

# Framework Document – The Citizen Voice Body for Health and Social Care, Wales (operating as Llais Your voice in health and social care)

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## 1. Introduction

- 1.1 This Framework Document has been developed taking into account the Welsh Government Model Governance Framework for use with public bodies classified to the central government sector for national accounts purposes or classified for administrative purposes as either Welsh Government Sponsored Bodies, Non-Ministerial Departments, Executive Agencies, Estyn, Education Workforce Council, or another public body (except for Welsh Government owned companies) whose remit is set by Welsh Ministers.
- 1.2 *Llais Eich Llais chi mewn iechyd a gofal/Llais Your voice in health and social care* (Llais) is the operational name of the Citizen Voice Body for Health and Social Care, Wales.
- 1.3 Llais is a Welsh Government Sponsored Body and this Framework Document sets out the broad framework within which Llais operates, details the terms and conditions under which the Welsh Ministers may provide resources to the body, and defines the roles and responsibilities of the Welsh Ministers and the Llais, as well as the relationship between them. This will help to clarify and protect the operational independence of Llais in exercising its general objective to represent the interests of the public in respect of health services and social services.
- 1.4 If there is an inconsistency between any of the provisions of this document and the provisions of legislation relating to Llais to which this document relates, the provisions of the legislation shall prevail.
- 1.5 Payment to Llais is conditional upon the satisfactory performance of all its obligations as set out in this document and the remit letter and such other conditions and requirements as Part 4, and Schedule 1, of the Health and Social Care (Quality and Engagement) (Wales) Act 2020 may from time to time impose.
- 1.6 Welsh Ministers have a range of functions which will continue to accrue and be amended and decisions in relation to each such function are obliged to be taken in the light of all relevant, and to the exclusion of all irrelevant, considerations. Nothing contained or implied in, or arising under or in connection with, this Framework Document will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh Ministers or any of them to exercise, or refrain from exercising, any of their functions in a particular way. Any reference in this document to any legislation whether domestic, EU (as appropriate) or international law will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.

1.7 The Minister for Health and Social Services, supported by officials within the Health and Social Services Group will discharge the functions of the Welsh Ministers (see paragraph 3.4).

1.8 Copies of this document together with any subsequent amendments have been placed in the Library of the Senedd and made available to members of the public via the Llais' website.

## **2 Purpose of the Public Body**

2.1 The Citizen Voice Body for Health and Social Care, Wales (to be known as Llais) (the "**Body**") was established under Part 4, section 12, of the Health and Social Care (Quality and Engagement) (Wales) Act 2020 (the "**Act**"). As a public body, it acts as a delivery agent for Welsh Ministers and its role is to fulfil its responsibilities set within the context of the Welsh Government's strategic aims. Its main purpose and general objectives are, as stated within Section 13, 14, 15 and 16 of the Act.

2.2 Its general objective is to represent the interests of the public in respect of health services and social services (Section 13(1) of the Act). For the purpose of achieving that objective, Llais must seek the views of the public, in whatever way it thinks appropriate, in respect of health services and social services, and in making arrangements to comply with that, the CVB must in particular have regard to ensuring, where appropriate, face-to-face engagement between its staff, or any other persons acting on its behalf, and any individuals from whom views are being sought (Sections 13(2) and (3) of the Act).

2.3 The functions of Llais are set out in Part 4 of the Act. Reference should be made to the Act for the full provisions. A brief summary is provided below:

- Section 14 – Llais must take steps to promote public awareness of its general objectives and its functions, preparing and publishing a statement relating to how it proposes to promote awareness of its functions and seek the views of the public for the purpose of its general objective;
- Section 15 – Llais may make representations to a local authority or an NHS body about anything it considers relevant to the provision of a health service or the provision of social services, and
- Section 16 – Llais may provide assistance (by way of representation or otherwise) to any individual making or intending to make a complaint relating to the provision of health or social services in accordance with subsections 16(2)-(9).

2.4 As a public body, the primary role of Llais is to fulfil its statutory responsibilities set within the context of the Welsh Ministers strategic objectives.

- 2.5 Llais must set out how it will achieve its general purpose and strategic objectives in its long-term business plan (see para 7.2 below). Before the start of each financial year Llais must, in accordance with Schedule 1, Part 7, paragraph 22(1), publish an operational (annual) plan setting out how it proposes to exercise its functions during the year.
- 2.6 The strategic objectives and long-term business plan will remain in place for the term of the Government under which they are set but will cease in the event of a decision by the Welsh Ministers to dissolve, merge or change the function of the Body.

### **3. Governance and Accountability**

#### ***Legal Context***

3.1 The Body's powers and duties are set out in Part 4 and Schedule 1, of the Act.

#### ***Ministerial Responsibility***

3.2 As stated in paragraph 1.7 above the First Minister has allocated responsibility for the oversight of the Body to the Minister for Health and Social Services (the "**Minister**"). The Minister generally exercises the functions of the Welsh Ministers in relation to the Body and is ultimately accountable to the Senedd for the activities of the Body and its use of resources. The Minister is not responsible for day-to-day operational matters.

3.3 The Board of Llais is responsible for setting the policy and strategic direction of Llais in accordance with Part 4, Section 14(2) of the Act, taking into account the framework set by the Minister as detailed within the remit letter. The Minister will meet with the Chair of the Body each year to review performance and discuss current and future activities. The Minister must pay due regard for the need of Llais to remain unfettered in its ability to represent the interests of the public in respect of health and social services.

3.4 The Minister's responsibilities include:

- Agreeing the Body's strategic objectives and aims and key targets;
- Agreeing the budget for the Body, and securing the necessary approvals from the Senedd;
- Carrying out, as appropriate, responsibilities in the Act such as:
  - o Section 15(2) - issuing guidance to local authorities and NHS bodies in relations to representations Llais may make to them;
  - o Section 19(1) – preparing and publishing a code of practice about requests made by Llais for access to premises for the purpose of seeking views of individuals in respect of health services or social services, and where access to these premises has been agreed, engagement with individuals at those premises for that purpose;
  - o Paragraph 2 and paragraph 5, Schedule 1 – appointment, suspension and removal of non-executive members;
  - o Paragraph 4, Schedule 1 – terms of non-executive membership
  - o Paragraph 9, Schedule 1 – approval of the chief executive appointed by the non-executive members, and;

- Paragraph 10, Schedule 1 – approval of terms and conditions as to remuneration, allowances and pension.

3.5 The Principal Accounting Officer for the Welsh Ministers is the Permanent Secretary to the Welsh Government. The Principal Accounting Officer has responsibilities specified by HM Treasury and is accountable to the Senedd (through the Public Accounts and Public Administration Committee) and to the UK Parliament (through the House of Commons Committee on Public Accounts) for:

- the regularity and propriety of the Welsh Government's finances;
- the keeping of proper accounts of the Welsh Ministers; and
- the effective and efficient use of resources voted to the Body under the Welsh Government's Annual Budget Motion.

3.6 The Principal Accounting Officer is also responsible for ensuring the finance and other management controls applied across the Welsh Government are appropriate and sufficient to safeguard public funds and will pay due regard for the need of Llais to remain unfettered in its ability to represent the interests of the public in respect of health and social services.

#### ***Accountabilities and Responsibilities of the Additional Accounting Officer***

3.7 The Principal Accounting Officer (PAO) for the Welsh Ministers is assisted in their duties by the Director General for Health and Social Services, whom they have designated as the Additional Accounting Officer (AAO), and to whom they have delegated responsibility for the Division within which Llais' Partnership Team sits.

3.8 The AAO has a responsibility to support the PAO in ensuring:

- a) the financial and other management controls applied by the Welsh Government are appropriate and sufficient to safeguard public funds and, more generally, those being applied by the body conform with the requirements both of propriety and of good financial management;
- b) there is an adequate statement of the financial relationship between the Welsh Government and the body (i.e. this Framework document) and this statement is regularly reviewed; and
- c) the conditions attached to the resources and grant-in-aid awarded conform with the terms of the Budget, and arrangements are in place to monitor compliance with those conditions by the Body.

3.9 The AAO is also responsible for ensuring arrangements are in place to:

- address significant problems within the Body, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the Group and the Body's objectives and activities;
- inform the Body of relevant government policy in a timely manner;

- bring to the attention of the Body's full Board any concerns about the activities of the Body requiring explanations and assurances that remedial action will be taken; and
- Designate the Chief Executive of the Body as its Accounting Officer in accordance with Schedule 1, Part 6, paragraph 19(1) of the Act.

3.10 The AAO is responsible for advising the Minister on:

- appropriate strategic objectives for the Body in the light of the wider strategic aims of their Group and key delivery and performance indicators;
- an appropriate budget for the Body in the light of the Group's overall spending priorities; and
- how well the Body is achieving its strategic objectives within the policy and resources framework determined by the Minister, and whether it is delivering value for money.

3.11 The AAO must ensure appropriate oversight arrangements are in place and will pay due regard for the need of Llais to remain unfettered in its ability to represent the interests of the public in respect of health and social services.

### ***Partnership Team***

3.12 The AAO delegates responsibility for the day-to-day management of relations between the Welsh Government and the Body to the Head of the Patient Experience Branch of the Health and Social Services Group.

3.13 The Deputy Director leads the Partnership Team within the Welsh Government and is to work closely with the Body's Chief Executive and be answerable to the AAO. They are also the primary source of advice to the Welsh Ministers on the discharge of their responsibilities in respect of the Body. Meetings should take place on a regular basis and will be an opportunity for both sides to raise issues, discuss areas of work and developments. Dates should be set in advance for the financial year and will be arranged by Llais' office in co-operation with Patient Experience branch. Usual attendees from Llais' office are relevant directors and officials as appropriate. Usual attendees from Welsh Government are the relevant deputy director(s) together with appropriate members from Social Services branches.

3.14 The aims of Partnership are to:

- Foster a relationship with the sponsored body which is based on mutual trust and respect and open and honest communication.
- Ensure that the strategic aims and objectives of a sponsored body reflect and promote the wider strategic objectives of the Welsh Government, the goals and principles set out in the Well-being and Future Generations (Wales) Act 2015 and the actions for the Body as set out in the Anti-Racist Wales and LGBTQ+ Action Plans.

- Provide the sponsored body with the support and guidance it requires or may request to achieve its objectives.
- Facilitate, enable and connect the body with the relevant policy leaders, networks and working groups so that it informs and influences the development of health and social care policy and practices in Wales.
- Encourage and promote high standards of corporate governance and financial accountability within the organisation to ensure its efficient and effective operation.

The Welsh Government recognises the statutory basis upon which Llais' is established. The Partnership Team must respect the need for the Llais to operate independently in order to exercise its statutory functions effectively. As such the Partnership Team must not seek to influence Llais' decisions, including the exercise of statutory functions, content of reports due for publication or budgetary decisions, other than to provide necessary factual information and support. The Partnership Team is required to strike a balance between oversight and allowing Llais to operate independently on a day-to-day basis, as was the intention in setting up the body as an arms-length organisation. It needs to ensure the relationship is an effective one, with each partner enabling and supporting the other in the achievement of Ministerial objectives and the body's strategic objectives. The Partnership Team and Llais also need to make sure they share information and best practice in a relevant and timely way and seek out opportunities to work together effectively.

3.15 The normal point of contact for the Body in dealing with the Welsh Government with respect of sponsorship/partnership is the Head of Patient Experience within the Health and Social Services Group.

### ***Accountabilities and Responsibilities of the Chief Executive as Accounting Officer for the Body***

3.16 The Chief Executive as Accounting Officer (AO) is personally responsible for the proper stewardship of the public funds for which they have responsibility; for the day-to-day operations and management of the Body; and for ensuring compliance with the requirements of '*Managing Welsh Public Money*'.

3.17 The AO may be assisted in the exercise of their role by employees of the Body. The AO may delegate the day-to-day administration of their responsibilities to those employees but remains ultimately responsible and accountable under this Framework document and the Memorandum for the Accounting Officer.

3.18 The Board must be fully aware of and have regard to the responsibilities placed upon the Chief Executive as AO.

3.19 Further detail on the specific responsibilities of the AO of the Body, including their accountability to the Senedd, Welsh Government and the Body's Board, are set out in the Memorandum for the Accounting Officer,



which the AAO will have sent to the AO (copied to the Chair of the Llais Board). The Memorandum is attached at **Annex C** for reference.

### ***Responsibilities of the Chief Executive***

3.20 The Chief Executive of the Body is appointed by the non-executive members of Llais and employed by Llais, with the approval of the Minister (Schedule 1, Part 3, Paragraph 9.). The Chief Executive is the Board's principal adviser on the discharge of its functions and is accountable to the Board. The Chief Executive's role is to provide operational leadership to the Body and ensure the Board's aims and objectives are met, the Body's functions are delivered and targets met. The AO in an organisation should be supported by a Board structured in line with the [Corporate Governance Code for Central Government Departments, as applicable](#).

3.21 The Chief Executive reports to the Chair of Llais and is responsible for:

- advising the Board on the discharge of its responsibilities as set out in this Framework document, relevant law, the Minister's remit letter or other communication to the Body; and any other guidance that may be issued from time to time;
- advising the Board on the Body's performance against its aims and objectives;
- ensuring financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and suitable financial appraisal techniques are followed;
- ensuring a system of good corporate governance and assurance in line with the principles of the [Corporate Governance Code for Central Government Departments, as applicable](#)
- ensuring a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensuring robust internal management and financial controls are introduced, maintained and reviewed regularly, including measures to protect against fraud and theft (such measures to incorporate a comprehensive system of internal delegated authorities);
- ensuring there are procedures for handling complaints about the Body;
- ensuring there are Human Resources/Workforce management policies in place and that these are maintained and made readily available to all staff; and
- taking action as appropriate in accordance with the terms of the Memorandum for the Accounting Officer if the Board or its Chair is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or

regularity; does not represent prudent or economical administration or efficiency or effectiveness; is of questionable feasibility; or is unethical.

- 3.22 Equality and fair work must be at the core of Welsh Government public service delivery and, as such, Welsh Government expects the bodies it funds to operate ethical standards of employment.
- 3.23 The Chief Executive is responsible for decisions around staffing within the Body, where authority has been delegated by the Board. This includes policies covering staff terms and conditions; offering a pension scheme; and ensuring robust, appropriate and fair job evaluation and recruitment practices are followed. However, the Body may not agree terms and conditions as to remuneration, allowances or pension without the approval and Welsh Ministers and Welsh Government should be notified of specific change proposals, including redundancy arrangements – please see **annex A** for detail.
- 3.24 The Chief Executive is also responsible for ensuring remuneration aligns to Welsh Government public sector pay principles. All pay changes should be notified to the Welsh Government’s Head of Pay and Remuneration – please see **annex A**. Any proposals to make changes outside the pay principles must be agreed by Ministers.
- 3.25 The Chief Executive is also responsible for handling cases involving the Public Service Ombudsman for Wales.

### ***The Board***

- 3.26 The Board consists of Llais’ members as specified in paragraph 2(1), Schedule 1. Llais members are:
- a) a person appointed by the Welsh Ministers as its chairing member;
  - b) a person appointed by the Welsh Ministers as deputy chair to the chairing member;
  - c) at least 6 but no more than 8 other persons appointed by the Welsh Ministers;
  - d) its chief executive, and;
  - e) where one or more trade unions are recognised by the Body, a person appointed as its associate member (in accordance with paragraph 6, Schedule 1). The associate member does not have any voting rights.

The members appointed by the Welsh Ministers are collectively referred to as “non-executive members”. They are appointed in accordance with the Commissioner for Public Appointments’ [code of practice](#).

- 3.27 Llais’ members collectively comprise the Board. The Board must act in an open and transparent way and must publish its membership, agendas and minutes on its website. From 1 April 2023 it will be subject to the provisions of

the Public Bodies (Admission to Meetings) Act 1960 and will ensure arrangements are in place to comply with the Act.

3.28 The role of the Board is to:

- provide effective leadership to the Body, defining and developing strategic direction and setting challenging strategic objectives;
- promote high standards of public finance management, upholding the principles of regularity, propriety and value for money;
- ensure the Body's activities are conducted efficiently and effectively; monitor performance to ensure the Body fully meets its aims, objectives and performance targets; and
- promote the Nolan principles of public life: selflessness, integrity, objectivity, accountability, openness, honest and leadership.

3.29 To do this, the Board must ensure effective arrangements are in place to provide assurance on risk management, governance and internal control. It must establish an Audit and Risk Assurance Committee chaired by a non-executive member (but not the Chair) to provide it with independent advice. The Board must assure itself of the effectiveness of the internal control and risk management systems.

3.30 The personal responsibility of the Chief Executive as AO to ensure regularity, propriety and value for money in no way detracts from the responsibility of Board members, who each have a duty to act in a way which promotes high standards of public finance and to ensure the Body's activities are conducted in an efficient and effective manner. The Board must not give the Chief Executive instructions which conflict with their duties as AO.

3.31 The Board is responsible for:

- establishing and taking forward the strategic aims and objectives of the Body consistent with its overall purpose and within the policy framework determined by Welsh Ministers and the resources framework determined by the Minister;
- ensuring the Minister is kept fully informed of any changes likely to impact on the strategic direction of the organisation or on the attainability of its targets, and of steps needed to deal with such changes;
- ensuring compliance with any statutory or administrative requirements in respect of the use of public funds;
- ensuring the Body operates within the limits of its authority and any delegated authority agreed with the Partnership Team, and in accordance with any other conditions relating to the use of public funds;

- ensuring, in reaching decisions, the Body takes into account any relevant guidance issued by the Welsh Government;
- ensuring it receives and reviews regularly financial information concerning the management of the Body;
- ensuring the Minister is informed in a timely manner about any concerns about the Body's activities, including activities which might affect the future level of resources required, and any policy or practice changes which may have wide financial implications;
- ensuring the Minister is informed of key priorities, concerns, risks and plans that effect their portfolio in relation to health and social services.
- taking appropriate remedial action to address any such concerns or changes with wide financial implications, and providing positive assurances to the Minister via the Partnership Team about the same;
- demonstrating high standards of corporate governance at all times, including by using the Audit and Risk Assurance Committee to help the Board address key financial and other risks; and
- appointing with the prior written approval of the Minister a Chief Executive. Please see **annex A** for more information.

### 3.32 The Board is also responsible for:

- nominating an executive Board member as the Senior Information Risk Officer (SIRO) - As the Chief Executive is the only executive Board member they will perform this role. The SIRO has responsibility for ensuring information assets and risks within the organisation are managed as a business process rather than as a technical issue. The SIRO will ensure information risks which affect business objectives are highlighted to the Board. The Chief Executive may operationally delegate responsibilities of the SIRO to a senior executive who is not a Board member through formal delegation letters, but remains accountable at Board level;
- adhering to the [Government Functional Standard Gvs 007](#)
- arranging for the annual completion of the Departmental Security Health Check to be returned to the Welsh Government SIRO;
- ensuring independent certification of security arrangements to the Cyber Essential Plus and IASME standards.

3.33 To the extent permitted by the Act, the Board may delegate responsibility for the administration of day-to-day management issues to staff but it is to remain ultimately responsible and accountable for all those matters. The Body must maintain a list of matters reserved for decision by its Board, as well as a scheme of delegation approved by the Board.

### ***Individual Board Members' Responsibilities***

3.34 In undertaking their duties and responsibilities, Board members must:

- comply at all times with the Body's code of conduct and with all applicable rules relating to the use of public funds and conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or political profit, nor seek to use the opportunity of public service to promote their private interests or those of persons or organisations with whom they have a relationship;
- comply with rules on the acceptance of gifts and hospitality, and
- act always in good faith and in the best interests of the Body.

### ***The Chair***

3.35 The Chair is accountable to the Minister and may also be held to account by the Senedd. Communications between the Board and the Minister must, in the normal course of business, be conducted through the Chair. The Chair must ensure other Board members are kept informed of all such communications.

3.36 The Chair is responsible for ensuring the Board's policies and actions support the Minister's wider strategic policies, and the Body's affairs are conducted with probity. Where appropriate, the Chair must make arrangements to communicate and disseminate these policies and actions throughout the Body.

3.37 The Chair has particular leadership responsibilities for:

- formulating the Board's strategies;
- ensuring the Board, in reaching decisions, takes proper account of statutory and financial management requirements and all relevant guidance including guidance provided by the Welsh Ministers;
- promoting the economic, efficient and effective use of staff and other resources;
- ensuring high standards of regularity, propriety and governance; and
- representing the views of the Board to the public.

3.38 The Chair must also:

- ensure all Board members are briefed fully on the terms of their appointment and on their duties, rights and responsibilities;
- ensure Board members receive appropriate training, including on the financial management and reporting requirements of public sector bodies and on the differences which might exist between private and public sector practice;
- ensure the Board has a balance of skills appropriate to directing the Body's business;

- in instances where appointments to vacancies on the Board are to be made by the Minister, advise the Minister on the needs of the Body;
- assess the performance of individual Board members in accordance with the arrangements agreed with the Partnership Team and Public Bodies Unit;
- ensure an appropriate code of conduct for Board members, including rules and guidance on Board members' interests and conflicts of interest, is in place.

### ***Welsh Government Attendance at Board Meetings***

- 3.38 Although they should not routinely attend, Welsh Ministers reserve the right for their officials to attend the Body's Board meetings in an advisory and/or observer capacity. The Board may also invite them to attend to provide particular advice or information.
- 3.39 The Body must provide its Partnership Team with advance agendas and papers for Board meetings to allow it to consider whether officials wish to attend and contribute to discussions. Papers should be provided to the Partnership Team at the same time as they are provided to Board members. The Body should also highlight any novel, contentious, repercussive or difficult issues to be addressed at the Board meeting to the Partnership Team.
- 3.40 For the avoidance of doubt, Welsh Government officials will play no part in the decision-making process of the Board. Where Welsh Government officials do attend Board meetings there should be a formal agreement detailing their role developed in accordance with WG guidance.

## **4. Reporting Requirements**

### ***Statutory Accounting and Reporting***

- 4.1 The statutory accounting and reporting requirements are set out in Parts 6 and 7 of Schedule 1 of the Act.

#### *Annual Report and Accounts*

- 4.2 As soon as practicable after the end of each financial year, the Body shall, in accordance with paragraph 23, Schedule 1 publish a report of the exercise of its functions during the year, send a copy of its report (the annual report) to the Welsh Ministers and lay a copy before the Senedd.
- 4.3 The Annual Report and Accounts, including a Governance Statement, shall be prepared in accordance with the Accounts Direction issued by the Welsh Ministers, the relevant statutes, and the Government Financial Reporting Manual.

4.4 To support the preparation of accounts, registers of the following are required to be maintained:

- Register of Declarations and potential conflicts of interest of Board Members
- Gifts received and given;
- Hospitality received and offered;
- Losses and special payments as described in *Managing Welsh Public Money*.

These registers enable the disclosure requirements set out in the Government Financial Reporting Manual and *Managing Welsh Public Money* to be met.

4.5 The Annual Report and Accounts document must:

- outline the body's main activities and performance during the previous financial year;
- report on performance against key performance indicators and other deliverables, and;
- report on the activities of any corporate bodies under its control.

#### *Presentation of the Annual Report and Accounts*

4.6 In accordance with paragraph 20(3), Schedule 1 the Body must submit the draft accounts, to the AGW and Welsh Ministers no later than 31 August after the end of each financial year.

4.7 The AGW must lay the audited accounts before the Senedd as required by paragraph 21, Schedule 1. The AGW will liaise with officials and the Body to co-ordinate the laying of the audited accounts with the laying of the annual report before the Senedd. Two (2) copies of the signed audited accounts must also be forwarded to the Partnership Team.

4.8 Following submission to the Minister and Senedd, the Body should publish its Annual Report and Accounts to permit the Senedd, other clients and the public to scrutinise whether it has been successful in meeting its targets.

4.9 Bodies will also be required to provide certain accounts information for the Whole of Government Accounts process, and potentially for the Welsh Government Consolidated Accounts. Timing and scope of information required is annually communicated by the Welsh Government Finance Function through the WGSB Heads of Resources network.

## 5. Audit Arrangements

### *Internal Audit*

5.1 The Body must establish an Audit and Risk Assurance Committee of its Board to advise its AO and the Board on the adequacy of arrangements within the organisation for internal audit, external audit and corporate governance matters. In establishing its Audit and Risk Assurance Committee, the body should refer to the guidance set out in the [Audit Committee Handbook](#). The Audit and Risk Assurance Committee will report, and be accountable, to the Board.

5.2 The Body must:

- establish and maintain arrangements for internal audit in accordance with the objectives, standards and practices described in the Public Sector Internal Audit Standards:  
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- ensure where the audit function is provided in-house, arrangements are made for external quality reviews at least once every five (5) years and in accordance with Public Sector Internal Audit Standards. The Welsh Government is to consider whether it can rely on these reviews to provide assurance on the quality of the Body's internal audit;
- following approval by the AO and Audit and Risk Assurance Committee, submit the audit strategy, periodic audit plans and annual audit report, (including the Head of the Internal Audit Service's opinion on risk management, control and governance) to the partnership team on an annual basis; and
- notify the Partnership Team as soon as possible of any changes to the terms of reference of its internal audit arrangements and/or its Audit and Risk Assurance Committee.

5.3 The Welsh Government must:

- in accordance with agreed oversight arrangements, assess the effectiveness of the Body's internal audit arrangements by scrutiny of their plans for future activity, reports on past activity and its annual assurance report (i.e. the opinion of the Body's Head of the Internal Audit Service on its risk management, control and governance); and
- have a right of access to all documents prepared by the Body's internal auditor, including where the service is contracted out.



### **External Audit**

5.4 The Auditor General for Wales (AGW) is the Body's statutory external auditor. The Auditor General's statutory rights of access to documents and information are set out in the Government of Wales Act 2006.

5.5 The AGW may carry out examinations into the economy, efficiency and effectiveness with which the Body has used its resources in discharging its functions and may make recommendations for improving economy, efficiency and effectiveness in the discharge of functions of bodies, and other studies relating to the provision of services. For the purposes of these examinations, as well as the statutory financial audit, the AGW has a statutory right of access to documents and information held by relevant persons.

### **Partnership Team's Right of Access**

5.6 The Body must, without charge, permit any officer or officers of the Welsh Government at any reasonable time and on reasonable notice being given to the body (Note: in exceptional circumstances, such as the prevention or detection of fraud, it may not be practicable to provide reasonable notice) to visit its premises and/or to inspect any of its activities and/or to examine and take copies of its books of account and any such other documents or records howsoever stored as in such officer's reasonable view may relate in any way to your use of the funding provided. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Audit Wales or the European Commission or any officer, servant or agent of any of the above, as appropriate.

## **6. Management Arrangements**

6.1 Unless otherwise agreed in advance in writing by the partnership team, the Body must at all times follow the principles, rules, guidance and advice in *Managing Welsh Public Money* and this Framework Document. The Body must refer any difficulties or requests for exceptions to the Partnership Team in the first instance.

6.2 From time to time, the Welsh Government will request certain information and data from the Body and the Body is required to provide such information relating to the exercise of its functions. Advice and guidance which public bodies need to take account of may also be issued from the Welsh Government Permanent Secretary and Public Bodies Unit, as well as HM Treasury.

## **7. Planning Framework**

### ***Business Planning***

#### *Remit Letters*

7.1 At the date at which Llais is officially established and the start of the Government term, the sponsoring Minister will issue the Body with a remit letter setting out the priorities they wish to see Llais contributing to over the government term. This arrangement will remain in force for the lifetime of the administration (term of Government), although the remit may be amended on written notice if, for instance, Ministerial priorities change. The Term of Government remit process is set out at **annex B**.

#### *Business Plans*

7.2 Within twelve (12) months of receiving the first remit letter and within three (3) months of receiving a subsequent remit letter, the Body is to submit to the Minister a long-term business plan setting out how it is to achieve its strategic objectives. The finalised plan, agreed by the Minister, is to reflect the Body's strategic aims and objectives and is to remain in place for the whole term of Government unless the remit changes, as noted in paragraph 7.1.

7.3 At the end of the term of Government, the business plan is to roll forward until the new Government has set its strategic agenda and issued a new remit letter to Llais.

#### *Operational (Annual) Plans*

7.4 Each financial year, in light of the decisions by the Welsh Ministers on the allocation of budgets for the forthcoming financial year, the Minister is to send to the Body a formal statement of its budgetary provision in accordance with paragraph 7.11 below.

7.5 In response to this, and in accordance with paragraph 22, Schedule 1 of the Act, the Body is to prepare an annual operational plan setting out the level of service to be achieved in key areas and the performance and output information to be collected to monitor progress. The operational plan is to be informed by the Minister's remit letter and the confirmed level of funding available. It is for the Board to determine the precise content of this plan. However, should the Minister or the Body wish it, Ministerial approval of the operational plan may be sought via the Partnership Team.

7.6 The operational plan must reflect the principles of the Well-being of Future Generations (Wales) Act 2015, and the Body must set out how it will use the five

ways of working set out in the Act and how it will contribute to achieving the seven wellbeing goals.

7.7 Before publishing an operational plan Llais must consult with such persons as it considers appropriate on its proposed objectives and priorities.

#### *Publication of Plans*

7.8 The Body is to ensure both the long-term business and operational plans are made available to the public.

### **Budget Planning**

7.9 The Welsh Government's budget planning arrangements are governed by the requirements of the Government of Wales Act 2006 and the Standing Orders of the Senedd.

7.10 The Body must co-operate with the Partnership Team by providing all necessary assistance and information to the Welsh Government to take forward its budget planning decisions.

7.11 The Minister will confirm both the net revenue and capital resource budgets and amount of grant-in-aid (cash) funding to be provided to the Body for the next financial year. As part of the net resource budget allocation, the Minister will also confirm the level of income which may be retained by the Body to fund additional activity in the financial year. This will normally be no later than one month after the final budget has been agreed by the Senedd. Any funding for the year in question must be authorised by the Senedd in the Annual Budget Motion.

7.12 Where possible, the Minister will also provide indicative budgets for subsequent years to inform budget planning. However, details of budgets for indicative years can decrease or increase according to Government priorities, changes to Ministerial portfolios, budget fluctuations and/or concerns about the efficiency and/or effectiveness of the Body. The Body may be required to model different options for activity dependent on the funding available.

7.13 When setting resource and capital budgets and grant-in-aid requirements, consideration will be given to the levels of reserves (if any) held by the body and income expected from other sources.

## **8. Performance Management**

8.1 The Body must operate management, information and accounting systems which enable it to review in a timely and effective manner its financial and non-

financial performance against its objectives. It must inform the Partnership Team of any changes which make achievement of objectives more or less difficult.

8.2 In accordance with the reporting requirements set out in the oversight arrangements for the Body, key assurance documents, KPIs, details of actual and forecast expenditure, and other agreed monitoring information must be shared with the partnership team at agreed intervals to demonstrate milestones and targets are being achieved, and KPIs are within acceptable levels.

8.3 The Chair will also meet the sponsoring Minister at least once a year to discuss progress.

8.4 It is the duty of the Partnership Team to undertake periodic assessments of the risk assurance available to them and may amend the level of oversight accordingly.

## **9. Revenue and Capital Resource Budgets**

9.1 Expenditure against revenue and capital resource budgets must be recorded and monitored by the Body in accordance with HM Treasury's Consolidated Budgeting Guidance. These are the net expenditure limits for the Body in each year – including any use of reserves for which budgetary cover has been given – and must be adhered to. Net expenditure above these limits may not be committed until or unless a revised budget cover has been agreed in writing by the Partnership Team.

9.2 The Body may not breach the component parts of the revenue and capital resource budgets. Approval must be sought in advance and in writing if the Body wishes to spend more in one category and less in another.

9.3 Revenue and capital resource budgets cover all income and expenditure by the Body, including ring-fenced grants provided by Welsh Government and income received from other sources.

9.4 If the body is designated in an Order under section 126A of the Government of Wales Act 2006, the net resource budgets, retained income limit, and grant-in-aid (cash) set for the year in question will be voted as part of the Senedd's Budget Motion. If the body is not designated, only the grant-in-aid will be voted as part of the Budget Motion.

### ***Income and Resource Budgets***

9.5 All streams of income mentioned in the following paragraphs are treated as public funds and the requirements of this document apply equally to them.

9.6 The Body must seek as far as possible to maximise its income from sources other than the public sector where this is consistent with its functions (and is in line with the business and operational plans). It may retain income up to the level set out in the funding letter that is derived from, for example, proceeds from sale of land and buildings and other assets, grants given by the EU, grants given through lottery funds, any proceeds from the Body's commercial activities and those resulting from the sale of services into wider markets. Such activity must be undertaken in accordance with the terms of Managing Welsh Public Money and this Framework Document.

9.7 The limit for income which can be retained by the Body to fund additional activity is set out in the funding letter. If total income is set to exceed that limit, the Body should discuss with the Partnership Team and seek approval from Welsh Government's Director of Finance.

9.8 Certain types of income such as donations, grants for research from non-public organisations, or bequests given to the Body may be restricted in their use. Such funds should be managed in accordance with the terms of the donation/grant or bequest. They must still be included within the income reported by the Body and form part of the income retention limit.

### ***Loans and Contracts given by Llais to other Entities***

9.9 The Body must take steps to appraise the financial standing of the recipient entity, e.g. by reviewing financial statements and compliance with statutory reporting bodies, and carrying out checks with credit reference agencies.

9.10 Llais is not able to enter into loan schemes and borrow money.

## **10. Grant-in-aid and Cash Management**

10.1 Grant-in-Aid is the amount of cash payable by the Welsh Government to the Body in each year to fund its operations and is independent of the budget figures, although derived from them. It does not include depreciation or any budgetary cover allocated by the Welsh Government for the Body's use of its own cash reserves.

10.2 The grant-in-aid will normally be paid in quarterly instalments on the basis of written applications showing evidence of cash need and from a person

authorised to do so. The Body 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 funds shall be kept to a minimum level consistent with the efficient operation of the Body. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to Senedd approval of the relevant Budget Motion provision, where grant-in aid is delayed to avoid excess cash balances at the year end, the Welsh Government 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.

10.3 As a minimum the Body shall continue to provide the Welsh Government with regular information via its grant-in-aid claims which will enable the Welsh Government to satisfactorily monitor:

- the Body's cash management;
- its draw down of grant-in-aid;
- forecast resource outturn by resource headings; and
- other data required for HM Treasury's reporting systems.

### **Cash Balances**

#### *In-Year*

10.4 Cash balances accumulated during the course of the financial year must be kept at the minimum level consistent with the efficient operation of the Body.

10.5 The Body must seek to avoid holding a working balance in excess of the equivalent of 4 per cent of its annual grant-in-aid budget when it receives each instalment of grant-in-aid. Any funds exceeding that amount held by the Body as a working balance at the end of each funding period need to be agreed by the Welsh Government Finance Director, via the Partnership Team, and will be taken into account in determining the amount of cash to be paid in the following period.

#### *End of Year*

10.6 The Body is permitted to carry-over from one financial year to the next any drawn but unspent cash balances of up to 2 per cent of its annual grant-in-aid budget. Any proposal to carry-over sums in excess of this amount must be agreed in writing in advance with the Welsh Government Finance Director, via the Partnership Team, on a case by case basis. Any sum carried-over in excess of the agreed amount is to be taken into account in the subsequent year's grant-in-aid.

### **Interest Earned on Cash and Bank Balances**

10.7 All interest, net of any bank charges, earned by the Body on its cash and bank balances is to be declared each claim period on the Body's drawdown request

form and surrendered to HM Treasury via the Welsh Consolidated Fund at the year end.

## **11. Economy, Efficiency and Effectiveness**

### ***Evidence Base***

11.1 In order to ensure value for money, the Body must have in place appropriate systems, and the capacity, to ensure its policies and programmes are evidence-based in relation to their development, implementation and evaluation.

### ***Tailored Review***

11.2 The Partnership Team will consider annually, or for a new body at a time when it has settled into a routine work pattern, the need for a Tailored Review of the Body, which will be based on the risk framework and proportionate to the size of the organisation. Reviews will take place at a maximum interval of five (5) years and the Body will be provided with advance notice of a review taking place. The purpose of the review is to provide assurance to the Minister the Body remains fit for purpose. The review will consider the Body's strengths and weaknesses, and its capacity for delivering more effectively and efficiently, including identifying the potential for efficiency savings, and where appropriate, its ability to contribute to economic growth. It will also consider the control and governance arrangements in place to ensure the organisation and its Partnership Team are complying with recognised principles of good governance.

The terms of this Framework Document were approved by the Minister for Health and Social Services on [state date].

Signed..... Director General for Health and Social Services, Welsh Government

Dated.....

Signed.....Chief Executive, Citizen Voice, Body for Health and Social Care, Wales (operating at Llais Eich Llais chi mewn iechyd a gofal/Llais Your voice in health and social care)

Dated.....

## **Annex A**

### ***Delegations***

#### **Public Bodies Calling-in Arrangements – Approval, Pre-notification and Notification Arrangements.**

1. The Public Bodies Unit (PBU) has agreed with the First Minister transitional arrangements to provide assurance to him and the Permanent Secretary the removal of the calling-in procedures with Arms-length Bodies does not pose any risk to the Welsh Government, or to the effective delivery of the Government's Programme. These are arrangements to provide the Welsh Government with baseline data by which it can assess the volume of issues where responsibility is being transferred and to be sighted on the approach each body is taking to the new arrangements.
2. The intention of the arrangements is to keep the Welsh Government informed of how the new process is working in practice, rather than the continuation of a mechanism for approval by the Welsh Government.
3. PBU has agreed with the First Minister it will put in place ***Approval, Pre-notification and Notification*** arrangements for decisions previously the subject of calling-in arrangements.
4. Accounting Officers in Public Bodies will be accountable for the decisions requiring notification. The Welsh Government may give advice on issues requiring pre-notification, as set out in Table B, but it is ultimately for the Chief Executive to take the decision. In the event of the Body deciding to disregard Welsh Government's advice, the Partnership Team will recommend to the Minister a discussion is held with the Chair, with the Minister reserving the right to overrule a decision falling into this category where the Body has chosen for no justifiable reason to disregard Welsh Government advice.
5. The exceptions will be the decisions contained in Table A where the Welsh Government will be responsible for the decision.



**Table A Approvals**

<b>Decision</b>	<b>Approval</b>
Appointment of Chief Executive	Minister
Term of Government Business Plan	Minister
<p>For Public Bodies classified as central Government organisations for accounting purposes:</p> <ul style="list-style-type: none"> <li>a) Cash carry-over in year in excess of 4% of total Grant-In-Aid/ Cash</li> <li>b) Cash carry-over end of year in excess of 2% of total Grant-In-Aid/ Cash</li> <li>c) Establishing new subsidiary companies/joint ventures</li> <li>d) Any borrowing, lending, guarantees, indemnities or investment related to public money</li> <li>e) Retention of income over and above that set out in funding letter.</li> </ul>	Welsh Government Finance Director
Any decision set out in legislation as requiring consent of Welsh Ministers	Minister
Redundancy arrangements in accordance with the provisions contained within Section 16: Redundancy Pay (Scotland, Wales and Northern Ireland) of the NHS Terms and Conditions Handbook	Head of Pay and Remuneration who will seek advice of the Minister as appropriate.

**Table B Pre-notification Arrangements**

CEOs should notify their Partnership Team of any proposed decisions falling under the following categories as and when they arise to allow Welsh Government to provide appropriate advice. Partnership Teams will aim as far as possible to respond within two weeks. Should the Body decide to disregard Welsh Government’s advice, the Partnership Team may escalate the matter to the Minister, who reserves the right to overrule a decision taken by a Public Body which, after discussion, is not justifiable.

These decisions should also form part of a ‘stocktake’ discussion at quarterly monitoring meetings:

<b>Decision</b>	<b>Pre-notification Action</b>	<b>Further Advice</b>
<p>Novel, contentious or repercussive proposals in line with Managing Welsh Public Money, including, but not restricted to, proposals that:</p> <ul style="list-style-type: none"> <li>• Are non-standard practice</li> <li>• Are politically sensitive and/or likely to attract negative media attention</li> <li>• Could result in unwelcome consequences for the organisation and/or for the wider public sector</li> </ul>	<p>Partnership Team, in conjunction with the appropriate policy teams, to prepare advice to discuss with Public Bodies Unit, who will seek written advice of the Corporate Governance Centre of Excellence and any other Body with expertise in the issue.</p>	<p>Additional Accounting Officer and Minister, as appropriate</p>
<p>Any course of action considered by the Board that would contravene the principles of regularity, propriety, prudent and economic administration,</p>	<p>Partnership Team to prepare advice to Additional Accounting Officer</p>	<p>Additional Accounting Officer</p>

efficiency and effectiveness and which the CEO has advised against.		
Policy or practice change that has wide financial implications	Partnership Team to prepare advice to Head of Budgetary Control copied to Public Bodies Unit	Minister, as appropriate
Staff remuneration and terms and conditions	Partnership Team to submit proposals to Head of Pay and Remuneration, Public Bodies Unit on: <ul style="list-style-type: none"> <li>• changes falling outside WG public sector pay principles;</li> <li>• organisational design changes likely to lead to severances</li> </ul>	Minister, as appropriate
Anything that might affect the future level of resources required, e.g. potential budget pressures or underspends	Partnership Team to consider	Welsh Government Finance Director, as appropriate

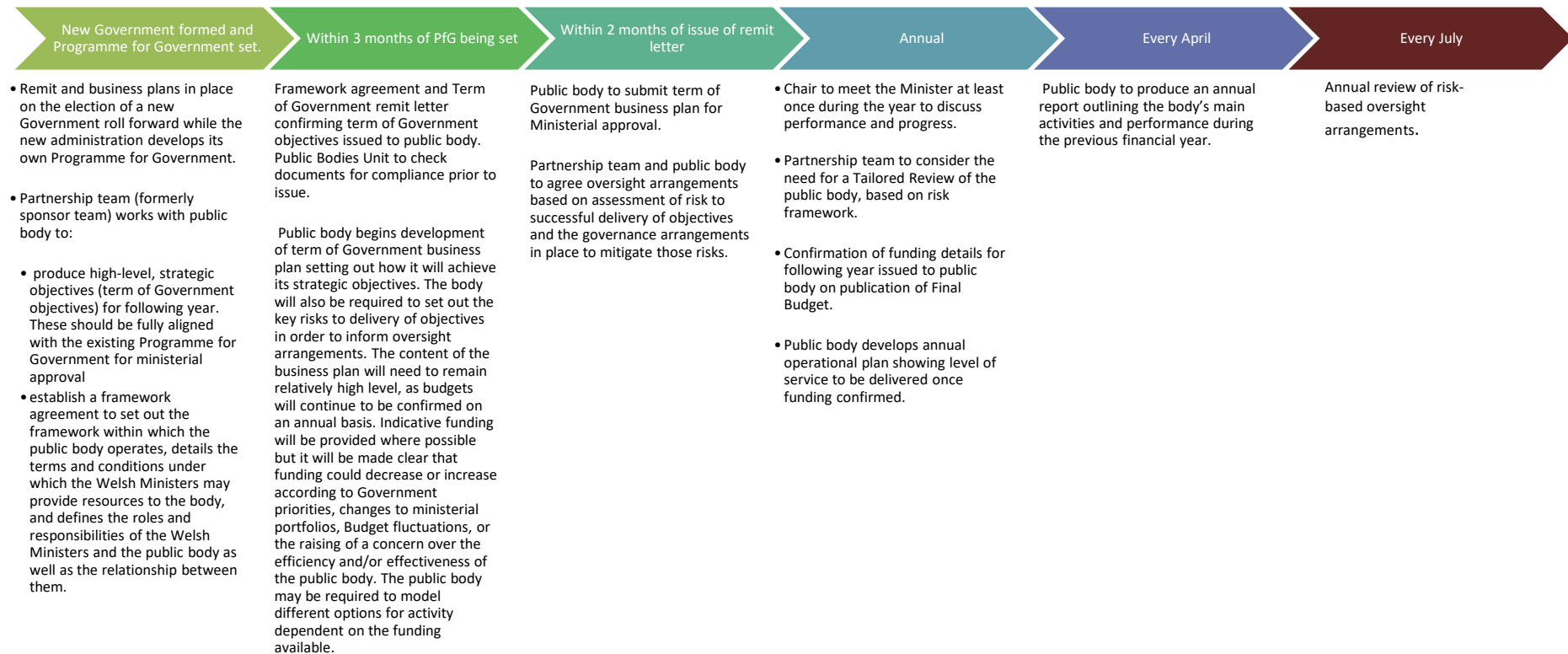
### ***Other Notification Arrangements***

During the transition period, CEOs should notify partnership teams at their quarterly monitoring meetings of any other decisions they have made or are likely to make in the next quarter that would previously have been referred to the Welsh Government.

## Annex B

### Term of Government Remit Process Timeline

### Term of Government Remit Process Timeline



## **Annex C**

### ***Accounting Officer Memorandum***

#### **Memorandum of Understanding for the Accounting Officer for the Citizen Voice Body (CVB) Health and Social Care, Wales (referred to by the operating name Llais)**

##### **Introduction**

1. This Memorandum sets out the responsibilities of the senior official (usually the Chief Executive or equivalent) of a Welsh Government public body who is designated as an Accounting Officer (AO). Its contents are also applicable to the senior officials of public bodies for which there is no designated AO. It does not apply to those senior officials of Welsh Government Sponsored Bodies (such as Tribunals and Advisory Bodies) which are funded directly by the Welsh Government (as opposed to being funded via grant or grant-in-aid) and for which the Welsh Government Additional Accounting Officer (AAO) is therefore accountable.
2. Public bodies are financed in a variety of ways, for example by grant-in-aid, grant, income from fees and charges or private sector funds. An Accounting Officer (AO) is designated for those bodies that are financed by a large grant or grant-in-aid or where the accounts of the body are to be laid before the Senedd. Where it is in the interests of public accountability, the Welsh Government will also designate an Accounting Officer (AO) for a body that receives its primary funding from other sources. It is an important principle that, regardless of the source of the funding, Accounting Officers (AO) are responsible to Parliament and the Senedd for all the resources under their control.
3. The Principal Accounting Officer (PAO) for the Welsh Ministers, designated in accordance with Section 129 (6) of the Government of Wales Act 2006 (the 2006 Act), is responsible for ensuring the appointment of appropriate Accounting Officers for public bodies sponsored by the Welsh Government. The PAO has, in turn, delegated to his/her Additional Accounting Officers (designated under Section 133 (2) of the 2006 Act) responsibility for designating as AAO the senior officials of bodies for which their Directorates have oversight.

##### **The General Responsibilities of the Arm's-length Body's Accounting Officer**

1. Your designation as AO reflects the fact that under the Board (whether or not you are a member of the Board), you are responsible for the overall

organisation, management and staffing of the body and for its procedures in financial and other matters.

2. You must ensure that there is a high standard of financial management in the WGSB as a whole; that financial systems and procedures promote the efficient and economical conduct of business and safeguard financial propriety and regularity throughout the body; and that financial considerations, including feasibility and sustainability, are taken fully into account in decisions on policy proposals.

### **The Specific Responsibilities of the Body's Accounting Officer**

3. The essence of the AO's role is a personal responsibility for the propriety and regularity of the public finances for which you are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources.
4. As Accounting Officer you must:
  - a. ensure that a sound system of internal control is maintained in your organisation to support the achievement of its policies, aims and objectives and should regularly review the effectiveness of the system;
  - b. ensure that the resources for which you are responsible are properly and well managed (see paragraph 8 below) and safeguarded, with independent and effective checks of cash balances in the hands of any official;
  - c. ensure that assets for which you are responsible, such as land, buildings or other property, including stores and equipment are controlled and safeguarded with similar care, and with checks as appropriate;
  - d. ensure that, in the consideration of policy proposals relating to the expenditure or income for which you have responsibility, all relevant financial considerations, including feasibility and sustainability, are taken into account, the value for money of the proposal is assessed in accordance with the principles set out in HM Treasury guidance "*The Green Book: Appraisal and Evaluation in Central Government*"; full regard is given to any issues of propriety and regularity; and good quality programme and project management techniques are used as appropriate to track progress and, where necessary, adjust progress. Where necessary, such considerations should be brought to the attention of the Board;
  - e. ensure that risks (whether to the achievement of business objectives, regularity and propriety or value for money) are identified, that their

significance is assessed, and that appropriate systems are in place to manage them;

- f. ensure your management of opportunities and risk achieves the right balance commensurate with the business of your organisation and the risk appetite you are prepared to bear;
  - g. have in place arrangements to counter fraud and ensure that procedures for dealing with suspected cases are complied with; and
  - h. ensure that your organisation conforms with the requirements of the Framework Document,
5. You should also ensure that managers at all levels:
- a. have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;
  - b. are assigned well defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations or individuals outside the body) including a critical scrutiny of output and value for money; and
  - c. have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.
  - d. you must make sure that their arrangements for delegation promote good management and that they are supported by the necessary staff with an appropriate balance of skills. Arrangements for internal audit should accord with the objectives, standards and practices set out in the Public Sector Internal Audit Standards.
6. There must be no doubt that the Accounting Officer meets the highest standards of probity without divided loyalties. Potential conflicts of interest must be managed effectively and in line with the guidance set out in *Managing Welsh Public Money*.

### **Accountability to the Senedd**

7. As Accounting Officer, you are accountable to the Senedd for:
- ensuring high standards of probity in the management and control of public funds within your organisation. You will report on this in your signed Governance Statement, which will form part of the Annual Report and Accounts.

- ensuring that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts;
- signing the accounts assigned to you and, in doing so, accept personal responsibility for their proper presentation as prescribed in legislation, the account direction and relevant guidance;
- signing a statement of Accounting Officer's responsibilities for inclusion in the Annual Report and Accounts;
- giving evidence, including attending hearings, on matters relating to the Body which arise before the Senedd's Public Accounts and Administration Committee (PAPAC), other committees of the Senedd, the House of Commons Committee on Public Accounts or other Parliamentary Committees, to account for the Body's stewardship of public resources; and
- responding to any recommendations from those committees made directly to the Body and acting on any recommendations that have been accepted by the Welsh Government.

### **Appearance before the PAPAC or the House of Commons Committee on Public Accounts**

8. Both the AGW and, in some circumstances, the Comptroller and Auditor General may carry out examinations into the economy, efficiency and effectiveness with which your organisation has used its resources in discharging its functions. As AO, you may expect to be called upon to appear before the appropriate Committee from time to time, normally with the AAO or possibly with the PAO, to give evidence on the reports arising from these examinations, and to answer the questions of the Committees on your Annual Report and Accounts.
9. The House of Commons Committee of Public Accounts may request the PAPAC to take evidence on their behalf and report back to them on the evidence received. As AO, you may be supported by other officials, who may join you in giving the evidence. In giving evidence, you will be expected to furnish either Committee with explanations of any indications of weakness in the matters covered in paragraphs 4-9 above, to which their attention has been drawn by the AGW or the C&AG or about which they may wish to question you.
10. In practice, an AO will normally have delegated authority widely, but cannot on that account disclaim responsibility. Nor, by convention, does the incumbent AO decline to answer questions about events that took place before taking up appointment. The Committees may be expected not to press the incumbent's



personal responsibility in such circumstances.

11. High importance is attached to accuracy of evidence, and the responsibility of witnesses to ensure this. As AO, you should ensure that you are adequately and accurately briefed on matters which are likely to arise at the meeting. The Committees may be asked for leave to supply information not within his/her immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the Committees contained errors, these should be made known to the Committees at the earliest possible moment.
12. In general, the rules and conventions governing appearances of officials before Parliamentary Committees apply to these Committees, including the general convention that officials do not disclose advice they have given to the Board. Nevertheless, in a case where a direction concerning a matter of propriety or regularity was issued, the AO's advice, and its overruling by the Board, would be disclosed.
13. In a case where the advice of an AO has been overruled in a matter of value of money or feasibility (rather than regularity or propriety), the AGW or C&AG will have made clear to the relevant Committee that the AO was overruled. You should, however, avoid disclosure of the advice given or disassociation from the decision. Subject, where appropriate, to the Board's agreement you should be ready to explain such a decision and may be called on to satisfy the Committee that all relevant financial considerations were brought to the Board's attention before the decision was taken. It will then be for the Committee to pursue the matter further with the Board if it so wishes.

### **Absence of an Accounting Officer**

14. An AO should ensure that he/she is generally available for consultation and that in any temporary period of unavailability due to illness or other cause, or during the normal periods of annual leave, there will be a senior official in the organisation who can act on his/her behalf if required.
15. If the post of Chief Executive (or equivalent) is vacant or it becomes clear that the AO is incapacitated and unable to discharge these responsibilities, the AAO should be notified so that an acting AO can be formally designated, pending the AO's return or a new AO being appointed.
16. The PAPAC or the House of Commons Committee on Public Accounts may be expected to postpone a hearing if the relevant AO is temporarily indisposed. Where the AO is unable by reason of incapacity or absence to sign the

accounts in time to submit them to the AGW, unsigned copies may be submitted pending the AO's return. If the AO is unable to sign the accounts in time for printing, the acting AO should sign instead.

### **Accountability to the Board**

17. You must take care to bring to the attention of the Board any conflict between their instructions and your AO duties. You cannot simply accept the Board's aims or policies without examination. There is no set form for registering objections, though you should be specific about their nature. The acid test is whether you could justify the proposed activity if asked to defend it
18. If, despite your advice, the Board decides to continue with a course you have advised against, you should ask the Board for a formal direction to proceed, noting the possibility of a Senedd's Public Accounts and Public Administration Committee (PAPAC) investigation. Directions of this kind are rare. Examples of where this procedure is appropriate are set out below:
  - **Regularity** - if a proposal is outside the legal powers of your organisation, Parliamentary or Senedd's consents, Welsh Government delegations or incompatible with the agreed spending budgets;
  - **Propriety**- if a proposal would breach Parliamentary or Senedd control procedures or expectations;
  - **Value for Money** – if an alternative proposal, or doing nothing, would deliver better value, for example: a cheaper, higher quality or more effective outcome;
  - **Feasibility** – where there is serious doubt about whether the proposal can be implemented accurately, sustainably, or to the intended timetable.
19. When a direction is made, you must:
  - Follow the Board's direction without further ado;
  - Copy the relevant papers to the Auditor General for Wales (AGW) and your partnership team, who will draw the matter to the attention of the Welsh Government AAO. The AGW will normally draw the matter to the attention of the PAPAC. Provided you have followed this procedure, the PAPAC can be expected to recognise that you bear no personal responsibility in your AO role for the transaction. You must arrange for the existence of the direction to be published in the report and accounts, unless the matter must be kept confidential;
  - If asked, for example during the course of a PAPAC hearing, explain the Board's course of action. This respects the Board's rights to frank advice while protecting the quality of internal debate.

## **Accountability to the Partnership Team**

20. As AO, you are accountable to the partnership team for:

- notification of important or significant decisions, in accordance with guidance set out at in the framework document;
- providing sources of evidence to enable the partnership team to determine appropriate oversight arrangements;
- ensuring attendance and effective participation in monitoring meetings, and timely forecasts and monitoring information on performance and finance are provided to the partnership team;
- ensuring significant problems are notified to the partnership team Division as quickly as possible;
- providing the partnership team with such information about its performance and expenditure as the team may reasonably require.

## **Partnership Working**

21. Public bodies increasingly work in partnership with other organisations to achieve their strategic aims and objectives. You should ensure that the wider impact of the activities for which you are responsible are properly identified and, where appropriate, taken account of before proceeding. Your organisation may contribute to a joined-up activity led by another organisation (whether in the public or private sectors) in the pursuit of its objectives.
22. Such a contribution may be considered appropriate even though it would not directly contribute to the achievement of your organisation's wider objectives. In such circumstances you will need to show that the participation represents good value for money overall and that appropriate controls are in place to safeguard propriety and to provide proper accountability.
23. Accounting Officers can take joint responsibility for the delivery of a service through joined-up working. Where you and another AO take joint responsibility, the lines of responsibility need to be clearly documented to ensure absolute clarity in terms of what each of you is responsible and accountable for.

## **Regularity and Propriety of Expenditure**

24. You have a particular responsibility for ensuring compliance with Parliamentary and Senedd's requirements in the control of expenditure and any requirements imposed by the partnership team. A fundamental requirement is that the funds should be applied only to the extent and for the purposes authorised by the Senedd, whose attention must be drawn to losses or special payments, by

appropriate notation of the relevant account.

25. You are responsible for ensuring that specific approval for expenditure has been obtained from the Welsh Government in all cases where it is required, including cases involving pay, pensions and conditions of service. This will include any expenditure not covered by any authorities delegated by the Welsh Government to the body. Delegated authority does not remove the obligation to submit to the Welsh Government proposals which are novel, contentious or repercussive. You are also responsible for ensuring that adequate machinery exists for the collection of and bringing to account in due form all income and receipts of any kind for which you are responsible.