



Department  
for Work &  
Pensions

**FRAMEWORK DOCUMENT**

**Between the**

**Department for Work and Pensions**

**and**

**The Money and Pensions Service**

**Effective from ... 17th March 2021.....**

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## Introduction

1. This Framework Document has been drawn up by the Department for Work and Pensions (DWP) in consultation with the Money and Pensions Service (MaPS). It sets out the broad framework within which MaPS will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the Department and MaPS. 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 MaPS website.
2. This framework document is effective from the date of signature and will be reviewed periodically to ensure that it continues to meet the needs and business requirements of both parties.

## Introduction and Purpose of the Money and Pensions Service

3. MaPS was setup by the Financial Guidance and Claims Act 2018 in order to support the strategic aims and business plans of DWP and Her Majesty's Treasury (HMT) in relation to pensions guidance, money guidance, debt advice and the improvement of financial capability.
4. The statutory objectives of MaPS are:
  - to improve the ability of members of the public to make informed financial decisions;
  - to support the provision of information, guidance and advice in areas where it is lacking;
  - to secure that information, guidance and advice is provided to members of the public, in the clearest and most cost-effective way (including having regard to information provided by other organisations);
  - to ensure that information, guidance and advice is available to those most in need of it (and to allocate its resources accordingly), bearing in mind the particular needs of people in vulnerable circumstances and
  - to work closely with the devolved authorities with regard to the provision of information, guidance and advice to members of the public in Scotland, Wales and Northern Ireland.
5. MaPS has the following statutory functions:

- **the pensions guidance function** - to provide, to members of the public, free and impartial information and guidance on matters relating to occupational and personal pensions.
  - **the debt advice function** - to members of the public in England, free and impartial information and advice on debt.
  - **the money guidance function** - to provide, to members of the public, free and impartial information and guidance designed to enhance people's understanding and knowledge of financial matters and their ability to manage their own financial affairs.
  - **the consumer protection function** is:
    - a) to notify the FCA where, in the exercise of its other functions, the single financial guidance body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and
    - b) to consider the effect of unsolicited direct marketing on consumers of financial products and services and in particular:
      - I. from time to time publish an assessment of whether unsolicited direct marketing is, or may be, having a detrimental effect on consumers, and
      - II. advise the Secretary of State whether to make regulations under section 22 (unsolicited direct marketing: other consumer financial products etc).
  - **the strategic function** is to develop and co-ordinate a national strategy to improve;
    - a) the financial capability of members of the public
    - b) the ability of members of the public to manage debt and
    - c) the provision of financial education to children and young people
6. MaPS is also required to provide:
- advice and assistance to the Secretary of State on matters relating to the functions above; and
  - advice to the Secretary of State on the establishment of a debt respite scheme.
7. MaPS is required to develop and deliver a pensions dashboard that will allow people to access their pensions information securely and in one place.

- The Pensions Dashboards Programme (PDP) will develop the required infrastructure in order for others (including MaPS) to develop their own pensions dashboards.
- MaPS will support and enable the development of pensions dashboards through the PDP.
- MaPS will develop their own customer facing pensions dashboard.

### **Governance and Accountability**

8. MaPS' powers and duties stem from Part 1 and Schedules 1-3 of the Financial Guidance and Claims Act 2018.

### **Ministerial Responsibility**

9. The Secretary of State for Work and Pensions is accountable to Parliament for the overall governance of MaPS, its operational delivery of its functions and the efficient use of its resources. The Secretary of State's responsibilities for MaPS are delegated to the DWP Minister with responsibility for pensions (the Responsible Minister) who will account for such matters in Parliament. The Responsible Minister will typically meet the MaPS' Chief Executive and/or Chair of MaPS when business needs dictate.
10. The Chancellor of the Exchequer is accountable to Parliament for setting the strategic policy direction for: financial capability; the ability of members of the public to manage debt; and financial education. The Chancellor of the Exchequer's responsibilities are delegated to the Economic Secretary to the Treasury, who will account for such matters in Parliament. The Economic Secretary to the Treasury will meet the MaPS' Chief Executive and/or Chair of MaPS when business need dictates.
11. The Secretary of State's powers, as set out in the Financial Guidance and Claims Act 2018 are to:
  - appoint and remove Non-Executive Director Board members;
  - determine Non-Executive Director Board members' remuneration;
  - approve the appointment of and remuneration for Executive Director Board Members as recommended by MaPS;
  - issue guidance and directions to MaPS about the delivery of its functions;
  - keep under review whether MaPS should be dissolved;
  - notify relevant bodies of the amount to be recovered through the Financial Services Levy and General Pensions Levy;

- lay MaPS' Annual Report and Accounts in Parliament.
12. A separate Memorandum of Understanding has been agreed which sets out how DWP and HMT will work together in relation to their respective responsibilities regarding MaPS. These agreements are taken into consideration in this framework agreement.
13. A separate Memorandum of understanding has been agreed which details the arrangements for co-operation and co-ordination between the Financial Conduct Authority (FCA), DWP and MaPS in carrying out their respective roles.

## Contact and Engagement

14. DWP is the sponsoring government department for MaPS. It is responsible for ensuring that MaPS has the necessary governance arrangements in place to assure it delivers its services and objectives effectively and efficiently.
15. The Arms-Length Body (ALB) Partnership Division is the primary contact within DWP for MaPS. This is the main source of advice to the Responsible Minister, in the discharge of his or her responsibilities in respect of MaPS. The ALB Partnership Division also supports the Principal Accounting Officer (PAO) in his or her responsibilities toward MaPS.
16. The ALB Partnership Division's core responsibilities include:
- advising Ministers on the strategic direction and funding of MaPS in the context of wider Departmental and cross-governmental objectives;
  - ensuring arrangements are in place to alert and consult MaPS when policies are being developed that may impact on them;
  - holding MaPS to account for delivery of its objectives and monitoring compliance with this framework document, and other relevant Governmental controls;
  - keeping the PAO informed about MaPS' activity and compliance;
  - managing the day-to-day relationship with MaPS and promoting an open and transparent working relationship;
  - supporting MaPS in advising Ministers on strategic and operational insight into relevant Government policies, and acting as an advocate for MaPS within DWP and wider Whitehall;
  - securing the Secretary of State's approval for the appointment of MaPS' Non-Executive Director Board members, and agreement of remuneration arrangements and terms and conditions of the appointments;
  - arranging the annual appraisal of the performance of MaPS' Chair with on behalf of the Secretary of State with the Responsible Minister and relevant senior official, and obtaining assurance from the Chair that annual performance appraisals of all Board Members are conducted;
  - holding and chairing formal Quarterly Accountability Review meetings (QAR) between DWP, HMT and MaPS;

- supporting MaPS with the publication of corporate documentation including: Annual Report and Accounts; Business and/or Corporate Plan and Strategy. This includes gaining the relevant DWP and HMT approvals; and
  - establishing and maintaining an effective working relationship with MaPS and fulfilling its role as set out in this Framework Document.
17. The ALB Partnership Division and MaPS have an open and honest trust-based partnership. They will conduct the partnering relationship in accordance with the principles of purpose, assurance, value and engagement set out in “Partnerships between Department and Arm’s Length Bodies: Code of Good Practice”.
18. DWP and MaPS have a shared responsibility for ensuring a healthy relationship and satisfactory communication between them. Both parties will ensure that they clearly understand the strategic aims and objectives of their partners and will commit to keeping each other informed of any significant issues and concerns.
19. MaPS aims and objectives must align with those of both DWP and HMT.
20. Any disputes between DWP and MaPS will be resolved in the first instance between the ALB Partnership Division’s Head of Non-Pensions Bodies ALBs and senior MaPS’ officials.
21. If resolution cannot be reached at that level, and the matter is significant, the Head of DWP’s ALB Partnership Division will seek resolution with the MaPS’ Chief Executive.
22. In exceptional cases, where resolution cannot be reached, discussions may take place between Ministers (including HM Treasury Ministers, if appropriate) or the Permanent Secretary and the MaPS Chair.

### **DWP’s Accounting Officer’s Specific Accountabilities and Responsibilities as Principal Accounting Officer (PAO)**

23. The DWP Permanent Secretary, as PAO, has designated the MaPS Chief Executive as the MaPS Accounting Officer. The respective responsibilities of the PAO and Accounting Officers are set out in Chapter 3 of *Managing Public Money*
24. The PAO is accountable to Parliament for the issue of any grant-in-aid to MaPS. The PAO is also responsible for advising the Responsible Minister on:
- an appropriate framework of objectives and targets for MaPS in light of DWP’s wider strategic aims and priorities;
  - an appropriate budget for MaPS in the light of DWP and HMT’s overall public expenditure priorities; and
  - how well MaPS is achieving its strategic objectives and whether it is delivering value for money.
25. The PAO is also responsible for ensuring arrangements are in place in order to:
- monitor MaPS’ activities;

- where necessary to intervene and address significant problems in MaPS,
- periodically carry out an annual assurance assessment of the risks both to DWP and to MaPS' objectives and activities;
- inform MaPS of relevant government policy in a timely manner; and
- bring concerns about MaPS' activities to the full MaPS board and, as appropriate, to the DWP Board, requiring explanations and assurances that appropriate action has been taken.

## **Responsibilities of MaPS' Chief Executive as Accounting Officer**

### **General**

26. The Chief Executive, as Accounting Officer, is personally responsible for:

- oversight, responsibility and accountability for the use of public funds for which they have charge, and that are specifically used for the provision and delivery of services provided by MaPS; and
- ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and ensuring there is detailed governance and decision-making audit trails in place, providing for the quality of management, and evidencing that MaPS is operating effectively.

27. In addition, the Chief Executive should ensure that MaPS operates on the basis of the governance standards, decision making and financial management as set out in HMT's *Managing Public Money* and in the Accounting Officer designation letter issued by the PAO.

### **Responsibilities for accounting to Parliament**

28. The Chief Executive is personally responsible for:

- approving and signing MaPS' accounts, keeping proper records relating to the accounts and ensuring that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about MaPS are established and made widely known within MaPS;
- acting in accordance with the terms of this document, [Managing Public Money](#) and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office; and
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on MaPS' stewardship of public funds.

### **Responsibilities to DWP and HMT**

29. The Chief Executive's particular responsibilities include:



- preparing, in consultation with DWP and HMT, MaPS' corporate and business plans in light of MaPS' statutory objectives and functions and other priorities set from time-to-time by ministers;
- assuring the PAO that MaPS has adequate financial systems and procedures in place to promote efficient and economical operations and to safeguard financial propriety and regularity;
- informing DWP and HMT of progress in helping to achieve their policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that MaPS:
  - provides timely forecasts and monitoring information on performance to DWP;
  - notifies DWP promptly if over-spends or under-spends are likely and that corrective action is taken; and
  - notifies DWP, in a timely fashion, of any significant problems whether financial or otherwise, and whether detected by internal audit or by other means.

## Responsibilities to the Board

30. The Chief Executive is responsible for:

- advising the Board on its responsibilities as set out in:
  - this document;
  - the founding legislation; and
  - any other relevant instructions and guidance that may be issued from time to time;
- informing the board of MaPS' performance compared with its aims and objectives;
- ensuring that the Board takes financial considerations fully into account at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed; and
- taking action as set out in paragraph 3.8.6 of [Managing Public Money](#) if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers:
  - would infringe the requirements of propriety or regularity;
  - does not represent prudent or economical administration, efficiency or effectiveness;
  - is of questionable feasibility; or
  - is unethical.

## The MaPS Board

31. MaPS operates at arms-length from Government. The MaPS Board is responsible for exercising all the statutory functions that MaPS performs, as well as the governance, accountability, strategy, planning, and reporting for the organisation.

**General responsibilities:**

32. The MaPS Board is responsible for exercising all the statutory functions to ensure that MaPS performs in addition to the governance, accountability, strategy, planning and reporting of the organisation.
33. The Board, working closely with the Chair, should support and provide appropriate challenge to the Chief Executive to ensure effective governance of the organisation. The Board should ensure that effective arrangements are in place across the MaPS organisation to provide assurance on risk management, governance and internal control.
34. The Board must set up an Audit and Risk Assurance Committee (ARAC) in accordance with the Code of Good Practice for Corporate Governance, and the Audit and Risk Assurance Committee Handbook. The ARAC should be chaired by a Non-executive member, to provide independent advice.
35. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.
36. The Board is specifically responsible for:
- establishing and taking forward MaPS' strategic aims and objectives within the policy and resources framework which is determined by the Secretary of State and communicated to it by DWP and consistent with its overall strategy;
  - ensuring that MaPS informs DWP of any changes which are likely to impact on:
    - MaPS' strategic direction; or
    - the attainability of its targets and of the steps needed to deal with such changes;
  - ensuring that MaPS complies with any statutory or administrative requirements for the use of public funds;
  - ensuring that it operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds;
  - ensuring that it takes into account guidance issued by DWP in reaching its decisions;
  - making sure that effective measures are in place for reviewing financial information concerning the management of MaPS;
  - ensuring DWP is informed in a timely manner about any concerns about the activities of MaPS and providing positive assurance to DWP that appropriate action has been taken on such concerns;
  - reviewing risks and associated actions as part of monitoring performance. Assessing those risks against agreed criteria taking account of MaPS' risk appetite and, where necessary, actively seeking assurances that risks are being effectively mitigated;

- setting up a Remuneration Committee, chaired by a Non-executive member, to ensure that remuneration arrangements support MaPS' strategic aims and enable MaPS to recruit, motivate and retain staff whilst complying with appropriate regulations; and
- appointing a CE and agreeing the CE's remuneration terms in consultation with DWP and with the consent of the Secretary of State. In consultation with DWP, the Board sets performance objectives for the CE which give due weight to the proper management and use of public resources and remuneration terms linked to achievement of these performance objectives.

### **The Chair's personal responsibilities**

37. The Chair is responsible to DWP's Secretary of State. Communications between the MaPS Board and the Responsible Minister should normally be through the Chair. They are responsible for ensuring that MaPS' policies and actions support DWP and HMT ministers' wider strategic policies and that its affairs are conducted with probity.

38. Where appropriate, DWP and HMT policies and actions should be clearly communicated and disseminated throughout MaPS.

39. In addition, the Chair has the following leadership responsibilities:

- providing effective leadership to the Board, and taking personal responsibility for the overall success of MaPS;
- enabling a high standard of discussion and debate at Board meetings, and helping to steer MaPS by facilitating collective working. Ensuring that, in reaching decisions, Board members take proper account of guidance provided by the Responsible Minister;
- ensuring that MaPS' policies and actions support the Government's wider strategic policies. Where appropriate, these should be clearly communicated to all of the MaPS' staff;
- ensuring that the Board both supports the Executive team and holds it to account for the delivery of MaPS' services and MaPS' performance;
- supporting the evolution and progression of the National Strategy;
- promoting the efficient and effective use of staff and other resources;
- ensuring collective behaviours and high standards of regularity and propriety are delivered by MaPS Board members, in line with relevant guidance. This includes ensuring formal and rigorous annual evaluation of the Board's performance, and that of its committees, with independent input at least every three years; and
- representing the views of the Board to stakeholders and the general public.

40. The Chair also has the obligation to ensure that:

- the Board's effectiveness is reviewed periodically;
- the Board has a balance of skills appropriate to directing MaPS' business, as set out in the Government Code of Good Practice for Corporate Governance;

- Board members are fully briefed on their terms of appointment, duties, rights and responsibilities;
- all Board members (including the Chair) receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible Minister is advised, through the DWP Public Appointments Team, of MaPS' needs when Board vacancies arise;
- he or she assesses the performance of individual Board members when they are being considered for re-appointment;
- a Board Operating Framework consistent with the Government Code of Good Practice for Corporate Governance is in place; and
- a code of practice for Board members, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies is in place.

### **Individual board members' responsibilities**

41. Individual board members should:

- comply at all times with the [Code of Conduct for Board Members of Public Bodies](#) and with the rules relating to the use of public funds and to conflicts of interest;
- contribute proactively to the Board across the full breadth of discussions (i.e. beyond any personal areas of responsibility) and behave corporately;
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments;
- act in good faith and in the best interests of MaPS; and
- should 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.

### **Corporate governance**

#### **Board appointments**

42. The MaPS Chair and Non-Executive Director Board members are appointed by the Secretary of State for Work and Pensions. Such appointments will comply with the Cabinet Office Governance Code for Public Appointments.
43. The first appointment of the Chief Executive and other Board-level Executive Directors was made by the Secretary of State. Subsequent appointments will be made by the Board with the approval of the Secretary of State.
44. DWP Ministers will be responsible for the acceptance of resignations or for dismissal of Non-Executive Director members, in accordance with the Financial Guidance and Claims Act 2018. DWP will advise HMT before the dismissal of any Board member other than at the end of their contracted term of office.

## Composition of the Board

45. In line with the government's [Code of Good Practice](#), and as set out in [schedule 1](#) of the Financial Guidance and Claims Act, the Board will consist of a Chair, together with the Chief Executive and Executive Director members and Non-Executive Director members that have a balance of skills and experience appropriate to directing MaPS' business. The Board should include a majority of Non-Executive Director members to ensure that Executive members are supported and constructively challenged in their roles.

## Corporate and business plans

46. For the financial year 20/21 a single year corporate plan was agreed. By Spring 2021 MaPS will submit a corporate strategy covering three years ahead. MaPS and DWP will agree the issues to be addressed in the strategy and the timetable for its preparation. The strategy will reflect MaPS' statutory and/or other duties and, within those duties, the priorities set from time to time by the Responsible Minister (including decisions taken on policy and resources in light of wider public expenditure decisions). The strategy will demonstrate how MAPS contributes to the achievement of the DWP's and HMT's wider strategic aims and priorities.

47. MaPS must produce an annual operating or business plan that translates strategy into actions. This may be a separate operating plan or a more detailed version of the first year of the three-year corporate strategy. The business plan must be updated to include key targets and milestones for the year immediately ahead and must be linked to budgeting information so that DWP can identify resources allocated to achieve specific objectives. Subject to any commercial considerations, the corporate and business plans should be published by MaPS on its website and separately be made available to staff.

48. The following key matters should be included in the business plan:

- key objectives and associated key financial and non-financial performance targets with the strategy for achieving those objectives;
- a review of performance in the preceding financial year, together with comparable outturns for the previous two years, and an estimate of performance in the forthcoming year;
- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- other matters as agreed between the Departments and MaPS.

## Budgeting procedures

49. HMT will provide funding cover for the net expenditure to be incurred by MaPS. DEL funding will be provided as part of each Spending Review settlement.

50. MaPS will engage with DWP and HMT, providing the necessary budgeting forecasts, supporting narratives, justifications and relevant business cases as

requested and deemed necessary. The timings for the requirements will be confirmed by DWP.

51. Each year, in the light of decisions by DWP and HMT on the updated draft corporate plan or business plan, DWP will send to MaPS a formal statement of MaPS' annual budgetary provision, broken down by ring-fenced budget.
52. The approved annual business plan will take account both of approved funding provision and any forecast receipts. It will include a budget of estimated payments and receipts, together with an expected expenditure and draw-down of any departmental funding, and/or other income over the year. These elements form part of the approved business plan for the year in question.

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

53. Any funding and grant-in-aid provided by DWP for the year in question will be voted in the DWP's Supply Estimate and be subject to Parliamentary control. This funding will be recovered from the General Levy on Pension Schemes and the Financial Services Levy. MaPS will be expected to provide the Department with forecasts of the funding required from each element of the Financial Services Levy, and from the General Levy to the timetable provided by the Department. The MaPS Board will be expected to live within the annual allocation and so avoid overspends in year, including by reprioritising or scaling back work in a particular area to avoid exceeding the allocation.
54. MaPS' allocation includes a number of ring-fenced budgets, depending on the relevant levy funding. MaPS will agree the apportionment of its corporate overheads between these budgets with DWP. In the event of pressure on one of these budgets, MaPS may reprioritise up to 10% of its allocation between budget areas. In this case, up to a maximum of 10% of the budget for the element that has overspent could be sourced from pensions guidance, money guidance or debt advice but this can only be done in the event of a corresponding underspend in either or both of the other budgets funded through the Financial Services Levy. It is not possible to use money from the General Levy in this way.
55. The grant-in-aid will normally be paid in quarterly instalments on the basis of written applications showing evidence of need. MaPS will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of MaPS. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, DWP will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.
56. In the event that the DWP provides MaPS with separate grants for specific (ring-fenced) purposes, it would issue the grant as and when needed on the basis of a written request. MaPS would provide evidence that the grant was used for the purposes authorised by the Department. MaPS shall not have uncommitted grant

funds in hand, nor carry grant funds over to another financial year. MaPS will not be able to hold reserves.

### **Annual Report and accounts**

57. MaPS must provide DWP with finalised (audited) accounts by the date requested by the Department each year in order for the accounts to be consolidated within the Department's.

58. The annual report must:

- a) cover any corporate, subsidiary or joint ventures under its control;
- b) comply with the Treasury's Financial Reporting Manual (FReM); and
- c) outline main activities and performance during the previous financial year and set out in summary form forward plans.

59. The annual report and accounts will be prepared in accordance with the relevant statutes and with the specific Accounts Direction issued by DWP and comply with the HMT's Financial Report Manual (FReM). MaPS must submit a draft of the annual report to DWP ALB Partnership Division by a date mutually agreed each year, allowing DWP to provide comments, if required.

60. MaPS must publish an annual report of its activities together with its audited accounts after the end of each financial year

61. The annual report and accounts will be laid in Parliament by the Secretary of State within the overall timetable set by HM Treasury and made available on MaPS' website.

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

62. Unless agreed by DWP, and HMT as necessary, MaPS will follow the principles, rules, guidance and advice in *Managing Public Money*. MaPS must refer any difficulties or potential bids for exceptions to the DWP ALB Partnership Division.

63. A list of guidance and instructions MaPS should comply with is in Appendix .1

64. Once its budget has been approved by DWP, subject to the responsible Minister's instructions and this document, MaPS has authority to incur expenditure approved in the budget without further reference to the sponsor Department, on the following conditions:

- MaPS must comply with the delegations set out in Appendix 1 and updated periodically by the Department. These delegations must not be altered without the prior agreement of DWP;

- MaPS must comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget does not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- MaPS must provide DWP with such information about its operations, performance individual projects or other expenditure as the Department reasonably require.
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### Delegated Authorities

65. MaPS' delegated authorities are subject to a detailed annual review. MaPS shall obtain DWP's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in MaPS' annual budget as approved by the Department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

66. Any questions around delegations or controls should be directed to the MaPS ALB Partnership Team.

67. Appendix 2 details MaPS' delegated spending authorities.

### Risk Management

68. MaPS will ensure that it deals with the risks that it faces in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance. MaPS must:

- develop a risk management strategy, in accordance with the Treasury Guidance *Management of Risk: Principles and Concepts* ([http://www.hm-treasury.gov.uk/orange\\_book.htm](http://www.hm-treasury.gov.uk/orange_book.htm));
- adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury's [managing the risk of fraud - a guide for managers](#); and
- take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.



## Internal Audit

69. MaPS will:

- establish and maintain arrangements for internal audit in accordance with HM Treasury's Public Sector Internal Audit Standards (PSIAS);
- ensure that DWP is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS if it has its own internal audit service;
- set up an Audit and Risk Assurance Committee of its Board in accordance with the *Code of Good Practice for Corporate Governance* and the *Audit and Risk Assurance Committee Handbook*;
- forward to DWP the audit strategy, periodic audit plans and annual audit report, including Internal Audit opinion on risk management, control and governance as soon as possible; and
- keep records of, and forward to DWP an annual report on any fraud and theft it has suffered. It must notify DWP of any unusual or major incidents as soon as possible.

70. The internal audit service has a right of access to all documents, including where the service is contracted out.

## External Audit

71. The Comptroller and Auditor General (C&AG) will audit MaPS' annual accounts. This will be conducted by the National Audit Office (NAO), or its appointed contractors, in respect of finance and value-for-money audits required by Parliament, and by other bodies appropriate to the audit of technical ability, service delivery, quality and standards.

72. The Comptroller & Auditor General (C&AG):

- will consult with DWP and MaPS on who will undertake the audit(s) on his behalf. This could be either the NAO or a commercial auditor. 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 MaPS;
- will share with DWP the information it identified during the audit process and the audit report (together with any other outputs) at the end of the audit. In particular, it will share information on issues impacting on the Department's responsibilities in relation to financial systems within MaPS; and
- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

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

74. MaPS will:

- ensure C&AG has access to documents held by grant recipients, contractors and sub-contractors as may be required; and
- secure access for the C&AG to any other documents it requires that are held by other bodies.

### **Right of access**

75. DWP has the right of access to all MaPS' records and personnel for any purpose including sponsorship audits and reviews. This does not include access to documents relating to:

- individual casework; or
- the Board's deliberations on provision of advice to the Minister.

76. In making use of this right, DWP will provide reasonable notice and, so far as is appropriate, consult MaPS before taking action.

### **Reporting Performance to the DWP**

77. MaPS will develop and operate accounting and management information systems that enable its management and Board to assess delivery of its corporate/business plan effectively, including: its performance against key performance indicators and milestones for the year immediately ahead; assessment of risks; and expenditure against its budget. MaPS will inform the ALB Partnership Division of any changes that make achievement of objectives more or less difficult.

78. MaPS' performance will be reviewed formally at Quarterly Accountability Reviews (QAR). This also provides an opportunity to discuss implications of relevant developments, (such as changes to Ministerial priorities) and to facilitate an on-going effective DWP Partner/MaPS working relationship.

79. The QAR will be chaired in accordance with the QAR terms of reference. HM Treasury will be represented on the QAR. MaPS will provide performance information in an agreed format to support the QAR.

80. The QARs do not duplicate or replace the MaPS Board's role in accountability for MaPS' governance and management, nor the Chief Executive's Accounting Officer role.

81. DWP ALB Partnership Division and MaPS will complete an Annual Assurance Assessment to establish the effectiveness of the partnership arrangements and assess the levels of risk and opportunity that MaPS presents to DWP across a suite of risk categories.
82. In addition to routine and policy-led contact between DWP and MaPS, meetings will take place between:
- the Responsible Minister, the MaPS' Chair, and Chief Executive at least once a year;
  - the EST, the MaPS' Chair and Chief Executive at least once a year, to discuss MaPS' financial capability strategy and activities falling under MaPS' debt advice function;
  - DWP's Partnership Team and the MaPS' Chief Executive and Chief Financial Officer at least on a quarterly basis.

### **Providing monitoring information to the Department**

83. As a minimum MaPS will provide the DWP with information that will enable it to monitor satisfactorily:
- MaPS' cash management;
  - its draw-down of grant-in-aid;
  - forecast outturn by resource headings;
  - other data required for the Online System for Central Accounting and Reporting (OSCAR);
  - its resource management and any impact this may have on the delivery of its functions;
  - progress and performance against MaPS' National Strategy;
  - progression of the MaPS' Dashboard;
  - progression of the Industry Delivery Group's Dashboards architecture.

### **MaPS/DWP working level liaison arrangements**

84. The ALB Partnership Division will liaise regularly with MaPS to review financial performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The Department will also take the opportunity to explain wider policy developments that might have an impact on MaPS.

### **Staff**

#### **Broad responsibilities for staff**

85. Within the arrangements approved by the Secretary of State, MaPS has responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued;
- appointment and advancement is based on merit;
- there is no discrimination or bullying on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and MaPS' performance development system is reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to undertake their roles and achieve MaPS' objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place; and
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place.

### **Staff costs**

86. Subject to its delegated authorities, MaPS must ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

### **Pay and conditions of service**

87. MaPS' staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by DWP.

88. If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment will be made in accordance with the Civil Service Management Code, except where prior approval has been given by DWP to vary such rates.

89. Staff terms and conditions, together with subsequent amendments, should be set out in an Employee Handbook. A copy must be provided to DWP.

90. MaPS will operate a total reward scheme that forms part of the annual aggregate pay budget approved by the DWP.

91. The travel expenses of Board members will be tied to the rates allowed to the staff of MaPS. Reasonable actual costs will be reimbursed.

92. MaPS must comply with the EU Directive on contract workers: The Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

93.

## **Pensions, redundancy and compensation**

94. MaPS' staff who are members of the pension provided by the Principle Civil Service Pension Scheme (PCSPS) at the time of the launch of MaPS will remain eligible for that Scheme. Other MaPS staff will be eligible for a pension provided by its own scheme, unless MaPS negotiates common terms and conditions covering all of its staff.
95. Any proposal by MaPS to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of DWP.
96. Proposals on severance must comply with the rules in chapter 4 of *Managing Public Money*.

## **Review of MaPS' status (and winding up arrangements)**

97. MaPS' status, its efficiency and effectiveness, and its corporate governance arrangements will be reviewed periodically in accordance with Cabinet Office guidance. The ALB Partnership Division will manage the form, timing and arrangements for the reviews, having discussed these with the MaPS Chair and Chief Executive

## **Arrangements in the event that the MaPS is wound up**

98. DWP shall put in place arrangements to ensure the orderly winding up of the MaPS. In particular, it should ensure that the assets and liabilities of MaPS are passed to any successor organisation and accounted for properly (in the event that there is no successor organisation, the assets and liabilities will revert to DWP). To this end, DWP shall:
- ensure that procedures are in place in MaPS 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 MaPS' assets and liabilities;
  - ensure that arrangements are in place to prepare closing accounts and pass them to the C&AG for external audit, and that funds are in place to pay for such audits. It will be for the ALB Partnership Division to lay the final accounts in Parliament, together with the C&AG report on the accounts;
  - arrange for the most appropriate person to sign the closing accounts. In the event that another body takes on the role, responsibilities, assets and liabilities, the succeeding body's AO should sign the closing accounts. In the event that DWP inherits the role, responsibilities, assets and liabilities, the PAO should sign.

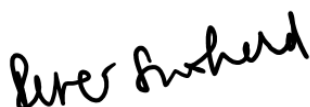
99. MaPS will provide DWP with full details of all agreements where MaPS or its successors have a right to share in the financial gains of developers. It should also pass to DWP details of any other forms of claw-back due to MaPS.

100. The power to wind up MaPS rests with DWP Ministers but will only be exercised after full consultation with and the agreement of HMT Ministers. Ministers will also be required to meet any requirements set out in the Financial Guidance and Claims Act 2018, and any other relevant legislation.

## LIST OF APPENDICES TO THE SPECIMEN DOCUMENT

Appendix 1 - List of government-wide corporate guidance instructions

Signed:



Peter Schofield, Permanent Secretary  
(On behalf of the Department)

Date..... 23/03/2021

Signed:



Caroline Siarkiewicz, Chief Executive  
(On behalf of the MAPS)

Date.....24/03/2021.....

## APPENDIX 1

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

MAPS must comply with the following general guidance documents and instructions:

- this document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- Code of Conduct for Board Members of Public Bodies  
<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- The Governance Code on Public appointments  
<https://www.gov.uk/government/publications/governance-code-for-public-appointments>

- Managing Public Money (MPM);  
<https://www.gov.uk/government/publications/managing-public-money>
- Public Sector Internal Audit Standards,  
<https://www.gov.uk/government/publications/uk-public-sector-internal-audit-standards-published>
- Management of Risk: Principles and Concepts;  
<https://www.gov.uk/government/publications/dao-0120-the-orange-book>
- A Guide to Managing Fraud for Public Bodies  
<https://www.gov.uk/government/publications/a-guide-to-managing-fraud-for-public-bodies>;
- Government Financial Reporting Manual (FReM),  
<https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>
- Fees and Charges Guide, Chapter 6 of Managing Public Money;
- Departmental Banking: A Manual for Government Departments, annex 5.6 of Managing Public Money;
- relevant Dear Accounting Officer letters  
<https://www.gov.uk/government/collections/dao-letters>;
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration  
<https://www.ombudsman.org.uk/about-us/our-principles/principles-good-administration>
- Partnerships between Departments and ALBs: Code of Good Practice  
<https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice>
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Model Code for Staff of Executive Non-Departmental Public Bodies (Cabinet Office)  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690948/Public\\_Bodies\\_-\\_a\\_guide\\_for\\_departments\\_-\\_chapter\\_5.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690948/Public_Bodies_-_a_guide_for_departments_-_chapter_5.pdf)
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;

- other relevant instructions and guidance issued by the central Departments;
- specific instructions and guidance issued by the sponsor Department;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the MAPS

Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice*