



FRAMEWORK DOCUMENT

Between

The Pensions Ombudsman and
Pension Protection Fund
Ombudsman

&

The Department for Work and Pensions

Effective from 27 April 2020

Contents

- 1.0 Introduction**
- 2.0 Legal origins of powers of the Pensions Ombudsman**
- 3.0 Legal origins of powers of the Pension Protection Fund Ombudsman (PPFO)**
- 4.0 The functions of the Pensions Ombudsman and the Pension Protection Fund Ombudsman**
- 5.0 Ministerial responsibility**
- 6.0 DWP Accounting Officer's specific accountabilities and responsibilities as Principal Accounting Officer (PAO)**
- 7.0 Responsibilities of the Pensions Ombudsman as the TPO Accounting Officer**
- 8.0 The TPO Board**
- 9.0 Annual Report and Accounts**
- 10.0 Internal audit**
- 11.0 External audit**
- 12.0 Management and financial responsibilities**
- 13.0 Corporate Governance**
- 14.0 TPO staff**
- 15.0 Review of TPO's status**

Appendix 1 - List of government-wide corporate guidance instructions

Appendix 2 - List of delegated authorities

1.0 Introduction

1.1 This framework document has been drawn up by the Department for Work and Pensions (DWP) in consultation with The Pensions Ombudsman (TPO). This document sets out the broad framework within which TPO will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by DWP and the Pensions Ombudsman. 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 ALB website.

1.2 The organisation of The Pensions Ombudsman combines both the Pensions Ombudsman (TPO) and the Pension Protection Fund Ombudsman (PPFO) role. Within this document TPO is used to refer to this organisation. References to “Ombudsman” mean the Pensions Ombudsman as an individual post holder, and includes reference to the same individual in their role as the PPFO.

2.0 Legal origins of powers of the Pensions Ombudsman

2.1 The statutory authority for the Ombudsman is Part X of the Pension Schemes Act 1993. This has subsequently been amended by Part IV of the Pensions Act 1995, Chapter II of Part II of the Child Support Pensions and Social Security Act 2000 and by Part V of the Pensions Act 2004.

2.2 The statutory authority for a Deputy Ombudsman is set out in section 274 of the Pensions Act 2004.

3.0 Legal origins of powers of the Pension Protection Fund Ombudsman (PPFO)

3.1 The statutory authority for the PPFO and Deputy PPFO is set out in section 209 and section 210 respectively of the Pensions Act 2004. This is supplemented by secondary legislation.

3.2 The statutory authority for the PPFO to deal with appeals in relation to the Financial Assistance Scheme is found in section 286 of the Pensions Act 2004. This is supplemented by secondary legislation.

4.0 The functions of the Pensions Ombudsman and the Pension Protection Fund Ombudsman

4.1 The Ombudsman/Deputy Ombudsman is responsible for investigating and determining:

- a) specified authorised complaints about maladministration by trustees, managers and employers involved with occupational and personal pension schemes;
- b) disputes of fact or law between specified authorised complainants and trustees, managers and employers involved with occupational and

personal pension schemes;

c) any question about carrying out trustee duties when it is referred to him or her by a trustee who is the sole trustee of the scheme.

4.2 The PPFO's/Deputy PPFO's role is to investigate and decide:

- a) complaints about some decisions made by the Pension Protection Fund Board – these are known as reviewable matters;
- b) complaints about the way people and their cases have been handled by the Pension Protection Fund – these are known as complaints of maladministration; and
- c) appeals against decisions issued by the Scheme Manager of the Financial Assistance Scheme.

5.0 Ministerial responsibility

5.1 The Secretary of State for Work and Pensions, or the minister with responsibility for pensions within DWP, will account for TPO business in Parliament.

6.0 DWP Accounting Officer's specific accountabilities and responsibilities as Principal Accounting Officer (PAO)

6.1 The DWP's Principal Accounting Officer (PAO) has designated the Ombudsman as TPO's Accounting Officer (AO). The PAO is accountable to Parliament for the issue of any grant-in-aid to TPO. The PAO is also responsible for advising the responsible minister:

- a) on an appropriate framework of objectives and targets for TPO in the light of DWP's wider strategic aims and current priorities;
- b) on an appropriate budget for TPO in the light of DWP's overall public expenditure priorities; and
- c) on how well TPO is achieving its strategic objectives and whether it is delivering value for money.

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

- monitor TPO's activities;
- share with TPO its expectations on areas for efficiency and continuous improvement for future years;
- address significant problems in TPO, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to DWP and TPO's objectives and activities;
- inform TPO of relevant government policy and relevant changes in legislation in a timely manner;

- bring concerns about the activities of TPO to the TPO Board and, as appropriate, to the DWP (Department) Departmental board requiring explanations and assurances that appropriate action has been taken.

6.3 The DWP Partnership team is the primary contact for TPO. They are the main source of advice to the responsible minister on the discharge of the Ombudsman's responsibilities in respect of TPO. They also support the PAO on their responsibilities toward TPO.

7.0 Responsibilities of the Pensions Ombudsman as the TPO Accounting Officer

General

7.1 The Ombudsman as AO 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 TPO. In addition, they should ensure that TPO 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 to [Managing Public Money](#).

Responsibilities for accounting to Parliament

7.2 The AO's accountabilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about TPO are established and made widely known within the body;
- 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;
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on the body's stewardship of public funds.

Responsibilities to DWP

7.3 Particular responsibilities to DWP include:

- establishing, in agreement with the Department, TPO's corporate and business plans in the light of the Department's wider strategic aims and agreed priorities;
- informing the Department of progress in helping to achieve the Department's policy objectives 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.

Responsibilities to the Board

7.4 The Ombudsman, as the senior person in the organisation, is responsible to the Board for:

- advising the board on the discharge of its 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 TPO's performance compared with its aim[s] and objectives;
- 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;
- taking action as set out in paragraph 3.8.6 of Managing Public Money if the board, or its chairman, is contemplating a course of action involving a transaction which the Ombudsman considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical.

8.0 The TPO Board

8.1 The board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The board must set up an Audit Committee chaired by an independent non-executive member to provide independent advice/ensure that the Department's Audit Committee provides assurance on risk. The board is expected to assure itself of the effectiveness of the internal control and risk management systems.

8.2 The Board is specifically responsible for:

- Establishing and ensuring the strategic aims and objectives of TPO are taken forward and are consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- Ensuring that the responsible minister is kept informed of any changes which are likely to impact on the strategic direction of TPO on the attainability of its targets, and determining the steps needed to deal with such changes;
- Ensuring that effective arrangements are in place to provide assurance on risk management, governance and financial management.
- Ensuring that any statutory or administrative requirements for the use of public funds are complied with; that TPO operates within the limits of its statutory authority and any delegated authority agreed with DWP, 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 DWP;

- Ensuring that the Board receives and reviews regular financial information concerning the management of TPO; is informed in a timely manner about any concerns about the activities of TPO; and provides positive assurance to DWP that appropriate action has been taken on such concerns; and,
- Demonstrating high standards of corporate governance at all times, including by using the audit committee to help the Board to address key financial and other risks.

The Chairs' personal responsibilities

8.3 The Chair is responsible to the responsible minister. Communications between the Board and the responsible minister should normally be through the Chair and / or the Ombudsman. They are responsible for ensuring that TPO's policies and actions support the responsible minister's (and where relevant other ministers') wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout TPO.

8.4 In addition, the Chair has the following leadership responsibilities:

- assisting the Board to ensure that it has in place appropriate arrangements for good governance and financial management;
- providing support and advice to the Ombudsman in relation to carrying out their functions;
- overseeing the formulation of the Board's strategy;
- ensuring that the Board, in reaching decisions, take proper account of guidance provided by the responsible minister;
- 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.

8.5 The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively;
- the Board has a balance of skills appropriate to directing TPO business, as set out in the Government Code of Good Practice for Corporate Governance;
- 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 responsible minister is advised of TPO needs when Board vacancies arise;
- he or she assesses the performance of individual Board members

when being considered for re-appointment;

- 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;
- there is a code of practice for Board members in place, consistent with Cabinet Office Code of Conduct for Board Members of Public Bodies.

Individual Board members' responsibilities

8.6 Individual Board members should:

- Work effectively with the Chair to ensure robust governance and financial management of TPO and set and promote the strategic aims and values of TPO.
- Providing support and advice to the Chair and Ombudsman in the carrying out of their functions.
- Comply at all times with the Code of Conduct for Board Members of Public Bodies with the rules relating to the use of public funds and to conflict of interest;
- Not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those connected persons or organisations;
- Comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments; and
- Act in good faith and in the best interests of TPO.

9.0 Annual Report and Accounts

9.1 TPO must publish an annual report of its activities together with its audited accounts after the end of each financial year. TPO shall provide the Department its finalised accounts by a date to be mutually agreed each year in order for the accounts to be consolidated with DWP's.

9.2 The annual report must:

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

9.3 The report and accounts shall be laid in Parliament and made available on TPO's website, in accordance with the guidance in the FReM. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as the FReM. Information on performance against key financial targets is within the scope of the external audit and should be included in the notes to the accounts.

10.0 Internal audit

10.1 TPO shall:

- establish and maintain arrangements for internal audit in accordance with the [Public Sector Internal Audit Standards \(PSIAS\)](#);
- set up an Audit Committee in accordance with the [Corporate governance in central government departments: code of good practice](#) and the [Audit and Risk Assurance Committee Handbook](#).
- Forward the audit strategy, periodic audit plans and annual audit report, including the internal auditor's opinion on risk management, control and governance as soon as possible to DWP; and
- keep records of, and prepare and forward to the Department an annual report on fraud and theft suffered by TPO and notify DWP of any unusual or major incidents as soon as possible.

10.2 DWP's internal audit service has a right of access to all documents, including where the service is contracted out.

11.0 External audit

11.1 The Comptroller & Auditor General (C&AG) audits TPO's annual accounts and the Secretary of State for DWP lays them before Parliament, together with the C&AG's report.

11.2 The C&AG:

- will consult DWP and TPO on whether the NAO or a commercial auditor shall undertake the audit(s) on his or her 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 TPO;
- will share with DWP 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 DWP's responsibilities in relation to financial systems within TPO; and
- will, where asked, provide with Regulatory Compliance Reports and other similar reports which DWP may request at the commencement of the audit and which are compatible with the independent auditor's role.

11.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which TPO 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, TPO shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these

examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Right of access

11.4 The Department has the right of access to all relevant documents for any purpose including, for example, sponsorship audits and operational investigations. This does not include access to casework documents or other information relating to individual cases.

11.5 Where TPO identifies that access to information e.g. Board's deliberations or provision of advice to the Minister, may compromise its ability to act independently, further advice may be sought.

11.6 DWP will give reasonable advance notice of any records it requires access to. In addition, DWP will discuss with the Board any matter giving rise to a right of access before exercising its right to do so.

12.0 Management and financial responsibilities

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

12.1 Unless agreed by DWP and, as necessary, HM Treasury, TPO shall follow the principles, rules, guidance and advice in [Managing Public Money](#), referring any difficulties or potential bids for exceptions to the Partnership Team in DWP in the first instance. A list of guidance and instructions with which TPO should comply is in Appendix 1.

12.2 Once the budget has been approved by DWP and subject to any restrictions imposed by statute and the responsible minister's instructions, TPO shall have authority to incur expenditure approved in the budget without further reference to DWP, on the following conditions:

- TPO shall comply with the delegations set out in Appendix 2. These delegations shall not be altered without the prior agreement of DWP;
- TPO shall comply with [Managing Public Money](#) regarding novel, contentious or repercussive proposals (including proposals that have wider repercussions, e.g. unusual extra-statutory payments or policies);
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- TPO shall, subject to 11.4, provide DWP with such information about its operations, performance, individual projects or other expenditure as DWP may reasonably require.

13.0 Corporate Governance

13.1 The Board consists of a Chair, the Ombudsman and other Non-Executive Directors (NEDs) and Executive Directors (EDs). The Board shall

have a balance of skills and experience appropriate to directing TPO's business. There should be more NEDs than EDs on the Board to ensure that executive members are supported and effectively challenged in their roles.

13.2 The appointments of the Ombudsman, the Deputy Ombudsman, the Chair and other Non-Executive Directors are made by the Secretary of State, who will determine terms and conditions, including length of appointment and remuneration. These appointments will comply with the Commissioner for Public Appointments [Code of Practice for Ministerial Appointments to Public Bodies](#). The Ombudsman appointment is also subject to pre-appointment scrutiny by the Work and Pensions Select Committee.

Risk management

13.3 TPO 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 [Orange Book, Management of Risk-Principles and Concepts](#). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud:

https://webarchive.nationalarchives.gov.uk/20120906143131/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf

It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.

Corporate and Business Plans

13.4 TPO shall submit annually to the Partnership Team a draft of the corporate plan covering three years ahead. The draft should be submitted by a date agreed with DWP each year. TPO shall agree with DWP the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect TPO's statutory duties and, within those duties, the priorities set from time to time by the responsible minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how TPO contributes to the achievement of DWP's wider strategic aims and priorities.

13.5 The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by DWP. Subject to any commercial considerations, the corporate and business plans should be published by TPO on its website and made available to staff.

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

- key objectives and associated key performance targets for the forward

years, and the strategy for achieving those objectives;

- key non-financial performance targets;
- 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 current 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;
- how TPO promotes the efficient and effective use of staff and other resources; and
- other matters as agreed between DWP and TPO.

Budgeting procedures

13.7 Each year, in the light of decisions by DWP on the updated draft corporate plan, DWP will send to TPO a letter setting out its annual budget allocation.

13.8 The approved annual business plan will take account both of approved funding provision and any forecast receipts where appropriate, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any 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

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

13.10 The grant-in-aid will normally be paid in quarterly instalments on the basis of written applications from TPO showing evidence of need. TPO 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 TPO. 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.

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

Reporting performance to DWP

13.12 TPO shall operate management, information and accounting

systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. TPO shall inform DWP of any changes that make achievement of objectives more or less difficult. It shall report to DWP on financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives. TPO's performance shall be formally reviewed by DWP quarterly.

Providing monitoring information to DWP

13.13 As a minimum, TPO shall provide DWP with information quarterly that will enable the Department satisfactorily to monitor:

- its 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).

Working level liaison arrangements

13.14 Officials of the Partnership Team and Finance Business Partners in DWP will liaise regularly with TPO officials to review TPO financial performance against plans, achievement against TPO targets and TPO expenditure against funding allocated to TPO from DWP. This will happen on a quarterly basis via the Quarterly Accountability Reviews. The Partnership team and Finance Business Partners will also take the opportunity to explain wider policy and financial developments that might have an impact on TPO.

Delegated authorities

13.15 TPO's delegated authorities are set out in Appendix 2. In addition to these authorities, TPO's expenditure is captured by [Cabinet Office spending controls](#). The DWP PAO may delegate levels of expenditure within these controls to TPO from time to time.

13.16 TPO shall obtain the Department'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 TPO's annual budget as approved by DWP;
- 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 DWP;
- 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.

14.0 TPO staff

Broad responsibilities for staff

14.1 Within the arrangements approved by the responsible minister, TPO 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 TPO 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 TPO'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;
- a code of conduct for staff is in place based on the Cabinet Office's [Model Code for Staff of Executive Non Departmental Public Bodies](#).

Staff costs

14.2 Subject to its delegated authorities, TPO shall 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

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

14.4 Staff terms and conditions should be set out in an Employee Handbook, which should be provided to DWP together with any subsequent amendments. If TPO operates a performance related pay scheme it shall form part of the annual aggregate pay budget approved by DWP (or the Treasury if applicable).

14.5 The travel expenses of board members shall be tied to the rates allowed for the staff of TPO. Reasonable actual costs shall be reimbursed.

Pensions, redundancy and compensation

14.6 TPO's staff shall normally be eligible for a pension provided by the Civil Service Pension Scheme. Staff may opt out of the occupational pension scheme provided by TPO.

14.7 Any proposal by TPO to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office as set out in Cabinet Office guidance, requires the prior approval of DWP and the Cabinet Office. Proposals on severance must comply with the rules in chapter 4 of [Managing Public Money](#).

15.0 Review of TPO's status

15.1 TPO will be reviewed in line with Cabinet Office requirements. The most [recent review](#) was published in 2019.

Arrangements in the event that TPO is wound up

15.2 The DWP shall put in place arrangements to ensure the orderly winding up of the body. In particular, it should ensure that the assets and liabilities of TPO 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 DWP. To this end, the DWP shall:

- ensure that procedures are in place in TPO 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 the bodies' assets and liabilities;
- ensure that arrangements are in place to prepare closing down accounts and pass to the C&AG for external audit. It shall be for the C&AG to lay the final accounts in Parliament together with his or her 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 AO should sign the closing accounts. In the event that the DWP inherits the role, responsibilities, assets and liabilities, the DWP's PAO should sign.

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

Rees Suohaid

23.03.2020

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On behalf of the Department for Work and Pensions

Date

(A. A. Ali)

04.03.2020

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On behalf of The Pensions Ombudsman

Date

APPENDIX 1

Compliance with government-wide corporate guidance and instructions

PO shall 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](#)
- *Code of Practice for Ministerial Appointments to Public Bodies*, [Code of Practice for Ministerial Appointments to Public Bodies](#)
- *Managing Public Money* (MPM); <https://www.gov.uk/government/publications/managing-public-money>
- [Public Sector Internal Audit Standards \(PSIAS\)](#)
- Management of Risk: Principles and Concepts: <https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud, https://webarchive.nationalarchives.gov.uk/20120906143131/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf
- [Government Financial Reporting Manual](#) (FReM)
- Fees and Charges Guide, [Chapter 6 of MPM](#);
- [Departmental Banking: A Manual for Government Departments](#), annex 5.6 of MPM;

- Relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money,
https://webarchive.nationalarchives.gov.uk/20130102173401/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration
<https://www.ombudsman.org.uk/sites/default/files/page/0188-Principles-of-Good-Administration-bookletweb.pdf>
- 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.*](#)
- 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 NDPB.

APPENDIX 2

THE PENSIONS OMBUDSMAN – DELEGATED SPENDING AUTHORITIES FROM MARCH 2019

(All delegated limits quoted are exclusive of VAT, even if the spend attracts VAT)

Nature of delegation	Delegated limit
<p>All projects and programmes; and announcements and policy proposals with a defined lifetime</p> <p>Resource and capital</p>	<p>TPO has delegated authority for spend up to £50 million whole life cost. This also applies to the renewal of existing Projects and Programmes where significant changes are being proposed.</p>
<p>Administration Expenditure – General</p>	<p>TPO has full delegated authority to incur expenditure on administration with the exception of any areas considered to be novel or contentious and the specific areas identified below.</p>
<p>Technology services and Digital Service Delivery</p>	<p>TPO must record all existing and future digital and technology spend regardless of spend amount in a pipeline document which should be submitted, including nil returns, on an agreed basis to Cabinet Office copied to DWP.</p> <p>Cabinet Office will ratify and approve digital pipeline and confirm which category (assure, monitor, control) projects fall under.</p> <p>For ID assurance there is no delegated authority.</p> <p>More information is available at https://www.gov.uk/guidance/digital-and-technology-spend-controls-version-5.</p>
<p>Marketing, Advertising & Communications</p>	<p>Cabinet Office approval is required for each campaign or programme of communications activity spend above £100,000 a year, following prior approval of the DWP Director of Communications and the relevant DWP minister.</p> <p>Examples of expenditure include advertising, marketing (e.g. design and branding, market research and merchandising), paid for evaluation, design printing and distribution of new or changed leaflets and events and conferences. This is not a complete list, so if you're unsure if your activity needs to go through the process, email the ALB Partnership Division for advice.</p> <p>More information is available at https://www.gov.uk/guidance/advertising-marketing-and-communications-spend-controls</p>
<p>Property including Facilities Management</p>	<p>TPO must seek approval for rental expenditure above £100,000 during the life of the lease commitment. Approval must also be sought for all new and extended FM contracts, regardless of financial commitment.</p> <p>More information is available at https://www.gov.uk/guidance/property-and-facilities-management-fm-spend-controls</p>

Commercial Control and dispute disclosure	Approval must be sought for new expenditure, contract extension, or material changes to services resulting in major contract variation, with a value of £10 million or over, or any dispute with a strategic supplier. More information is available at https://www.gov.uk/guidance/commercial-spend-controls-version-5
Consultancy	TPO must submit a request for all proposed consultancy expenditure of £1 million or above in a single transaction, irrespective of contract length. Approval to be sought via CD professional.services@dwp.gsi.gov.uk
Nature of delegation	Delegated limit
External recruitment	Sign-off of essential external recruitment is delegated to the TPO Chief Executive (Pensions Ombudsman), which includes: <ul style="list-style-type: none"> • Any new permanent recruitment; • Any new direct temporary recruitment (e.g. fixed-term appointments); • Any new indirect temporary recruitment (i.e. agency staff, interim managers, specialist contractors and all professional services, excluding consultancy which is subject to a separate control); • An inward secondment or loan from an external organisation; and • Extensions of existing temporary recruitment. Conditions attached to this delegation are that: <ul style="list-style-type: none"> • TPO will follow the normal internal recruitment process before moving to external recruitment; • you will only approve exceptions where there is an urgent need for front-line operational staff and/or the post is deemed business-critical; • TPO reports on all recruitment approvals quarterly to DWP and Cabinet Office with an accompanying narrative. • Any recruitment where the proposed salary limit (not including agency fees) £150K or above (excluding VAT) must be referred to the ALB Partnership Division, who will liaise with Ministers, the Cabinet Office, and Treasury as necessary.
Redundancy & compensation	All schemes must be approved by Cabinet Office, via the ALB Partnership Division. Any scheme that offers more than 100% of the standard tariff will need to show clear business reasons for doing so. Access to any ring-fenced expenditure will not normally be agreed by HM Treasury without Cabinet Office approval for the scheme. More information is available at https://www.gov.uk/guidance/redundancy-and-compensation-spend-controls
Losses (as defined by Managing Public Money – Annex 4.10 (MPM))	O Chief Executive (Pensions Ombudsman) can write off amounts owed to it for: <ul style="list-style-type: none"> • A company going into liquidation or administration up to £10,000; • In the case of debts considered not economic to pursue (after exhausting all debt recovery options in line with debt strategy), up to £10,000; and • in all other cases a delegated authority limit of £1,000.

	<p>th the exception in all cases that any area considered to be novel and contentious or repercussive requires HM Treasury approval.</p> <p>By agreeing this limit HM Treasury requires twice yearly, in September and March, an analysis on the number of cases written off by TPO. This should also include the value of each write off that has occurred. TPO should prepare and send this analysis to DWP.</p> <p>Losses above the delegated limits need HM Treasury approval. TPO should make a case to DWP in line with Managing Public Money.</p>
Nature of delegation	Delegated limit
Learning and Development	<p>Approval for procurement of the following learning and development should be made through the Civil Service Learning (CSL) triage process:</p> <ul style="list-style-type: none"> • All generic L&D that is not available on the CSL Portal (including further/higher education). • All business specific or profession specific L&D services over £10K, including contract extensions. • Profession-specific training where the recipients are not within that profession. <p>More information is available at https://www.gov.uk/guidance/learning-and-development-civil-service-learning-spend-controls</p>
Write offs to other Government departments	TPO has authority to write off amounts due from other Government departments to a value of £500 when all recovery options have been exhausted.
Special Payments	<p>TPO has authority to approve payment of special 'ex-gratia' and 'extra statutory' payments arising from misdirection or official error, other than in cases having financial repercussions beyond DWP which require prior HM Treasury approval.</p> <p>Unless prior HM Treasury approval for alternative treatment is secured, 'ex-gratia' or extra-statutory payments will be made from within existing provision (e.g. to compensate for additional expense or by way of interest on delayed payments).</p> <p>Special payments greater than £5,000, or that exceed delegated authorities, must be referred to FINANCIAL.CONTROLANDPOLICYTEAM@DWP.GSI.GOV.UK for FDG approval before an offer is made.</p> <p>All special severance payments must be referred to HM Treasury for approval, via the ALB Partnership Division. TPO does not have any delegated authority for these. These are payments in excess of or</p>

	<p>outside of statutory or contractual entitlements and are expected to be rare.</p> <p>TPO has delegated authority of £500 regarding all consolatory payments.</p>
Contingent Liabilities	<p>Any novel, contentious or repercussive contingent liabilities must receive HM Treasury approval, and all contingent liabilities above £3m must go through the checklist approval process explained in the following guidance.</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/635939/contingent_liability_approval_framework_guidance.pdf</p>