



Department for
International Trade

Department for International Trade

Accounting Officer System Statement

September 2022

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1. Scope of the Accountability System

I am the Principal Accounting Officer of the Department for International Trade (DIT). This System Statement sets out the accountability relationships and processes within my department, making clear who is accountable for what, at all levels of the system.

Our Purpose

Our Purpose is to:

- create long term economic growth for the UK
- negotiate trade deals and open up markets
- strip away trade barriers
- give our exporters the tools, support and opportunities to succeed through global trade
- attract inward investment to all parts of the UK
- build a global appetite for British goods and services
- improve international trading standards and fight unfair trading practices.

Priority Outcomes

DIT's [Outcome Delivery Plan for 2021-22](#) set out ambitious trade and investment objectives, focused on achieving four priority outcomes:

1. Secure world-class free trade agreements (FTA) and reduce market access barriers, ensuring that consumers and businesses can benefit from both.
2. Encourage economic growth and a green industrial revolution across all parts of the UK through attracting and retaining inward investment.
3. Support UK business to take full advantage of trade opportunities, including those arising from delivering FTAs facilitating UK exports.
4. Champion the rules-based international trading system and operate the UK's new trading system, including protecting UK businesses from unfair trade practices.

The Secretary of State for International Trade and other departmental ministers have a duty to Parliament to account, and be held to account, for the policies, decisions and actions of this department and its agencies. They look to me as the department's Accounting Officer to delegate within the department to deliver their decisions and to support them in making policy decisions and handling public funds.

As Accounting Officer, I am personally responsible for safeguarding the public funds for which I have been given charge under the Department for International Trade's Estimate.

The System Statement covers my core department and its relationships with [UK Export Finance](#) and the [Trade Remedies Authority](#). It describes accountability for all expenditure of public money through my department's Estimate, all public money raised as income, and other publicly owned assets for which I am responsible.

This system statement helps me ensure that I am fulfilling my responsibilities as an Accounting Officer, in accordance with the Treasury's guidance set out in [Managing Public Money](#). This system statement is further supported by the Governance Statement which forms part of my department's [Annual Report and Accounts](#). The Governance Statement will

be reviewed annually within my department to ensure that the control environment remains satisfactory and that all parts of the system are functioning effectively.

This system statement describes the accountability system in relation to all of DIT's funding, through successive layers of control covering:

- Responsibility within the core department (section 2)
- Governance arrangements with the Trade Remedies Authority and UK Export Finance (section 3)
- Grants to private and voluntary sector bodies (section 4)
- Major contracts and outsourced services (section 5)

This system statement describes the accountability system which is in place at the date of this statement, and which will continue to apply until a revised statement is published.

JAMES BOWLER

2. Responsibility Within the Core Department

The structure of the department is as follows:

Trade Negotiations group: delivering an ambitious programme of free trade agreements, securing greater market access for exporters and bringing greater opportunities and supporting economic growth across the UK.

Trading Systems group: responsible for leading on creating a fair rules based trading environment, managing the UK's trade disputes and remedies interests, implementing agreements, supporting businesses to access markets, supporting supply chain management and resilience and the licensing of military and dual-use exports.

Strategy and Investment group: working across government to enhance the UK's investment environment, attracting high-value, high-impact investment through the Office for Investment (a joint DIT and Number 10 unit), while delivering cross government priorities through attraction and retention of internationally mobile investment. Supporting the department's work for national security, the Dubai World Expo and other world events, Trade Envoys and delivery of analysis and support for ministers in setting and delivering the department's strategy.

Exports and UK Trade group: supporting UK businesses to take full advantage of trade opportunities. This includes four pillars: export strategy and delivery; sector-specific support for exporters and investors; support for exporters from teams across the UK; and support to exporters in teams across our 130 overseas locations.

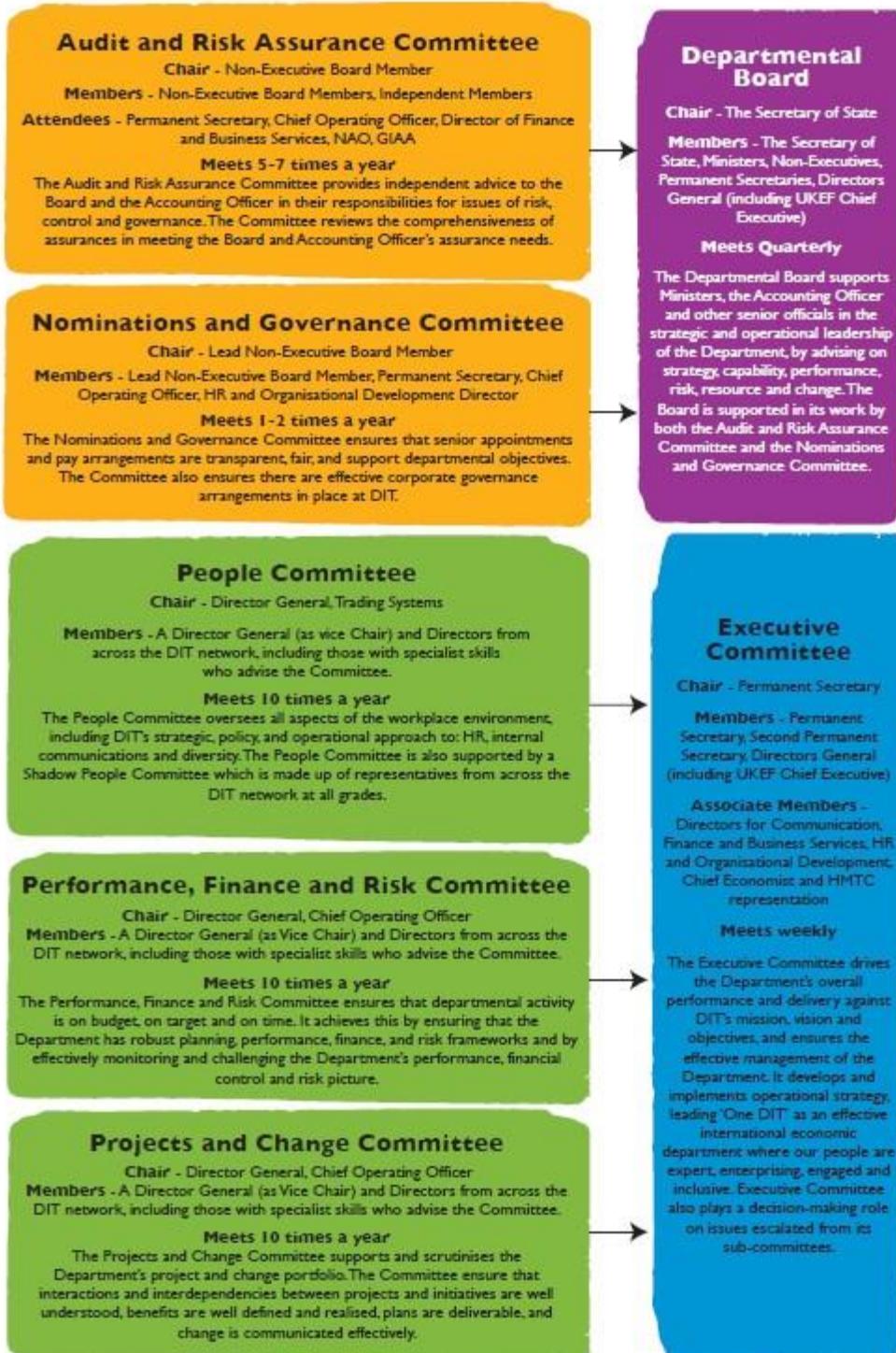
Corporate functions: Provision of the digital services to support trade negotiations, trading systems, exporters and investors as well as the infrastructure required for the achievement of DIT's priority outcomes. Provision of other support services, including communications and marketing, finance, human resources, commercial, estates, security and information management. Responsibility for the GREAT campaign transferred to the Cabinet Office on 1 April 2021.

Overseas: a network of over 1,400 staff in more than 100 countries providing expert advice in support of UK exports and investment and the implementation of free trade agreements. The network is divided into nine regions, each with an His Majesty's Trade Commissioner (HMTC) responsible for delivering a Regional Trade Plan.

Trade Remedies Authority (an Arm's Length Body): established on 1 June 2021 (previously the Trade Remedies Investigations Directorate). The TRA's mission is to defend UK economic interests against unfair international trade practices. It investigates whether trade remedies are needed to prevent injury to UK industries caused by dumping of goods, subsidised imports or unforeseen surges in imports. The TRA makes recommendations on appropriate measures, or provides reports of findings, to the Secretary of State for International Trade.

UK Export Finance: the UK government's export credit agency. Its mission is to advance prosperity by ensuring that no viable UK export fails for lack of finance or insurance, doing that sustainably and at no net cost to the taxpayer. UKEF helps companies by providing finance and insurance to help exporters win, fulfil and get paid for export contracts. UKEF is a separate ministerial government department for which the Secretary of State for International Trade is responsible, and which is strategically and operationally aligned with DIT.

Governance



The **Departmental Board** is the principal governance body within the department and its remit is to support the Secretary of State in the strategic and operational leadership of the department. The Board supports ministers, the Accounting Officer and other senior officials by advising on strategy, capability, performance, risk, resource and change. The

Departmental Board is supported in its work by both the Audit and Risk Assurance Committee and the Nominations and Governance Committee.

The **Audit and Risk Assurance Committee (ARAC)** provides independent advice to support the Departmental Board and Accounting Officer in their responsibilities for issues of risk, control and governance. The Committee reviews the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs. The Committee also reviews the reliability and integrity of these assurances.

The **Nominations and Governance Committee** ensures that senior appointments and remuneration arrangements are transparent, fair and support departmental objectives. It also ensures that there are satisfactory systems for orderly succession of appointments to the Board and of senior management, and that effective governance arrangements are in place within DIT.

Executive Committee and Sub Committees

The **Executive Committee** drives the department's overall performance and delivery against DIT's mission, vision and objectives. It seeks to ensure the effective management of the department. It also develops and implements operational strategy, leading 'one DIT' as an effective international economic department where our people are expert, enterprising, engaged and inclusive.

The **Performance, Finance and Risk Committee (PFRC)** seeks to ensure that departmental activity is on budget, on target and on time. It achieves this by ensuring that the department has robust planning, performance, finance, and risk frameworks and by effectively monitoring and challenging the department's performance, financial control and risk picture.

The **People Committee** seeks to ensure that the department is a great place to work. It oversees all aspects of the workplace environment, including DIT's strategic, policy, and operational approaches. The People Committee is supported by a Shadow People Committee which is made up of representatives from across the DIT network at all grades.

The **Projects and Change Committee (PCC)** supports and scrutinises the department's project and change portfolio. This macro level portfolio challenge seeks to ensure interactions and interdependencies between projects and initiatives are well understood, benefits are well defined and realised, plans are deliverable, and change is communicated effectively. The Committee provides one clear departmental view of all change initiatives and new investment decisions.

Audit and Assurance

Internal Audit is provided by the [Government Internal Audit Agency \(GIAA\)](#). They undertake a programme of risk-based internal audits and advisory work to provide assurance to the Accounting Officer and the ARAC on the overall adequacy and effectiveness of the department's framework of governance, risk management and control.

External Audit is provided by the [National Audit Office \(NAO\)](#) which is responsible on behalf of Parliament for holding DIT to account for the way it uses public money, thereby safeguarding the interests of taxpayers. This is achieved through the independent audit of

DIT's annual financial statements on behalf of Parliament and through its programme of value for money reviews.

The department operates an **Assurance Framework** which, assesses the way in which its controls and processes operate across each business group, and informs the Governance Statement in DIT's Annual Report and Accounts. The draft Governance Statement is subject to the scrutiny of the ARAC, supported by the NAO and GIAA, before it is published in the department's Annual Report and Accounts.

3. Relationships with the Trade Remedies Authority and UK Export Finance

The Trade Remedies Authority (TRA)

The TRA is a non-departmental public body (NDPB) of the Department for International Trade which was established on 01 June 2021. The TRA's mission is to defend UK economic interests against unfair international trade practices. It investigates whether trade remedies are needed to prevent injury to UK industries caused by dumping of goods, subsidised imports or unforeseen surges in imports. The TRA makes recommendations on appropriate measures, or provides reports of findings, to the Secretary of State for International Trade. In accordance with Schedule 4 of the Trade Act 2021, the Chief Executive of the TRA is its Accounting Officer. As an NDPB with a separate Accounting Officer, the TRA will produce its own set of accounts that will be consolidated into the DIT Group accounts. Being a newly established NDPB, the TRA will produce its first set of accounts as at 31 March 2023.

The TRA has a statutory Board which oversees the organisation's delivery and provides assurance of financial probity to its Accounting Officer (the Chief Executive Officer) who has formal responsibility to Parliament for the funds allocated to them. This provides the primary tier of accountability for the organisation's use of public funds. The Sponsorship Trade Remedies team within the core department monitors financial and performance data, engaging as necessary in matters relevant to the DIT Principal Accounting Officer. To further govern the financial relationship between DIT and the TRA, a Framework Agreement is in place in line with Treasury guidance. The Framework Agreement is signed by the TRA Chief Executive and the Budget Holder and Director within DIT providing the Grant in Aid (GIA). Further, conditions of expenditure of grant-in-aid are set out in a Budget Delegation Letter to the TRA.

UK Export Finance (UKEF)

UKEF updated its mission statement this year to put sustainability at the centre of its purpose. UKEF's mission is now to advance prosperity by ensuring no viable UK export fails for lack of finance or insurance, doing that sustainably and at no net cost to the taxpayer. It is strategically aligned with DIT but is a separate ministerial government department in its own right. It publishes its own Annual Report and Accounts and has its own independent Board and subcommittees, reflecting the specialist nature of its work. Both departments report to the Secretary of State for International Trade.

The Principal Accounting Officer for UKEF is the Chief Executive Officer. The Secretary of State writes to the UKEF CEO on an annual basis to outline their priorities for UKEF for the coming year. UKEF's Chief Executive reports to the Chair of the UKEF Board and sits on the DIT Board and Executive Committee. UKEF colleagues are represented throughout DIT's governance framework and there is extensive engagement at working level. The Chair of UKEF's Board is also one of DIT's Non-Executive Board Members.

As part of the governance framework, there is a Concordat that sets out the roles and responsibilities of DIT, HM Treasury, and UK Government Investments (UKGI) in relation to the governance of UKEF. Alongside this, the UKEF-DIT Memorandum of Understanding sets out how DIT and UKEF, within their respective remits, will jointly deliver shared objectives for trade, exports and investment. This agreement builds on the strengths of each department

and enhances the already strong collaboration between DiT and UKEF by linking teams at all levels to collaborate on mutually agreed actions.

4.Grants to private and voluntary sector bodies

All grants issued by the department are intended to comply with the requirements set out in 'Managing Public Money' as regards to propriety, regularity and value for money.

DIT's grant making is governed by the department's grants policy, which implements the Grants Management Functional Standards. This acts as the department's first line of defence and sets out the detail of the departmental approach to grant making approvals, management, counter fraud, and data. The second line of defence exists through established governance and approvals mechanisms with all schemes subject to Commercial and PFRC approvals prior to establishment and all grants require sign-off from the commercial team prior to issue.

Approval for new grant schemes is given in line with the department's approval framework for financial expenditure (established in May 2017), the Cabinet Office Grants Approval process introduced in December 2016 and are subject to any Treasury approval required.

5. Major contracts and outsourced services

When DIT was established in July 2016, it inherited a number of legacy contracts from the former Department for Business, Innovation and Skills (BIS). DIT has largely replaced these legacy contracts with new outcome-based agreements which are tailored to its needs and will deliver greater value for money to the department.

DIT's contracts are tendered and awarded in compliance with the Public Contracts Regulations 2015. This legislation requires authorities to observe the principles of equal treatment, non-discrimination, transparency, and proportionality and all DIT contracts are tendered and awarded in line with the set of standard processes set out in these regulations.

For all arrangements with third party suppliers, DIT ensures that the appropriate grant or contract agreement is put in place so that funds are controlled effectively, and services are delivered on time and in line with departmental requirements.

The department has a Commercial Approvals and Assurance Group (CAAG) which provides assurance on commercial aspects of programme and project delivery including compliance with commercial standards. It provides assurance and approvals for all grants as well as procurements and contract changes where the value of proposed spend is £500k+ (thresholds are subject to change), exceeds 50% of the original value of the agreement or is novel and contentious.

The department's Commercial Team provide procurement services to DIT in accordance with cost and time parameters and ensuring the department meets all current regulatory, corporate, and legal requirements.

A core part of DIT Commercial Teams central function is compliance. The commercial team is responsible for a range of reporting, including number of projects completed, procurement lifecycles times and stakeholder feedback, number of Gold Contract Managers trained through the Contract Management Capability Programme (CMCP), quarterly reporting on contract key performance indicators (KPI) on contracts provided to the Cabinet Office, Parliamentary Questions and Freedom of Information requests answered on time, submission of quarterly procurement pipeline to the Cabinet Office, all contracts added to contracts finder above the £10k reporting threshold.

The department's approval framework for expenditure requires specific approvals (depending on value) of business cases, procurements, and contract award, providing assurance that major contracts are subject to appropriate scrutiny before award. Where expenditure exceeds the department's delegated limits, is novel, contentious or repercussive, HM Treasury approval is also required.

DIT has 'Gold' and 'Silver' contracts (those assessed as being the most strategically or financially significant) which receive hands on support from the Commercial Function. Contract managers and contract management plans are in place to ensure suppliers meet expected standards of service and to drive continued value for money over contract duration.