

FRAMEWORK AGREEMENT BETWEEN:

**THE COMPETITION AND MARKETS AUTHORITY
AND
THE DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL
STRATEGY**

1. Introduction

- 1.1. This framework document has been agreed between the Department for Business, Energy & Industrial Strategy (BEIS) and the Competition and Markets Authority (CMA). Copies of this document and any subsequent amendments will be placed in the Libraries of both Houses of Parliament and will be made available to members of the public on the CMA and BEIS websites.
- 1.2. This document sets out the broad governance framework within which relations between the CMA and BEIS, and between the CMA and HM Treasury (HMT) operate. It does not establish, impose or convey any legal powers, obligations or responsibilities and is not intended to compromise the independence of the CMA. Nothing in this framework document overrides the CMA's responsibilities as a central government department.
- 1.3. This document shall supersede any previous governance framework document or Memorandum of Understanding between BEIS and CMA or their predecessors.¹
- 1.4. This document will be reviewed every 3 years, or sooner on the reasonable request of either party.

2. Purpose and functions of the CMA

- 2.1. The CMA is an independent non-ministerial government department and is the UK's principal competition and consumer authority. The CMA's general duty is to seek to promote competition for the benefit of consumers within and outside the UK². Its aim is to make markets work well for consumers, businesses and the economy.
- 2.2. The CMA was established on 1 April 2014 by the Enterprise and Regulatory Reform Act 2013 (ERRA 2013).
- 2.3. The CMA has a number of statutory roles and functions, set out in ERRA 2013, the Enterprise Act 2002, the Competition Act 1998, the Consumer

¹ This document does not supersede or replace the strategic steers issued from time to time by BEIS to the CMA.

² S.25(3) of ERRA 2013.

Protection from Unfair Trading Regulations 2008 and the United Kingdom Internal Market Act 2020³. At the date of this Framework, these include (but are not limited to):

- To investigate mergers that have the potential to lead to a substantial lessening of competition;
- To conduct studies and investigations into particular markets where there are suspected competition and consumer problems;
- To investigate businesses to determine whether they have breached UK competition law and, if so, to end and deter such breaches, and where appropriate seek the disqualification of directors of UK companies that operate businesses that have breached UK competition law, and to investigate and prosecute individuals in connection with suspected breaches of the criminal cartel offence;
- To enforce a range of consumer protection legislation, tackling issues that suggest a systemic market problem or that affect consumers' ability to make choices;
- To promote stronger competition within the regulated industries (gas, electricity, water, aviation, rail, communications and health), co-operating with sector regulators and encouraging them to use their competition powers;
- To conduct regulatory appeals and references in relation to price controls, terms of licences or other regulatory arrangements under sector-specific legislation;
- To give information or advice in respect of matters relating to any of the CMA's functions to the public and to Ministers;
- To oversee and support the Office for the Internal Market in relation to its independent advisory, monitoring and reporting functions, which it performs to support the development and effective operation of the UK internal market on an ongoing basis; and
- To support the Digital Markets Unit in its role of operationalising, preparing for and overseeing a new, pro-competition regulatory regime for digital markets.

3. Governance and accountability

- 3.1. The Cabinet Office has classified the CMA as a Non-Ministerial Department (NMD).
- 3.2. The CMA is directly accountable to Parliament for the performance of its functions and duties. It is established by statute⁴ and exercises its functions independently of Ministers, except where explicitly provided for in statute, such as public interest interventions in relation to mergers as provided for in the Enterprise Act 2002.

³ At the date of this Framework, the CMA has not yet fully commenced its role in monitoring the functioning of trade within the UK, as prescribed under the United Kingdom Internal Market Act 2020.

⁴ Schedule 4 to the Enterprise and Regulatory Reform Act 2013

- 3.3. The CMA shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice in respect of central government departments and applicable regulatory requirements and expectations.
- 3.4. In particular (but without limitation), the CMA should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (the “Code”)(as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report;
 - comply with HMT’s Managing Public Money;
 - in line with HMT’s Managing Public Money, have regard to the relevant Functional Standards⁵ as appropriate and in particular to those concerning Finance, Commercial and Counter Fraud; and
 - take into account the codes of good practice and guidance set out in Appendix 1 of this framework document, as they apply to NMDs.
- 3.5. In line with Managing Public Money Annex 3.1, the CMA shall provide an account of corporate governance in its annual governance statement including the Board’s assessment of its compliance with the Code, with explanations of any material departures.

BEIS responsibilities

- 3.6. BEIS is the CMA’s ministerial sponsor Government Department, and it sets the wider framework for competition and consumer policy to deliver the Government’s objectives.
- 3.7. In accordance with 7.9 of HMT’s “Managing Public Money”, and subject to paragraphs 3.10 and 3.11 below, BEIS must maintain a watching brief over the CMA so that a minister of that department can answer for the NMD’s business in parliament and if necessary, take action to adjust the legislation under which it operates.
- 3.8. The Secretary of State for BEIS appoints the Chair, Board members and Panel Members⁶ to ensure the CMA is quorate and sufficiently resourced (see 6.1-6.3 below) and sets the terms and conditions according to which they hold and vacate their appointment⁷.
- 3.9. The Secretary of State for BEIS also appoints the Chief Executive and sets the terms and conditions according to which he/she holds and vacates their appointment⁸.

⁵ <https://www.gov.uk/government/collections/functional-standards>

⁶ S.1(1) of Schedule 4 of ERRRA 2013

⁷ S.2 of Schedule 4 of ERRRA 2013

⁸ Ss. 9(1) and (4) of Schedule 4 of ERRRA 2013

HMT responsibilities

- 3.10. As an NMD, the CMA is allocated funding directly through the Supply Estimates process and is funded from the Consolidated Fund.
- 3.11. As an NMD, the Principal Accounting Officer (PAO) of HMT has designated the Chief Executive of CMA as its PAO⁹. The PAO may at their discretion appoint an additional Accounting Officer. The responsibilities of the PAO and additional Accounting Officer are set out in Chapter 3 of HMT's Managing Public Money, which is sent separately to both the PAO and additional Accounting Officer on appointment.

4. Responsibilities of the CMA Chief Executive as the Principal Accounting Officer

- 4.1. The CMA's Chief Executive is the PAO for the CMA and is accountable to Parliament for the CMA's use of public money.
- 4.2. The Chief Executive is personally responsible for safeguarding the public funds for which he or she has charge, and for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds for the day-to-day operations and management of the CMA. In addition, the Chief Executive ensures that the CMA is run on the basis of the standards (in terms of governance, decision-making and financial management) set out in Box 3.1 of HMT's [Managing Public Money](#).
- 4.3. The Chief Executive may designate an additional Accounting Officer, as described at paragraph 3.11 above.

Responsibilities for accounting to Parliament

- 4.4. The responsibilities of the Chief Executive include:
 - signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by HMT;
 - preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
 - ensuring that effective procedures for handling complaints about the CMA are established and made widely known within the CMA;

⁹ For the avoidance of doubt, as the Principal Accounting Officer for the CMA, the Chief Executive is also charged with meeting the responsibilities of the Accounting Officer as described in Chapter 3 of Managing Public Money.

- acting in accordance with the terms of his or her appointment letter as Chief Executive and Managing Public Money and other instructions and guidance issued from time to time by BEIS, HMT and the Cabinet Office as applicable under that appointment;
- giving evidence when summoned before the Public Accounts Committee on the CMA's stewardship of public funds, or to other Parliamentary Committees.

Responsibilities to the CMA Board

4.5. The Chief Executive is responsible for:

- advising the CMA Board on the discharge of its responsibilities as set out in this Framework, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the Board on the CMA's performance compared with its aims and objectives;
- discharging the role of Chief Executive and ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;

Managing conflicts

- 4.6. The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so. These exceptional circumstances are described in paragraph 4.7 below, and where they arise, the conflict should be managed in accordance with the process described at paragraphs 4.7-4.9.
- 4.7. If the Board, or the Chair, is contemplating a course of action that the Chief Executive considers would conflict with their responsibilities as PAO and their responsibility to comply with Managing Public Money, the Chief Executive should reject that course of action and ensure that the Board have a full opportunity to discuss the rationale for that rejection.
- 4.8. Such conflicts should be brought to the attention of the responsible Minister for BEIS as soon as possible.
- 4.9. Furthermore, and if agreed with the responsible Minister for BEIS, the PAO must write a letter of justification to the Chair of the Board setting out the rationale for not following the advice and recommendation of the Board and copy that letter to the Treasury Officer of Accounts. If the responsible Minister for BEIS agrees with the proposed course of action of the Board, it may be appropriate for the responsible Minister to direct the PAO in the manner as set out in Managing Public Money at paragraph 3.4 onwards.

5. Contact and engagement

- 5.1. The sponsor team in the Consumer and Competition Policy (CCP) directorate in BEIS is the primary contact point for the CMA on policy issues. It is the main source of advice to the BEIS responsible minister on the discharge of their responsibilities in respect of the CMA.
- 5.2. The competition spending team in HMT is the primary contact for the CMA on financial issues.
- 5.3. BEIS, HMT and the CMA will have an open and honest, trust-based relationship supported by the principles set out in the [Partnerships between Departments and ALBs: Code of Good Practice](#). As such, all parties will ensure that they clearly understand each other's strategic aims and objectives and commit to developing constructive working relationships.
- 5.4. In addition to routine contact between BEIS, HMT and the CMA, meetings will take place between:
 - The Secretary of State for BEIS and the CMA Chair at least annually;
 - The responsible BEIS and HMT Directors General and the CMA Chair, the Chief Executive and members of the CMA's Senior Executive team at mid and end of year review (see paragraph 9.3 below);
 - The responsible BEIS Director General and the CMA Chair or Chief Executive quarterly; and
 - The Director for Consumer and Competition (Director level sponsor) and the CMA Chief Executive monthly or otherwise regularly by agreement.
- 5.5. Both BEIS and the CMA commit to providing each other with notice of public announcements, in line with the independence of the CMA and BEIS's need to know.

Dispute resolution

- 5.6. Both parties will agree clear routes of escalation for addressing both routine issues and urgent matters arising. In the first instance, issues should be escalated within the organisation at a working level and in a timely manner. Where this does not resolve the dispute, the issue should be escalated within BEIS to the relevant director and subsequently to the Director General for the relevant group, the Permanent Secretary and, where appropriate, to the Secretary of State. Within the CMA, the issue should be escalated within the organisation at working level, then to the relevant director and/or Committee chair, and ultimately to the Chief Executive as PAO and/or the Chair (as appropriate).

6. CMA Governance

Appointments

- 6.1. In accordance with sections 1(1) and (3) of Schedule 4 to the ERRRA 2013, the CMA Board must consist of a Chair and at least five members. At least one

Board member must also be appointed to the CMA Panel¹⁰. These appointments are all made by the Secretary of State for BEIS.

- 6.2. The Chair, non-executive Board members and CMA Panel members are appointed by the Secretary of State for BEIS, in accordance with the Cabinet Office's [Governance Code on Public Appointments](#).
- 6.3. The Chief Executive is also appointed by the Secretary of State for BEIS, for a period of not more than 5 years¹¹. The Chair and non-executive members of the CMA Board are appointed for a period of not more than 5 years¹². CMA Panel members are appointed for a period of not more than eight years¹³. In accordance with Schedule 4 to the ERA 2013, the Secretary of State for BEIS must consult with the Chair of the CMA before making an appointment to the CMA Board or the CMA Panel¹⁴ or appointing the Chief Executive¹⁵.

The CMA Board

- 6.4. The CMA Board is responsible for:
- establishing the overall strategic direction of the CMA within the statutory framework laid down under ERA 2013;
 - ensuring that the CMA's independence is maintained;
 - ensuring that the CMA fulfils its statutory duties and functions, and acts within the limits of its statutory authority;
 - overseeing the use of public funds (including considering the opinions and reports of the CMA Chief Executive) and ensuring that public funds are used appropriately;
 - demonstrating high standards of corporate governance, in line with the Code, and by using an Audit and Risk Assurance Committee to help the Board address key financial and other risks (see paragraph 10 below).

The Chair's responsibilities

- 6.5. The Chair of the CMA is to provide effective leadership and strategic direction for the CMA, forming a cohesive and focused Board. The Chair should enable the Board to take consistent, proportionate and fair decisions, ensuring that the Board takes into account any relevant guidance offered by the Secretary of State for BEIS, where appropriate and where doing so would not affect or compromise the Board's independent decision-making.

¹⁰Section 1(4) of Schedule 4 of ERA 2013

¹¹ Sections 9(1) and (4) of Schedule 4 of ERA 2013

¹² Sections 3(1) and 3(3) of Schedule 4 of ERA 2013

¹³ Sections 3(2) of Schedule 4 of the ERA 2013

¹⁴ Section 1(2) of Schedule 4 of ERA 2013

¹⁵ Section 9(3) of Schedule 4 of ERA 2013

- 6.6. Communications between the Board and the Secretary of State for BEIS should normally be through the Chair. The Chair is responsible for ensuring that the Board's affairs are conducted with probity.
- 6.7. The Chair's specific leadership responsibilities include:
- representing the CMA in discussions with Ministers and in forging strong relations with Parliament, Government and other relevant parties;
 - representing the views of the Board to the general public;
 - delivering high standards of regularity and propriety;
 - promoting the efficient and effective use of staff and other resources;
 - ensuring the work and effectiveness of the Board is reviewed appropriately;
 - reviewing the performance of non-executive directors annually and ensuring assessments are shared with the Director General of Market Frameworks within BEIS;
 - ensuring that Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
 - ensuring the Board members receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public-sector practice;
 - such other roles and responsibilities as may be mutually agreed at any time throughout the duration of the agreement between the Chair and the Secretary of State for BEIS.
- 6.8. Further details of the Chair's responsibilities are set out in the Chair's appointment letter, the CMA Board's Rules of Procedure and relevant legislative provisions.
- 6.9. The performance of the CMA Chair is reviewed annually by the responsible BEIS Director General in accordance with their duties and in consultation with the CMA Board. The Senior Independent Director of the CMA Board (appointed in accordance with the CMA Board's Rules of Procedure) will lead on the consultation on behalf of other Board Members, ensuring all Board Members have an opportunity to feed into the process.

Individual Board members' responsibilities

- 6.10. The Board will ensure that the principles of good corporate governance are observed at all times, will establish the overall strategic direction of the CMA within the policy framework laid down under the Act and shall ensure that the CMA as a statutory body fulfils its statutory duties and functions and makes appropriate use of public funds, having regard to any opinions and reports of the Chief Executive.
- 6.11. Board members should:

- comply at all times with the [Code of Conduct for Board Members of Public Bodies](#) and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the CMA Board's Rules of Procedure and annexes at all times, including in relation to the acceptance of gifts and hospitality, and in relation to conflicts of interest;
- act in good faith and in the best interests of the CMA.

CMA Panel responsibilities

- 6.12. The CMA Panel members may perform a variety of duties on the CMA's behalf, including acting as a member of: a mergers reference group, a markets reference group, a remedies review group, a regulatory appeal group and a Case Decision Group (or comparable function) in relation to competition law enforcement cases. At least one Panel member must also be appointed to membership of the CMA Board¹⁶.
- 6.13. When appointed to a group, the Panel members are the statutory decision-makers for that particular matter and they make their decision independently of the CMA Board.
- 6.14. The Panel includes a small number of "Inquiry Chairs" who chair Phase 2 merger inquiries, market investigations and regulatory appeals, and may also chair Case Decision Groups (or comparable function). Inquiry Chairs must ensure that groups are able to make effective decisions, based on evidence and fact.
- 6.15. Additionally, Panel members may be asked to participate in other areas of the CMA's work including contributing to governance and the overall strategic direction of the CMA, sitting on CMA Committees and advising/contributing to policy development.
- 6.16. In performing their functions, Panel Members must maintain the highest standards of integrity, impartiality and objectivity.

7. Annual plan

- 7.1. Pursuant to section 13(2) of Schedule 4 to ERRA 2013, the CMA must arrange for its draft Annual Plan for each forthcoming fiscal year to be laid before Parliament and it must publish its draft Annual Plan on www.gov.uk/cma for each forthcoming fiscal year for public consultation.

¹⁶ Section 1(4) of Schedule 4 of ERRA 2013

- 7.2. Following this consultation, by 31 March, the CMA must prepare the final version of the Annual Plan and arrange for it to be laid before Parliament. It must also publish the Annual Plan on www.gov.uk/cma before the start of the forthcoming fiscal year.
- 7.3. The Annual Plan reflects the CMA's statutory functions, and its public administration and financial management priorities (including decision taken on policy and resources in the light of wider public expenditure decisions).
- 7.4. The Annual Plan takes account of approved funding provision where this applies and includes management information for the forthcoming year so that resources allocated to achieve specific objectives can be readily identified.

8. Annual Report and Accounts

- 8.1. The CMA must prepare and send to the Secretary of State for BEIS an Annual Report on its activities and performance (referred to in ERRA 2013 as the "Performance report") as soon as practicable after the end of each financial year, and it must arrange for the report to be laid before Parliament¹⁷.
- 8.2. The Annual Report and Accounts must include¹⁸:
 - A survey of developments, during the year, in matters relating to the CMA's functions;
 - An assessment of the extent to which the CMA's objectives for the year, as set out in the Annual Plan (see paragraph 7), have been met;
 - A summary of the significant decisions, investigations or other activities made or carried out by the CMA during the year;
 - A statement in which the CMA Chair shares their views regarding the performance of the organisation across the year;
 - A summary of the allocation of the CMA's financial resources to its various activities during the year;
 - An assessment of the CMA's performance and practices, during the year, in relation to its enforcement functions
- 8.3. The Accounts of the CMA are audited and certified by the Comptroller & Auditor General (C&AG) pursuant to section 6 of the Government Resources and Accounts Act 2000 (see paragraph 11 below). The Accounts shall be prepared in accordance with required accounting standards, HMT's Financial Reporting Manual and any other directions issued by HMT.

Concurrency Report

¹⁷ Sections 14(1) and (3) of Schedule 4 of ERRA 2013

¹⁸ Section 14(2) of Schedule 4 of ERRA 2013 sets out some of these requirements.

- 8.4. As soon as practicable after the end of each financial year, the CMA must also publish a Concurrency Report, containing an assessment of how the concurrency arrangements with sectoral regulators have operated during the year¹⁹.
- 8.5. Section 16(3) of Schedule 4 to ERRA 2013 sets out what information must be contained in the Concurrency Report. However, if the CMA considers that including that information would, or would be likely to, prejudice the exercise of any of the functions of the CMA or a sectoral regulator, it is not required to include that information in its report²⁰.

9. CMA Performance Management

- 9.1. The CMA shall operate management information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial progress against its budget and annual plan.
- 9.2. The CMA will report annually to BEIS and HMT on:
- the delivery of a target of expected direct financial benefits to consumers of at least ten times its relevant costs to the taxpayer (measured over a rolling three-year period);
 - the ratio of expected direct financial benefits to consumers and costs for its principal tools;
 - its assessment of wider benefits of its work, for example on growth, business and consumer confidence in markets, compliance with competition law and deterrence of anticompetitive behaviour;
 - the allocation of the CMA's resources, setting out how CMA staff time has been split across different types of activity;
 - timescales for completing investigations and enforcement activities.
- 9.3. The CMA, BEIS and HMT will hold formal review meetings at mid and end year, as referred to in paragraph 5.4 above, where this may be discussed.

10. Internal Audit

- 10.1. The CMA shall have an Audit and Risk Assurance Committee ("ARAC") in accordance with the Code, HMT's "Managing Public Money" and HMT's Audit and Risk Assurance Committee Handbook.
- 10.2. The CMA shall establish and maintain internal audit arrangements in accordance with HMT's Public Sector Internal Audit Standards.
- 10.3. The CMA shall ensure that an internal audit plan is prepared and approved by ARAC and that an end of year report is presented annually to ARAC on how progress has been made against the approved internal audit plan;
- 10.4. The CMA and BEIS both use the Government Internal Audit Agency to provide internal audit.

¹⁹ Section 16(1) of Schedule 4 of ERRA 2013

²⁰ Section 16(4) of Schedule 4 of ERRA 2013

11. External Audit

11.1. The CMA shall send its resource accounts to the C&AG. The C&AG audits the CMA annual accounts in accordance with the Government Resources and Accounts Act 2000 and the CMA then arranges for the report and accounts to be laid before Parliament.

11.2. The C&AG:

- will consult the CMA regarding who (the National Audit Office or a commercial auditor) shall undertake the CMA audit on his/her behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the CMA;
- following consultation with the CMA, will share with BEIS information identified during the CMA audit process and the audit report (together with any other outputs) at the end of the audit which relate to issues impacting on BEIS' responsibilities;
- will, where asked, provide BEIS and CMA with Regulatory Compliance Reports and other similar reports which BEIS or CMA may request at the commencement of the audit and which are compatible with the independent auditor's role.

11.3. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the CMA has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the CMA shall provide, in conditions to contracts, 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 its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

12. Information sharing with BEIS

12.1. BEIS has a right to request information from the CMA which is necessary for the performance of their functions in relation to the CMA. Where disclosure by the CMA of the requested information would result in the CMA being in breach of a statutory duty²¹, a duty of confidentiality, or would involve the disclosure of material covered by Legal Professional Privilege, the CMA may refuse the request, or provide the information in a form that addresses these risks (e.g. redacted).

12.2. In the event that BEIS receives a request for information under FoIA which captures information provided to them by the CMA, BEIS will consult with the

²¹ Such as a duty arising under the GDPR or Part 9 Enterprise Act 2002

CMA as soon as possible on receipt of the request, and, in any event, prior to making a response to the request.

- 12.3. BEIS and HMT do not have access to any CMA documents, records or evidence concerning cases.

13. Staffing

- 13.1. The CMA has responsibility for the recruitment, retention and motivation of its staff. Some arrangements may need approval by the responsible minister and/or HMT.
- 13.2. In line with Schedule 4 to ERRA 2013, CMA shall appoint such staff, under suitable terms and conditions, as it shall determine within the arrangements approved by the Minister for the Civil Service. The CMA has broad responsibilities towards its staff, including to ensure that adequate performance measurement, grievance, disciplinary and whistle-blowing procedures are in place.
- 13.3. The CMA will comply with HMT guidance and controls on senior pay. CMA's staff are subject to levels of remuneration (including pensions) within the general pay structure approved by Cabinet Office. The CMA shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.
- 13.4. The Civil Service terms and conditions of service apply to the rates of pay and non-pay allowances paid to CMA staff in respect of travel expenses or other allowances. Payment shall be made in accordance with the Civil Service Management Code except where prior approval has been given by HMT to vary such rates.
- 13.5. Any proposal by CMA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, will require the prior approval of Cabinet Office.

14. Management and financial responsibilities

Managing Public Money and other government-wide corporate guidance and instructions

- 14.1. Unless agreed by HMT, the CMA shall follow the principles, rules, guidance and advice in [Managing Public Money as it applies pursuant to the Chief Executive's appointment letter](#), referring any difficulties or potential bids for exceptions to HMT for approval.
- 14.2. Once the budget has been approved by HMT, and subsequently by Parliament, the CMA shall have authority to incur expenditure approved in the budget without reference to HMT on the following conditions:
- it shall comply with the delegated financial limits as set out in any delegation letter issued by HMT prior to the commencement of a new financial year. These delegations shall not be altered without the prior agreement of HMT;

- it shall comply with [Managing Public Money](#) regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal approval from HMT where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- it shall provide HMT with such information about its operations, performance of individual projects or other expenditure as HMT may reasonably require (subject to paragraph 12 above).

Risk management

- 14.3. The CMA shall ensure that the risks that it faces are dealt with in an appropriate and proportionate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the HMT guidance [Management of Risk: Principles and Concepts](#). It should adopt and implement policies and practices to safeguard itself against fraud and theft in line with the HMT guidance on tackling fraud. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.

Budgeting procedures

- 14.4. Each year, HMT will send the CMA a formal settlement letter outlining the budgetary provision allocated by HMT for the period.
- 14.5. The CMA will provide HMT with regular reports of expenditure and income, including forecasts, over the year and comply with HMT estimates processes and OSCAR reporting requirements.

15. Reviews

- 15.1. The CMA shall be reviewed in accordance with the Cabinet Office's guidance on reviews.

16. Arrangements in the event that the CMA is wound up

- 16.1. If the CMA is to be wound up, BEIS shall put in place arrangements to ensure the orderly winding up of the CMA. BEIS will ensure that the assets and liabilities of the CMA are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to BEIS and HMT. To this end, BEIS shall:
- ensure that procedures are in place in the CMA 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 momentum of work inherited by any residual body;

- specify the basis for the valuation and accounting treatment of the CMA's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass on for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his/her report on the accounts; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB Accounting Officer should sign the closing accounts. In the event that BEIS inherits the role, responsibilities, assets and liabilities, BEIS's Accounting Officer should sign.

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

LIST OF APPENDICES TO THE SPECIMEN DOCUMENT

- Appendix 1 - List of government-wide corporate guidance instructions




Signed Signed.....

21/07/21

13/07/21

Date..... Date.....

(On behalf of BEIS)

(On behalf of the CMA)

Appendix 1 - List of government-wide corporate guidance instructions

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

Corporate Governance

- Corporate Governance Code for Central Government Departments: Code of Good Practice <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- Code of Conduct for Board Members of Public Bodies http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf
- [Code of practice for partnerships between Departments and Arms' Length Bodies](#)
- Code of Practice for Ministerial Appointments to Public Bodies <http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>

Financial Management and Reporting

- HMT's [Managing Public Money](#)
- Public Sector Internal Audit Standards <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- Government Financial Reporting Manual (FReM) <https://www.gov.uk/government/publications/government-financial-reporting-manual>
- Relevant Dear Accounting Officer letters; <https://www.gov.uk/government/collections/dao-letters>
- Regularity, Propriety and Value for Money: www.gov.uk/government/publications/accounting-officers-appointed-by-hm-treasury-july-2013;
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts

Management of Risk

- Management of Risk: Principles and Concepts <https://www.gov.uk/government/publications/orange-book>
- HMT approval processes for Major Projects above delegated limits: www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects
- The Government cyber-security strategy and cyber security guidance: www.gov.uk/government/collections/cyber-security-guidance-for-business

Commercial Management

- Procurement Policy notes: www.gov.uk/government/collections/procurement-policy-notes
- Cabinet Office spending controls: www.gov.uk/government/publications/cabinet-office-controls;
- Transparency in supply chains – a practical guide: www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide

Public Appointments

The following are relevant where the CMA participates in a public appointment process:

- Cabinet Office's Governance Code on Public Appointments: www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax arrangements of Public Appointees: www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees

Staff and remuneration

- HMT guidance on senior pay and reward: www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance: www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms: www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note
- Whistleblowing Guidance and Code of Practice: www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

General

- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples>
- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice)
- Other relevant instructions and guidance issued by the central Cabinet Office and HMT
- Other relevant instructions and guidance issued by the central Government Departments, as appropriate.