



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You approached the Committee for advice on taking up an appointment as an associate for KPMG International Limited.

The Committee's role and remit

2. It is the Committee's role to advise on the conditions that should apply to appointments or employment under the Government's Business Appointments Rules for Former Ministers (the Rules), which apply to former Ministers for two years after they leave office. The Rules seek to counter suspicion that:

- a) the decisions and statements of a serving Minister might be influenced by the hope or expectation of future employment with a particular firm or organisation; or
- b) an employer could make improper use of official information to which a former Minister has had access; or
- c) there may be cause for concern about the appointment in some other particular respect.

3. When the Committee considers applications, it must have in mind that Government has judged that it is in the public interest that former Ministers with experience in Government should be able to move into business or into other areas of public life, and to be able to start a new career or resume a former one. It is equally important that when a former Minister takes up a particular appointment or employment, there should be no cause for any suspicion of impropriety.

4. It is not the Committee's role to pass judgment on whether an appointment is appropriate or suitable in any other regard.

The Application

5. You sought the Committee's advice on taking up a paid and part-time position as an associate for KPMG International Limited (KPMG).

6. KPMG is an Anglo-Dutch multinational professional services network, and one of the Big Four accounting organizations (four largest professional services networks in the world, consisting of Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers). It has three lines of services: financial audit, tax, and advisory.

7. You told the Committee you will be an associate, advising on strategic policy development. You stated this role is unlikely to include contact with the Government.

8. You advised the Committee you neither met with KPMG; nor made any policy or contractual decisions relevant to KPMG while in office. You also said you did not meet with competitors, nor did you have access to sensitive information on these competitors.

9. You also told the Committee KPMG advise in many areas of Government but you had no direct dealings with them or indeed are not aware of any dealings they had with the Department for Education (DfE).

10. Your former department, DfE, was contacted about this application. It confirmed you did not meet with KPMG while in office. It informed that you were regularly involved with the development of policy and in decisions affecting apprentice employers (of which KPMG is one) and levy-paying employers (of which KPMG is one). However you were not involved in decisions that affected KPMG in isolation. It also confirmed you did not have access to sensitive information that would confer an unfair advantage to KPMG. It further confirmed you did not have any meetings with competitors of KPMG nor did you have access to commercially sensitive information regarding these competitors.

11. The Department said it currently had two contracts with KPMG and further confirmed it has had two previous contracts over the past three years with KPMG. The department confirmed there is no evidence to suggest that you were involved in these contracts and nor did you have access to commercially sensitive information relating to these contracts. The department said these contracts would not pose a conflict of interest.

12. The department confirmed it does not have any concerns regarding this appointment.

The Committee's consideration

13. When considering your application, the Committee¹ took into account that you and your former departments confirmed you did not meet with KPMG while in office. While there is a contractual relationship between DfE and KPMG there is no evidence that you were involved in this. Further, the policy decisions you made which would have affected KPMG did not do so in isolation and also impacted on a number of other companies and sectors. It

¹ Sir Alex Allan; Jonathan Baume; Dr Susan Liataud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty and John Wood.

was not specific to KPMG. Therefore the risk is low that this role was offered as a reward for actions taken while in office.

14. When considering your application, the Committee noted the inherent risk that as Minister you would have general access to sensitive information that could provide an unfair advantage to KPMG. However, the Committee noted that the department raised no concerns regarding your access to sensitive information and also noted the amount of time that has passed since you were in office. Therefore, the Committee would draw your attention to the condition below that prevents you making use of privileged information as a former Minister.

15. Further, you will have developed contacts across Government and Whitehall which may provide an unfair advantage to KPMG, especially as it has a relationship with your former department. However, the Committee noted that you will not have contact with the Government in your proposed role. Nevertheless, the Committee would draw your attention to the conditions below preventing you from using your contacts across government, including its Arm's Length Bodies, to the unfair advantage of KPMG.

16. The Committee also noted there may be potential risks associated with the unknown nature of KPMG's clients. Specifically, should they be a company or organisation you or DfE had a commercial relationship with or where you had some influence in respect of their work whilst in post. Therefore, the Committee considered it would be appropriate to impose an additional condition to prevent you from advising KPMG's clients where it involves working on matters you had involvement with in office.

17. In accordance with the Government's Business Appointment Rules, the Committee advises this appointment as an advisor for **KPMG International Limited** be subject to the following conditions:

- that you should not draw on (disclose or use for the benefit of yourself or the organisations to which this advice refers) any privileged information available to you from your time in Ministerial office;
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government or its Arms' Length Bodies on behalf of KPMG International Limited (including parent companies, clients, subsidiaries and partners). Nor should you make use, directly or indirectly, of your government or arms' length bodies and/or Ministerial contacts to influence policy, secure funding/business or otherwise unfairly benefit KPMG International Limited (including parent companies, clients, subsidiaries, partners and clients);
- for two years from your last day in office you should not advise KPMG International Limited (including parent companies, clients, subsidiaries and partners) on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the UK Government or its Arms' Length Bodies; and
- for two years from your last day in ministerial office, you should not advise KPMG International Limited (including parent companies, clients, subsidiaries and partners) on work with regard to any policy you had specific involvement or responsibility for as

Minister of State at DfE, or where you had a relationship with the relevant client during your time as Minister of State at DfE

18. By 'privileged information' we mean official information to which a Minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Ministerial Code/the Civil Service Code or otherwise.

19. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister "*should not engage in communication with Government (Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place - with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office.*"

20. I should be grateful if you would inform us as soon as you take up this appointment, or if it is announced that you will do so. We shall otherwise not be able to deal with any enquiries since we do not release information about appointments that have not been taken up or announced. This could lead to a false assumption being made about whether you had complied with the Ministerial Code. Similarly, I should be grateful if you would inform us if you propose to extend or otherwise change your role with the organisation as depending on the circumstances, it might be necessary for you to seek fresh advice.

21. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

The Rt Hon Lord Pickles

Anne Milton