HM Treasury

The Royal Mint Trading Fund Framework Document (2026)

July 2026

HM Treasury

The Royal Mint Trading Fund Framework Document (2026) compromising:

The Royal Mint Trading Fund (RMTF)

The Royal Mint Limited (RML)

The Royal Mint Museum (RMM)

July 2026

This publication is available at: www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at public.enquiries@hmtreasury.gov.uk

ISBN: 978-1-918417-74-6

PU: 3665

Contents

Chapter 1

Introduction and background (RMTF, RML and RMM)

Purpose of Document

1.1 This framework document (the "framework document") has been agreed between HM Treasury ("HMT") as the "Shareholder Department" or "Shareholder", UK Government Investments Limited ("UKGI") as the "Shareholder Representative" and The Royal Mint Trading Fund "RMTF", with The Royal Mint Limited "RML" and The Royal Mint Museum "RMM" also as signatories, in accordance with HM Treasury's handbook Managing Public Money[1] ("MPM") (as updated from time to time), and has been approved by HM Treasury.

1.2 The Royal Mint Advisory Committee ("RMAC") is an advisory non-departmental public body of HM Treasury. It operates independently of The Royal Mint Trading Fund, and its membership is regulated by the Office for Commissioner of Public Appointments. This framework document does not cover the RMAC.

1.3 The framework document sets out the broad governance framework within which RMTF, RML, RMM and the Shareholder Department operate, including where UKGI operates on the Shareholder's behalf as Shareholder Representative (as described in Section 10.7-10.8 and Annex B). It sets out:

1.3.1 RMTF, RML and RMM's core responsibilities

1.3.2 describes the governance and accountability framework that applies between the roles of the Shareholder, Shareholder Representative, RMTF, RML and RMM

1.3.3 how the day-to-day relationship works in practice, including in relation to governance and financial matters, developing the framework established in the Articles of Association of RML (the "RML Articles", together with the Articles of Association of RMM (the "RMM Articles"), the "Articles"), the shareholder reserved matters and delegated authorities.

---

[1] Managing_Public_Money_-_April_2026.pdf

1.4 The document does not convey any legal powers or responsibilities but all parties agree to operate within its terms.

1.5 Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the gov.uk website.

Amendments to and interpretation of this document

1.6 Any amendment, update or replacement of any provision of this document shall be agreed by the parties, from time to time, in writing and must be consistent with the Articles (as may be amended, updated or replaced from this date).

1.7 This framework document should be reviewed regularly and updated at least every 3 years unless there are exceptional reasons that render this inappropriate.

1.8 References to (including extracts and summaries of) a statute or statutory provision include and shall be read as a reference to that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the date of this document, and any subordinate legislation made from time to time under that statute or statutory provision which is in force at the date of this document.

1.9 References to RML and RMM in this document shall also be taken to include any subsidiaries, joint ventures or associate undertakings of RML and RMM over which they exercise effective control.

1.10 If any of RMTF, RML or RMM establishes a subsidiary or joint venture, there shall be a document setting out the governance arrangements between it and its parent body, to be agreed with the Shareholder Department, if above the threshold set out in the shareholder reserved matters.

Structure and content of this document

1.11 As noted in section 1.3, this framework document sets out the broad governance framework within which RMTF, RML, RMM and the Shareholder Department operate. Chapters 1-4 cover the areas applicable to each of the organisations collectively. Chapters 5-9 cover arrangements specifically applicable to RMTF, chapters 10-13 cover arrangements specifically applicable to RML and chapters 14-17 cover arrangements specifically applicable to RMM.

Objectives

1.12 The Shareholder and RMTF share the common objective of delivering the provision and maintenance of UK coinage as authorised under the Coinage Act 1971. To achieve this RMTF and the Shareholder Department will work together in recognition of each other's roles and areas of expertise, providing an effective environment for RMTF to achieve its objectives through the promotion of partnership and trust and ensuring that RMTF also supports the strategic aims and objective of the Shareholder Department and wider government as a whole.

Classification and ownership

Ownership Background

1.13 RMTF was established on 1 April 1975, in accordance with The Royal Mint Trading Fund Order 1975, which was extended and amended by The Royal Mint Trading Fund (Extension and Variation) Order 2002 and the amendment Order 2024. All orders were made under the Government Trading Funds Act 1973 that amended the Coinage Act 1971 in respect of the establishment and operations of The Royal Mint.

1.14 As a Trading Fund, RMTF operates on commercial lines and is required under section 4(1)(a)(ii) of the Government Trading Funds Act 1973 to "*manage the funded operations so that the revenue of the fund is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to the revenue account*".

1.15 On 31 December 2009, the trading assets and liabilities of RMTF were vested into a subsidiary company, RML. HM Treasury remains 100% owner of the shares of RML through RMTF.

1.16 All assets of a historical nature were vested into a separate company, RMM, of which HM Treasury is sole member.

1.17 RMTF represents HM Treasury interests in RML and RMM and oversees financing interactions with central government. RMTF is responsible for accounting to Parliament and to HM Treasury Ministers for the activities of RML and RMM.

1.18 RMTF is not directly engaged in commercial activity but does undertake some limited transactions, for example receipt and transfer of loans and loan repayments between the National Loans Fund and RML and the receipt and onward payment of any dividends from RML.

The Royal Mint Trading Fund (RMTF)

1.19 RMTF has been classified as a central government organisation by the HM Treasury Classifications Team.

1.20 It has been administratively classified by the Cabinet Office as an executive agency.

The Royal Mint Limited (RML)

1.21 RML has been classified as a public non-financial corporation by the ONS/HM Treasury Classifications team.

1.22 RML is a private company limited by shares incorporated in England and Wales whose registered office address is Llantrisant, Pontyclun, CF72 8YT, United Kingdom through the Royal Mint Trading

Fund. RML is wholly owned by The Solicitor For The Affairs Of His Majesty's Treasury As Nominee For The Chancellor Of The Exchequer In His Capacity As Master Of The Mint. RML is governed by the requirements of and the obligations created by the Companies Act 2006 and successor legislation.

1.23 The Shareholder Department does not have any involvement in the day-to-day operations of RML, save to the extent that the Shareholder Department shall nominate a Shareholder Representative Director from the Shareholder Representative (as defined in 26.1) to sit as a non-executive director on RML's. While the Board retains operational control, it is accountable to the Shareholder for the performance of RML and is required to seek consent for certain matters as set out in this document.

1.24 RML owns 100% of RM Assets Limited, RM Experience Limited, RM Wynt Limited, Royal Mint Services Limited, and Precious Metals Recycling Limited, and has a 24.9% interest in Sovereign Rarities Limited:

- RM Experience Limited was formed during 2017 to operate The Royal Mint Experience visitor attraction.
- RM Wynt Limited is dormant following the transfer of its only asset, a wind turbine, to RML in March 2024.
- RM Assets Limited was formed in 2014 for the purpose of a digital project which was halted in 2018. This company is dormant.
- Royal Mint Services Limited was formed in 1945. This company is dormant.
- Precious Metals Recycling Limited was formed in 2023 with a view to operating the PMR business. This company is dormant.
- Since December 2024, TRM also has a minority stake (8.3%) in Excir Corporation, a privately held Canadian clean-tech company that has developed proprietary technology to recover gold from printed circuit boards (e-waste).
- Sovereign Rarities Limited is a historic coin dealership based in London. RML acquired a minority interest in Sovereign Rarities Limited in order to grow its historic coin business.

The Royal Mint Museum (RMM)

1.25 RMM has been classified as a central government organisation by the ONS/HM Treasury Classifications Team.

1.26 It has not been administratively classified by the Cabinet Office.

1.27 RMM is a registered charity in England and Wales (charity number 1138877 and company number (07105875).

1.28 RMM was established as a company limited by guarantee in 2009 when the heritage assets of RMTF (the “Collection”) were vested into RMM. RMM was granted charitable status in 2010 and its sole member is HM Treasury.

1.29 RMM owns 100% of The Royal Mint Museum Services Limited, also established in 2009. The Royal Mint Museum Services Limited carries out all commercial activities, providing services to RML under a Service Level Agreement, in support of its business activities and to HM Treasury.

Chapter 2

Purpose, aims and duties (RMTF, RML and RMM)

Purpose, powers and duties

2.1 RMTF's powers and duties stem from The Royal Mint Trading Fund Order 1975, which was extended and amended by The Royal Mint Trading Fund (Extension and Variation) Order 2002 and again by Order 2024.

2.2 Under the Coinage Act 1971 and subsequent Royal Mint Trading Fund Orders, RMTF's statutory duties and functions are:

- manufacture and supply of coins, medals, seals, and similar articles, and gifts / collectable items (other than coins)
- any operation incidental or conducive to such manufacture or supply.

Aims

2.3 RML's strategic aim, as set by HMT, is to secure the supply and integrity of UK coins, whilst sustaining and growing the long-term value of its shareholding interest.

2.4 RML should appraise value creation opportunities within risk parameters appropriate to its ownership within the Public Sector, its obligations within the UK Coin Contract between HMT and RML related to producing and supplying the UK circulating coins, and all relevant legal obligations. This includes not only those relating to its position as a Companies Act company but also those related to its particular position minting coins for the UK Government.

2.5 RMM's strategic aim is to manage and protect the Collection and the advancement of education of the public in the history of coinage and related artefacts of the activities of RML by exhibiting, interpreting and providing access to the Collection.

2.6 The RMM's detailed strategic objectives are in the RMM Articles.

Chapter 3

Governance and accountability

3.1 RMTF should:

- comply with MPM
- in line with MPM, have regard to the relevant Functional Standards[2] as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
- take into account the codes of good practice and guidance set out in Annex A of this framework document, as they apply to ALBs.

3.2 RML 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 and applicable regulatory requirements and expectations.

3.3 In particular (but without limitation), RML should comply with:

- the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code[3] (as amended and updated from time to time) to the extent appropriate to RML or specify and explain any non-compliance in its annual report, and notify the Shareholder in advance
- take into account and comply with, the codes of good practice and guidance set out in Annex A of this framework document, as they apply to public corporations

3.4 RMM should, in particular (but without limitation):

- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice[4] (as amended and updated from time to time) to the

---

[2] https://www.gov.uk/government/collections/functional-standards

[3] https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code

[4] https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017

extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report

- comply with MPM
- in line with MPM have regard to the relevant Functional Standards[5] as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
- take into account the codes of good practice and guidance set out in Annex A of this framework document, as they apply to ALBs
- comply with their duties under charity law

3.5 In line with MPM Annex 3.1 and the Charities Statement of Recommended Practice[6], RMM shall provide an account of corporate governance in its annual governance statement.

---

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

6 https://www.gov.uk/government/publications/charities-sorp-2005

Chapter 4
Role of the department as Shareholder

The responsible Minister

4.1 The Chancellor of the Exchequer will account for RMTF on all matters concerning RMTF and its subsidiaries, RML and RMM in Parliament.

4.2 The Ministers' statutory powers and duties in respect of RMTF are set out in The Government Trading Funds Act 1973.

4.3 These powers include specifying the operations that can be financed by the RMTF, as well as that RMTF can secure a certain amount of funding by way of loan from the National Loans Fund.

4.4 The Coinage Act 1971 also sets out powers and duties of the Chancellor in their capacity as master of the Mint. Duties of the Chancellor of the Exchequer in their capacity as the Master of the Mint are performed via RMAC (Royal Mint Advisory Committee) or exercised by the Deputy Master of the Mint, currently the RML Chief Executive.

4.5 Ministerial responsibilities identified elsewhere in this framework document are delegated by the Chancellor of the Exchequer to another HM Treasury Minister, currently the Economic Secretary to the Treasury.

Chapter 5

Royal Mint Trading Fund (RMTF)

Chapters 5-9 relate specifically to The Royal Mint Trading Fund.

RMTF Appointments

5.1 HM Treasury will nominate a senior employee at the Shareholder Department as the Accounting Officer for RMTF ("RMTF AO") in accordance with Section 4(6) of the Government Trading Funds Act 1973. HM Treasury issues a letter appointing the RMTF AO setting out their responsibilities and delegated authorities.

RMTF Shareholder reserved matters

5.2 RMTF is set Ministerial targets which reflect the Shareholder Department's strategic objectives for RML's business activities, and which currently focus on economic value add and customer service.

5.3 The actual performance against Ministerial targets will be reviewed at the end of each financial year by the responsible Minister as part of the RMTF annual report and accounts approval process.

5.4 Ministerial targets will be reviewed at a minimum of every three years, but may be reviewed more often on the Minister's request.

5.5 After the end of each financial year, the RMTF annual report and its audited accounts will be endorsed by the Minister prior to being laid by the Comptroller and Auditor General ("C&AG") before Parliament.

The RMTF Accounting Officer (RMTF AO)

5.6 The RMTF AO is accountable to parliament for the issue of any grant-in-aid to RMTF.

5.7 The RMTF AO is responsible for RMTF and its subsidiaries, RML and RMM. They are personally 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. They should ensure that the group 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 Managing Public Money.

5.8 The RMTF AO cannot transfer their responsibilities to any other party, however they may delegate the delivery of those responsibilities to others.

5.9 The RMTF AO designates the RML Chief Executive as RML Accountable Person ("RML AP") and ensures that they are fully aware of their responsibilities. The RMTF AO issues a letter appointing the accountable person setting out their responsibilities and delegated authorities.

5.10 The CEO of RML (and the CEO of any other subsidiary of RMTF) is accountable to the RMTF AO for the delegations they receive from the RMTF AO, to ensure that the principles of MPM are complied with in the running of the relevant subsidiary company, and to ensure that there are adequate controls and co-operation across the group to enable the RMTF AO to discharge their governance responsibilities effectively.

RMTF AO's specific accountabilities and responsibilities

5.11 The RMTF AO is responsible for advising the responsible Minister on:

- an appropriate framework of objectives and targets for RMTF in the light of the Department's wider strategic aims and priorities.
- how well RMTF is achieving its Ministerial targets and whether it is delivering value for money.
- via the policy sponsor team in the Enterprise and Growth Unit ("EGU") team (who are also the "Shareholder Department team"), the exercise of Ministers' statutory responsibilities concerning RMTF and its subsidiaries.
- via the Shareholder Department team and the Shareholder Representative, discharging the responsibilities of the Shareholder in relation to RMTF and its subsidiaries.

5.12 The RMTF AO, via the Shareholder Department and Shareholder Representative teams, is also responsible for ensuring arrangements are in place in order to:

- monitor RML's activities and performance.
- address significant problems in RML, making such interventions as are judged necessary.
- periodically carry out an assessment of the risks both to the Shareholder and RMTF objectives and activities in line with the wider departmental risk assessment process.
- inform RML of relevant government policy in a timely manner.
- bring ministerial or departmental concerns about the activities of RML to the full Board, and, as appropriate to the departmental board, requiring explanations and assurances that appropriate action has been taken.

Freedom of Information Requests

5.13 HM Treasury, RMTF, RML and RMM will agree a FOI handling protocol to deal with requests for information received by any party under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018. The party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

Chapter 6
RMTF Governance Structure

Overview

6.1 RMTF does not have a Board and sub-committees, CEO, executive team or staff.

6.2 The activities of RMTF are limited to the pass through of National Loan Fund borrowing to RML and dividend transfer from RML to HM Treasury. Monitoring and approval of these activities are delegated to specific authorised members of the Shareholder Representative team.

6.3 Preparation of the annual report and accounts is delegated to the RML finance function.

Responsibilities of the RMTF AO for accounting to parliament

6.4 Responsibilities to Parliament and the public include:

- signing the RMTF annual report and 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 Chancellor of the Exchequer.
- 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 RMTF are established.
- acting in accordance with the terms of MPM, and other instructions and guidance issued from time to time by HM 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
- giving evidence, normally with the HMT PAO, when summoned before the PAC on RMTF's stewardship of public funds.

Chapter 7

RMTF Management and financial framework

HM Treasury guidance

7.1 The activities, roles and responsibilities of RMTF as described in this document should comply with MPM.

7.2 Notwithstanding arrangements in respect of MPM, RMTF will be subject to the rules set out in Consolidated Budgeting Guidance[7].

Delegated authorities

7.3 RMTF shall obtain the HM Treasury's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations.
- 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 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.

Banking, loans and working capital

7.4 Any loan facilities put in place should be reviewed and approved by the RMTF AO and take into account guidance set out in MPM (5.8 Borrowing by Public Sector Organisations and 5.9 External Borrowing) where relevant. Any loan facility will be arranged between RMTF and the National Loans Fund and will be conducted on commercial arms-length terms for the purposes of providing loan facilities to its subsidiaries.

7.5 RMTF will operate through the Government Banking Service and such commercial banking arrangements as are approved by HM Treasury from time to time.

[7] https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022

Charging and dividends

7.6 RMTF does not conduct any trading activities, but undertakes some limited transactions, including:

- receipt and transfer of loan drawdowns, loan repayments and interest between the National Loans Fund and RML, and
- the receipt and onward payment of any dividends from RML to HM Treasury on instruction from HM Treasury.

Risk management

7.7 RMTF 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.

Remuneration and staff

7.8 RMTF does not employ any staff.

Chapter 8

RMTF Business plans, management information and audit

RMTF Business plans and management information

8.1 RMTF does not prepare business plans and management information. Reporting responsibilities to the Shareholder are discharged through RML's reporting obligations, per section 11.8 and chapter 13.

RMTF Annual report and accounts

8.2 RMTF must publish an annual report of its activities, together with its audited accounts after the end of each financial year. RML prepares the RMTF annual report and shall provide the Shareholder Department with the draft and finalised (audited) accounts in accordance with timings stipulated by HM Treasury. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by HM Treasury's Financial Reporting Manual ("FReM").

8.3 The RMTF annual report, which is prepared by RML, must:

- cover any corporate, subsidiary or joint ventures under its control
- comply with the FreM and in particular have regard to the illustrative statements for an executive agency[8]
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

8.4 Following Ministerial endorsement and RMTF AO sign off, the C&AG will lay the annual report and accounts before Parliament, and it should be made available on the gov.uk website.

RMTF Audit

8.5 RML, supported by the Shareholder Department, will arrange for auditing of the RMTF accounts.

---

8 https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21.

8.6 As at the date of this Document, the C&AG, operating through the National Audit Office, shall be appointed as RMTF auditor.

8.7 The C&AG may carry out value for money studies of RMTF under the National Audit Act 1983, examining the economy, efficiency and effectiveness with which RMTF and/or its subsidiaries have used their resources in discharging their functions. RMTF will make available to the C&AG its accounts and other relevant information, documents and access to staff as necessary for such examinations.

8.8 The Shareholder Department and RMTF shall provide, in conditions to any grants or contracts, for the C&AG to exercise such access to documents held by grant recipients, contractors or sub-contractors as may be required for its audit and 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.

Chapter 9

Reviews and winding up arrangements (RMTF, RML, RMM)

Review of Trading Fund status

9.1 RMTF and its subsidiaries may be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the Shareholder Department's ministers and their Permanent Secretary.

Arrangements in the event that RMTF and / or its subsidiaries are wound up

9.2 The Shareholder Department shall put in place arrangements to ensure the orderly winding up of RMTF and/or its subsidiaries, RML and RMM. In particular it should ensure that the assets and liabilities of RMTF and/or its subsidiaries 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 the Shareholder Department.) To this end, the Shareholder Department shall:

- have regard to Cabinet Office guidance on winding up of ALBs[9].
- ensure that procedures are in place in RMTF and/or its subsidiaries 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 residuary body; specify the basis for the valuation and accounting treatment of RMTF or its subsidiaries assets and liabilities.
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies 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 their report on the accounts.
- arrange for the most appropriate person to sign the closing accounts. In the event that another entity takes on the role, responsibilities, assets and liabilities, the succeeding entity AO

[9] Public bodies - GOV.UK

should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the Shareholder Department's AO should sign.

9.3 RMTF shall provide the Shareholder Department with full details of all agreements where RMTF or its successors have a right to share in the financial gains of developers. It should also pass to the Shareholder Department details of any other forms of claw-back due to RMTF.

Chapter 10

Royal Mint Limited (RML)

Chapters 10-13 relate specifically to The Royal Mint Limited only.

RML Shareholder appointments

10.1 The Shareholder Department shall have the following appointment and approval rights in relation to the RML Board:

- the responsible Minister will appoint the Chair. The appointment process will be led by the Shareholder Representative with input from the Shareholder Department team and the RML Nominations Committee.
- the Shareholder Department will nominate a senior employee of the Shareholder Representative as a non-executive director on RML's Board (the "Shareholder Representative Director").
- the responsible Minister will approve the appointment of the Chief Executive on approval by the Board and on the advice of the Nominations Committee in consultation with the Shareholder Representative. The Chief Executive shall be a permanent employee of RML, appointed through a process that adheres to best practice guidance for appointments in being open, fair and transparent. The request to the responsible Minister for approval of the final appointment should be accompanied by an explanation in writing as to why such appointment is recommended by the Board. This process also applies to proposals to appoint an interim Chief Executive.
- other Board appointments are made by the Board, on the advice of the Nominations Committee, following consultation with the Shareholder Representative and will be notified to the responsible Minister.
- in each case, the Board will give legal effect to the appointment.

10.2 All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint Boards which include a balance of skills and backgrounds.

RML Other shareholder reserved matters

10.3 The Shareholder will review and, if in agreement, give prior written approval to the following "shareholder reserved matters":

- RML's strategic objectives.
- the strategic plan (following development and updating by the Board).
- the annual budget.
- any changes to the approved capital structure and to the financial framework, including to the executive remuneration framework.
- acquisitions, disposals and joint ventures of a value greater than 15% of RML's net assets at the relevant time.

10.4 At the reasonable request of the Shareholder, the Directors shall:

- meet the Shareholder or its representatives to discuss the affairs of RML.
- provide such information in relation to the affairs of RML as the Shareholder may reasonably require.

10.5 The Shareholder is committed to giving the Board the freedom to operate RML in line with the spirit of this framework document. Decisions on the day-to-day management of RML will be taken by the Board in accordance with their statutory, regulatory, common law and fiduciary duties.

The role of the shareholder team for RML

10.6 The Shareholder Department team in EGU is responsible for discharging the responsibilities of the Shareholder and is the primary contact between the Shareholder and RML. They are the main source of advice to the responsible Minister and the AO on the discharge of their responsibilities in respect of RML. Therefore, RML should engage with the Shareholder Department team as the initial point of contact between RML and the Shareholder.

10.7 The Shareholder Representative is part of the sponsorship of RML, acting on behalf of the Shareholder in performing the activities set out in Annex B and below and will seek regular input from the Shareholder Department.

10.8 The Shareholder Representative will:

- establish and maintain appropriate and effective corporate governance foundations which govern the Shareholder Department, Shareholder Representative, and RML relationship.
- promote effective objectives, business planning and performance against RML's Strategic Plan.
- promote the organisational capability of RML to deliver against the Strategic Plan.
- promote effective leadership (high quality boards and senior management) of RML.

- promote effective relationships between the Shareholder, Shareholder Representative, and RML.
- support and supplement the activities outlined above by providing an experienced non-executive director on the Board of RML.
- In addition, the Shareholder Representative will
    - be on the selection panel for the appointments of the non-executive directors to the Board of RML, who shall be appointed from time to time through an open, fair and transparent process agreed by the Nominations Committee and the Shareholder Representative.
    - recommend to the Shareholder Department for approval the appointment of any external auditor of RML on the advice of the RML Board, and support the Shareholder Department in instructing the Treasury Solicitor to execute a written resolution to effect the appointment.

The role of the policy sponsorship team for RML

10.9 The Economic Secretary to the Treasury ("EST") is the government policy sponsor of RML.

10.10 Within the department there are two teams responsible for policy sponsorship. The corporate sponsorship responsibility as Shareholder Department team sits within EGU. The policy role is shared between EGU and the Debt and Reserves Management ("DRM") team. The responsible senior civil servant for shareholding and overall strategic policy for RML, including financial performance, is the Director of Companies and Economic Security, and the Deputy Director of DRM is the responsible senior civil servant for the matters related to cash issuance policy and the UK Coin Contract. EGU and DRM advise and, as appropriate, act on behalf of the responsible Minister on relevant government policy developments and responding to requests from RML to provide a policy perspective on RML's activities and plans. The separate responsibilities for both teams are set out below.

10.11 In addition to its role as the Shareholder Department team outlined in section 10.6, the EGU team as a policy team will:

- advise RML of relevant policy and guidance in a timely manner, for incorporation into RML's strategic plans.
- advise Ministers and RMTF AO on RML's progress against agreed policy objectives.
- engage closely with RML on wider policy developments and cross-Government priorities impacting on, or affected by, the work of RML

and coordinate communication between RML and other departments.

- support securing appropriate RMTF AO and Ministerial approvals.

10.12 The DRM team as a second policy and customer team has responsibility for:

- UK coin issuance policy and circulating coinage matters.
- management of the UK Coin Contract with RML for the manufacture of UK circulating coins.
- The commemorative coin design approval process.
- oversight of RMAC, including appointments.

10.13 RML is the manufacturer of the UK circulating coins ordered by the DRM team as a customer. HM Treasury Permanent Secretary is the Accounting Officer responsible for the UK Coin Contract.

10.14 To ensure that RML does not receive conflicting instructions from the Shareholder Department, and noting that EGU team conducts both a shareholder and a policy sponsorship role, with the policy role being shared with DRM team, the HMT policy teams will work together to ensure clarity and consistency in respect of departmental advice, decisions and instructions.

Freedom of Information requests

10.15 See section 5.13.

Reporting on legal risk and litigation

10.16 Notwithstanding the provisions of any protocol agreed under the terms of section 10.17 below, RML shall provide a quarterly update to the Shareholder Representative and Shareholder Department on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Shareholder in a timely manner.

10.17 In respect of each substantial piece of litigation involving RML, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Shareholder Department to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:

- material developments in the litigation are communicated to the Shareholder Representative and Shareholder Department in an appropriate and timely manner;
- legally privileged documents and information are clearly marked as such;

- individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege; and
- circulation of privileged information within government occurs only as necessary.

Chapter 11

RML Governance structure

Responsibilities of RML's Chief Executive as the Accountable Person (RML AP)

11.1 The RMTF AO, who is also responsible for RML (see section 5.7), has designated RML's Chief Executive as the RML accountable person ("RML AP").

11.2 The RMTF AO expects the RML AP to take personal responsibility for running RML.

11.3 The Shareholder recognises that as a public corporation operating in commercial markets, RML needs to take investment and other financial decisions in accordance with commercial practices.

11.4 Public corporations are not subject to MPM as a matter of course. However, it is the responsibility of the Chief Executive, as RML's AP, to ensure that RML operates in accordance with the principles of regularity, propriety, value for money, and feasibility, as set out in Managing Public Money ("MPM"). Where there are inconsistencies between MPM and RML's ability to operate commercially and effectively, this should be brought to the attention of the Shareholder Representative and the RMTF AO.

11.5 A full outline of the responsibilities of the RML AP is set out in their letter of appointment.

11.6 The RML AP is also responsible for ensuring arrangements are in place in order to:

- monitor RML's activities and performance.
- address significant problems in RML, making such interventions as are judged necessary.
- periodically carry out an assessment of the risks both to the department's and RML's objectives and activities in line with the wider departmental risk assessment process.
- bring ministerial or departmental concerns about the activities of RML to the full Board, and, as appropriate to the departmental board, requiring explanations and assurances that appropriate action has been taken.

Responsibilities of the RML AP for accounting to parliament

11.7 Responsibilities to Parliament and the public include:

- signing the RML 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 Chancellor of the Exchequer.
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the RML annual report and accounts.
- ensuring that effective procedures for handling complaints about RML are established and made widely known within RML and shared with the RMTF AO as and when required.
- acting in accordance with the agreed levels of control and accountability, including any relevant principles in MPM it has been agreed the public corporation should comply with, and other instructions and guidance issued from time to time by the department, HM Treasury and the Cabinet Office.
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
    - their fiduciary duties under the Companies Act
    - any governing legislation
    - this framework document.
- giving evidence, normally with the RMTF AO, when summoned before the PAC on RML's stewardship of public funds.

Responsibilities of the RML Chief Executive to the Shareholder

11.8 Responsibilities to HM Treasury include:

- establishing, in agreement with the Shareholder, RML's strategic plans.
- informing the Shareholder and Shareholder Representative of progress in achieving the strategic plans as appropriate and in demonstrating how resources are being used to achieve those plans.
- ensuring that timely forecasts and monitoring information on risk, performance and finance are provided to the Shareholder and Shareholder Representative, that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Shareholder in a timely fashion.

- ensuring the RMTF AO is informed in a timely manner and receives regular updates of any substantial events such as security breaches, substantial losses or any other matter which may have a financial, reputational or other implications for the Shareholder Department.

Responsibilities to the RML Board

11.9 The Chief Executive is responsible for:

- advising the Board on the discharge of RML's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time.
- advising the Board on RML's performance compared with its aims and objectives as set out in the strategic plan.
- 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 (RML)

11.10 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.

11.11 RML's AP must take care that their personal legal responsibilities do not conflict with their duties as a Board member. In particular, the accountable person should vote against any proposal which appears to cause such a conflict; it is not sufficient to abstain.

11.12 If the Chair or Board of RML is minded to instruct the RML AP to carry out a course inconsistent with their duties as AP, then the RML AP should make their reservations clear, preferably in writing. If the Board is still minded to proceed, the RML AP should then:

- ask the RMTF AO to consider intervening to resolve the difference of view, preferably in writing.
- if the Board's decision stands, seek HM Treasury written direction to carry it out.
- proceed to implement without delay.
- follow the routine in paragraph 3.6.6 of MPM.

The RML Board

Role of the RML Board

11.13 The role of the Board shall be to run RML, in accordance with this document. Detailed responsibilities of the Board shall be set out in the Board terms of reference (as varied from time to time) and shall include the following:

- establishing and taking forward the aims and objectives of RML as set out in the strategic objectives, subject to Shareholder approval and within the policy and resources framework determined by the Shareholder Department.
- developing, updating and approving the multi-year strategic plan and the annual operating plan and budget.
- providing entrepreneurial leadership of RML within a framework of prudent and effective controls which enables risk to be assessed and managed.
- ensuring, to the best of its abilities, the financial and human resources are in place for RML to meet its strategic objectives.
- ensuring that the Board receives and reviews regular financial information concerning the management of RML.
- establish appropriate reporting mechanisms to enable it to be informed in a timely manner about any concerns about the activities of RML.
- reviewing management performance.
- ensuring that the Shareholder is kept informed of any changes which are likely to impact on the strategic direction of RML or on the attainability of its strategic objectives, and determining the steps needed to deal with such changes.
- demonstrating high standards of corporate governance at all times, including by using RML audit and risk committee to help the Board to address key financial and other risks.
- ensuring that any statutory or administrative requirements for the use of public funds are complied with.
- that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Shareholder Department, and in accordance with any other conditions relating to the use of public funds. RML's financial arrangements from HM Treasury are set out in the financial arrangements letter from the RMTF AO to the accountable person.
- if required, co-operating fully with the requests of all relevant Parliamentary committees for scrutiny, requests from the Parliamentary Commissioner for Administration and otherwise to assist the Shareholder Department in answering questions about RML.
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by RML of the strategic objectives.

The RML Chair's role and responsibilities

11.14 The Chair is accountable to the Shareholder. Engagement between RML's Board and the Shareholder should, in the first instance, be through the Chair engaging with the Shareholder Representative and, when appropriate, the RMTF AO.

11.15 The Chair should lead the Board in providing support and challenge to the RML Chief Executive and AP, and the executive team, as set out in the Chair's letter issued to them by the Shareholder Department from time to time.

11.16 The Chair has the following leadership responsibilities:

- formulating the Board's strategy.
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the Shareholder Department.
- promoting the efficient and effective use of staff and other resources.
- delivering high standards of regularity and propriety.
- representing the views of the Board to the general public.

11.17 The Chair also has an obligation to ensure that:

- the Board has a balance of skills and diversity which is appropriate to directing RML's business.
- the Chair, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice.
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities and the Chair assesses the performance of individual Board members regularly and when being considered for re-appointment.
- there are regular internal and external reviews of Board performance and composition, with an externally facilitated Board evaluation at least every three years.
- the Shareholder Representative is advised as appropriate of RML needs when Board vacancies arise. The Chair will discuss Board composition, external Board review and succession plans with the Shareholder Representative from time to time, and agree any actions at least annually.
- there are appropriate terms of reference for the Board and its Committees in place setting out the role and responsibilities of the

Board consistent with the Government Code of Good Practice for Corporate Governance[10].

- the Board adheres to the principles as set out in the Cabinet Office Code of Conduct for Board Members of Public Bodies[11].
- all additional external appointments by all Board directors are carefully considered in respect of overboarding, reputational impact and other risks prior to approval by the Chair.

11.18 Notwithstanding the Code, the Shareholder shall retain responsibility for conducting overall evaluation and review of the Chair's performance with the support of the Shareholder Representative. In conducting such evaluation and review, the Shareholder shall take into account appraisal of the Chair's performance as co-ordinated by the Senior Independent Director in accordance with the Code.

11.19 The Chair is bound by the Code of Conduct for Board Members of Public Bodies[12] which covers conduct in the role and includes the Nolan Principles of Public Life[13].

Individual RML Board Members' responsibilities

11.20 Individual Board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest.
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors[14] as appropriate and 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, and of business appointments.
- in accordance with the UK Corporate Governance Code 2018, additional external appointments by all Board directors should not

---

10 https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017

11 https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies

12 https://www.gov.uk/government/publications/code-of-conduct-for-Board-members-of-public-bodies

13 https://www.gov.uk/government/publications/the-7-principles-of-public-life

14 https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds

be undertaken without prior approval of the Chair. Furthermore, the Shareholder Representative should be informed in advance.

- act in good faith and in the best interests of RML and in accordance with their statutory, common law and fiduciary duties as directors of RML, including under section 172 of the Companies Act 2006 which set out directors' duty to promote the success of RML for the benefit of the members as a whole.
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government.

Composition of the RML Board

11.21 The Board comprises the Chair, the Non-Executive Directors (including the Shareholder Representative Director), the Chief Executive, the Chief Financial Officer, and such other executive directors whose appointment is recommended by the Nominations Committee and approved by the Board from time to time.

11.22 At least half of the Board, excluding the Chair, should be non-executive directors whom the Board considers to be independent.

11.23 All of the above will be company directors within the meaning of the Companies Act 2006.

11.24 The quorum for Board meetings shall be two Directors, as stated in the RML Articles.

11.25 All appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint Boards which include a balance of skills and backgrounds.

RML Board Committees

11.26 It is the responsibility of the Board to constitute such committees as necessary for it to fulfil its functions. In line with the UK Corporate Governance Code as a minimum the Board should have three committees: an Audit and Risk Committee, a Remuneration Committee and a Nominations Committee. The Shareholder Representative Director must always be a member of the Audit and Risk, Remuneration, and Nominations Committees.

11.27 The terms of each committee should set out its responsibilities and the authority delegated to it by the Board.

Chapter 12

RML Management and financial framework

HM Treasury guidance

12.1 The activities, roles and responsibilities of RML as described in this document should follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to EGU in HM Treasury via the Shareholder Representative in the first instance.

12.2 Notwithstanding arrangements in respect of MPM, RML via consolidation into the RMTF accounts will be subject to the rules set out in Consolidated Budgeting Guidance[15].

Delegated authorities

12.3 The Board is responsible for establishing appropriate delegations with the Executive Directors. The Shareholder Representative will review these delegations from time to time with the Board.

12.4 RML's financial arrangements with the Shareholder Department are set out in the financial arrangements letter from the RMTF AO to the RML AP.

12.5 RML shall obtain the Shareholder's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations.
- 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 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.

Banking, loans and working capital

12.6 Any loan facilities put in place should be reviewed and approved by the Board and take into account guidance set out in MPM (5.8 Borrowing by Public Sector Organisations and 5.9 External Borrowing) where relevant. Any loan facility will be arranged between RML and the

[15] https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022

RMTF with a similar arrangement between the RMTF and the National Loans Fund and will be conducted on commercial arms-length terms for the purposes of providing working capital.

12.7 RML will operate outside the Government Banking Service and such commercial banking arrangements as are approved by the Board.

12.8 RML may also use private sector providers of working capital facilities, bullion loans, hedging, foreign exchange and other banking services required to enable it to deliver the strategic objectives, on the basis that these are provided and secured on normal commercial terms, without reliance on HM Treasury as guarantor or otherwise provider of backstop financial support (except in those circumstances separately agreed and documented as part of vesting), and are approved by the Board within its established risk and controls framework.

Charging and dividends

12.9 RML will operate commercial market rate pricing consistent with section 6.6 of MPM where applicable, in accordance with company and competition law. To the extent that it is applicable, RML charging will be in accordance with the Re-use of Public Sector Information Regulations 2015[16] (as amended or re-enacted).

12.10 RML shall aim to declare annual dividends to RMTF (subject to Companies Act requirements) of 40% of profit after tax.

12.11 If RML identifies particularly large investment opportunities, they can propose to the Shareholder Department that the dividend is waived for a period. This would need to be agreed by both parties.

12.12 The Shareholder Department recognises that a dividend policy is only ever an 'in-principle' intention, and that ultimately it is the responsibility of the Board of the company to determine whether or not paying a dividend is affordable. Therefore, if the RML Board determines that RML cannot, or will not, pay a dividend at the agreed rate, then this is its prerogative. However, the Shareholder Department and the RMTF AO will be notified, and the reasoning behind such a decision will be set out clearly.

Risk management

12.13 RML 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.

[16] https://www.legislation.gov.uk/uksi/2015/1415/contents/made

Financial crime, including counter fraud and theft

12.14 RML should adopt and implement policies and practices to safeguard itself against financial crime, including fraud and theft.

12.15 RML should act in compliance with the procedures and considerations as set out in MPM Annex 4.9 and the Counter Fraud Functional Standard[17]. It should take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract. RML should further consider applicable FCA guidance.

12.16 RML should keep records of and prepare and submit to the Shareholder Department an annual report on financial crime including fraud and theft suffered by RML and notify the Shareholder Department and Shareholder Representative of any unusual or major incidents as soon as possible.

Remuneration and staff

Status of RML employees

12.17 RML's staff are not civil servants and therefore the annually updated Civil Service Pay Guidance[18] does not apply.

Pay controls

12.18 Controls over remuneration and conditions apply as follows:

- the remuneration package of the RML Chief Executive and remuneration for any other roles that are Ministerial appointments, require approval by the Chief Secretary to the Treasury ("CST") assuming the remuneration threshold[19] is reached. In addition, any remuneration package for any member of staff that is in excess of the Chief Executive's will require CST approval.
- the Chair is a Ministerial appointment and is therefore subject to the provisions set out in the guidance on the approval of senior pay[20] which came into force on 1 January 2018.
- any other board appointments are made by RML and are not Ministerial appointments or appointments that are approved by a Minister. These appointments are the responsibility of the Nominations Committee, subject to the Shareholder Representative's support. They do not engage the senior pay controls and do not require CST approval. This does not remove the

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

18 https://www.gov.uk/government/publications/civil-service-pay-remit-guidance-202122

19 https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward

20 https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward

right of the Shareholder from dismissing or appointing any Board member pursuant to the RML Articles.

Broad responsibilities regarding staff

12.19 The Board is solely responsible for all other staff matters, including the appointment and management of staff, determining staff numbers, determining terms and conditions of appointment in accordance with appropriate HR documents, including the remuneration policy.

12.20 RML must have regard to wider public sector pay policy when setting a remuneration policy.

12.21 The Remuneration Committee should have oversight of all bonus and incentive schemes. The Board will delegate to the Remuneration Committee those responsibilities set out above.

12.22 The Chief Executive is responsible for ensuring RML conducts its operations in accordance with the principles of MPM.

12.23 It is the responsibility of RML to ensure it complies with the IR35 requirement.

12.24 Subject to further legislation coming into force[21], a cap of £95,000 on exit payments will be applicable.

12.25 Confidentiality clauses may only be used as permitted in relevant public sector guidance[22].

12.26 Salary sacrifice schemes must be consistent with MPM guidance on tax planning.

12.27 RML travel policy must be consistent with public sector guidance, with first class travel restricted to exceptional cases[23].

12.28 RML should report (via the Remuneration Committee) to the Shareholder the number of posts paid above the remuneration threshold (with job titles). The Annual Report should contain full details of the remuneration of Board members, provide information in bands for executive committee members paid above the remuneration threshold, and report the numbers of other staff (without names) paid above the remuneration threshold. RML should also notify HM Treasury of all bonus arrangements put in place that are above the remuneration threshold as soon as the decision is made and within no more than one month. The number of bonuses paid above the threshold should be made public in the Annual Report.

---

[21] Pursuant to further secondary legislation in relation to the Small Business Enterprise and Employment Act 2015 as amended by the Enterprise Act 2016.

[22] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817156/Cabinet-Office-guidance-on-settlement-agreements-special-severance-payments-on-termination-of-employment-and-confidentiality-clauses.pdf

[23] https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note

12.29 Other benefits are set out in RML's remuneration policy, which also covers legacy arrangements. RML must not offer allowances that may be considered novel, contentious or repercussive.

Remuneration criteria

12.30 The Remuneration Committee shall determine the remuneration policy and remuneration levels in accordance with the following criteria (which shall also be reflected in the Remuneration Committee terms of reference and the remuneration policy itself). The criteria are that remuneration levels:

- are sufficient to attract and motivate high calibre individuals to drive the delivery of the activities and objectives of RML described in this document.
- are structured to link remuneration of all employees to performance in line with the Strategic Plan.
- are aligned with the objectives set out in this document.
- deliver value for money.
- take account of MPM and remuneration levels within comparable public sector institutions and are set with wider public sector pay policy in mind.

12.31 Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the Shareholder, together with subsequent amendments, on request.

12.32 RML will operate a performance-related bonus scheme based on RML's and individual's performance approved by its Remuneration Committee.

12.33 The travel expenses of Board members will be tied to the rates allowed to senior staff of RML. Reasonable actual costs, excluding alcohol, shall be reimbursed.

Chapter 13

RML Business plans, management information and audit

Strategic and business plans

13.1 The Strategic Plan shall set out how RML will achieve its Strategic Objectives.

13.2 The Strategic Plan will be developed, reviewed and updated by the Board and approved by the Shareholder Department. Among other things, it shall include:

- financial information at a level of detail agreed between RML and the Shareholder covering a 3-year forecast period, including an income statement, balance sheet, cashflow statement and explanatory narrative regarding assumptions.
- description of how the Strategic Objectives are being fulfilled in the current period and for the future including clear descriptions of risks and opportunities to the plan.
- a set of Key Performance Indicators ("KPIs") to allow the Board and Shareholder to track performance against the plan.

13.3 The Board will also prepare an annual budget for approval by the Shareholder Department, which sets out the budget and funding plan for the coming financial year consistent with the strategic objectives and Ministerial targets.

Annual report and accounts

13.4 RML Board must publish an annual report of its activities, together with its audited accounts after the end of each financial year.

13.5 The annual report must be produced by RML and comply with the Companies Act 2006 and the timing for production of such accounts shall accord with "best practice" applicable to UK registered companies.

13.6 RML will share a draft of the report narrative with the Shareholder Representative and the Shareholder Department for review before it is signed off by the RML Board providing adequate time for such review and not less than five working days. The Shareholder recognises that the finalised annual report is solely the responsibility of the RML Board. Publication will be dependent on other government and RML announcements but will be as soon as possible.

13.7 RML will make its annual report and accounts available on the RML website.

Reporting performance to the Shareholder

13.8 RML shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

13.9 RML shall inform the Shareholder Representative of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives regularly.

13.10 RML performance shall be formally reviewed by the Shareholder at least quarterly, typically at the Quarterly Shareholder Meeting.

13.11 The responsible Minister will meet the Chair and Chief Executive upon a change in personnel.

13.12 The RMTF AO will meet the Chair, together with the Shareholder Representative, once a year.

13.13 The Permanent Secretary will meet the Chief Executive at the Permanent Secretary's request, relying in the first instance on advice from the RMTF AO.

Information provided to the Shareholder

13.14 RML will facilitate the Shareholder in fulfilling its function by providing relevant information on request including on, but not limited, to strategic plans, financial forecasts and budgets, financial performance, achievements against targets, capital expenditure and investment decisions, governance matters including board appointments and remuneration and reports on key corporate risks.

13.15 Where the Shareholder Representative Director receives information:

- in their capacity as the Shareholder Representative Director, they shall be authorised to share this information with the Shareholder Department.
- other than in their capacity as the Shareholder Representative Director, and where that information is subject to a duty of confidentiality, they shall not be obliged to disclose the information to RML. Where the Shareholder Representative Director receives such information in such capacity, in circumstances where they consider that the knowledge or receipt of such information could

affect their ability to comply with their duties as a non-executive director of RML, the Shareholder Representative Director agrees to notify the Board as soon as practicable and to take appropriate steps, including but not limited to agreeing to recuse themselves from relevant decision-making processes.

13.16 Regular meetings between the RMTF AO, the Shareholder Representative and senior RML representatives (including the Chair, Chief Executive and Chief Financial Officer) will be held on a quarterly basis to discuss governance, financial performance and other relevant matters (Quarterly Shareholder Meetings).

Audit

13.17 RML will arrange for audit of its accounts in accordance with the Companies Act 2006, subject to the approval of the Shareholder.

13.18 As at the date of this Document, external auditors are appointed as RML auditor. The NAO should be offered first refusal at such point as a new appointment could be considered.

13.19 The Comptroller and Auditor General (C&AG may carry out value for money studies of RML under the National Audit Act 1983, examining the economy, efficiency and effectiveness with which RML and/or its subsidiaries have used their resources in discharging their functions. RML will make available to the C&AG its accounts and other relevant information, documents and access to staff as necessary for such examinations.

13.20 The Shareholder and RML shall provide, in conditions to any grants or contracts, for the C&AG to exercise such access to documents held by grant recipients, contractors or sub-contractors as may be required for its audit and 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.

13.21 RML will maintain an internal audit function (with or without external professional support) who will report to the Audit and Risk Committee and will cover (among other things) matters relating to risk management and internal controls, including compliance with the terms of this document.

Chapter 14

Royal Mint Museum (RMM)

Chapters 14-17 relate specifically to The Royal Mint Museum only.

Appointments to the RMM Board of Trustees

14.1 The Royal Mint Museum, as a charitable company, is governed by the RMM Articles, which provide for the appointment and reappointment of Trustees.

14.2 The Board of Trustees has the authority to appoint new Trustees and to direct the use of RMM's financial and other resources. Trustees are appointed for an initial term of three years, renewable for a maximum of two further three-year terms. A recruitment panel, consisting of current Trustees is formed to advise and have oversight of the Trustee appointment process.

14.3 The Museum Director is appointed by the RMM Board of Trustees with notification to the RMTF AO.

14.4 The Chair is appointed by the RMM Board of Trustees with notification to the RMTF AO.

14.5 All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.

The AO

14.6 The RMTF AO is responsible for The Royal Mint Trading Fund and its subsidiaries, including the RMM (see section 5.7). The RMM does not have a separate AO. For the responsibilities of the RMTF AO see sections 5.6-5.12.

14.7 The RMTF AO is responsible for agreeing the policy framework within which RMM operates.

14.8 The RMM Board of Trustees is responsible for, with a notification required to the RMTF AO:

- setting the performance framework within which RMM will operate including approving RMM's Strategy and Annual Plan;
- matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with arrangements as set out in the RMM Articles;

- such other matters as may be appropriate and proportionate in the interests of the charity.

The role of the sponsorship team

14.9 EGU team as the Shareholder Department team is the primary contact for the RMM. The responsible senior civil servant for this relationship is the Director of Companies and Economic Security.

14.10 RMM should liaise regularly with officials in EGU to update them on the performance against plans and achievement against targets, in addition to written reports from the Director of RMM to the RMTF AO at least every six months, reviewing the RMM's performance, risks and opportunities against its objectives. These reports will contain such information as HM Treasury, in consultation with RMM, requires. In addition to the regular updates described above, meetings may take place between HM Treasury officials and the Director of the RMM to discuss the affairs of The Royal Mint Museum at HM Treasury's request. EGU will also take the opportunity to explain wider policy developments that might have an impact on the RMM.

Resolution of disputes between the RMM and Shareholder Department

14.11 Any disputes between the Shareholder Department and the RMM will be resolved in as timely a manner as possible. The Shareholder Department and the RMM will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the senior sponsor, will be used to resolve the issue. Failing this, the senior sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the Shareholder Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Chancellor of the Exchequer.

Freedom of Information requests

14.12 See section 5.13.

Reporting on legal risk and litigation

14.13 As part of its regular written update to the Shareholder Department team every six months, or sooner, RMM shall provide an update on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Shareholder Department team in a timely manner.

14.14 In respect of each substantial piece of litigation involving the RMM, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Shareholder Department team to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:

- material developments in the litigation are communicated to the Shareholder Department in an appropriate and timely manner;
- legally privileged documents and information are clearly marked as such;
- individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege;
- circulation of privileged information within government occurs only as necessary.

Chapter 15
RMM Governance structure

The Museum Director

15.1 The Museum Director has responsibility for the day-to-day operations and management of RMM. In addition, they should ensure that RMM is run on the basis of standards in terms of governance, decision making and financial management, as set out in MPM.

15.2 These responsibilities include:

- ensuring that proper records are kept relating to the Accounts and that the Accounts are properly prepared and presented in accordance with applicable legislation and guidance (see sections 17.6-17.10 on annual report and accounts).
- preparing reports for the Board of Trustees on governance and risk management.
- ensuring that they are familiar with and act in accordance with any governing legislation and this framework document.
- ensuring that they have appropriate internal mechanisms for monitoring governance.

Responsibilities to HM Treasury

15.3 The Museum Director's responsibilities to HM Treasury, in particular to RMTF AO, include:

- establishing, and notifying the Shareholder Department about, the RMM's business strategy in the light of the department's wider strategic aims, agreed priorities and the RMM's charitable purposes.
- informing the Shareholder Department of progress in helping to achieve the RMM's charitable purposes and in demonstrating how resources are being used to achieve those objectives.
- ensuring that any significant problems, whether financial or otherwise, are notified to the department in a timely fashion.

Responsibilities to the Board of Trustees

15.4 The Museum Director is responsible for:

- advising the Board of Trustees on the discharge of their responsibilities as set out in this document, in charity law and in compliance with the RMM's governing document and in any other relevant instructions and guidance that may be issued from time to time.
- advising the Board of Trustees on the RMM's performance compared with its objectives.
- ensuring that financial considerations are taken fully into account by the Board of Trustees at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.

Managing conflicts

15.5 The Museum Director should follow the advice and direction of the Board of Trustees, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so which should be notified to the Shareholder Department in writing.

The Board of Trustees

Composition of the Board of trustees

15.6 RMM will have a board of trustees in line with good standards of corporate governance and as set out in in its establishing statute and in guidance as set out in Annex A. The role of the Board shall be to run the RMM, and to deliver the charitable objectives, in accordance with the purposes as set out above, their statutory, regulatory, charity law and common law duties and their responsibilities under this framework document and the RMM's framework and any other governing documents. Detailed responsibilities of the Board shall be set out in the Board terms of reference.

15.7 A director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the trustee directors.

15.8 The Board will consist of between six and nine trustees, including a Chair, with a balance of skills and experience appropriate to directing RMM's business. For the RMM there should be members who have a range of skills and experiences, including: an interest in British history and its material culture; a commitment to preserving cultural heritage and improving education and understanding of British history; proven success in executive or non-executive leadership positions in the heritage, business or commercial sectors.

15.9 One of the Trustees of the RMM should be a representative from RML.

Board Committees

15.10 The RMM Board of Trustees has no subcommittees, but the Board of Trustees may set up such committees as necessary for it to fulfil its functions.

15.11 While the Board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration, it retains responsibility for, and endorses, final decisions in all these areas. The Chair should ensure that sufficient time is allowed at the Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

15.12 The Chair should ensure Board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair should ensure that committee membership is periodically refreshed.

Duties of the Board of Trustees

15.13 The Board of Trustees is specifically responsible for:

- establishing and taking forward the objectives of the RMM, consistent with its overall strategic direction and within the policy and resources framework determined by the Chancellor of the Exchequer upon vesting in 2009.
- deciding the strategy for the RMM, with the implementation of the strategy and the operational management delegated to the Museum Director.
- exercising oversight and supervision of all the RMM's main functional areas, including finance, fund-raising, acquisition and disposal, education and publication programmes, exhibitions, collections management, conservation and the activities of its subsidiary, Royal Mint Museum Services Limited.
- providing effective leadership of the RMM within a framework of prudent and effective controls which enables risk to be assessed and managed.
- ensuring the financial and human resources are in place for the RMM to meet its objectives.
- reviewing management performance.
- ensuring that the Board of Trustees receives and reviews regular financial and management information concerning the management of the RMM.
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the RMM Board of Trustees or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such

matters to the attention of the responsible Minister and RMTF AO via the RML executive team, the Shareholder Department Team, or directly.

- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board of Trustees operates within the limits of its statutory authority and any delegated authority agreed with the Shareholder Department, and in accordance with any other conditions relating to the use of public funds.
- ensuring that in reaching decisions, the Board of Trustees takes into account guidance issued by the Shareholder Department.
- ensuring that as part of the above compliance they are familiar with:
    - this framework document and
    - their duties as trustees under charity law.
    - putting in place appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensuring that the Chief Executive and the RMM as a whole act in accordance with their obligations under the above documents.
- demonstrating high standards of corporate governance at all times, including considering the use of independent internal audit services if appropriate.
- appointing the Museum Director and, with notification to the Shareholder Department and RMTF AO, setting performance objectives for the Museum Director which give due weight to the proper management and use and utilisation of public resources.
- putting in place mechanisms for the regular evaluation of Board performance. The outcome of that evaluation should be made available to the responsible RMTF AO.
- putting in place mechanisms for the Museum Director to have visibility of Board of Trustees activity with sufficient time before Board of Trustees decisions are agreed. The mechanism will enable the Museum Director to take action where needed as per paragraph 'Managing conflicts'.
- determining all such other things which the Board of Trustees considers ancillary or conducive to the attainment or fulfilment by the RMM of its objectives, including its charitable purposes.

15.14 The Board of Trustees 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.

15.15 The Board of Trustees is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control, in line where applicable with The Orange Book Management of Risk – Principles and Concepts.

15.16 The Trustees do not receive remuneration from any of the Royal Mint Trading Fund subsidiaries, with the exception of the representative from RML, who is an employee of RML but is not separately remunerated for their role on the Board of trustees of RMM.

The Chair's role and responsibilities

15.17 The Chair is responsible for leading the Board of Trustees in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in the statutory authority governing the RMM, the RMM's governing document and charity law, this document and the documents and guidance referred to within this document, and any steers which may be provided by the RMTF AO or the Shareholder Department from time to time.

15.18 Communications between the RMM's Board of Trustees and the RMTF AO should normally be through the Chair.

15.19 The Chair is bound by the Code of Conduct for Board Members of Public Bodies[24], which covers conduct in the role and includes the Nolan Principles of Public Life[25].

- In addition, the Chair is responsible for:
- ensuring including by monitoring and engaging with appropriate governance arrangements that the RMM's affairs are conducted with probity.
- ensuring that policies and actions support the responsible Minister's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout the RMM.

15.20 The Chair has the following leadership responsibilities:

- formulating the Board's of Trustees strategy.
- ensuring that the Board of Trustees, in reaching decisions, takes proper account of any guidance provided by the responsible Minister, RMTF AO or the Shareholder Department.
- promoting the efficient and effective use of staff and other resources.
- delivering high standards of regularity and propriety.

---

24 https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies

25 https://www.gov.uk/government/publications/the-7-principles-of-public-life

- representing the views of the Board to the general public.

15.21 The Chair also has an obligation to ensure that:

- the work of the Board of Trustees and its members are formally reviewed at least every three years and are working effectively, including ongoing assessment of the Board of Trustees' performance and more in-depth assessments of the performance of individual Board members when being considered for re-appointment.
- the Board of Trustees has a balance of skills appropriate to directing the RMM's business, and that all trustees (including the Chair) and the Museum Director continually update their skills, knowledge and familiarity with the RMM to fulfil their role. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of Board membership within the public sector.
- Trustees are fully briefed on terms of appointment, duties, rights and responsibilities.
- they, together with the other Trustees, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice.
- the RMTF AO is informed of RMM's needs when Board of Trustees vacancies arise.
- there are governance documents in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance
- the Board of Trustees adheres to the principles as set out in the Cabinet Office Code of Conduct for Board Members of Public Bodies.

Individual Trustees' responsibilities

15.22 Individual Trustees should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest.
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate[26] and

[26] https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds

- 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 of Trustees rules on the acceptance of gifts and hospitality, and of business appointments.
- act in good faith and in the best interests of the RMM.
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government.
- ensure that they are familiar with guidance on the duties of trustees under charity law.
- comply with the RMM's governing document.

Chapter 16

RMM Management and financial responsibilities and controls

Delegated authorities

16.1 The RMM's delegated authorities are set out in the RMM Articles. These may be updated and superseded by later versions when necessary.

16.2 The ongoing operations and activities of RMM pursuant to its existing charitable objectives are funded in part by the RML based on the funding agreement that sets out the terms and conditions of that funding. The RMM via RMM Services Limited receives fees for the services provided to RML and HMT based on the agreed Services Agreement.

16.3 In parallel, RML provides services to the RMM such as premisses, staff, IT and telecoms, HR and financial support.

16.4 The RMM shall obtain the prior written approval of HM Treasury or, where applicable, RMTF AO before:

- entering into any undertaking to incur any expenditure that falls outside the delegations.
- 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 Shareholder 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.
- carrying out policies that go against the principles, rules, guidance and advice in MPM.

Spending authority

16.5 The RMM shall have authority to incur expenditure approved in the budget on the following conditions:

- the RMM shall comply with MPM regarding novel, contentious or repercussive proposals
- the RMM shall provide the Shareholder Department with such information about its operations, performance, individual projects or other expenditure as the Shareholder Department may reasonably require.

Banking and managing cash

16.6 The RMM holds accounts with commercial banks outside the Government Banking Service.

16.7 Commercial accounts should be operated in line with the principles as set out in MPM.

16.8 RMM relies on the RML banking policy.

Procurement

16.9 The RMM relies on RML procurement function and procurement policies to ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules.

Risk management

16.10 The RMM 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[27] .

Counter fraud and theft

16.11 The RMM relies on the RML policies and practices to safeguard itself against fraud and theft.

16.12 The RMM should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard[28]. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.

16.13 The RMM should keep records of and prepare and forward to the Shareholder Department an annual report on fraud and theft suffered by the RMM and notify the Shareholder Department of any unusual or major incidents as soon as possible. The RMM should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre

[27] http://www.hm-treasury.gov.uk/orange_book.htm

[28] https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud

of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

Staff

16.14 Staff are seconded from The Royal Mint Limited to The Royal Mint Museum and subject to the same rules as RML employees. See sections 12.17-12.33 on RML staff.

Chapter 17

RMM Business plans, management information and audit

17.1 The Trustees decide on the business strategy for the RMM. The implementation of the strategy and the operational management is delegated to the Museum Director.

17.2 The RMM shall submit to the Shareholder Department a corporate strategy every 3 years covering the three years ahead, for information, with any significant updates covered as part of the regular reporting. The strategy shall reflect the RMM's statutory and/or other duties, its charitable purposes, and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The strategy shall demonstrate how the RMM contributes to the achievement of the department's medium-term plan and priorities and aligned performance metrics and milestones in line with its charitable objectives.

17.3 The first year of the corporate strategy, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information. Subject to any commercial considerations, a digest of the corporate strategy should be published by the RMM on its website and separately be made available to staff.

17.4 The following key matters should be included in the plans:

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
- key non-financial performance targets
- an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
- other matters as agreed between the Shareholder Department and the RMM.

Budgeting procedures

17.5 The approved annual business plan will take account both of funding provision and any forecast receipts. It will include a budget of estimated payments and receipts together with a profile of expected expenditure, draw-down of any funding or other income over the year. These elements form part of the approved business plan for the year in question.

Annual report and accounts

17.6 The Trustees of The Royal Mint Museum are responsible for preparing the annual report and financial statements in accordance with the applicable law, United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice on Accounting and Reporting by Charities.

17.7 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice on Accounting and Reporting by Charities.

17.8 The annual report must:

- cover any corporate, subsidiary or joint ventures under its control
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

17.9 The report and accounts shall be made available on the RMM website.

17.10 The RMM's accounts are consolidated into The Royal Mint Trading Fund annual report and accounts. Details of the RMTF annual report are set out in sections 8.2-8.4.

Reporting performance to the department

17.11 The RMM shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

17.12 The RMM shall inform the Shareholder Department of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly.

17.13 The RMM should update the Shareholder Department about its performance against strategic objectives, financial performance as well as risk and opportunities, in the form of short semi-annual written updates from the Museum Director to the RMTF AO following the Board of Trustees meetings.

17.14 The Museum Director will promptly and without delay disclose any information to the Shareholder Department that would have a significant bearing on the delivery of, or may have a significant impact on the assumptions underlying, the strategic objectives in addition to the regular updates described above.

17.15 The Shareholder Department will be entitled, on reasonable notice, to such information in relation to the affairs of the RMM as it may consider necessary or desirable from time to time.

17.16 The RMTF AO will meet the Chair on their appointment.

17.17 The RMTF AO will meet the Museum Director on their appointment.

Information sharing

17.18 The Sponsor Department has the right of access to all the RMM records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

17.19 The RMM shall provide the Shareholder Department with such information about its operations, performance, individual projects or other expenditure as the Shareholder Department may reasonably require.

17.20 The Department may request the sharing of data held by the RMM in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

Internal audit

17.21 The RMM shall:

- establish and maintain, proportionate to their size, arrangements for internal audit as may be necessary to ensure appropriate effective controls are in place within the RMM.
- keep records of and prepare and forward to the department a report on fraud and theft suffered by the RMM and notify the Shareholder Department of any unusual or major incidents as soon as possible.
- provide annual confirmation that there were not any irregularities involving fraud or breach of legal regulations and requirements or existing commercial activities that may cause significant loss to the RMM.

External audit

17.22 The commercial auditor (the same as for RML) audits the RMM's annual accounts and The Comptroller & Auditor General (C&AG) completes analytical procedures to gain assurance over intragroup movements between the RMM, RML and RMTF.

17.23 The RMM accounts are consolidated within RMTF accounts as set out in sections 8.2-8.4.

17.24 The C&AG:

- will consult the department and the RMM on who – the NAO or a commercial auditor – shall undertake the audit(s) on his 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 RMM.
- will share with the Shareholder Department 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 the Department's responsibilities in relation to financial systems within the RMM.
- will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion.

17.25 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the RMM 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 RMM 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.

Annex A: **Guidance**

In addition to the provisions of the main body of this framework document, RMTF, RML and RMM shall adopt the relevant principles set out in the following guidance, documents and instructions:

Corporate governance

- This framework document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance: https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017
- Code of conduct for Board members of Public Bodies: https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies
- Code of practice for partnerships between Departments and Arm's Length Bodies: https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships.
- 12 Principles of Governance for all Public Body NEDs: 12 Principles of Governance for all Public Body NEDs - GOV.UK

Financial management and reporting

- Managing Public Money (MPM) (and relevant associated or supplementary guidance): https://www.gov.uk/government/publications/managing-public-money
- Government Financial Reporting Manual (FReM): www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant Dear Accounting Officer (DAO) letters: www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts: https://www.gov.uk/government/collections/whole-of-government-accounts

- The most recent letter setting out the delegated authorities and financial governance arrangements issued to the RML Accountable Person by the RMTF Accounting Officer.

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and https://www.gov.uk/government/publications/management-of-risk-in-government-framework
- Public Sector Internal Audit Standards: Government Functional Standard GovS 009: Internal Audit
- HM Treasury approval processes for Major Projects above delegated limits: https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects
- The Government cyber-security strategy and cyber security guidance: Government Cyber Security
- Strategy: 2022 to 2030 - GOV.UK and https://www.gov.uk/government/collections/cyber-security-guidance-for-business

Commercial management

- Procurement Policy Notes: https://www.gov.uk/government/collections/procurement-policy-notes
- Commercial standards: Government Functional Standard GovS 008: Commercial and Commercial Continuous Improvement Assessment Framework - GOV.UK
- Cabinet Office spending controls: https://www.gov.uk/government/collections/cabinet-office-controls
- Transparency in supply chains - a practical guide: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

Public appointments

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

- Guidance from the Commissioner for Public Appointments: https://publicappointmentscommissioner.independent.gov.uk/
- 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: https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees

Staff and remuneration

- HM Treasury guidance on senior pay and reward: www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually): Civil Service Pay Remit Guidance 2025 to 2026 - GOV.UK
- Public sector pay and terms: https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note
- Whistleblowing Guidance and Code of Practice: https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions: www.legislation.gov.uk/ukpga/2000/36/contents and https://ico.org.uk/for-organisations/guide-to-freedom-of-information/
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: https://www.ombudsman.org.uk/about-us/our-principles
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury) and notified to the entities from time to time.
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant and notified to the entities.
- Guidance from the Public Bodies team in Cabinet Office: Public bodies - GOV.UK
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute): https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025

- Guidance by the National Infrastructure and Service Transformation Authority and Cabinet Office on management of major projects: Project and programme management - GOV.UK
- The Government Digital Service: www.gov.uk/government/organisations/government-digital-service
- Guidance by the Government Grants Management, Public Sector Fraud and Debt Management functions ; Grants Management Function - GOV.UK and Public Sector Fraud Authority GOV.UK and Government Debt Management Function - GOV.UK
- Code of Practice for Official Statistics: https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): www.gov.uk/government/publications/accounting-officer-system-statements

Furthermore, the following guidance is applicable to RMM as a charity non-departmental public body:

Charities financial management and reporting

- The Charities Statement of Recommended Practice: The Charities Statement of Recommended Practice (SORP) - GOV.UK (www.gov.uk)]

Charity Law

- Charity Commission guidance for trustees on their main duties under charity law: The essential trustee: what you need to know, what you need to do: https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3
- Charity Commission guidance on managing charities (note that some of this guidance will not apply to exempt charities): Managing your charity: detailed information: https://www.gov.uk/topic/running-charity/managing-charity
- Charity Commission guidance on exempt charities (if the ALB does not have the Charity Commission as its principal regulator): Exempt charities (CC23) - GOV.UK (www.gov.uk)

Annex B
UKGI Role

The UKGI Shareholder Representative role consists of the following activities:

Establish and maintain appropriate and effective corporate governance foundations which govern the department-asset relationship

B.1 work with HMT as the Shareholder Department and RML to establish and maintain appropriate corporate governance documents and systems, through up to date and fit for purpose governance documents, including this Framework Document, Articles, Board Terms of Reference, and the Chair's Letter.

Promote effective objectives, business planning and performance against business plan

B.2 assess and challenge RML's Business Plan from an owner's perspective, advising the Shareholder Department and Ministers on the clarity of the objectives, the quality of the Business Plan and the financial, and where relevant commercial, strength underpinning it, and its effectiveness as a tool for RML.

B.3 monitor and challenge RML and its Board as to the performance against its Business Plan or equivalent document, in terms of how RML is performing as an organisation (as opposed to monitoring the success of the policy delivery itself), and advise the minister accordingly.

B.4 challenge RML's Business Cases, and other HMG approvals outside RML's executive delegations, through the Shareholder Representative's position on the RML Board *only* (this will be limited to the degree of challenge that any non-executive Board member can provide. UKGI is not responsible for formally reviewing such business cases, providing advice to the department and ministers, or obtaining HMG approval for Business Cases, unless explicitly agreed otherwise).

Promote strong corporate capability

B.5 through the UKGI Shareholder Representative team, as well as the UKGI Shareholder Representative Director on the RML Board, promote the strength ofRML's governance systems which support organisational performance, by providing high level challenge to RML and its Board, and comment to the department, on:

B.5.1 governance framework compliance – defined as RML's view on its compliance with its governance framework (as set out in its Framework Document, delegated authorities, and any other specified governance documents), and

B.5.2 the adequacy and strength of RML's reporting to the Shareholder Department on these issues

Promote effective leadership (high quality boards and senior management)

B.6 promote and advise the department on the effectiveness of RML's leadership, specifically through:

B.6.1 promoting high quality and diverse boards, challenging the Board's capability and effectiveness, and monitoring succession planning

B.6.2 advising the Shareholder department and Ministers on and implementing effective board composition, recruitment, remuneration and appointment processes

B.6.3 acting as the Shareholder Representative non-executive director on RML's Board

B.6.4 giving a view on RML's Board level executive capability in relation to its responsibilities, and remuneration

Promote effective relationships between HMT and RML

B.7 support effective relationships between HMT and RML, including through:

B.7.1 UKGI building effective relationships with RML's Board and senior management

B.7.2 promoting effective interfaces and communications between the department and RML, including through regular shareholder meetings

B.7.3 maintaining an effective regular meeting "rhythm" with the RML Chair, Board and executive team to ensure appropriate flow of information (management information) between RML, UKGI and the Shareholder Department, including effective reporting to HMT

Supporting and supplementing the activities above by providing a Shareholder NED on RML's Board

B.8 act as government Shareholder Representative Director on the RML Board, through:

B.8.1 providing an appropriately skilled Board member to carry out the non-executive Shareholder Representative Director role effectively, drawing on the support and analysis from the UKGI shareholder representative team

B.8.2 attending RML's Board committees as appropriate, but usually Remuneration Committee, Audit and Risk Committee, and Nominations Committee

B.8.3 acting as an interlocutor between the Shareholder Department and RML's Board

B.8.4 providing a view to the Shareholder Department on the strength of RML's Board

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk