

FRAMEWORK DOCUMENT: Pubs Code Adjudicator – 26 September 2022

This framework document has been agreed between the Department for Business, Energy and Industrial Strategy (BEIS) the office of the Pubs Code Adjudicator (PCA). It sets out the broad framework within which the PCA will operate and the respective responsibilities of the PCA, BEIS and Ministers. The document does not convey any legal powers or additional responsibilities and does not affect the application of Part 4 of and Schedule 1 to the Small Business, Enterprise and Employment Act 2015, or legislation made under that Act but is intended to support the performance of their respective statutory and other legal duties by the PCA and the Secretary of State. It is signed and dated by BEIS and the PCA. 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 PCA's page on GOV.UK.

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

1. Purpose of the Pubs Code Adjudicator

1.1. The PCA was established by Part 4 of the Small Business, Enterprise and Employment Act 2015 (SBEE Act). Under the SBEE Act, the PCA has been given powers and functions to regulate businesses owning 500 or more tied pubs in England and Wales ("pub-owning businesses") to ensure they operate in accordance with the Pubs Code etc. Regulations 2016 ("Pubs Code"). The principles with which the Pubs Code are to be consistent are:

- The principle of fair and lawful dealing by pub-owning business in relation to their tied tenants;
- The principle that tied tenants should be no worse off than they would be if they were not subject to any product or service tie.

The PCA's legal origins of powers and duties

1.2. The powers and duties are provided for in the SBEE Act, the Pubs Code, etc, Regulations 2016 and the Pubs Code (Fees, Costs and Financial Penalties) Regulations 2016. The PCA's statutory powers and duties include:

- The provision of advice and guidance about matters relating to the Pubs Code;
- The publication of statutory guidance about practice and procedures in carrying out investigations, the application of the Pubs Code and any other matters relating to the Pubs Code;
- Arbitrating Pubs Code disputes or appointing another person to do so;
- Investigating pub owning businesses in appropriate circumstances where there is a suspicion of a breach of the Pubs Code and impose appropriate remedies where breaches are established;
- Reporting cases of unfair business practice to the Secretary of State.

Classification

1.3. The Cabinet Office have classified the PCA as a statutory office holder without administrative classification. The PCA is a corporation sole, and the office of the PCA 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 Office for National Statistics for the purpose of the National Accounts and related statistics. As such, the PCA is required to comply with guidance, controls and policies set by the Cabinet Office and HM Treasury, insofar as they apply to office holders (see Appendix 2).

2. Ministerial responsibility

2.1. The Secretary of State is responsible for the overall policy framework within which the PCA operates and has statutory powers and duties in relation to the PCA. Furthermore, the Secretary of State is ultimately responsible to Parliament for the PCA and accordingly will account for its business in Parliament.

2.2. In practice, the Secretary of State's responsibilities may be discharged by Ministers or officials with responsibility for the Pubs Code to act on his or her behalf.

- 2.3. The PCA maintains operational independence from BEIS in relation to the exercising 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 65 of the Small Business, Enterprise and Employment Act 2015, 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 PCA as set out in this document and section 7.1.3 of HM Treasury's Managing Public Money.
- 2.4. The PCA is responsible for the day-to-day management of the office of the PCA, pursuant to paragraph 9(1) of (and subject to paragraph 9(4) and (10) of Part 1 of Schedule 1 to) the SBEE Act.
- 2.5. Under the SBEE Act, the Secretary of State must appoint the Pubs Code Adjudicator and may appoint a Deputy PCA who may carry out any of the PCA's functions (see paragraphs 6.1-6.2). The Deputy PCA 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 PCA.
- 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 PCA on all relevant matters. 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 PCA within BEIS and undertake the day to day relationship management with the office of the PCA.
- 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 Market Frameworks Group or as otherwise notified to the PCA; and
 - c) a corporate governance sponsor within the Partnerships Team - working with policy sponsors and the PCA on governance-related issues.
- 3.4. BEIS and the PCA 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 practice*¹. 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.
- 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 PCA. It also supports the Principal Accounting Officer (PAO), who is the BEIS Permanent Secretary, on his or her responsibilities toward the PCA.

Dispute resolution

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

¹ 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.

- a series of discussions at official level between the BEIS sponsorship team and appropriate staff from the office of the PCA with a goal of finding a joint and agreeable solution;
- a series of discussions between the PCA and the Director for PCA 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 Principal Accounting Officer (PAO) of BEIS and the PCA 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.

PCA/BEIS working level liaison arrangements

3.7. The PCA and/or appropriate staff from the office of the PCA 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 PCA, and jointly assess the effectiveness of the partnership arrangements. These meetings will be kept under review, but the expectation is that they will occur on a bi-monthly basis. 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 PCA;
- the PCA and/or appropriate staff from the office of the PCA to share information about developments in the sector, feedback from stakeholders and other information that could help inform policy development;
- the PCA and/or appropriate staff from the office of the PCA to share upcoming issues, opportunities or challenges;
- the BEIS sponsorship team and the PCA and/or appropriate staff from the office of the PCA to review the strength of partnership arrangements and mutually agree actions, where necessary, to address any issues relating to them.

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

- the responsible Minister for Pubs Code policy and the PCA as required and at least once a year;
- the PAO of BEIS and the PCA as part of the PCA's induction as AO;
- the Director General/Director for PCA sponsorship (or other suitably senior official acting in their place) and the PCA/DPCA as part of an end-of-year performance appraisal review at BEIS;
- the Director/ Deputy Director for PCA sponsorship and the PCA once every six months.

3.9. BEIS and the PCA jointly recognise the importance of support services to the operation of the PCA as a small organisation and that these functions can impose a disproportionate burden on the office of the PCA. Where the office of the PCA 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 PCA 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 PCA to meet his/her obligations as AO.

PCA/BEIS good communication practice

3.12. The PCA and office of the PCA 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 and appropriate) 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 PCA and office of the PCA 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; and
- effectively promote communications and media appearances with stakeholders.
- brief ministers as necessary

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

4.1. The PAO of BEIS has designated the PCA as Accounting Officer (AO) for the purpose of carrying out the statutory functions of the PCA. 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 PCA has been classified as central government PCA expenditure is classified as public funds for budgetary and accounting purposes. The PAO is accountable to Parliament for all resources used by the PCA, whether through the levy on pub-owning businesses or any other sources such as the provision of any loan made to the PCA. 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 PCA, as AO, to carry out this role.

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

- how well the PCA is achieving its statutory objectives in relation to the Pubs Code framework;
- an appropriate levy proposal for the PCA; and
- whether it is delivering value for money.

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

- review the PCA and the Pubs Code in line with requirements of the SBEE Act;
- establish an appropriate framework of objectives and measures for the PCA;
- monitor the PCA's corporate activities such as corporate governance, financial and risk management;
- address significant problems in the operation of the office of the PCA where necessary, while respecting the PCA's operational independence in the exercise of the PCA's statutory functions and day-to-day management of the office of the PCA;
- review the operation of the office of the PCA in relation to spending and standards expected of a public body in line with the aims of central government;
- inform the PCA of relevant government policy in a timely manner

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

General

5.1. The PCA is a Statutory Office and Corporation Sole. The PCA 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 PCA's financial position and transactions; and for the day-to-day operations and management of the office of the PCA.

5.2. In addition, the AO should ensure that the office of the PCA 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 PCA 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 PCA 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 PCA, 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 as to their form;
- 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 PCA 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;
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee (PAC) on the PCA's stewardship of public funds.

Responsibilities to the Department for Business, Energy and Industrial Strategy

5.5. Particular responsibilities of the PCA to BEIS include:

- keeping BEIS informed of the PCA'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 as appropriate of any planned reports 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 PCA's statutory functions and other legal duties, or harm the reputation of the Office of the PCA by notifying the BEIS sponsorship team in a timely fashion;
- upon request providing information to assist the Secretary of State to carry out functions pursuant to section 67 of the SBEE Act and on any recurrent themes or issues that have come to the PCA's attention that could support policy development. This requirement does not override any obligation of confidentiality or protection of data.
- engaging with the BEIS sponsorship team to ensure that (within the remit of the Act) the operation of the office of the PCA continues to align with the aims of central government.

6. Corporate governance

6.1. In accordance with Schedule 1 to the SBEE Act the PCA is appointed for a period of no more than four years by the Secretary of State. Ministers may re-appoint a person to the office of the PCA 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 General/Director (or other suitably senior official acting in their place).

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

6.2. In accordance with Schedule 1 to the SBEE Act a Deputy PCA may be appointed for an initial term of office of no more than four years by the Secretary of State. Ministers may re-appoint a person to the office of DPCA for up to two further terms of office, subject to a maximum tenure permitted of three years per term. Any appointment must comply with the *The Governance Code for Public Appointments* 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 General/Director (or other suitably senior official in their place).

Governance Board

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

6.4. The PCA 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 PCA 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.

6.5. The board will be specifically responsible for:

- establishing and taking forward the strategic aims and objectives of the PCA 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 PCA;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with;
- considering guidance issued by BEIS;
- providing information, as necessary and on request, to BEIS in order for the Secretary of State to comply with their duties to Parliament;
- making procedural arrangements for dealing with any conflicts of interest affecting themselves, any Deputy and any staff to the office of the PCA;
- ensuring that the board receives and reviews regular financial information concerning the management of the PCA;
- demonstrating high standards of corporate governance at all times.

7. Financial responsibilities

Budget/Levy

7.1. Under section 63 of the SBEE Act, the PCA may require pub-owning businesses to pay in each financial year a levy towards the PCA's expenses. The consent of the Secretary of State is required before such a levy can be raised. BEIS will seek HM Treasury's views to ensure the levy regime remains consistent with *Managing Public Money* prior to the PCA submitting a levy business case to the Secretary of State for approval.

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

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>

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

- the PCA complies with the delegations set out in Appendix 1. These delegations will not be altered without the prior agreement of the sponsor department;
- 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 loans available to the PCA to facilitate operations of the PCA as provided for in section 64 of the SBEE Act. Such loans are envisaged only in limited circumstances, such as a shortfall in funding due to unexpected/ unavoidable costs at the time the levy was raised and consistent with *Managing Public Money's* principles and rules (section 6.2).

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 PCA is confident that the loan would be fully recovered in the next financial year or as agreed with BEIS. The business case is submitted to the relevant Minister for agreement and in parallel to the BEIS sponsorship team.

Delegated authorities

7.6. The PCA'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 PCA will obtain BEIS's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or the PCA'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;
- 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

7.7. The PCA must prepare and publish an annual report of its activities in accordance with section 62 of the SBEE Act together with its business plan and audited accounts after the end of each financial year. The Secretary of State is responsible for laying the PCA's annual report in Parliament on behalf of the PCA. The annual report and accounts must be published (usually on the PCA's website) on the same date, or as close to the PCA's annual report being laid in Parliament, in accordance with HM Treasury's guidance *Financial Reporting Manual (FRM⁵)* and the SBEE Act (but should not be published before laying before Parliament).

8. Management and reporting

Reporting performance to BEIS

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

⁵ <https://www.gov.uk/government/publications/government-financial-reporting-manual-2018-to-2019>

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

Banking and Managing Cash

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

8.4. PCA 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 PCA 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 PCA 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*⁶.

Counter Fraud

8.8. The PCA 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 out 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 PCA should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by the PCA and notify the sponsor department of any unusual or major incidents as soon as possible. The PCA 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.⁷

Staff

8.10. The PCA cannot employ staff directly. However, the PCA may make arrangements for staff to be seconded to the office of the PCA from the public and private sector. Seconded staff are subject to their home organisations'

⁶ <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>;
<https://www.gov.uk/government/publications/orange-book>

⁷ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

terms and conditions⁸, subject to the terms of the secondment agreement. All secondees should follow the Civil Service Code⁹, whether they are seconded from the public or private sector.

8.11. The PCA office will ensure that all staff are covered by, and aware of, an appropriate grievance and disciplinary policy and whistleblowing procedure¹⁰.

8.12. The PCA office may agree a staffing policy with BEIS HR and policy teams and this should be in accordance with paragraph 9(4) of Schedule 1 to the SBEE Act.

Information sharing and Right of Access

8.13. The PCA will allow reasonable access by BEIS to PCA records and personnel (consistent with the Data Protection Act 2018 and the General Data Protection Regulation, the Enterprise Act 2002 requirements relating to business information and confidentiality requirements¹¹) where this is necessary for the proper discharge of the Secretary of State's responsibilities in respect of the PCA – except where they relate to access to specific documents / personnel that could compromise the ability of the PCA to exercise its functions independently of Government influence or interference.

8.14. The department and HM Treasury may request the sharing of data held by the PCA in such a manner as set out in central guidance except insofar as it is prohibited by law including in respect of confidential arbitration information and business information subject to restrictions in the Enterprise Act 2002. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

8.15. In the event that the PCA 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

9. Internal Audit

9.1. The PCA will establish and maintain proportionate arrangements for internal audit in accordance with the *HM Treasury's Public Sector Internal Audit Standards (PSIAS)*¹²; 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)¹³) has a right to access all appropriate PCA documents relevant to and for the purpose of any audit, including where the service is contracted out, except where prohibited by law.

10. External Audit

10.1. The PCA will appoint the NAO to audit its financial statements and accounts on behalf of the Comptroller and Auditor General (C&AG). Pursuant to paragraph 15(5) of Schedule 1 to the SBEE, the C&AG audits the PCA annual accounts in accordance with the Government Resources and Accounts Act 2000 and sends them to the Secretary to State to lay them before Parliament, together with his/her report.

⁸ Including grievance, disciplinary and whistle-blowing ([Public Interest Disclosure Act](#)) procedures

⁹ <https://www.gov.uk/government/publications/civil-service-code/the-civil-service-code>

¹⁰ Where staff are seconded from the civil service this will be the home departments' policies which is in line with the civil service code

¹¹ <https://www.gov.uk/government/publications/guide-to-the-general-data-protection-regulation>

¹² <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

¹³ <https://www.gov.uk/government/organisations/government-internal-audit-agency>

- 10.2. The C&AG will, where asked, provide BEIS and PCA with Regulatory Compliance Reports and other similar reports which BEIS or PCA may request at the commencement of the audit and which are compatible with the independent auditor's role.
- 10.3. Aside from the statutory duties of the Comptroller & Auditor General (C&AG) in relation to the PCA's annual statement of accounts under paragraph 15 of Schedule 1 to the SBEE, the C&AG may carry out examinations into the economy, efficiency and effectiveness with which the PCA has used its resources in discharging its functions. As such, the PCA will:
- Give the NAO appropriate access to documents to enable audits and examinations to be undertaken; and
 - Use its best endeavours to provide in the terms and/or conditions of any contracts it issues, for the C&AG to exercise such access to documents held by contractors and sub-contractors as may be required for these examinations; and shall use reasonable endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.
- 10.4. The PCA will share with the BEIS sponsorship team, information identified during the audit process and audit report (together with any other outputs) at the end of the audit.

11. Statutory review of the PCA

11.1. The Secretary of State will review the PCA's performance in accordance with the requirements of section 65 of the SBEE Act.

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

- 12.1. Where the conditions and procedures in section 66(1) of the SBEE Act are met the Secretary of State may by regulations abolish the PCA.
- 12.2. Should the Secretary of State decide to abolish the PCA, BEIS shall ensure the orderly winding up of the office of the PCA. It should ensure that the assets and liabilities of the PCA 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 office of the PCA to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the work inherited by any successor organisation;
 - specify the basis for the valuation and accounting treatment of the PCA's assets and liabilities;
 - ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his/her report on the accounts;
 - arrange for the most appropriate person to sign the closing accounts.
- 12.3. The PCA will provide BEIS with full details of all agreements where the PCA or its successors have a right to share in the financial gains of developers. It should also pass to the Department details of any other forms of claw-back due to the PCA.

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 26/09/2022

(On behalf of the PCA)

Signed  G C Pemberton

Date 26/09/2022

(On behalf of the Department of Business, Energy and Industrial Strategy)

APPENDIX 1

9. Delegated Authorities: PCA

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 PCA'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 PCA is delegated the authority to commit resources or incur expenditure against the budgets which the PCA is responsible for administering for the primary purpose of delivering the PCA'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 PCA 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 PCA 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 PCA shall comply with the following general guidance documents and instructions, insofar as they apply to statutory office holders and are tailored and applied proportionately to the operations of the PCA. These documents do not affect the application of Part 4 of and Schedule 1 to the Small Business, Enterprise and Employment Act 2015, or legislation made under that Act but are intended to support the performance of the PCA's statutory duties and powers

- 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 PCA'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 PCA.