



Department for  
International Trade

# FRAMEWORK DOCUMENT FOR THE TRADE REMEDIES AUTHORITY

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# Introduction, principles, classification

## 1. Introduction and purpose of this document

- 1.1 This Framework Document (the “Framework Document”) has been agreed between the Department for International Trade (DIT) and the Trade Remedies Authority (TRA) in accordance with HM Treasury's handbook Managing Public Money (“MPM”) (as updated from time to time) and has been approved by HM Treasury.
- 1.2 The Framework Document sets out the broad governance framework within which the TRA and the DIT operate. It sets out the TRA’s core responsibilities within the scope of the existing legislative framework; describes the governance and accountability framework that applies between the roles of the DIT and TRA, and other departments with a policy interest; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3 The document is signed and dated by DIT and the TRA. It does not convey any legal powers or responsibilities but both parties agree to operate within its terms. Copies of this document and any subsequent amendments have been placed (by DIT) in the Libraries of both Houses of Parliament and made available to members of the public on the TRA website.
- 1.4 This document should be read in conjunction with documents stated in the Appendix and all references to this document should be treated as including references to the Appendix.
- 1.5 This document is a living document and will be reviewed by DIT and the TRA acting jointly:
  - on an ongoing basis during the first twelve months after it is signed; and
  - at least once during each three-year period thereafter, with the first triennial review due by December 2024 at the latest.
- 1.6 The Principal Accounting Officer (PAO) of DIT and the Accounting Officer (AO) of the TRA will be informed of any significant changes made in the main body of this document. This document may be amended at any time by mutual agreement in writing between DIT and the TRA.

## 2. Partnership principles between DIT and TRA

- 2.1 DIT and TRA share the common objective of championing the rules-based international trading system and operating the UK's new trading system, including protecting UK businesses from unfair trade practices. The relationship between the TRA and DIT will be approached by both organisations in a spirit of cooperation, supported by the principles set out in the *'Partnerships between Departments and ALBs: Code of Good Practice'*.<sup>1</sup> This partnership will be based on clear accountability, mutual understanding of strategic aims and objectives, and recognition of the unique capabilities and role of each organisation so as to add greater collective value.
- 2.2 DIT and TRA will work together to resolve any differences constructively and in a timely manner.

## 3. Classification of the TRA

- 3.1 The TRA is classified as an executive non-departmental public body, sponsored by DIT.

## Purposes, duties and aims

### 4. Purposes

- 4.1 The TRA's mission is to defend UK economic interests against unfair international trade practices. Its vision is to be a globally respected trade remedies body.
- 4.2 The TRA undertakes three types of investigation to determine if there is injury to UK industry. These investigations consider complaints of dumped, subsidised or unforeseen surges of imports. The TRA makes evidence based, impartial recommendations to the Secretary of State for International Trade<sup>2</sup>.

### 5. Legal origins of the TRA's power and duties

- 5.1 The TRA was established under section 6 of the Trade Act 2021. The TRA's powers, functions and duties are set out in section 7 and Schedule 4 to the Trade Act 2021 and section 13 and Schedules 4 and 5 to the Taxation (Cross-border) Trade Act (TCBTA)

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<sup>1</sup> As confirmed in the Code, the Code does not override any provisions governing relationships between departments and arm's-length bodies that exist in statute, or other formal arrangements. This includes the provisions in s74 Finance Act 2022. Once an investigation is called in, the Code will not be relevant to the called-in investigation.

<sup>2</sup> Where the SoS exercises her call in power under s74 Finance Act 2022, the TRA's role will be in accordance with the requirements of s74 and any regulations made under s74.

2018. The need to have regard to the operational independence of the TRA and its ability to make impartial assessments when performing its functions are described in section 7(3) and schedule 4 of the Trade Act 2021

5.2 The TRA's statutory duties<sup>3</sup> are to:

- a) Exercise the functions conferred on it by TCBTA 2018 and statutory instruments made under it, in particular to initiate and conduct trade remedies investigations and reviews and make recommendations to the Secretary of State regarding trade remedies measures, and to review existing measures, and,
- b) As set out in section 7 of the Trade Act 2021:
  - Provide the Secretary of State with such advice, support and assistance as the Secretary of State requests in connection with the conduct of international trade disputes, the Secretary of State's functions relating to trade and the TRA's own functions, and
  - Otherwise providing such advice support and assistance as it considers appropriate in relation to international trade and trade remedies.

## 6. Aims

6.1 TRA's Corporate Plan sets out its strategic goals for the three years ahead. Its Business Plan sets out TRA's priorities for the financial year. Both plans are published on the TRA website.

### Role of DIT

## 7. Ministerial responsibility

7.1 The Secretary of State is ultimately accountable to Parliament for the overall effectiveness and efficiency with which the TRA carries out its functions. The TRA will provide such information as DIT may reasonably require, in accordance with the legislative framework, thus enabling the DIT Sponsorship Team to ensure that Ministers have sufficient oversight of the TRA.

7.2 The Secretary of State will account for the TRA's business in Parliament. The Secretary of State's responsibilities in relation to the governance and oversight of the TRA are set out in the Trade Act 2021 and include laying the TRA annual certified accounts, the

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<sup>3</sup> To note that, where the call in power contained in s74 Finance Act 2022 is exercised, the functions of the TRA will be limited to those referred to in s74(6)(d) Finance Act 2022 and any regulations made under s74.

Comptroller & Auditor General (C&AG) report and the annual report before Parliament.

## 8. DIT Principal Accounting Officer (PAO)

8.1 The Principal Accounting Officer of DIT is the Permanent Secretary (PS). The Trade Act 2021 designates the Chief Executive Officer (CEO) as the TRA's Accounting Officer. The respective responsibilities of the PAO and the TRA Accounting Officer are set out in Chapter 3 of *MPM*<sup>4</sup> which is sent to the CEO on their appointment.

8.2 The PAO is accountable to Parliament for the issue of any grant-in-aid to the TRA. The PAO is also responsible for advising the responsible minister:

- On an appropriate framework of objectives and targets for the TRA in the light of the Government's wider strategic aims and priorities and how well the TRA is achieving against them; and
- On an appropriate budget for the TRA in the light of DIT's overall public expenditure priorities and whether the TRA is delivering value for money.

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

- Monitor the TRA's activities; address significant problems in the TRA, making such interventions as judged necessary in order to fulfil their accounting officer responsibilities, including those set out under this agreement;
- Periodically carry out an assessment of the risks both to DIT's and the TRA's objectives and activities;
- Inform the TRA of relevant government policy in a timely manner; and
- Bring concerns, by appropriate means, about the activities of the TRA to the full TRA board, and, as appropriate to the DIT Departmental Board requiring explanations and assurances that appropriate action has been taken.

## 9. Sponsorship Team responsibilities

9.1 The Sponsorship Team in DIT is the primary contact for sponsorship matters for the TRA. The Team is also the main source of advice to the Secretary of State on the discharge of the Trade Secretary's responsibilities in respect of the TRA. The Team supports the PAO on their responsibilities toward the TRA.

9.2 The TRA will manage the process for submitting recommendations to the Secretary of State. The Trade Remedies policy team will develop a process to manage the

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<sup>4</sup> Copies of all the documents referred to in the Framework Agreement can be found at Appendix 3

recommendations and develop a shared document with TRA setting out how the end-to-end process will be managed.

9.3 The Sponsorship Team are based in the Trading Systems Group (TSG) and will maintain an effective relationship with the TRA, supporting the TRA, representing them across Government and challenging the TRA to deliver effectively. The sponsorship role will involve:

- Monitoring the TRA's governance and finance position, their compliance with this framework document and other relevant government controls;
- Arranging the TRA Chair's annual performance appraisal and obtaining assurance that annual performance appraisal of non-executive Board members is carried out.
- Advising the Secretary of State on whether the TRA is achieving its objectives and whether it is delivering value for money;
- Advising the Secretary of State on appointments and remuneration, including performance related pay for the TRA CEO and non-executive Board members, and issuing appointment letters for all public appointments on behalf of the Secretary of State;
- Providing effective sponsorship support, advice and guidance on business matters to ensure efficient operations. This will include: managing business case approvals - particularly around delegation authority limits and handling His Majesty's Treasury (HMT) and Cabinet Office (CO) requirements on expenditure, and promptly issuing delegation letters to ensure efficient and effective delivery.
- DIT will inform the TRA, where appropriate and within a reasonable timeframe, when it has received a letter before action or a notice of appeal. DIT and the TRA will communicate with each other, where appropriate, regarding the progress and outcomes of reconsiderations, appeals and proceedings in other courts or tribunals.
- Assuring that arrangements within the TRA are in place to effectively respond to, address and implement recommendations from PAC/NAO reports, NAO management letters and GIAA audit completion reports.

9.4 The Director of Trade Defence is the Senior Sponsor for the TRA and has overall responsibility for DIT's relationship with the TRA. The Departmental Senior Sponsor will:

- Act as the senior point of liaison between the TRA, DIT and the Secretary of State;
- Support the PAO in the discharge of their responsibilities;
- Work collaboratively with the TRA's Chief Executive to facilitate the smooth operation of this framework document; and
- Ensure requests for approval of grant-in-aid or any additional expenditure requests are dealt with, and that approval is not unreasonably delayed.



## TRA Governance and Structure

### 10. Responsibilities of the TRA's Chief Executive as accounting officer

10.1 The Chief Executive as accounting officer is responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the TRA.

10.2 The Chief Executive should also ensure that the TRA as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of *MPM* plus any other financial/ accounting instructions and guidance issued from time to time by DIT, HMT and CO.

#### Responsibilities for accounting to Parliament

10.3 The accountabilities 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 the Secretary of State;
- 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 TRA are established and made widely known within the TRA and to the public;
- Acting in accordance with the terms of *MPM* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- Ensuring that as part of the above compliance they are familiar with and act in accordance with:
  - any governing legislation
  - this framework document
  - any delegation letter issued to the TRA
- Ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance with any conditions arising from the above documents.
- Giving evidence, normally with the PAO, when summoned before the PAC on the TRA's stewardship of public funds.

#### Responsibilities to DIT

10.4 TRA's particular responsibilities to DIT include:

- Establishing, in liaison with DIT officials, the TRA's corporate and business plans in the light of the Government's wider strategic aims;
- Informing DIT officials of progress in delivering those plans and in demonstrating how resources are being used to achieve them;
- Ensuring that timely forecasts and monitoring information on performance and finance are provided to DIT officials; that DIT is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to DIT in a timely fashion;
- Notifying the Secretary of State via DIT officials if TRA become aware (through correspondence, the lodging of an appeal, or otherwise as part of the TRA function) of circumstances that may materially impact on the application of an existing UK trade remedy;
- Providing all necessary information to enable DIT to effectively defend the UK's position at the WTO or any other international forum, in accordance with the existing legislative framework;
- Advising DIT officials of emerging material issues and risks, including any assessment of risks in relation to disputes in a timely manner;
- Ensuring TRA works in line with the agreed Information Sharing Protocol;
- So far as is reasonable and the TRA considers appropriate under s7(4) of the Trade Act 2021, to provide DIT and other Government departments with information that officials of these departments may request from time to time for the purposes of briefing their respective Ministers;
- The TRA must inform DIT officials, where appropriate and within a reasonable timeframe, when it has received a letter before action or a notice of appeal or when it has initiated a reconsideration. DIT and the TRA will communicate with each other, where appropriate, regarding the progress and outcomes of reconsiderations, appeals and proceedings in other courts or tribunals;
- Ensuring that recommendations addressed to the TRA in reports from the PAC or NAO, and recommendations made to the TRA in Management Letters, or attached to the Audit Completion Report from its external auditors, are responded to, addressed, and acted upon in a timely manner to ensure that they are cleared promptly;
- Maintaining clear and open lines of communication between the TRA staff and DIT officials;
- Making such changes to the organisation as they consider necessary to deliver the TRA's functions in a manner which is efficient, effective and provides value for money.

10.5 Any information-sharing between the TRA and DIT relating to requests made under section 7(1) of the Trade Act 2021 must be carried out in accordance with the legislative framework, and where appropriate the provisions on information-sharing in the annexed "Process for ensuring security of information on Trade Remedies investigations between the Department for International Trade (DIT) and the Trade Remedies Authority (TRA)".

## Responsibilities to the Authority (“the TRA Board”)

10.6 The Chief Executive is responsible for:

- Advising the TRA Board on the discharge of the TRA’s responsibilities as set out in this document, in the TCBTA, the Trade Act 2021 and in any other relevant instructions and guidance that may be issued from time to time;
- Advising the TRA Board on the TRA’s performance compared with its aims and objectives;
- Ensuring that financial considerations are taken into account by the TRA Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- Taking action as set out in paragraph 3.8.6 of *MPM* if the TRA Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical.

## Managing conflicts

10.7 The Chief Executive should follow the advice and direction of the TRA Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

10.8 If, in such circumstances, the Chief Executive proposes not to follow the advice and direction of the TRA Board, they must ensure that the TRA Board has a full opportunity to discuss the rationale.

10.9 If the TRA Board, or its chairperson, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical the Chief Executive is responsible for taking action as set out in paragraph 3.8.6 of *MPM*. Such conflicts should be brought to the attention of the Principal Accounting Officer and the Responsible Minister as soon as possible. Furthermore, the Accounting Officer 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.

## 11. The TRA Board

11.1 The role of the TRA Board is to run the TRA, and to deliver the objectives, in accordance with the purposes as set out above, their statutory, regulatory, common law duties and their responsibilities under this Framework Document. The Trade Act 2021 sets out the process for appointments to the TRA Board. Detailed responsibilities of the TRA Board are set out in the TRA Board terms of reference. Remuneration of the TRA Board will be disclosed in line with the guidance in the Government Financial Reporting Manual (FReM).

11.2 The Trade Act 2021 gives the TRA the authority to establish its own committees and sub-committees<sup>5</sup> and to determine its own procedures<sup>6</sup>, but the TRA Board is expected to assure itself of the effectiveness of the internal control and risk management systems.

11.3 Though the Chief Executive and the other executive members are appointed by the Chair, the Chief Executive and other executive members should act on behalf of the TRA and are accountable to the Board as a whole.

11.4 The TRA Board is specifically responsible for:

- Establishing and taking forward the strategic aims and objectives of the TRA consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- Ensuring that the Secretary of State is kept informed of any changes which are likely to impact on the strategic direction of the TRA Board or on the attainability of its targets, and determining the steps needed to deal with such changes;
- Ensuring the financial, people and commercial resources are in place for the TRA to meet its objectives;
- Ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the TRA Board operates within the limits of its statutory authority and any delegated authority agreed with DIT, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the TRA Board takes into account guidance issued by DIT;
- Ensuring that the TRA Board receives and reviews regular financial information concerning the management of the TRA; is informed in a timely manner about any concerns about the activities of the TRA; and informs DIT officials in a timely manner and provides positive assurance to DIT that appropriate action has been taken on such concerns;

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<sup>5</sup> Paragraph 25 to Schedule 4 of the Trade Act 2021

<sup>6</sup> Paragraph 26 to Schedule 4 of the Trade Act 2021

- Demonstrating high standards of corporate governance at all times, including by using the Audit and Risk Assurance Committee, GIAA and NAO to help the TRA Board to address key financial and other risks.

11.5 The TRA Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book). The TRA Board must have an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the Department’s Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

#### The Chair’s personal responsibilities

11.6 The Chair is accountable to the Secretary of State. As Chair of the TRA Board, the Chair must ensure that policies and actions support the Secretary of State’s wider strategic policies, as related to TRA’s powers, and that the Board’s affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the TRA.

11.7 The role of the Chair is established in the Trade Act 2021 and this appointment is subject to the provisions within the Act. The Chair’s duties are detailed in Schedule 1 to Appendix 2 of this Framework Agreement and may be amended by mutual agreement.

11.8 Additional duties to those detailed in Schedule 1 are included below:

- Carrying out functions of the TRA provided for in the Trade Act 2021 and the TCBTA 2018 with other members of the TRA;
- Formulating the TRA Board’s strategy;
- Ensuring that the Board, in reaching decisions, has regard to guidance published by the Secretary of State;
- Promoting the effective, efficient and economic use of resources;
- Delivering high standards of regularity and propriety;
- Representing the views of the TRA Board to the general public, with those views which are to be publicly shared being decided by the TRA Board;
- Meeting with the Secretary of State, or the Responsible Minister, at least annually to assess their performance in accordance with their duties;
- Setting performance objectives and then leading and undertaking annual performance reviews for the Chief Executive (supported by another Board

member). This should include DIT feedback on their performance on an annual basis; and

- Ensuring that the work of the TRA Board and the performance of each of its members is reviewed annually when being considered for re-appointment (written records of which are maintained), that TRA Board members receive appropriate training, and that the TRA Board works together effectively.

### Individual TRA Board members' responsibilities

11.9 Individual TRA 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 Board's rules on the acceptance of gifts and hospitality, of business appointments, data protection and information sharing; and
- Act in good faith and in the best interests of the TRA.

## 12. Annual report and accounts

12.1 The TRA Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. The TRA shall provide DIT with its finalised (audited) accounts in a reasonable timeframe that will be agreed annually in order for the accounts to be consolidated within DIT's accounts.

12.2 The annual report must meet the requirements set out in paragraph 31 of Schedule 4 to the Trade Act 2020. The annual report must also:

- Cover any corporate, subsidiary or joint ventures under its control;
- Comply with the HMT's *Financial Reporting Manual* (FreM); and
- Outline the TRA's main activities and performance against its strategic objectives during the previous financial year and set out in summary form forward plans.

## 13. Internal audit

13.1 The TRA shall:

- Establish and maintain arrangements for internal audit in accordance with the *Treasury's Public Sector Internal Audit Standards* (PSIAS) and ensure that the GIAA audit team have complete access to all relevant records in a timely manner;
- The TRA AO will secure GIAA's services on TRA's behalf, to provide internal audit services for the TRA in accordance with Government Internal Audit Standards

and best practice set by HMT. Under DIT's Operating Model, this will be carried out by DIT as a shared service;

- Forward the audit strategy, periodic audit plans and annual audit report, including the TRA Audit representative opinion on risk management, control and governance to DIT as soon as possible once finalised and agreed by TRA; and
- Keep records of and prepare and forward to DIT an annual report on fraud and theft suffered by the TRA and notify DIT of any unusual or major incidents as soon as possible.

13.2 Subject to the requirements of GDPR, any legal obligations of confidentiality to which the TRA is subject and any information sharing agreements to which the TRA is party, the TRA internal audit service may access, inspect, request copies, in whatever form, or print any documents held by TRA that it may reasonably require in order to carry out its functions.

## 14 External audit

14.1 The Comptroller and Auditor General (C&AG) audits the TRA's annual accounts. The C&AG passes the certified audited accounts with their reports to the Secretary of State who will lay the accounts together with the C&AG's report before Parliament. In the event that the TRA has set up and controls subsidiary companies, the TRA will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and whose accounts are consolidated within its own accounts. The TRA shall discuss with DIT the procedures for appointing the C&AG as auditor of the companies.

14.2 The C&AG:

- Will consult DIT and the TRA on whom – the NAO or a commercial auditor – shall undertake the audit(s) on their 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) and section 8 of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from the TRA;
- Will share with DIT information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on DIT's responsibilities in relation to financial systems within the TRA; and
- Will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

14.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the TRA 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 TRA shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and 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.

#### Right of access

14.4 Insofar as DIT has the legal right to, it may request access to TRA records.

## Management and financial responsibilities

### 15 Managing Public Money ('MPM') and other government-wide corporate guidance & instructions

15.1 Unless agreed by DIT and, as necessary, HMT, the TRA shall follow the principles, rules, guidance and advice in *MPM*, referring any difficulties or potential bids for exceptions to the Sponsorship Team in DIT in the first instance. A list of guidance and instructions with which the TRA shall comply is contained at Appendix 3 of this Framework Agreement.

15.2 TRA's delegated authorities are set out in the delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by DIT in agreement with HM Treasury.

15.3 In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.

15.4 TRA shall obtain DIT's and where appropriate HM Treasury's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the ALB's annual budget as approved by the department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department;
- making 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; or
- carrying out policies that go against the principles, rules, guidance and advice in MPM.



15.5 On written notification from DIT and subject to any restrictions imposed by statute, the Secretary of State's instructions or this document, the TRA shall have authority to incur expenditure approved in the budget without further reference to DIT, on the following conditions:

- The TRA shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of DIT and as agreed by HM Treasury and Cabinet Office as appropriate;
- The TRA shall comply with *MPM* regarding novel, contentious or repercussive proposals;
- Inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- The TRA shall provide DIT with such information about its operations, performance individual projects or other expenditure as DIT may reasonably require in accordance with the legislative framework.

15.6 The TRA must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking). The Accounting Officer is responsible for ensuring TRA has a Banking Policy as set out in *MPM* and ensuring that policy is complied with.

## 16 Board appointments

### Board appointments - the Chair and TRA Board members

16.1 Composition of the TRA Board is laid out in the Trade Act 2021<sup>7</sup> and aligns with government's Code of Good Practice  
<https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code>  
<https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice>

16.2 The Chair and non-executive TRA Board members are appointed for a period as set out in contracts determined and agreed by the Secretary of State. Such appointments will comply with the Commissioner for Public Appointments *Code of Practice for Ministerial Appointments to Public Bodies*.

16.3 The executive members are appointed by the Chair for a period as set out in their contracts determined by the Chair with the approval of the Secretary of State.

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<sup>7</sup> Schedule 4, Trade Act 2021

## Board appointments – the Chief Executive

- 16.4 The Chief Executive is appointed by the Chair with the approval of the Secretary of State or, if the first Chair has not been appointed, by the Secretary of State.
- 16.5 The Chair will consult with other non-executive members of the TRA Board when proposing to appoint, re-appoint or remove the Chief Executive or any other Executive members of the TRA. Although the Chair appoints these roles, the appointed members will remain accountable to the TRA Board as a whole.

## 17 Risk management

- 17.1 The TRA shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury 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's guide: *Managing the Risk of 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 or to give grant or grant-in-aid.
- 17.2 In keeping with both organisations' commitment to a policy of transparency and openness between DIT and the TRA, the TRA will ensure that DIT is assured of the TRA's risk management processes and informed of any material emerging issues and risks for governance and accountability purposes.

## 18 Corporate and business plans

- 18.1 The TRA shall submit a draft of each corporate plan to DIT. This plan will set out the aims and objectives of the TRA over the next three years. The draft should be submitted as soon as reasonably practicable, but not later than one month after the start of the financial year. The TRA shall agree with DIT officials the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the TRA's statutory and/or other duties and, within those duties, the priorities set from time to time by the Secretary of State (including decisions taken by the Secretary of State on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the TRA, as an independent body, contributes to the achievement of DIT's priorities.
- 18.2 The first year of the corporate plan, amplified as necessary, shall form the business plan for the year. The business plan shall be updated annually to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by DIT. This will need to incorporate costing and other information on the prescribed template as requested by DIT Finance as part of the business planning

process to inform annual budget setting decisions, to the timelines that will be set out by DIT. Subject to any commercial considerations, the corporate and business plans should be published by the TRA on its website and separately be made available to staff.

18.3 The following key matters should be included in both plans:

- Key objectives and associated key performance targets for the forward year(s), and the strategy for achieving those objectives;
- Key non-financial performance targets;
- A review of performance in the preceding financial year, together with comparable outturns for the previous 2-5 years as appropriate, and an estimate of performance in the current year;
- An assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- Other matters as agreed between DIT and the TRA.

## 19 Budgeting procedures

19.1 Each year, before the start of the financial year and in the light of decisions by DIT on the updated business plan, DIT will send to the TRA

- A formal statement of the annual budgetary provision (revenue, capital and cash) allocated by DIT in the light of competing priorities across DIT and of any forecast income approved by DIT;
- A statement of any planned change in policies affecting the TRA;
- An estimate of budgetary provision for the rest of the Spending Review period by Financial Year.

19.2 The approved annual business plan will take account of approved funding provision and will include a budget of estimated payments together with a profile of expected expenditure and of draw-down of any departmental funding over the year. These elements form part of the approved business plan for the year in question.

## 20 Grant-in-aid and any ring-fenced grants

20.1 Any grant-in-aid provided by DIT for the year in question will be allocated in DIT's Supply Estimate and be subject to Parliamentary control.

20.2 The grant-in-aid will normally be paid in monthly instalments as required on the basis of written applications showing evidence of need. The TRA will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the TRA. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is

delayed to avoid excess cash balances at the year-end, DIT will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

## 21 Reporting performance to DIT

21.1 The TRA shall operate management, information and accounting systems that enable it to review its financial and non-financial performance against the budgets and targets set out in the corporate and business plans in a timely and effective manner, including monthly forecasting required by HMT to be reported through the Financial Forecasting Tool and discussed with the DIT finance business partners.

21.2 The TRA shall inform DIT of any material changes that affect achievement of the organisation's objectives. It shall report financial performance, key strategic risks and performance against KPIs through quarterly meetings with the Sponsorship Team.

21.3 The Secretary of State will meet with the TRA Board - including the Chief Executive and the Senior Sponsor - at least once a year to discuss the Corporate Plan and Business Plan, performance and risks and any other relevant matters.

21.4 The TRA's performance shall be formally reviewed by DIT with the Secretary of State meeting the Chair and the Chief Executive. Performance will be measured against a number of Key Performance Indicators (KPIs), which are reviewed and set annually by the Minister, in the context of agreeing the Corporate and Business Plans.

### Providing monitoring information to DIT

21.5 As a minimum, the TRA shall provide DIT officials with information monthly that will enable DIT satisfactorily to monitor:

- The TRA's cash management;
- Its draw-down of grant-in-aid;
- Forecast outturn by resource headings; and
- Other data required for the Online System for Central Accounting and Reporting (OSCAR).

21.6 The TRA will be part of DIT's quarterly in-year financial review process, with budgets relating to the current financial year updated depending on the outcome of its review and where agreed by both parties.

### TRA/ DIT working level liaison arrangements

21.7 Officials of the Sponsorship Team in DIT will liaise regularly with TRA officials to review financial performance against plans, achievement against targets and expenditure against DEL and AME allocations. The Sponsorship Team will also take the opportunity

to explain wider policy development taking place within DIT that might have an impact on the TRA.

## 22 TRA Staff

### Broad responsibilities for TRA staff

22.1 Within the arrangements approved by the responsible minister the TRA will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- The rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of any characteristic as listed in the Equality Act 2010 (as amended);
- The level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness in the context of the Government controls within which it must operate;
- The performance of its staff at all levels is satisfactorily appraised and the TRA performance measurement systems are reviewed from time to time;
- Its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the TRA's objectives;
- Proper consultation with staff takes place on key issues affecting them;
- Adequate grievance and disciplinary procedures are in place;
- Whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place; and
- A code of conduct for staff is in line with the *CO's Model Code for Staff of Executive Non-Departmental Public Bodies*.

### Staff costs

22.2 The TRA shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them, subject to its delegated authorities, unless agreed otherwise with the Sponsoring Department.

### Pay and conditions of service

22.3 DIT should have regard to Chapter 5 of the *CO's Public Bodies: A Guide for Departments* that provides guidance on staff issues in public bodies. The TRA's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by DIT and HMT. The TRA has no delegated power to amend these terms and conditions. Further details in Appendix 1 .

22.4 The travel expenses of TRA Board members shall be tied to the rates allowed to senior staff of the TRA. Reasonable actual costs shall be reimbursed.

22.5 The TRA shall comply with the UK equivalent of the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

22.6 TRA staff shall normally be eligible for a pension provided by the Civil Service Pension Scheme (CSPS). Staff may opt out of the occupational pension scheme provided by the TRA, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.

22.7 Any proposal by the TRA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of DIT. Proposals on severance must comply with the rules in chapter 4 of *MPM*.

## 23 Review of TRA's status

23.1 The TRA will be reviewed per the Public Bodies guidance, or as required by the Secretary of State. The outcome of any such review shall be laid before Parliament.

## 24 Dispute Resolution


5.9 Any governance disputes between DIT and the TRA will be resolved in as timely a manner as possible. DIT and the TRA will first seek to resolve any such disputes informally. If resolution is not achieved the following process will be followed:

- Both parties will produce a report on the issue, utilising Functional Leads (for example, finance) where appropriate for input and steer. The reports will be shared by DIT and the TRA to compare any contrasting positions;
- The matter shall be raised with the Senior Sponsor, who will seek resolution through discussions with the TRA Chief Executive, using information from the reports and from any other sources the Senior Sponsor deems relevant;
- At the point that any issue is referred to the Senior Sponsor the offices of the PS and Chair should be made aware;
- If resolution cannot be reached through the Senior Sponsor, and the matter is significant, the PS and the TRA Chair shall agree on an independent nonexecutive director (NED) on the Departmental Board to review the dispute.
- The NED will act as mediator between both parties and will have the option to seek supporting information where required. Their findings and recommendations will then be shared with the PS and TRA Chair for discussions mediated by the NED;
- In the event that a solution cannot be agreed during mediated discussions between the PS and the TRA Chair a decision will be made by the DIT NED. A final report will be produced by the NED and sent, with the decision, to both the TRA and DIT. This decision will be binding.

## 25 LIST OF APPENDICES TO THE SPECIMEN DOCUMENT

Appendix 1 - further detail to clauses or processes included in the main body of this document

Appendix 2 – List of government-wide corporate guidance instructions (attached)

Signed: 

Date: 16 June 2022  
(On behalf of DIT)

Signed: 

Date: 13 June 2022  
(On behalf of the TRA)

## Table of Abbreviations:

ALB	Arm's-Length Body
AME	Annually Managed Expenditure
AO	Accounting Officer
AOSS	Accounting Officer System Statements
C&AG	Comptroller & Auditor General
CEO	Chief Executive Officer
CO	Cabinet Office
CSPS	Civil Service Pension Scheme
DD	Deputy Director
DAO	Dear Accounting Officer
DEL	Departmental Expenditure Limits
DIT	Department for International Trade
EU	European Union
FOIA	Freedom of Information Act
FRem	Financial Reporting Manual
HMT	His Majesty's Treasury
HR	Human Resources
G6	Grade 6
G7	Grade 7
GDPR	General Data Protection Regulation
GIAA	Government Internal Audit Agency
IPA	Infrastructure and Projects Authority
KPIs	Key Performance Indicators
MPM	Managing Public Money
NAO	National Audit Office
NED	Non-Executive Director
OSCAR	Online System for Central Accounting and Reporting
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PS	Permanent Secretary
PSIAS	Public Sector Internal Audit Standards
SoS	Secretary of State
TCBTA	Tax Cross Border Trade Act
TSG	Trading Systems Group
TRA	Trade Remedies Authority
WTO	World Trade Organisation



# Appendix 1:

## Further detail

### The Trade White Paper

#### Appraisals Process

The Cabinet Office are expected to publish official guidance on this shortly and should be added once it is published. In the meantime, we have been advised to follow best practice which is set out below.

#### Appraisals Process of NEDs

The Chair conducts the appraisal of the NEDs which may involve commissioning 360 feedback from other NEDS and the Chief Executive ahead of appraisal meetings with the individual NED.

#### Appraisals Process of Chair

There is a variation across departments. However, it is usually conducted by the Permanent Secretary of the Sponsor Department and may involve consulting the appointing Minister for views on the Chair's performance ahead of the appraisal meeting.

#### Appraisals Process of Chief Executive

The Chair will conduct the appraisal of the Chief Executive after seeking views from colleagues on the Board, and if the CEO has been appointed by a minister, views from the Responsible Minister also.

#### Pay Remit Process

- The TRA will follow the Civil Service pay guidance and have their pay remit signed off by the Secretary of State.
- The HR Pay & Reward team in DIT will be responsible for providing advice and guidance to TRA HR on the Civil Service pay guidelines and overall Civil Service pay strategy.
- The DIT Pay and Reward team will be responsible for assessing the TRA pay remit, with the Sponsorship Team responsible for making the submission to Secretary of State requesting approval of the remit.
- Any requests that the TRA might want to make for pay flexibility are subject to approval by Cabinet Office with subsequent sign-off by HM Treasury, as they would be for civil servant pay flexibility.

## Schedule 1

As Chair, your responsibilities will include:

- Take a leading role in the ongoing development of the TRA, including working with the Department to develop the body's governance frameworks, setting a strategic vision, and providing input into staffing and resource allocation
- Formally appoint executive members to the TRA Board with the approval of the Secretary of State for the Chief Executive. The Chair will also be consulted on the appointment of nonexecutive members to the TRA by the Secretary of State for International Trade.
- Determine remuneration and terms and conditions for executive members with the approval of the Secretary of State.
- Following the formation of the TRA, provide effective leadership and strategic direction to form a cohesive and focused Board, which is able to ensure the TRA fulfils its statutory duties and functions.
- Enable the Board to exercise its functions in a consistent, proportionate and fair manner – bearing in mind the economic conditions in all parts of the UK. The Chair must pay particular attention to the need to set up the TRA in a way that ensures it operates objectively across the whole UK.
- Work with the Board to ensure the TRA maintains its operational independence, impartiality and expertise to deliver its mandate and meet the UK's obligations under the WTO Agreements.
- Act as the public face of the organisation alongside the Chief Executive.
- Develop and maintain effective relationships with the Devolved Administrations, all external stakeholders and the public. External stakeholders may include relevant parliamentary bodies, international industries, UK manufacturing industry and other UK producers, consumer groups, trade associations and trade unions, where appropriate.

## Appendix 2:

### Compliance with government-wide corporate guidance and instructions

The TRA shall comply with the following general legislation, guidance documents and instructions, within the scope of the existing legislative framework:

#### Corporate Governance

- This framework document
- [Corporate Governance Code for Central Government Departments \(relevant to Arm's Length Bodies\) and supporting guidance](#)
- [Code of conduct for Board members of Public Bodies](#)
- [Code of practice for partnerships between Departments and Arms' Length Bodies](#)

#### Financial Management and Reporting

- [Managing Public Money \(MPM\)](#) ○ Fees and Charges Guide, Chapter 6 of Managing Public Money ○ Departmental Banking: A Manual for Government Departments, annexe 5.6 of Managing Public Money
- [Government Financial Reporting Manual \(FRoM\)](#)
- [Relevant Dear Accounting Officer \(DAO\) letters](#)
- [Regularity, Propriety and Value for Money](#)
- [Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts](#)

#### Management of Risk

- Management of Risk ○ [Management of risk-Principles and Concepts](#) ○ [Management of risk in government: guidance](#)
- [Public Sector Internal Audit Standards](#)
- [Guidance on audit, risk assurance and fraud](#) (see links at bottom of webpage)
- [HM Treasury approval processes for Major Projects above delegated limits](#)
- The government cyber-security strategy and cyber security guidance ○ [National cyber-security strategy 2016 to 2021](#) ○ [Cyber security guidance for business](#)

#### Commercial Management

The following Government procurement policy and Cabinet Office spending controls will apply unless exemptions have been formally agreed.

- [Procurement Policy Notes](#)

- [Cabinet Office spending controls](#)
- [Transparency in supply chains - a practical guide](#)

## Public Appointments

The following are relevant where public bodies participate in public appointments processes.

- [Guidance from the Commissioner for Public Appointments](#)
- [Governance Code on Public Appointments](#)
- [Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees](#)

## Staff and Remuneration

The following documents containing information and guidance on issues related to staffing, pay and employment law.

- [HM Treasury guidance on senior pay and reward](#)
- [Civil service pay guidance](#) (updated annually)
- [Public sector pay and terms](#)
- [Whistleblowing guidance and code of practice](#)
- [The Equalities Act 2010](#)
- Other generally relevant employment law

## General

- Freedom of Information Act guidance and instructions ○ [Freedom of Information Act 2000](#) ○ [Guide to Freedom of Information](#) ○ Data Protection Act 2018/General Data Protection Regulation?
- [The Parliamentary and Health Service Ombudsman’s Principles of Good Administration](#)
- Other relevant instructions and guidance issued by the central departments (Cabinet Office and HM Treasury)
- Specific instructions and guidance issued to partner organisations by DIT
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the government and relevant to the TRA.

The TRA should also be mindful of the following wider public policy priorities and initiatives which are relevant and/or helpful to public bodies

- [Guidance from the Public Bodies team in Cabinet Office](#)
- [The civil service diversity and inclusion strategy](#)
- [The government response to the Taylor review on modern working practices](#)

- [Guidance produced by the Infrastructure and Projects Authority \(IPA\) on management of major projects](#)
- [The Government Digital Service](#)
- The Government Fraud, Error, Debt and Grant Efficiency function
  - [Fraud, Error, Debt and Grants function](#) ○
  - [Grants standards: guidance](#)
- [Code of practice for Official Statistics](#) (although TRA is not a producer of official statistics, the code may nevertheless be a useful guide)
- [Production of Accounting Officer System Statements](#) (AOSS are produced by departments with input from Partner Organisations)

# Document Control

## Version History

<b>Date</b>	<b>Version</b>	<b>Comments</b>
25/08/2021	1.1	Revision on section 6.5 and appendix 1 (para 7)
11/01/2022	1.2	Structure of document revised by TRA Director of Corporate Services
07/10/2022	1.3	Document revised by TRA Director of Corporate Services