levy methodology by the Secretary of State; and
- make any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required.

Annual report and accounts

7.9. The GCA must prepare and publish an annual report of its activities together with audited accounts after the end of each financial year. The report must comply with Section 14 of the Act and HM Treasury's Financial Reporting Manual. The Secretary of State is responsible for laying the GCA's annual report in Parliament on behalf of the GCA. The annual report and accounts will be published on the GCA's web page on GOV.UK when they are laid in Parliament.

8. Management and reporting

Reporting performance to BEIS

8.1. The BEIS sponsorship team and the office of the GCA are responsible for engaging on a regular basis, to enable assurances on the operation, activities and performance of the GCA to be provided to the responsible Minister and the PAO. A governance mechanism between BEIS and the GCA should be created to establish the appropriate assurances to the PAO.

8.2. This governance mechanism will monitor the performance and delivery of the GCA's statutory objectives and key priorities through reviewing the GCA management information to ensure risks are identified and mitigated appropriately.

Banking and Managing Cash

8.3. GCA must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).

8.4. GCA should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

8.5. Commercial Accounts where approved should be operated in line with the principles as set out in Managing Public Money.

8.6. The Accounting Officer is responsible for ensuring the GCA has a Banking Policy as set out in Managing Public Money and ensuring that policy is complied with.

Risk management

8.7. The office of the GCA shall ensure that the risks it faces are dealt with in an appropriate and proportionate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the HM Treasury guidance *Management of Risks: Principles and Concepts*⁵. The strategy will be agreed by the Audit and Risk Committee.

Counter Fraud

8.8. The GCA should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in Managing Public Money Annex 4.9. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.

8.9. The GCA should keep records of and prepare and forward to the department an annual declaration on any fraud and theft suffered by the GCA and notify the sponsor department of any unusual or major incidents as soon as possible. The GCA should also report identified loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.⁶

Staff

8.10. The GCA cannot employ staff directly. However, the GCA may make arrangements for staff to be seconded to the GCA from any public body. Secondees are subject to their home organisations' human resources policies and other relevant terms and conditions, subject to the terms of any secondment agreement. Secondees should follow the Civil Service Code. The GCA's responsibilities towards staff are to ensure that:

- grievance and disciplinary procedures are in place and in line with home organisations' procedures;
- staff are encouraged to acquire professional, management and other expertise necessary to achieve the GCA's objectives;
- meaningful consultation with staff takes place on issues affecting them; and
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place.

9. Internal Audit

9.1. The GCA will establish and maintain proportionate arrangements for internal audit in accordance with the *HM Treasury's Public Sector Internal Audit Standards (PSIAS)*⁷; and ensure BEIS is satisfied with the arrangements.

9.2. Where BEIS considers it is necessary and proportionate, BEIS's internal audit service (Government Internal Audit Agency (GIAA)⁸) has a right subject to Independence and the Act, to access all appropriate GCA documents relevant to and for the purpose of any audit, including where the service is contracted out.

10. External Audit

⁵ <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>;
<https://www.gov.uk/government/publications/orange-book>

⁶ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

⁷ <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

⁸ <https://www.gov.uk/government/organisations/government-internal-audit-agency>

10.1. Pursuant to paragraph 15(5) of Schedule 1 to the Act, the Comptroller & Auditor General (C&AG) audits the GCA's annual accounts and passes the audited accounts to the Secretary of State for laying in Parliament with the Annual Report.

10.2. The C&AG:

- will consult BEIS and the GCA on who shall undertake the audit, though the final decision rests with the C&AG;
- has statutory right of access to relevant documents, including by virtue of paragraph 15(5) of Schedule 1 to the Act and Section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the GCA;
- will share with the sponsor department information identified during the audit process and the audit report at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within the GCA; and
- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

10.3. The C&AG may examine the efficiency and effectiveness with which the GCA has used its resources to discharge its functions. The GCA will:

- allow C&AG appropriate access to documents to undertake audits and examinations; and
- provide, in contracts it issues, for the C&AG to have access to documents held by contractors and sub-contractors as may be required for these examinations; and shall use reasonable endeavours to secure access to any other documents required by the C&AG which are held by other bodies.

Information Sharing and Right of Access

10.4. The GCA will allow reasonable access by BEIS to GCA records and personnel (consistent with the Data Protection Act 2018 and the General Data Protection Regulation⁹) where this is necessary for the proper discharge of the Secretary of State's responsibilities in respect of the GCA – except where they relate to access to specific documents / personnel that could compromise the ability of the GCA to exercise its functions independently of Government influence or interference.

10.5. The department and HM Treasury may request the sharing of data held by the GCA in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

10.6. In the event the GCA is likely to engage one or more of the Cabinet Office Controls, they shall provide the department with information that will enable the department to monitor compliance with those controls.

11. Statutory review of the GCA

11.1. The Secretary of State will review the GCA's performance in accordance with the requirements of section 15 of the Act. In addition, the GCA and DGCA will have an end-year performance appraisal discussion with the BEIS Director/Deputy Director for GCA sponsorship or other suitably senior official acting in their place.

12. Arrangements in the event that the GCA is wound up

⁹ <https://www.gov.uk/government/publications/guide-to-the-general-data-protection-regulation>

12.1. Where the conditions and/or procedures required by section 16(2) of the Act are met the Secretary of State may by regulations abolish the GCA.

12.2. Should the Secretary of State decide to abolish the GCA, BEIS shall ensure the orderly winding up of the office of the GCA. It should ensure that the assets and liabilities of the GCA are passed to any successor organisation and accounted for properly. If there is no successor organisation, the assets and liabilities should revert to the Department. To this end, BEIS shall:

- ensure that procedures are in place in the GCA to gain independent assurance on transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the work inherited by any residual body;
- specify the basis for the valuation and accounting treatment of the GCA’s assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit. It is for the C&AG to lay the final accounts in Parliament, together with its report on the accounts; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another body takes on the role, responsibilities, assets and liabilities, the succeeding body’s AO should sign the closing accounts. In the event that BEIS inherits the role, responsibilities, assets and liabilities – or that the role ceases to exist – BEIS’s AO should sign.

12.3. The GCA shall provide BEIS with full details of all arrangements where the GCA or its successors have a right to share in the financial gains of developers. It should also pass to BEIS details of any other forms of claw-back due to the GCA.

List of Appendices to this Framework Document

Appendix 1 - List of delegated authorities

Appendix 2 - List of government-wide corporate guidance instructions

Date and Signature



Signed

Date 27 May 2022

(The GCA)



Signed

Date 26 May 2022

(On behalf of BEIS)

APPENDIX 1

Delegated Authorities: GCA

1. The Director General for Market Frameworks Group has been given formal delegated authority via the Department's Principal Accounting Officer to exercise a range of authorities and to sub-delegate some of these to you as appropriate. The GCA's delegated financial authority is set out in an annual financial delegation letter from the BEIS Director General of Market Frameworks.
2. The annual letter sets out that the GCA is delegated the authority to commit resources or incur expenditure against the budgets which the GCA is responsible for administering for the primary purpose of delivering the GCA's contribution to the departmental objectives. Approval for any novel or contentious expenditure must be obtained from HM Treasury, in the first instance.
3. By accepting this Delegation of Financial Authority, the GCA assumes full accountability and responsibility for ensuring that any financial resources under his/her control are managed, within the rules of 'Managing Public Money', in an economic, efficient and effective manner.
4. The GCA should ensure that serious and material issues are escalated to the Director General of Market Frameworks Group. Authority is delegated subject to the conditions listed in the Schedule of Delegations and limited to the amounts set out in the annual approved levy business case.

APPENDIX 2

Compliance with government-wide corporate guidance and instructions

The GCA shall comply with the following general guidance documents and instructions:

- This Framework Document;
- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice* <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments> ;
- *Managing Public Money* (MPM) <https://www.gov.uk/government/publications/managing-public-money> ;
- Management of Risk: Principles and Concepts: <https://www.gov.uk/government/publications/orange-book>
- Departmental Banking: A Manual for Government Departments, annex 5.6 of *Managing Public Money*;
- Relevant Dear Accounting Officer letters <https://www.gov.uk/government/collections/dao-letters>;
- Regularity, Propriety and Value for Money, http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm ;
- HM Treasury and NAO Guidance on Tackling Fraud, https://www.nao.org.uk/wp-content/uploads/2013/02/Tackling_External_Fraud.pdf;
- Public Sector Internal Audit Standards, <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- Appropriate adaptations of the Audit Committee Handbook, http://www.hm-treasury.gov.uk/audit_committee_handbook.htm;
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples> ;
- Consolidation Officer Memorandum, and relevant DCO letters;
- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice) <http://www.legislation.gov.uk/ukpga/2000/36/contents>, <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>;
- Whistleblowing Guidance and Code of Practice, <https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>;
- The Equalities Act 2010, <https://www.gov.uk/guidance/equality-act-2010-guidance>;
- Other relevant guidance and instructions issued by the HM Treasury in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments;
- Specific instructions and guidance (not including the GCA's substantive functions) issued by BEIS;
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the GCA.