



Department
for Education

Institute for Apprenticeships and Technical Education

Framework Document

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1. Definitions

1.1. In this document, unless otherwise stated, the following definitions shall apply:

"the Accounting Officer"	The Chief Executive Officer of the Arm's Length Body
"the 2009 Act"	Apprenticeships, Skills, Children and Learning Act 2009
"the 2016 Act"	The Enterprise Act 2016
"the 2017 Act"	The Technical and Further Education Act 2017
"the Annual Report and Accounts"	The single document audited by the National Audit Office that contains the annual report required to be prepared by IfATE under section ZA6 of the 2009 Act
"the Board"	IfATE's Board consists of a Chair, a Chief Executive and a further 4-10 non-executive members appointed by the Secretary of State pursuant to paragraph 2 and 3 of Schedule A1 to the 2009 Act
"the Chair"	IfATE Board member appointed by the Secretary of State pursuant to paragraph 2 of Schedule A1 to the 2009 Act to serve as a chairperson
"the Chief Executive"	IfATE member appointed to serve as the Chief Executive Officer by IfATE after consulting the Secretary of State, pursuant to paragraph 5 of Schedule A1 to the 2009 Act
"the C&AG"	The Comptroller & Auditor General

“Accounts Direction Letter”	Accounts direction given by the Secretary of State for Education in accordance with paragraph 11(2) of Schedule A1 to the Apprenticeships, Skills Children and Learning Act 2009 to sub-delegate a range of financial and non-financial authorities as detailed at Appendix 3
“the Department”	The Department for Education
“the DfE”	The Department for Education
“the FReM”	Government Financial Reporting Manual
“the Government”	The UK Government
“IfATE”	The Institute for Apprenticeships and Technical Education (a crown non-departmental public body, NDPB)
“the Minister”	The Minister of State for Skills, Apprenticeships and Higher Education
“Parliament”	The UK Parliament
“the PAO”	The Principal Accounting Officer is the Department's Permanent Secretary
“the Secretary of State”	The Secretary of State for Education
“the Senior Sponsor”	The Director General of the Skills Group of the Department acts as the senior point of liaison between IfATE, the Department, Secretary of State and Ministers
“ALB”	The generic name for an Arm's Length Body
“the Employment Regulations”	The Transfer of Undertakings (Protection of Employment) Regulations 2006

Introduction and Background

2. Purpose of document

2.1. This Framework Document (the “Framework Document”) has been agreed between the Department for Education (the Department) and the Institute for Apprenticeships and Technical Education (IfATE) in accordance with HM Treasury's handbook *Managing Public Money* (“MPM”) (as updated from time to time) and has been approved by HM Treasury.

2.2. The Framework Document sets out the broad governance framework within which IfATE and the Department operate. It sets out IfATE's core responsibilities; describes the governance and accountability framework that applies between the roles of the Department and IfATE; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.

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

2.4. References to IfATE include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If IfATE establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and IfATE agreed with the Department.

2.5. 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 IfATE's website and gov.uk.

2.6. This Framework Document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the Department. The latest date for review and updating of this document is 2025.

2.7. IfATE or the Department may propose amendments to this Framework Document at any time under arrangements agreed by both parties, or when any significant changes are made to the functions of governance of IfATE. Any changes to the rules and guidelines for the governance and operation of public bodies issued by Cabinet Office or HM Treasury, where these apply to IfATE, will be instructed to IfATE through amendment of this Framework Document. Legislative provisions take precedence over any part of the Framework Document. Significant variations to the Framework Document must be cleared by HM Treasury or the Cabinet Office as appropriate via the Department's Financial Governance Team.

3. Objectives

3.1. The Department and IfATE share the common objective of:

- supporting groups of employers to develop apprenticeships;
- ensuring that T Levels are developed in accordance with the overarching technical education programme and are of a consistently high quality;
- ensuring that at levels 4-5, Higher Technical Qualification approvals continue to roll out to plan;
- supporting and implementing the post-16 qualifications (level 2 and 3) review and the Skills and Post 16 Education Act;
- approving occupational standards that support economic recovery and meet future skills needs of the country;
- assuring and raising the quality of apprenticeship assessments and technical qualifications; and
- delivering an apprenticeship funding band calculation methodology that provides value for money for the taxpayer.

3.2. To achieve this IfATE and the Department will work together in recognition of each other's roles and areas of expertise, providing an effective environment for IfATE to achieve its objectives through the promotion of partnership and trust and ensuring that IfATE also supports the strategic aims and objectives of the Department and wider government as a whole.

4. Classification

4.1. IfATE is classified as a central government organisation by the ONS/HM Treasury Classifications team.

4.2. It has been administratively classified by the Cabinet Office as a Non-Departmental Public Body.

Purposes Aims and Duties

5. Purposes

5.1. IfATE has been established under the 2009 Act, as amended by the 2016 Act and the 2017 Act. Its purposes are set out in Chapter ZA1 to ZA5 of the 2009 Act.

6. Powers and Duties

6.1. IfATE's powers and duties stem from the 2009 Act, as amended by the 2016 Act and the 2017 Act.

6.2. IfATE's statutory duties and functions are to:

- set quality criteria for the development of all occupational standards and apprenticeship assessment plans;
- review, reject or approve (and publish) standards and apprenticeships assessment plans;
- for each standard, describe the occupation and the outcomes which a person will be expected to attain to successfully achieve occupational competence;
- maintain and publish occupational maps in relation to occupational routes;
- ensure all apprenticeship assessments are quality assured;
- commission the development of technical qualifications (where appropriate), including the development of outline content, and approve technical qualifications based on occupational standards, maintaining their content and quality where there is an approved technical qualification, and determining additional steps towards occupational competence;
- operate the procurement process; and
- award and manage the contracts which will involve Awarding Organisations delivering the technical qualification within T Levels.

6.3. In addition, IfATE will provide advice and assistance to the Secretary of State in relation to:

- funding provision for apprenticeship training;

- technical education funding and policy;
- the T Level transition framework; and the introduction of T Levels, including the potential for T Levels in occupations or pathways not previously in scope.

6.4. IfATE is implementing a national approvals process for Higher Technical Qualifications as set out in the statutory notice issued by the Minister for Apprenticeships and Skills on 14 July 2020.

6.5. The Skills and Post-16 Education Act provides IfATE with:

- an oversight duty in relation to the technical education and training within IfATE's remit; and
- additional functions in relation to technical education qualifications, including a new approval scheme and a duty to regularly review the qualifications it approves.

6.6. The Act also clarifies and embeds the collaborative relationship between IfATE and Ofqual in relation to the approval and regulation of technical education qualifications. This legislation will underpin the long-term assurance model for technical qualifications developed by IfATE, Ofqual and the Department.

7. Aims

7.1. IfATE is expected to have regard to the strategic aims set out in the strategic guidance issued to IfATE in April 2022 which cover:

1. Clear progression paths for career-led learning

- Continue to create a strong foundation for apprenticeships and the technical education system by developing a comprehensive set of high quality, employer-owned standards that encourage take-up and enable progression and the adoption of emerging skills needs.
- Finalise revisions to the occupational maps, so they embrace all occupational standards, technical education qualifications and apprenticeships approved by IfATE. Occupational maps should be routinely updated to respond to changes in the options.

2. Up-to-date occupationally specific skills the economy needs to build back better

- prioritise the development, review and revision of standards that support economic recovery and meet the future skills needs of the country, including supporting Government priorities such as net zero and digital, paying particular attention to standards with high employer demands.

- Work with the Department to scope how it could take a leading role in future years in foresighting, promoting and diffusing emerging skills, including digital skills.
- Support skills-led recovery in high employment growth sectors by supporting, where appropriate, the development of Traineeships and some Skills Bootcamps employer-led initiatives.
- Continue to contribute to the development and promotion of more flexible models of apprenticeship delivery. This should include systematic ways to identify and structure apprenticeship standard content whilst protecting and maintaining quality.
- Pilot its new agreed apprenticeship funding band recommendations methodology to support uptake and completion of high-quality apprenticeships and transparently assesses eligible costs and provides value for money for the taxpayer. Building on its work so far, IfATE should monitor and evaluate the pilot, ahead of full rollout of the methodology in 2023.
- Develop its new oversight function, supporting the balance and coherence of the technical education and training offer across routes.

3. Technical education products that provide reliable assessment and certification and are valued by learners and employers

- Support and commence implementation of the post-16 qualifications review and Skills for Jobs white paper to ensure a streamlined, high-quality level 2 and 3 skills offer for ages 16-19 and adults.
- Ensure that T Levels are developed in accordance with the overarching technical education reform programme and are of consistently high quality, where the content and performance standards meet employers' needs and provide a strong progression pathway for learners.
- Ensure that at levels 4-5, IfATE continues to roll out, manage and refine IfATE approval of higher technical qualifications and establishes a list of approved qualifications.
- Assure and raise the quality of assessments for apprenticeships and of occupational standards for apprenticeships and technical qualifications.

7.2. IfATE has published a Strategic Plan to support delivery of these aims in 2021-2024.

IfATE governance and accountability

8. IfATE governance and accountability

8.1. IfATE 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.

8.2. In particular (but without limitation), IfATE should:

- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report;
- comply with Managing Public Money;
- in line Managing Public Money have regard to the relevant Functional Standards as appropriate and in particular those concerning Finance, Commercial and Counter Fraud; and
- take into account, the codes of good practice and guidance set out in Appendix 2 of this Framework Document, as they apply to Arms' Length Bodies.

8.3. In line with Managing Public Money Annex 3.1 IfATE shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that IfATE does intend to materially depart from the Code, the Department should be notified in advance and their agreement sought to this approach.

Role of the Department

9. The Responsible Minister

9.1. The Secretary of State or a minister to whom the Secretary of State has delegated responsibilities will account for IfATE's business in Parliament. The Minister of State for Skills, Apprenticeships and Higher Education ("the Minister") will have responsibility for oversight of IfATE on a day-to-day basis.

9.2. The Secretary of State's statutory powers in respect of IfATE are set out in the 2009 Act.

9.3. These include:

- providing advice on the context and focus of IfATE's activities, and on departmental policy, through strategic guidance – statutory notices to which IfATE must have regard;
- asking IfATE to prepare and submit a report, as soon as reasonably practical, on any matter relating to its functions;
- issuing written directions to IfATE if the Secretary of State is satisfied that IfATE has failed to discharge one of its duties or if they are satisfied that IfATE has acted, or is proposing to act, unreasonably in exercising any function; and
- issuing written directions in connection with the exercise of any function relating to IfATE's technical education powers without the requirement to be satisfied of the matters set out above.

10. Appointments to the Board

10.1. The Chief Executive of IfATE is appointed by the Board pursuant to paragraph 5 of Schedule A1 to the 2009 Act in consultation with the Secretary of State. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments. Chief Executives will be appointed by IfATE's Board, consulting the Secretary of State and PAO, as required, for a term of no more than five years. The Board may reappoint the CEO at the end of a five-year term, if it chooses to do, after consulting the Secretary of State.

10.2. The Secretary of State shall have the following appointment and approval rights in relation to IfATE's Board:

- The Chairperson is appointed by the Secretary of State in accordance with Schedule A1 to the 2009 Act. This appointment is subject to the Public

Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.

- A further 4-10 non-executive members are appointed by the Secretary of State in accordance with Schedule A1 to the 2009 Act. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.
- 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.

11. Other Ministerial powers and responsibilities

11.1. The Minister is responsible for:

- the policy framework within which IfATE operates;
- providing guidance and direction to ensure the strategic aims and objectives of IfATE are consistent with those of the Department and government; and
- matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter.

12. The Principal Accounting Officer (PAO) and Accountable Budget Holder

12.1. The Principal Accounting Officer (PAO) is the Permanent Secretary of the Department. The Department's Accounting Officer's specific accountabilities and responsibilities as PAO are:

- The PAO of the Department designates the Chief Executive as IfATE's Accounting Officer and ensures that they are fully aware of their responsibilities;
- The PAO issues a letter appointing the Accounting Officer, setting out their responsibilities and delegated authorities;
- The respective responsibilities of the PAO and accounting officers for ALBs are set out in Chapter 3 of Managing Public Money; and
- The PAO is accountable to Parliament for the issue of any grant-in-aid to IfATE.

12.2. The PAO is also responsible, usually via the sponsorship team, for advising the Minister on:

- an appropriate framework of objectives and targets for IfATE in the light of the Department's wider strategic aims and priorities;
- an appropriate budget for IfATE in the light of the Department's overall public expenditure priorities;
- how well IfATE is achieving its strategic objectives and whether it is delivering value for money; and
- the exercise of the Minister's statutory responsibilities concerning IfATE as outlined above.

12.3. The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:

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

13. The role of the Senior Sponsor and the Sponsorship team

13.1. The Department's Senior Sponsor for IfATE will be the Director General of the Skills Group of the Department. If this post is at any time vacant after the signing of this document the Director of Apprenticeships will oversee sponsorship until a suitable replacement is in post. The Senior Sponsor will:

- act as the senior point of liaison between IfATE, the Department, and ministers;
- be the main source of advice to ministers on the discharge of their responsibilities in respect of IfATE
- support and advise the PAO on their responsibilities toward IfATE;
- ensure that, where possible, IfATE's Chief Executive has advance notice of wider government announcements on apprenticeships and technical education;

- aid the flow of information and nurture relationships, facilitating IfATE's relationships with officials in other government departments where reasonably possible;
- work collaboratively with IfATE's Chief Executive to facilitate the smooth operation of the arrangements set out in this Framework Document and review the performance of IfATE, including how it has regard to the strategic guidance in performing its functions, at quarterly performance reviews; and
- ensure requests for approval of expenditure are dealt with promptly and proportionately, and that Department approval is not unreasonably delayed and/or withheld for any reason, except where the Secretary of State reasonably considers that the proposed expenditure does not represent value for money. HM Treasury approval should be sought for all novel contentious or repercussive expenditure in line with standard departmental procedures.

13.2. IfATE sponsorship team in the Department is the primary contact for IfATE. The responsible Senior Civil Servant for this relationship is the Director General of the Skills Group of the Department. They are the main source of advice to the Minister on the discharge of their responsibilities in respect of IfATE. They also support the PAO on their responsibilities toward IfATE.

13.3. Officials of IfATE sponsorship team in the Department will liaise regularly with IfATE officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The sponsorship team will support the Director General of the Skills Group of the Department in their responsibilities toward IfATE as Senior Sponsor, and will provide briefing to enable effective support, challenge and monitoring at quarterly performance and ministerial meetings. The sponsorship team will seek assurance from IfATE in order to consider whether IfATE is having regard to the strategic guidance when performing its functions.

13.4. IfATE will regularly report progress on its performance against the relevant programme objectives, as set out in the strategic guidance, to the apprenticeships and technical education SROs. This will be done on a continuing basis through a proportionate and timely flow of information from IfATE.

13.5. The sponsorship team will also take the opportunity to explain wider policy developments that might have an impact on IfATE.

14. Resolution of disputes between IfATE and Department

14.1. It is expected that IfATE will continue to work closely with the Department on areas where the Department maintains policy responsibility (set out in the strategic guidance). Where it may be considered useful, such as where the focus of a policy might change or require further clarification, the Secretary of State is able to issue further

statutory notices to IfATE throughout the year. We would expect discussions around policy changes to be discussed and agreed between officials in the Department and IfATE, following advice from ministers. 14.2. Any disputes between the Department and IfATE will be resolved in as timely a manner as possible. The Department and IfATE will seek to resolve any disputes through an informal process in the first instance. The sponsorship team should be the first point of contact should this informal process fail to resolve the issue. The sponsorship team will escalate to IfATE's senior sponsor and apprenticeships and technical education SROs as necessary. A formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the Permanent Secretary to oversee the dispute. The Permanent Secretary may then choose to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

14.2. Where considered necessary and appropriate IfATE and the Department will agree and comply with a Service Level Agreement (SLA) for key supporting functions, setting out the service level expectations of both parties. Deviation from the commitments agreed within this SLA will be raised through the sponsorship team and escalated as necessary.

14.3. Any disputes between the Department and IfATE will be resolved in as timely a manner as possible. The Department and IfATE will seek to resolve any disputes through an informal process in the first instance. The sponsorship team should be the first point of contact should this informal process fail to resolve the issue. The sponsorship team will escalate to IfATE's senior sponsor and apprenticeships and technical education SROs as necessary. A formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the Permanent Secretary to oversee the dispute. The Permanent Secretary may then choose to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

15. Freedom of Information requests

15.1. Where a request for information is received by either 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.

16. Reporting on legal risk and litigation

16.1. IfATE shall provide a half yearly update to the Department via the sponsorship team on the existence of any active litigation and any threatened or reasonably anticipated litigation, or provide a nil return. The parties acknowledge the importance of

ensuring that legal risks are communicated appropriately to the Department in a timely manner.

16.2. In respect of each substantial piece of litigation involving IfATE, the parties may 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 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 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.

The ALB governance structure

The Chief executive

17. Responsibilities of IfATE's Chief Executive as Accounting Officer

17.1. The Chief Executive as Accounting Officer is 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; and for the day-to-day operations and management of IfATE. In addition, they should ensure that IfATE 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*. These responsibilities include the below and those that are set in the Accounting Officer appointment letter issued by the PAO of the Department.

18. Responsibilities for accounting to Parliament and the Public

18.1. Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about IfATE in accordance with [Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling](#) are established and made widely known within IfATE and published on IfATE website;
- acting in accordance with the terms of *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation;
 - this Framework Document;
 - any delegation letter issued to the body;
 - any elements of any settlement letter issued to the Department that is relevant to the operation of IfATE; and

- any separate settlement letter that is issued to IfATE from the Department.
- ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance any conditions arising from the above documents;
- giving evidence, normally with the PAO, when summoned before the PAC on IfATE's stewardship of public funds; and
- providing substantive answers to parliamentary questions directly by letter from the Chief Executive to the Member of Parliament where the questions relate wholly to IfATE's own activities. In these cases, a minister will table a written answer indicating that IfATE will write to the Member directly, and undertaking to place a copy of IfATE's reply in the Libraries of both Houses (as appropriate).

19. Responsibilities for accounting to the Department

19.1. Responsibilities to the Department include:

- establishing, in agreement with the Department, IfATE's strategic and business plans in light of the Department's wider strategic aims and agreed priorities;
- ensuring there is a named senior information risk owner (SIRO) responsible for the organisation's information risk process;
- legally privileged documents and information are clearly marked as such;
- informing the Department of progress in achieving IfATE's policy objectives, in line with the strategic guidance issued by the Department, and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion.

20. Responsibilities to the Board

20.1. The Chief Executive is responsible for:

- advising the Board on the discharge of their 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 IfATE's performance compared with its aim[s] and objectives; and
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.

21. Managing conflicts between the board and CEO as accounting officer

21.1. 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.

21.2. Such conflicts should be brought to the attention of the Principal Accounting Officer and the Minister as soon as possible.

21.3. Furthermore, and if agreed with the Minister, the Accounting Officer must write a letter of justification to the Chair of the Board setting out the rationale for not following the advice and recommendation of the Board and copy that letter to the Treasury Officer of Accounts.

21.4. If the Minister agrees with the proposed course of action of the Board it may be appropriate for the Minister to direct the Accounting Officer in the manner as set out in *Managing Public Money* paragraph 3.6.6 onwards.

22. Conflicts of interest

22.1. The Chief Executive should delegate to IfATE's Finance Director (or one of the other executive board members) the discretion to refer proposals which could involve a conflict of interest to the Board, without first consulting the Chief Executive, if they believe that a conflict of interest arises and it would be inappropriate to bring it to the Chief Executive's attention first.

22.2. In any case where the Chief Executive is asked to consider a proposal which they believe could involve a conflict of interest, they should refer that decision to the Board, along with the recommendation that the Board take the advice of the PAO before making their decision.

The Board

23. Composition of the Board

23.1. IfATE will have a Board in line with good standards of Corporate Governance and as set out in its establishing statute and in guidance as set out in Appendix 2. The role

of the Board shall be to run IfATE, and to deliver the objectives, in accordance with the purposes as set out above, their statutory, regulatory, common-law duties and their responsibilities under this Framework Document. Detailed responsibilities of the Board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting manual (FReM).

23.2. The Board will consist of a chairperson, together with the Chief Executive and a further 4-10 non-executive members that have a balance of skills and experience appropriate to directing IfATE's business. The composition of the Board will reflect the "employer-led" ethos of IfATE. This is particularly important as IfATE has a duty to have regard to reasonable requirements of industry, commerce, finance, the professions and other employers regarding education and training within its remit. It also carries out several functions which are specifically led by employers such as setting the standards on which both T Levels and apprenticeships are based and setting T Level content.

24. Board Committees

24.1. The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board.

24.2. 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 of 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.

24.3. Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the sponsor team, Principal Accounting Officer and the Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.

24.4 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 and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

24.5. In line with *Managing Public Money*, a qualified finance director must also attend all IfATE Board meetings.

24.6. The finance director is to:

- be professionally qualified;
- report directly to the permanent head of IfATE; and
- be a member of the senior leadership team, the management board and the executive committee (and/or equivalent bodies).

24.7. 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.

25. Duties of the Board

25.1. The Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of IfATE consistent with its overall strategic direction. These are required to be within the policy and resources framework determined by the Secretary of State and in the 2009 act;
- providing effective leadership of IfATE 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 IfATE to meet its objectives;
- reviewing management performance;
- ensuring that the Board receives and reviews regular financial and management information concerning the management of IfATE;
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of IfATE 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 Minister and PAO via the executive team, sponsorship team or directly;
- 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 Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Department;

- This Framework Document;
 - any delegation letter issued to the body;
 - any elements of any settlement letter issued to the Department that is relevant to the operation of IfATE;
 - any separate settlement letter that is issued to IfATE from the Department; and
 - that they have 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 IfATE as a whole act in accordance with their obligations under the above documents.
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks;
 - appointing, in consultation with the Secretary of State, a Chief Executive and, in consultation with the Department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilisation of public resources;
 - provide feedback requested by the Senior Sponsor to inform the Senior Sponsor's annual appraisal of the performance of the Chair; and
 - determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by IfATE of its objectives.

25.2. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

25.3. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the *Management of Risk – Principles and Concepts (The Orange Book)*. The Board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the Department's Audit and Risk Assurance Committee is provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

25.4. The Board has collective responsibility for:

- ensuring that IfATE operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds and that, in reaching decisions, the

Board acts in accordance with Managing Public Money and any subsequent guidance issued by central Government; and

- ensuring the Board receives regular financial and performance information concerning the management of IfATE and delivery of its objectives; is informed in a timely manner about any concerns about the activities of IfATE; and provides positive assurance to the Department that appropriate action has been taken on such concerns.

26. The Chair's role and responsibilities

26.1. The Chair is responsible for leading the Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in the Chairperson's contract of employment, any appointment letter, the statutory authority governing IfATE, this document and the documents and guidance referred to within this document.

26.2. Communications between the Board and the Minister should normally be through the Chair.

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

26.4. The Chair is responsible for:

- ensuring including by monitoring and engaging with appropriate governance arrangements that IfATE's affairs are conducted with probity; and
- ensuring that policies and actions support the Minister's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout IfATE.

26.5. In addition, the Chair is responsible for:

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

26.6. The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for re-appointment;
- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered;
- that the Board has a balance of skills appropriate to directing IfATE's business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with IfATE to fulfil their role both on the Board and committees. 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;
- board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with the other board members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the Minister is advised of IfATE's needs when board vacancies arise;
- there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance; and
- there is a code of practice for board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

27. Individual board members' responsibilities

27.1. 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](#) as appropriate;
- 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;
- act in good faith and in the best interests of IfATE;
- 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.

Management and financial responsibilities and controls

28. Delegated authorities

28.1 IfATE’s delegated authorities are set out in the delegation letter issued separately to this Framework Document. This delegation letter may be updated and superseded by later versions which may be issued by the Department in agreement with HM Treasury.

28.2. In line with *Managing Public Money* Annex 2.2 these delegations will be reviewed on an annual basis.

28.3. IfATE shall obtain the Department’s and where appropriate HM Treasury’s prior written approval before:

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

29. Spending authority

29.1. Once the budget has been approved by the Department, and subject to this document, HM Treasury settlement or delegation letter, IfATE shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:

- IfATE shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the Department and as agreed by HM Treasury and Cabinet Office as appropriate;
- IfATE shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
- IfATE shall provide the Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require;
- IfATE ensures that its staff are familiar with the requirements of *Managing Public Money*; and
- specific transactions which the Department is required to report to Parliament are brought to the Department's attention expeditiously and transparently.

30. Banking and Managing Cash

30.1. IfATE must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).

30.2. IfATE should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

30.3. Commercial Accounts where approved should be operated in line with the principles as set out in *Managing Public Money*.

30.4. The Accounting Officer is responsible for ensuring IfATE has a Banking Policy as set out in *Managing Public Money* and ensuring that policy is complied with.

31. Procurement

31.1. IfATE shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the Public Contracts Regulations 2015.

31.2. IfATE shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual. IfATE have established thresholds, governance and controls in place to ensure transparency of process and achieving value

for money when obtaining goods and services. IfATE is regularly audited by NAO and GIAA and actively work to incorporate any audit recommendations into these commercial processes in a timely manner.

31.3. In procurement cases where IfATE is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Department's sponsor team.

31.4. Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a half-yearly report explaining any exceptions should be sent to the Department.

31.5. Procurement by IfATE of works, equipment, goods, and services shall be based on a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).

31.6. IfATE shall a) engage fully with Department and government wide procurement initiatives that seek to achieve VfM from collaborative projects, b) comply with all relevant Procurement Policy Notes issued by Cabinet Office and c) co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM.

31.7. IfATE shall comply with the [Commercial](#) and [Grants Standards](#). These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

32. Risk management

32.1. IfATE 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](#).

33. Counter Fraud and Theft

33.1. IfATE should adopt and implement policies and practices to safeguard itself against fraud and theft.

33.2. IfATE 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 *Managing Public Money* Annex 4.9 and the [Counter Fraud Functional Standard](#). 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.

33.3. IfATE should keep records of and prepare and forward to the Department an annual report on fraud and theft suffered by IfATE and notify the Department of any unusual or major incidents as soon as possible. IfATE should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

Staff

34. Broad responsibilities for staff

34.1. As provided for in the 2009 Act, IfATE staff will be employed as civil servants. Within the arrangements approved by the Secretary of State IfATE will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of 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 IfATE's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve IfATE's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place; and

- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies¹.

35. Staff costs

35.1. Subject to its authorities, IfATE shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

36. Pay and conditions of service

36.1. IfATE's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the Department. IfATE has no delegated power to amend these terms and conditions.

36.2. 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 shall be made in accordance with the [Civil Service Management Code](#) and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the Department to vary such rates.

36.3. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the Department together with subsequent amendments.

36.4. IfATE shall abide by public sector pay controls, including the relevant approvals process dependent on the organisation's classification as detailed in the [Senior Pay Guidance](#) and the [public sector pay and terms guidance](#).

36.5. IfATE shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the Department or the general pay structure approved by the Department and the Treasury whichever is applicable, where relevant with due regard to the senior pay guidance.

36.6. The travel expenses of board members shall be reimbursed in line with IfATE's expenses policy.

37. Pensions, redundancy and compensation

37.1. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

37.2. IfATE staff shall normally be eligible for a pension provided by membership of the Principal Civil Service Pension Scheme (PCSPS). Staff may opt out of the occupational pension scheme provided by IfATE, but that employer's contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.

37.3. Any proposal by IfATE to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Department. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money. Any proposal for special severance payment (i.e. non-contractual) must be submitted to the Department first, for approval before making payment.

Business Plans Financial Reporting and Management information

38. Strategic and business plans

38.1. IfATE should provide, at times agreed with the Department, its strategic plan which should reflect its strategic direction, priorities and objectives for the next three years.

38.2. Each year of the three-year plan should form the basis of IfATE's annual planning. IfATE should provide the Department with a forecast of expenditure for the financial year to which annual plans relates, suitably classified by activity and key objectives, and clear success indicators. The plan should include key targets and milestones for the year immediately ahead. The plan shall be linked to the strategic guidance and budgeting information where appropriate.

38.3. The main elements of the plan, including the key performance targets, must be agreed by the Board, which includes representation from the Department. Agreement should be undertaken in the context of the strategic guidance and the Department's wider public expenditure plans and decisions. Elements that have a direct impact on budget/resources should be flagged to the Senior Sponsor.

38.4. Subject to any commercial considerations, the strategic plan should be published by IfATE on its website and separately be made available to staff.

38.5. The following key matters should be included in the annual planning:

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
- key non-financial performance targets;

- 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 Department and IfATE using the review meetings.

39. Budgeting procedures

39.1. Each year, in the light of decisions by the Department on the updated draft business plan, the Department will send to IfATE:

- a formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the Department and of any forecast income approved by the Department; and
- a statement of any planned change in policies affecting IfATE, through the strategic guidance.

39.2. The approved annual business plan will take account both of approved funding provision and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of 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.

39.3. Unless agreed by the Department and, HM Treasury, IfATE shall follow the standards, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to the sponsorship team in the Department in the first instance. A list of guidance and instructions with which IfATE should comply is at Appendix 2.

39.4. Once the budget has been approved by the Department, IfATE has the authority to incur expenditure approved in the budget without further reference to the Department providing that it complies with the spending authority set out in Section 29 of this document.

40. Grant-in-aid and any ring-fenced grants

40.1. Any grant-in-aid provided by the Department for the year in question will be voted on in the Department's Supply Estimate and be subject to Parliamentary control.

40.2. Funding should be phased through the year in instalments designed to echo IfATE's expenditure pattern. In this way IfATE need not carry significant cash balances at year end. The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. IfATE 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 IfATE. 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, the Department 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.

40.3 In the event that the Department provides IfATE separate grants for specific (ring-fenced) purposes, it would issue the grant as and when IfATE needed it on the basis of a written request. IfATE would provide evidence that the grant was used for the purposes authorised by the Department. IfATE shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

41. Annual report and accounts

41.1. IfATE must publish an annual report of its activities together with its audited accounts after the end of each financial year. IfATE shall provide the Department its finalised (audited) accounts each year in time for the accounts to be consolidated within the Department's. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as the Treasury's Financial Reporting Manual (FReM).

41.2. The annual report 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 NDPB; and
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

41.3. Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament and made available on IfATE's website, in accordance with the guidance in the FReM.

41.4. A draft of the annual report and accounts must be sent to the sponsorship team as soon as possible after it has been prepared and at least two weeks before the proposed publication date, subject to audit. The Secretary of State is responsible for laying a copy of the annual report and accounts in Parliament.

42. Reporting performance to the Department

42.1. IfATE 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 budgets and targets.

42.2. IfATE shall inform the Department of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, achievement of key objectives and performance against the Department's strategic guidance through monthly meetings with officials in the sponsorship team. Departmental officials should also take the opportunity to explain wider policy developments that might have an impact on IfATE, and vice versa.

42.3. The Director General of the Skills Group of the Department, and the SROs for the apprenticeships and professional and technical education reform programmes, will meet IfATE Chair, Chief Executive and Chief Finance Officer on a quarterly basis to discuss performance against budgets and objectives.

42.4. The Minister will meet the Chair and Chief Executive once a year as part of an annual performance review and at other points in the year as necessary.

42.5. The Department and IfATE shall meet at least as often as specified in the governance meetings schedule at Appendix 4. Additional meetings will be agreed as necessary between the Department and IfATE.

43. Information sharing

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

43.2. IfATE shall provide the Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require.

43.3. The Department and HM Treasury may request the sharing of data held by IfATE 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.

43.4. As a minimum, IfATE shall provide the Department with information monthly that will enable the Department satisfactorily to monitor:

- IfATE's cash management;
- its draw-down of grant-in-aid;

- actual and budget for the month and year to date by resource and capital headings;
- actual and forecast FTE profiles;
- the forecast outturn by resource headings;
- other data required for transparency reporting;
- an explanation of budget variances;
- other data required for the Online System for Central Accounting and Reporting (OSCAR);
- Its performance against the key performance indicators and measures in the context of the strategic guidance; and
- data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter.

Audit

44. Internal audit

44.1. IfATE shall:

- establish and maintain arrangements for internal audit;
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury;
- ensure the Department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
- set up an audit committee of its board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including IfATE's Head of Internal Audit opinion on risk management, control and governance as soon as possible to the sponsor department;

- keep records of and prepare and forward to the Department an annual report on fraud and theft suffered by IfATE and notify the sponsor Department of any unusual or major incidents as soon as possible; and
- share with the sponsor Department information identified during the audit process and the Annual Audit Opinion 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 IfATE.

45. External audit

45.1. The Comptroller & Auditor General (C&AG) audits IfATE's annual accounts and passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before parliament

45.2. Under the 2009 Act, IfATE must obtain consent from the Secretary of State if it wants to set up a subsidiary company. In the event that IfATE has set up and controls subsidiary companies, IfATE will [in the light of the provisions in the Companies Act 2006] ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. IfATE shall discuss with the Department the procedures for appointing the C&AG as auditor of the companies.

45.3. The C&AG:

- will consult the Department and IfATE on whom – 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 IfATE;
- will share with the 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 IfATE; and
- 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.

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

Reviews and Winding up arrangements

46. Review of ALB's status

46.1. IfATE will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the Department's ministers and their PAO.

47. Arrangements in the event that IfATE is wound up

47.1. IfATE has been established as a statutory corporation and Crown Body. In the event that Parliament should pass legislation for IfATE to be abolished as a legal entity any such arrangement should be given effect to in accordance with that legislation. If IfATE is abolished, the Department shall put in place arrangements to ensure the orderly winding up of IfATE. In particular it should ensure that the assets and liabilities of IfATE 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 Department. To this end, the Department shall:

- have regard to Cabinet Office guidance on winding up of ALBs²;
- ensure that procedures are in place in IfATE 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 IfATE's 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 his report on the accounts; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

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

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

Other matters

48. Machinery of Government

48.1. If a Machinery of Government change results in IfATE being sponsored by a new Department before the Framework Document is due for review, the Department will notify IfATE of the relevant relationship changes. The provisions of the Framework Document will continue to have effect until the Framework Document is replaced, unless otherwise stated by the new sponsor Department.

49. Procedure for public complaints

49.1. IfATE has established, and published on its website, a procedure to investigate and deal with complaints from providers and members of the public, including students, about IfATE's actions. This shall be in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling.

50. Subsidiary Companies

50.1. IfATE does not have delegated authority to establish any subsidiary companies without prior written agreement from the Department.

50.2. In the event that IfATE has set up and controls subsidiary companies (in line with the 2009 Act, paragraph 10 (4), Schedule A1), IfATE will ensure the following:

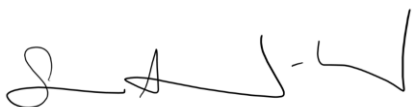

- the Cabinet Office should be informed so it can be assured as to whether a subsidiary constitutes a new non-departmental public body;
- if the subsidiary is a new public body, then HM Treasury will always consider this to be novel and will require HM Treasury's prior approval, Cabinet Office controls relating to the establishment of new public bodies will also apply; and
- IfATE shall discuss with the Department the procedures for appointing the C&AG as auditor of the subsidiary companies and in line with the Companies Act 2006 the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose activities are consolidated into its own ARA.

51. Severance Payments

51.1. Any proposal by IfATE to make a severance payment must comply with the rules in Chapter 4 of Managing Public Money and Cabinet Office guidance on severance payments. Any proposal for special severance payment (i.e. non-contractual) must be submitted to the Department first, for written approval from HM Treasury before making payment.

52. Better Regulation, Consultation, and Impact Assessments

52.1. IfATE shall follow the Government's commitment to efficient and effective regulation. Where possible and certainly whenever necessary IfATE shall follow the Consultation Principles and comply with the Government's Better Regulation agenda and the Regulator's Code. Where necessary IfATE shall produce Impact Assessments on any proposal that imposes or reduces costs on businesses, community, and voluntary bodies. Impact Assessments and any related material should be produced in accordance with statutory guidance produced by the Better Regulation Executive.

	
Susan Acland-Hood	Jennifer Coupland
Permanent Secretary	Chief Executive
16 December 2022	3 rd January 2023
(On behalf of the Department for Education)	(On behalf of IfATE)

Appendix 1: The Department's referral process

Section 28 of this Framework Document sets out areas where IfATE should seek the Department's approval before incurring any expenditure. The process for seeking this approval is set out in this appendix.

IfATE's delegated authorities are set out in the delegation letter issued separately to this Framework Document. This delegation letter may be updated and superseded by later versions which may be issued by the Department in agreement with HM Treasury. Any queries about the controls in the delegation letter should be raised with the sponsorship team and Finance Business Partners in the first instance.

IfATE must refer any business case for investment above £1 million lifetime cost to the DfE Skills Group Joint Assurance Committee (JAC). Business cases should be referred to the Skills Group JAC via the finance business partner team and copied to the sponsorship team. Business cases submitted in this way will be cleared by the Skills Group JAC. If the business case is above £20 million, it will also be referred to the DfE Investment Committee for clearance.

For any other investment which exceeds the limits detailed in this appendix, or for which HM Treasury cannot delegate authority (e.g. novel, contentious, and/or repercussive), IfATE should refer the business case to:

- The Commercial Lead – Category Manager (in case of commercial controls), finance business partner, and the sponsorship team, with a copy to the Department's Efficiency Controls (EC) team - request.ec@education.gov.uk .
- The finance business partner will liaise with DfE Central Strategic Finance and HMT to seek any necessary approvals.

Any business case that involves a digital or technology service element should also be referred to the DDaT Strategy & Engagement Business Partner when the case is in development, whether or not it exceeds the limits in this appendix. The business partner will advise on whether the business case requires DDaT approval.

For business cases that need only FBP approval these need to be given to FBPs with adequate time for review and FBPs will respond within 5 working days. Other business cases that require approvals from CO, HMT, DDaT have to factor in their approval timescales and response times. HMT require 10 working days to provide approvals and comments. Where business partners have had sight of the business cases during development, this will enable issues to be addressed at an early stage and accelerate approval.

High quality business cases should be developed working with relevant experts to follow the 5-case model set out in the Treasury Green Book and make clear what legal advice

has been followed (where appropriate), as well as flagging any wider impacts on Departmental policies, programmes or resource.

When expenditure requires Cabinet Office approval, IfATE should notify the sponsorship team, finance business partners and the Commercial Lead – Category Manager that it is seeking this approval, and copy them into the relevant approval form when submitted to the Cabinet Office.

Appendix 2: Guidance

If ATE shall comply with 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](#)
- [Code of conduct for Board members of Public Bodies](#)
- [Code of practice for partnerships between Departments and Arm's Length Bodies](#)

Financial management and reporting

- [Managing Public Money \(MPM\)](#)
- [Government Financial Reporting Manual \(FReM\)](#)
- [Relevant Dear Accounting Officer \(DAO\) letters](#)
- [Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts](#)
- The most recent letter setting out the delegated authorities, issued by the parent department.

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](#)
- [HM Treasury approval processes for Major Projects above delegated limits](#)
- The Government cyber-security strategy and cyber security guidance: <https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

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

Public appointments

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

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

Staff and remuneration

- [HM Treasury guidance on senior pay and reward](#)
- [Civil Service pay guidance \(updated annually\)](#)
- [Public sector pay and terms](#)
- [Whistleblowing Guidance and Code of Practice](#)
- [The Equalities Act 2010](#)

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](#)
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to IfATE

- [Guidance from the Public Bodies team in Cabinet Office](#)
- [The Civil Service diversity and inclusion strategy \(outlines the ambition, to which Arm's Length Bodies can contribute\)](#)
- [Guidance produced by the Infrastructure and Projects Authority \(IPA\) on management of major projects](#)
- [The Government Digital Service](#)
- The Government Fraud, Error, Debt and Grant Efficiency function;
www.gov.uk/government/collections/fraud-error-debt-and-grants-function and
www.gov.uk/government/publications/grants-standards
- [Code of Practice for Official Statistics](#)
- [Accounting Officer System Statements \(AOSS are produced by departments with input from ALBs\)](#)

Appendix 3 - Accounts Direction Letter

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR EDUCATION IN ACCORDANCE WITH PARAGRAPH 11(2) OF SCHEDULE A1 TO THE APPRENTICESHIPS, SKILLS CHILDREN AND LEARNING ACT 2009.

1. This direction applies to The Institute for Apprenticeships and Technical Education (IfATE).
2. IfATE shall prepare accounts for the financial year ended 31 March 2023 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared, together with any additional disclosure or other requirements as agreed with the department.
3. The accounts shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2023
 - (b) and subsequent financial year-ends, and of the income and expenditure (or, as appropriate, net resource outturn), changes in taxpayers' equity and cash flows for the financial year then ended; and
 - (c) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department for Education and HM Treasury.

Signed for and on behalf of the Secretary of State for Education,



Mark Foley

Programme Director, Apprenticeships
Department for Education
1 August 2022

Appendix 4 Schedule of governance meetings between the Department and IfATE

Meeting, Attendees & Frequency	Purpose	Reporting Documents
<p>Monthly Forecasting Meeting</p> <p>IfATE Head of Finance, Finance Business Partner, sponsorship team</p>	<ul style="list-style-type: none"> To assess latest forecast position against budget and understand any variances 	<ul style="list-style-type: none"> Monthly finance report including line by line reporting.
<p>Monthly Catch-Ups</p> <p>Sponsorship Team</p> <p>IfATE SROs and PMO</p>	<ul style="list-style-type: none"> To provide an update against agreed measures to assure current delivery of functions To manage and escalate risks and issues with policy or delivery to the Apprenticeships and Technical Education Reform Programme governance structures To discuss possible future changes to policy and risks/issues associated with delivery 	<ul style="list-style-type: none"> Corporate Report
<p>Quarterly Performance Review</p> <p>Q1, Q2 and Q3 Reviews: Apprenticeships and TE SROs</p>	<ul style="list-style-type: none"> To review delivery against core functions and against policy steers set out in the Strategic Guidance To review live issues, current risks and issues, and possible mitigations 	<ul style="list-style-type: none"> Financial report IfATE performance scorecard and corporate report (including assessment of performance; risk; milestone; benefits) Meeting specific agenda Draft IfATE Annual Report

Meeting, Attendees & Frequency	Purpose	Reporting Documents
<p>IfATE Chief Executive, and CFO</p> <p>Q4/Annual Review:</p> <p>As above plus</p> <p>Minister for Skills,</p> <p>Senior Sponsor and</p> <p>IfATE Chair</p>	<ul style="list-style-type: none"> • To review viability of the organisation – value for money, budgets, workforce plans • The final quarterly review of the business year will include an annual stocktake with the minister. In addition to the above it will also include: <ul style="list-style-type: none"> ○ IfATE reporting on the delivery of its functions over the past year ○ Discussing plans for the year ahead, including the Strategic Guidance ○ High level assessment of progress towards achieving benefits 	<p>and coming year’s business plan (if available)</p> <ul style="list-style-type: none"> • Draft Strategic Guidance (if available)



Department
for Education

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