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**Model Governance Framework**

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**Background**

This Framework Document has been drawn up by the Social Services and Integration Directorate in consultation with Social Care Wales. It sets out the broad framework within which Social Care Wales operates and details the terms and conditions under which the Welsh Ministers provide Grant-In-Aid to Social Care Wales.

A comprehensive overview of public financial management arrangements in Wales is provided by Managing Welsh Public Money[[1]](#footnote-1). Payment of grant-in-aid is conditional upon the satisfactory performance by Social Care Wales of all its obligations as set out in this document and such other conditions and requirements as the Welsh Ministers may, in accordance with section 70 (2) of the Government of Wales Act 2006, from time to time impose. The document shall be reviewed from time to time by the Welsh Government and Social Care Wales jointly but at no less than five yearly intervals. Copies of the document together with any subsequent amendments have been placed in the Library of the National Assembly for Wales (the National Assembly) and made available to members of the public via Social Care Wales’ website. The document has been signed and dated by the Director General for Health and Social Services, Welsh Government and the Chief Executive Officer of Social Care Wales.

**Principles**

The Welsh Government and its Welsh Government Sponsored Bodies (WGSBs) have agreed the following Principles to govern relations between them:

**Joint mission and purpose**

**1.** **Delivering for Wales:** WGSBs play a key role in the governance of Wales and meeting the aspirations of Welsh citizens. From the perspective of the Welsh Government, the primary role of a WSGB is to fulfil its statutory responsibilities and to meet objectives established by the Welsh Ministers using funds voted by the National Assembly of Wales. This relationship is conducted through a sponsorship arrangement managed on behalf of Ministers by the Welsh Government. WGSBs have diverse organisational forms, including charities and quasi-judicial bodies and can cover different jurisdictions beyond Wales. Whilst respecting this diversity, Ministers look to WGSBs primarily to deliver important functions and services for the people of Wales on their behalf.

**2. Outcome focus and WGSB performance:** Within the constraints set by statute and Ministerial commitments, WGSB objectives will as far as possible be specified in terms of outcomes that are clear, relevant and challenging, and contribute to the goals set out in the Well-being and Future Generations (Wales) Act 2015 (WBFG). To promote innovation and efficiency, WGSBs shall be given as much flexibility as possible in how these outcomes are achieved. Individual Remit Letters should be no more prescriptive than the WGSBs responsibilities require. However, the performance framework should assess the contribution of the WGSB in achieving outcomes.

**Relationships between the Welsh Government and WGSBs**

**3. Relationships defined by trust and risk:** The relationship between the Welsh Government and WGSBs should be based on trust and mutual respect, with a proportionate approach to risk. Where there is evidence of poor performance or weak governance, the Welsh Government will adopt a more prescriptive ‘hands-on’ approach to the relationship. The Welsh Government will ensure that its sponsorship functions perform effectively and meet the expectations set out in these principles.

**4. Effective collaboration:** WGSBs are highly valued for their expertise and experience. WGSBs, the Welsh Government and the wider public sector recognise the importance of working together and building ‘Team Wales’, seeking opportunities for broader and deeper collaboration in policy development supporting each other and celebrating success. Opportunities to save money, identify efficiencies and improve effectiveness should be pursued energetically and jointly. To also take into account the five sustainable development principles.

**5. Effective communication:** WGSBs and the Welsh Government form an extended family and undertake to maintain a consistent, respectful and collegiate approach to dealing with each other in public and private. All parties undertake to strive for effective communication, to be as open as possible, to share information on a ‘no surprises’ basis and to manage contentious matters through dialogue and negotiation.

**Governance and accountability**

**6. WGSB chair and board:** The Chairs of WGSBs are important figures in Welsh public life and will be appointed in accordance with the Code of Practice for Ministerial Appointments to Public Bodies. WGSB boards are accountable to Ministers for achieving the defined objectives, ensuring high quality corporate governance and for oversight of the WGSB executive, including the Chief Executive.

**7. Primary role of the board in WGSB oversight:** Governance and the internal control regime should be a matter primarily for the WGSB board. The Welsh Government will rely on the board, internal audit and Wales Audit Office for assurance. The sponsorship role should focus on accounting for delivery of objectives and the management of relationships between the WGSB and the Welsh Government. Clear roles and expectations for Ministers, chairs, boards, executives, accounting officers, sponsorship divisions and auditors should be set out in the Framework Document.

**8. Performance management:** Whilst we expect the norm to be good performance, effective governance and a respectful relationship, our approach must be capable of an effective response to poor performance or other problems. Where there is evidence of poor performance in relation to objectives, management of funds, board effectiveness or other aspects of governance, the Welsh Government has both the right and responsibility to become more involved and more prescriptive. Performance management will be risk-based, relying on evidence of robust internal control to support a lighter touch or alternatively to apply a stronger grip where risks are managed less satisfactorily.

**9. Delegation:** Welsh Government and WGSB accounting officers remain jointly accountable for public funds spent through WGSB sponsorship. However, the routine sponsorship management regime should be only as prescriptive as necessary to be assured that public funds are managed correctly and that outcomes are being achieved cost-effectively. Financial responsibility will be delegated to the extent possible, consistent with Welsh Ministers and accounting officer responsibilities.

**10. Responding to change:** In a changing world and with changing ministerial priorities, it may be necessary to reshape the functions and methods of service delivery of WGSBs or, where more appropriate, to review the continued relevance of their objects and constitutional arrangements. The Welsh Government may from time to time conduct in depth organisational or thematic reviews to ensure that its WGSBs remain fit for purpose and to make proposals for reform.

In addition, Social Care Wales must ensure that, in carrying out its functions, it does so in a way that is consistent with the Welsh Government’s Citizen-Centred Governance Principles which incorporate the Seven Principles of Public Life set out by the Committee on Standards in Public Life (the Nolan Committee):

* putting the Citizen First;
* knowing Who does What and Why;
* engaging with Others;
* living Public Service Values;
* fostering Innovative Delivery;
* being a Learning Organisation; and
* achieving Value for Money.

1. **Purpose of Social Care Wales**

1.1 Social Care Wales was renamed under section 67 of the Regulation and Inspection of Social Care (Wales) Act 2016, having initially been established as the Care Council for Wales under section 54 of the Care Standards Act 2000. As a public body, its primary role is to fulfil its statutory responsibilities set within the context of the Welsh Government’s strategic aims.

1.2 Under section 68 of the Regulation and Inspection of Social Care (Wales) Act 2016, the main objective of Social Care Wales in carrying out its functions is to protect, promote and maintain the safety and well-being of the public in Wales. In pursuing that objective Social Care Wales must exercise its statutory functions with a view to promoting and maintaining:

* high standards in the provision of care and support services;
* high standards of conduct and practice among social care workers;
* high standards in the training of social care workers, and;
* public confidence in social care workers.

1.3 Its statutory functions are introduced by sections 67 to 182 of the Regulation and Inspection of Social Care (Wales) Act 2016 which include the following statutory responsibilities:

* Maintain and publish the Register of social care workers;
* Prepare and publish codes of professional practice;
* Regulate social work and social care training;
* Make rules to secure appropriate education, training and learning provision;
* Develop qualifications and national occupational standards; and
* Lead and support service improvement.

1.4 Social Care Wales will also:

* Collect and analyse data to inform policy and planning at national and regional level; and
* Undertake the functions of the Sector Skills Council - Skills for Care and Development (SfCD) including workforce information and planning.

1.5 Its overall aims are set out in its remit letter, business plan and strategic plan.

1. **Governance, responsibility and accountability**
   1. **Legal origins of powers and duties** 
      1. Social Care Wales’ powers and duties are set out in sections 67 to 184 and Schedule 2 of the Regulation and Inspection of Social Care (Wales) Act 2016
   2. **The Minister for Social Services and Public Health (Ministerial responsibility)**

2.2.1 The First Minister has allocated responsibility for the oversight of Social Care Wales to the Minister for Social Services and Public Health (the Minister). The Minister generally exercises the functions of the Welsh Ministers in relation to Social Care Wales. The Minister sets the policy framework for the Social Care Wales and is accountable to the National Assembly for its activities.

2.2.2 The Minister will appoint all Board Members, including the Chair, to Social Care Wales and determine what remuneration, expenses and allowances may be paid to them. The Minister will also assess the performance of the Chair of Social Care Wales.

2.2.3 The Minister will approve the appointment of the chief executive, and his/her terms and conditions of appointment. Social Care Wales will determine the terms and conditions of employment of all other staff, subject to prior consultation with the Minister[[2]](#footnote-2).

2.2.4 The Minister will agree and allocate funding to Social Care Wales in accordance with the agreed grant remit.

* 1. **Accountabilities and responsibilities of the Welsh Government’s Principal Accounting Officer**

2.3.1 The Principal Accounting Officer for the Welsh Ministers is the Permanent Secretary to the Welsh Government. She has responsibilities specified by HM Treasury and is accountable to the National Assembly (through the National Assembly’s Public Accounts 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 including the grant‑in-aid voted to Social Care Wales under the Welsh Government’s Annual Budget Motion.

2.3.2 The Principal Accounting Officer is also responsible for ensuring that the financial and other management controls applied across the Welsh Government are appropriate and sufficient to safeguard public funds.

**2.4 Sponsor department’s Additional Accounting Officer accountabilities and responsibilities**

2.4.1 The Director General for Health and Social Services is the sponsor department’s AAO. He/ is responsible to the Minister and the National Assembly for ensuring that financial and other management controls applied by Social Care Wales conform with the requirements of both propriety and good financial management. Accordingly, the AAO is responsible for ensuring that an adequate statement of the financial relationship between the Welsh Ministers and Social Care Wales is in place and is reviewed regularly and for the quality of the Welsh Government’s relationship with Social Care Wales.

2.4.2 The AAO is accountable to the National Assembly for the grant-in-aid awarded to Social Care Wales and for advising the Minister:

* on an appropriate framework of objectives and targets for Social Care Wales in the light of the department’s wider strategic aims and key delivery and performance indicators;
* on an appropriate budget for Social Care Wales in the light of the sponsor department’s overall spending priorities; and
* on how well Social Care Wales is achieving its strategic objectives within the policy and resources framework determined by the Minister and whether it is delivering value for money.

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

* monitor Social Care Wales’ financial activities and its financial position through regular meetings and returns;
* address significant problems within Social Care Wales, making such interventions as are judged necessary;
* periodically carry out an assessment of the risks both to the department and to the exercise of Social Care Wales’ statutory responsibilities;
* inform Social Care Wales of relevant government policy in a timely manner;
* bring to the attention of Social Care Wales’ Board any concerns about the activities of Social Care Wales, requiring explanations and assurances that remedial action will be taken; and
* unless covered by the Regulation and Inspection of Social Care (Wales) Act 2016, designate the Chief Executive of Social Care Wales as its Accounting Officer.

2.4.4 The AAO has delegated responsibility for the day to day management of relations with Social Care Wales to the Director of Social Services and Integration who is responsible for the sponsor team within the Welsh Government.

* 1. **Social Care Wales Sponsor team**

2.5.1 The Improvement Division in the sponsor department is the primary contact for Social Care Wales. They are the main source of advice to the Minister on the discharge of his/her responsibilities in respect of Social Care Wales. They also support the sponsor department’s AAO on his responsibilities towards Social Care Wales. Officials of the sponsor team will liaise regularly with WGSB officials to review Social Care Wales’ financial performance against plans and the achievement against targets. The sponsor team will also take the opportunity to inform and explain wider policy developments that might impact on the Social Care Wales. Further information about the sponsor branch’s responsibilities can be found at Annex 1.

* 1. **Accountabilities and Responsibilities of the Chief Executive as WGSB Accounting Officer**

***General***

2.6.1 As accounting officer the Chief Executive is personally responsible for:

* the proper stewardship of the public funds for which he or she has charge;
* for the day-to-day operations and management of Social Care Wales; and
* for ensuring compliance with the requirements of Managing Welsh Public Money.

2.6.2 The Chief Executive may be assisted in the exercise of his or her role by employees of Social Care Wales. The Chief Executive may also delegate the day-to-day administration of these responsibilities to those employees but remains responsible and accountable under this document.

**2.7 Accountabilities to the National Assembly**

2.7.1 Social Care Wales’s AO is accountable to the National Assembly for the following:

* signing the accounts and ensuring that proper records are kept relating to the accounts;
* ensuring that the accounts are prepared and presented in accordance with any directions issued from the Welsh Ministers;
* signing a statement of Accounting Officer’s responsibilities for inclusion in the annual report and accounts;
* signing a Statement on Internal Control for inclusion in the annual report and accounts;
* giving evidence, including attending hearings, on matters relating to Social Care Wales which arise before the National Assembly’s Public Accounts Committee, other committees of the National Assembly, the House of Commons Committee on Public Accounts or other Parliamentary Committees, to account for Social Care Wales’ stewardship of public resources; and
* acting upon any recommendations of those committees that have been accepted by the Welsh Government.

**2.8 Accountability to the Sponsor team**

2.8.1 Social Care Wales’ Accounting Officer is accountable to the sponsor team for the following:

* establishing, in agreement with the sponsor team, Social Care Wales’ strategic and business plans (including annual remit letter);
* informing the sponsor team of progress in helping to achieve the department’s policy objectives and demonstrating how resources are being used to achieve those objectives;
* ensuring that timely forecasts and monitoring information on performance and finance are provided to the sponsor team; that the sponsor team is notified promptly if overspends or under spends are likely and that corrective action is taken;
* ensuring that significant problems are notified to the sponsor team as quickly as possible; and
* providing the sponsor team with such information about its performance and expenditure as the sponsor team may reasonably require.

**2.9 Responsibilities in respect of Social Care Wales’ Board**

2.9.1 Social Care Wales’ Accounting Officer is also responsible for:

* advising the board on the discharge of its responsibilities as set out in this document, relevant legislation, the Minister’s annual Remit letter or other communication; and any other guidance that may issue from time to time;
* advising the board on Social Care Wales’ performance against its aims 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 suitable financial appraisal techniques are followed;
* ensuring that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
* ensuring that 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); establishing procedures for handling complaints about Social Care Wales; and developing and maintaining appropriate personnel management policies, all of which shall be readily available to all staff; and
* taking action as appropriate in accordance with the terms of the accounting officer’s memorandum if the board or its Chairperson is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration, or, efficiency or effectiveness, questionable feasibility or is unethical.

**2.10 The Chief Executive’s role as Consolidation Officer**

2.10.1 The Chief Executive is designated by HM Treasury as Social Care Wales’ Consolidation Officer for the purposes of Whole of Government Accounts and must comply with the requirements of the Consolidation Officer Memorandum.

**2.11 The Chief Executive’s role as Principal Officer for Ombudsman Cases**

2.11.1 The Chief Executive is also the Principal Officer for handling cases involving the Public Service Ombudsman for Wales.

* 1. **Social Care Wales’ Board**

2.12.1 The Chair and board members are appointed for a period of up to four years by the Minister. Such appointments are made in accordance with the Commissioner of public appointments' code of practice:

<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf>

* 1. **Collective Responsibilities**

2.13.1 The role of the board is to:

* provide effective leadership; defining and developing strategic direction and setting challenging objectives;
* promote high standards of public finance, upholding the principles of regularity, propriety and value for money;
* ensure that Social Care Wales’ activities are conducted efficiently and effectively; and
* monitor performance to ensure that Social Care Wales fully meets its aims, objectives and performance targets.

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

2.13.3 The personal responsibility of the Chief Executive as Accounting Officer to ensure regularity, propriety and value for money in no way detracts from that of members of the Board, who each have a duty to act in a way that promotes high standards of public finance and for ensuring that Social Care Wales’ activities are conducted in an efficient and effective manner. The Board must not give the Chief Executive instructions that conflict with her duties as Social Care Wales’ Accounting Officer.

2.13.4 In particular the Board is responsible for:

* establishing and taking forward the strategic aims and objectives of Social Care Wales consistent with its overall purpose and within the policy and resources framework determined by the Minister;
* ensuring that the Minister is kept informed fully of any changes that are likely to impact on the strategic direction of Social Care Wales 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; that the it operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, it takes into account guidance issued by the Welsh Government;
* ensuring that it receives and reviews regularly, financial information concerning the management of Social Care Wales; that it is informed in a timely manner about any concerns as to the activities of Social Care Wales; and that, where applicable, it provides positive assurance to the Minister via the sponsor team that appropriate remedial action has been taken to address any such concerns;
* demonstrating high standards of corporate governance at all times, including by using the Audit and Risk Committee to help the Board to address key financial and other risks; and
* appointing, with the prior approval of the Minister, a Chief Executive.

2.13.5 The Board may, to the extent permitted by the Regulation and Inspection of Social Care (Wales) Act 2016 delegate to staff responsibility for the administration of day-to-day management issues but it remains ultimately responsible and accountable for all those matters. Social Care Wales must maintain a list of matters which are reserved for decision by its board as well as a scheme of delegation approved by the board.

**2.14 The Chair of Social Care Wales Board personal responsibilities**

2.14.1 The chairperson is accountable to the Minister. Communications between Social Care Wales board and the Minister shall, in the normal course of business, be conducted through the Chairperson. The Chairperson shall ensure that other board members are kept informed of all such communications. He or she is responsible for ensuring that the board’s policies and actions support the Minister’s wider strategic policies and that its affairs are conducted with probity. Where appropriate these policies and actions must be communicated and disseminated throughout the WGSB.

2.14.2 The Chair has a particular leadership responsibility regarding:

* formulating the board’s strategies;
* ensuring that 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 and propriety; and
* representing the views of the Board to the.

The Chair must also:

* ensure that all board members are briefed fully on the terms of their appointment and on their duties, rights and responsibilities;
* ensure that he or she, together with other board members, receive appropriate training, including on the financial management and reporting requirements of public sector bodies and on the differences that might exist between private and public sector practice;
* ensure that the board has a balance of skills appropriate to directing Social Care Wales, and advise the Minister, in instances where appointments are to be made by him or her, on the needs of Social Care Wales when board vacancies arise;
* assess the performance of individual board members in accordance with the arrangements agreed with the sponsor team; and
* ensure that a Code of Conduct for Board Members is in place consistent with the Welsh Government model Code.

**2.15 Individual Board Members’ responsibilities**

2.15.1 In undertaking their duties and responsibilities Board members shall:

* comply at all times with Social Care Wales’ Code of Conduct for Board Members, and with the 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 Social Care Wales’ rules on the acceptance of gifts and hospitality, and of business appointments; and
* act always in good faith and in the best interests of Social Care Wales.

1. **Planning and reporting arrangements**

**3.1 Budget planning**

3.1.2 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 National Assembly

3.1.3 Social Care Wales shall co-operate with the Sponsor Unit in providing the necessary assistance and information to the Welsh Government to forward its budget planning decisions.

3.1.4 The Minister will confirm the amount of funding to be provided to Social Care Wales and any other relevant budgets as soon as possible, and normally no later than one month, after the final budget has been agreed by the National Assembly.

**3.2 Remit Letter**

3.2.1 The Minister shall, by the end of the November before the financial year to which it relates, discuss with Social Care Wales a draft Remit Letter setting out the Government’s policy aims and areas for key performance indicators. The final Remit Letter will be issued as soon as possible, and normally no later than one month, after the National Assembly has approved the final budget and shall include the voted grant in-aid figure and related budgetary control totals.

**3.3 Strategic Plan**

3.3.1 Following publication by the Welsh Government of a strategic agenda, Social Care Wales shall produce a strategic plan. The strategic plan must be developed within the policy framework set by the Welsh Government and cover the period of the strategic agenda. Strategic plans will be rolled forward year on year in consultation with the sponsor team as they develop their own Plans.

**3.4 Business Plan**

3.4.1 Social Care Wales shall prepare an annual business plan setting out the level of service to be achieved in key areas and the performance and output information that shall be collected to monitor progress. The Business Plan will be informed by the Minister’s Remit Letter, the Welsh Government’s strategic agenda and Social Care Wales’ Strategic Plan. It is for the Board to determine the precise content of their plan, in consultation with the sponsor team.

**3.5 Approval of plans**

3.5.1 The timetable for the preparation and submission of the strategic and business plans shall be agreed with the sponsor team. Both the strategic and business plans will be approved by the Minister and made available to the public.

**3.6 Performance management and reporting**

3.6.1 Social Care Wales 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 targets set out in the strategic and business plans. It shall inform the sponsor team of any changes that make achievement of objectives more or less difficult.

3.6.2 Each quarter, Social Care Wales shall provide a report to the sponsor team which sets out the progress towards meeting the key targets set out in the business plan. The report must also include details of actual expenditure for the year to date against the approved budgets together with forecast expenditure figures for the year and explanations of any significant differences and issues. Wherever possible the reporting format will be consistent with Social Care Wales’ arrangements for reporting to its Board.

3.6.3 Social Care Wales and the sponsor team shall meet once a quarter to discuss these progress reports. Social Care Wales will also meet the Minister for Social Services and Public Health once a year to discuss progress.

**3.7 Annual Report**

3.7.1 Social Care Wales shall each year publish a report of its activities to permit the National Assembly, other clients and the public to judge its success in meeting its targets. The precise format of the published annual report will be discussed with the sponsor team.

3.7.2 The Annual Report must be submitted to the Minister prior to its formal publication. A draft of the report shall be submitted to the sponsor department at least ten working days before printing.

3.7.3 The annual report must:

* outline Social Care Wales' main activities and performance during the previous financial year;
* report on performance against key performance indicators and other deliverables and outline progress that has been made in taking account of the Welsh Government’s cross-cutting themes;
* report on the activities of any corporate bodies under its control; and
* include either a summary of Social Care Wales' audited accounts or publish the full audited accounts within a single document.

3.7.4 A copy of the Annual Report must be published no later than 30 November after the end of each financial year. The accounts must be submitted to the Welsh Ministers and the Auditor General for Wales no later than 31 August after the end of each financial year. The Auditor General for Wales must report on the accounts and lay the statement of accounts and his report before the National Assembly for Wales.

**3.8 Periodic review**

3.8.1 The Sponsor Team may decide to undertake a formal governance review, with the agreement of Social Care Wales in the circumstances where a particular concern arises.

**3.9 Risk management**

3.9.1 Social Care Wales must develop a risk management strategy to ensure that any risks it assumes are dealt in accordance with the relevant aspects of guidance on best practice in corporate governance.

3.9.2 Social Care Wales must adopt and implement policies and practices to safeguard itself against fraud and theft.

3.9.3 Social Care Wales shall take reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or give grant or grant‑in-aid, depending upon the particular circumstances of the procurement or grant scheme.

**3.10 Economy, Efficiency and Effectiveness monitoring**

3.10.1 In order to ensure value for money Social Care Wales must have in place appropriate systems, and the capacity, to ensure that its policies and programmes are evidence based in relation to their development, implementation and evaluation.

3.10.2 It shall review its services and activities on a regular basis and shall submit to the sponsor department for approval its annual efficiency plan.

3.10.3 Social Care Wales must also ensure that its approach to carrying out appraisals and evaluations shall be fully consistent with the principles set out in guidance.

1. **Financial Accounting**

**4.1 Social Care Wales’ financial responsibilities**

4.1.1 Unless otherwise agreed in writing with the Sponsor Unit, Social Care Wales will at all times follow the principles, rules, guidance and advice in ‘Managing Welsh Public Money’ and this Framework Document, referring any difficulties or potential bids for exceptions to the Sponsor Unit in the first instance. A list of the guidance and instructions with which Social Care Wales must comply is at Annex 2.

4.1.2 Social Care Wales 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 targets set out in the strategic and business plans. It shall inform the Sponsor Unit of any changes that make the achievement of objectives more or less difficult.

**4.2 Exception reporting**

4.2.1 Social Care Wales must notify the Sponsor Unit as soon as it becomes apparent either that:

* the full-year expenditure is likely to exceed its approved provision; or
* it is likely to under spend by more than the equivalent of 2 per cent of its total grant-in-aid.

It shall also provide:

* an annual report of losses written-off and special payments made or sanctioned during the previous twelve months; and
* an annual report outlining all cases of fraud and theft to which it has been exposed.

**4.3 Statutory Accounts**

4.3.1 The statutory accounting and reporting requirements are set out in Schedule 2 of the Regulation and Inspection of Social Care (Wales) Act 2016.

4.3.2 Each financial year Social Care Wales must prepare a statement of accounts in accordance with the Accounts Direction issued by the Welsh Ministers, the relevant statutes/Royal Charter and the Financial Reporting Manual [FReM]/charity SORP. As soon as the audit of the accounts is complete Social Care Wales shall submit to the Auditor General for Wales (AGW) the signed accounts together with a letter of representation. Two copies of the signed accounts shall also be forwarded to the sponsor department. The AGW shall lay the audited accounts before the National Assembly for Wales as required by the Regulation and Inspection of Social Care (Wales) Act 2016.

**4.4 Income**

***Public funds***

4.4.1 All the streams of income mentioned in the following paragraphs (‘Income from exchequer sources’ and ‘Income from non-exchequer sources’), shall be treated as public funds, and the requirements of this document shall apply equally to them.

**4.5 Income from Exchequer sources – Grant in Aid**

4.5.1 The Welsh Ministers shall make payments to Social Care Wales of grant-in-aid. Grant-in-aid shall be paid in monthly instalments, on the basis of an application to the sponsorship unit. This must be provided in the form of a financial statement as set out in the grant-in-aid drawn-down form and submitted by a person notified to the sponsor unit as authorised to make the application. Social Care Wales may not draw down grant-in-aid in advance of need.

**4.6 Income from non-Exchequer sources**

4.6.1 Social Care Wales must seek as far as possible to maximise its receipts from sources other than the Exchequer where this is consistent with its functions and is in line with the business plan. It may retain receipts up to the level set out in the budget/remit letter that are derived from, for example, proceeds from the sale of land and buildings and other assets, grants given by the EU, grants given through lottery funds, any proceeds from Social Care Wales’ 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 document.

4.6.2 Proceeds from the disposal of an Exchequer financed asset worth £1 million or more must, however, normally be surrendered to the Welsh Government, unless agreed otherwise. Proceeds derived from the sale of other assets may be retained provided that they are used to finance other capital spending – this being expenditure on new construction, land, extensions or alterations to existing buildings and the purchase of any other discrete asset or collection of assets (e.g. machinery and plant), including vehicles, having an expected working life of more than one year – and provided that total receipts in the financial year do not exceed the limit set out in the budget/remit letter.

**4.7 Private funds**

4.7.1 Donations, grants for research from non-public organisations, or bequests given to Social Care Wales are deemed to be private funds and are not covered by the terms of this document. Funds received directly from the Welsh Government, other Government departments, agencies and other public organisations or those funded primarily by the tax payer, and any proceeds from Social Care Wales’ commercial interests or activities do not count as private funds.

**4.8 Fees and charges**

4.8.1 Subject to any relevant statutory provisions, fees and charges for services

provided by Social Care Wales must be determined in accordance with the HM Treasury Fees and Charges Guide and any other guidance or determinations issued by the Welsh Government or the Treasury. The Welsh Ministers must also approve any charging scheme before it is introduced.

**4.9 Expenditure**

4.9.1 Subject to the provisions of the Regulation and Inspection of Social Care (Wales) Act 2016, directions of the Welsh Ministers or this document, Social Care Wales may, as soon as its budget has been confirmed by the Minister, incur expenditure on the programme approved in its annual budget without further reference to the Sponsor Unit subject to the following conditions:

* Social Care Wales will comply with the delegations set out in Annex 3. These delegations must not be modified or breached without the written agreement in advance of the Sponsor team.

4.9.2 Social Care Wales must obtain written approval before proceeding with a proposal that would require significant additional financial resources such as a:

* any proposal which could be considered to be novel, contentious or repercussive;
* any change of policy or practice which has wide financial implications;
* anything that might affect the future level of resources required; or
* any significant change in the operation or funding of any initiative or particular scheme approved by the sponsor department;

4.9.3 Social Care Wales shall follow the policy framework set out in ‘Managing Welsh Public Money’ in relation to the procurement of goods and services.

4.9.4 Social Care Wales shall resist requests for payment in advance except in exceptional cases where it is considered that some payment may be necessary. In such cases, the principles set out in ‘Managing Welsh Public Money’ must be observed.

4.9.5 Social Care Wales shall consult the Sponsor team before entering into any property lease agreement. The Sponsor team must also approve in advance any proposals to relocate or move to new accommodation.

4.9.6 Social Care Wales must be open and transparent in its approach to gifts and have clear policies on disclosing information about, and the procedures adopted for making and receiving any gifts.

**4.10 Borrowing, lending, guarantees and investments**

4.10.1 Social Care Wales shall not, without the sponsor team prior written consent, borrow (including temporary borrowing facilities in the form of a pre-arranged overdraft facility to bridge any gaps between long-term borrowing arrangements); lend; charge any asset or security; give any guarantee or indemnities; letters of comfort; or incur knowingly any other contingent liability (as described in Managing Welsh Public Money) whether or not in a legally binding form. All financial guarantees and indemnities given by Social Care Wales under Schedule 2 of the Regulation and Inspection of Social Care (Wales) Act 2016 must be covered adequately against un-drawn Assembly Public Expenditure Resources.

4.10.2 Nor shall Social Care Wales make any investments without securing the prior written approval of the sponsor team except in respect of short-term deposits of cash surpluses.

**4.11 Grants and loans (lending)**

4.11.1 All grants must comply with the terms of ‘Managing Welsh Public Money’, and be made subject to appropriate terms and conditions which provide adequate protection for the public purse. Terms and conditions must, for example, allow for phased payments, reinforce rights of access for Welsh Government officials and the Auditor General for Wales, ensure that Welsh Government’s financial interests are adequately protected, and allow for claw back in certain circumstances, e.g. if grant monies are used other than for approved purposes.

4.11.2 Any loan schemes must be managed under similar arrangements

**4.12 In year grant in aid cash balances**

4.12.1 Cash balances accumulated during the course of the financial year from grant-in-aid or other Exchequer funds must be kept at the minimum level consistent with the efficient operation of Social Care Wales. Social Care Wales must seek to avoid holding a working balance in excess of the equivalent of 4 per cent of its total annual gross budget when it receives each month’s instalment of grant-in-aid. Any funds held as a working balance at the end of each funding period shall be taken into account in determining the amount of grant-in-aid to be paid in the following period.

**4.13 End of year grant in aid balances**

4.13.1 Social Care Wales shall be 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 agreed total 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 Sponsor department on a case-by-case basis. Any sum carried-over in excess of the agreed amount shall be taken into account in the subsequent year’s grant-in aid.

**4.14 Managing receipts**

4.14.1 If receipts realised or expected to be realised in the financial year are less than estimated, Social Care Wales must ensure a corresponding reduction in its gross payments so that its authorised provision is not exceeded.

4.14.2 If receipts realised or expected to be realised in the financial year are more than estimated, Social Care Wales may apply to the Sponsor Unit to retain such excess income for specified additional expenditure.

**4.15 Virements**

4.15.1 Where the Minister identifies specific budgets in the grant allocation letter, Social Care Wales may reallocate funds between those budgets without the Sponsor Unit’s prior written agreement. Exceptions to this are where:

* sums relate to ring-fenced provisions set out in the grant allocation letter;
* the reallocation is between capital, near cash or non-cash budget lines; and
* Social care Wales’ net payments exceed the total approved budget.

**4.16 Interest earned on cash and bank balances**

4.16.1 All interest, net of any bank charges, earned by Social Care Wales and bank balances, which arise as a result of funding from the Welsh Government, is to be declared each month on Social Care Wales’ grant-in-aid drawdown request form, and shall be surrendered to HM Treasury via the Welsh Consolidated Fund.

**4.17 Subsidiary companies and joint ventures**

4.17.1 Social Care Wales shall not establish subsidiary companies or joint ventures which involve setting up special purpose vehicles – such as company partnerships or any other structure with legal identity and liability – without securing the prior, written approval of the Minister.

4.17.2 Any subsidiary company or joint venture controlled or owned by Social Care Wales shall be consolidated with it, as required by accounting standards and, unless agreed otherwise by the Sponsor Unit, shall be subject to the controls and requirements set out in this document, and to any such other further provisions set out in pertinent guidance and instructions.

1. **Audit arrangements and subsequent reporting**

**5.1 Audit and Risk Committee**

5.1.1 Social Care Wales must establish an Audit (and Risk) Committee to advise its Accounting Officer on the adequacy of arrangements within Social Care Wales for internal audit, external audit and corporate governance matters. Social Care Wales shall share with their sponsor team copies of the minutes of their Audit (and Risk) Committee meetings. The sponsor team also has a right to attend any meeting of the Audit (and Risk) Committee if circumstances require it.

**5.2 Internal Audit**

5.2.1 Social Care Wales must:

* establish and maintain arrangements for internal audit in accordance with the objectives, standards and practices described in HM Treasury’s Government Internal Audit Standards: <http://www.hm-treasury.gov.uk/d/internalaudit_300409.pdf>
* if the function is provided in-house ensure that arrangements are made for external quality reviews of its internal audit at least once every five years and in accordance with Government Internal Audit Standards. The Welsh Government shall consider whether it can rely on these reviews to provide assurance on the quality of Social Care Wales’ internal audit;
* each year, following approval by Social Care Wales’ Accounting Officer and its Audit (and Risk) Committee, submit to the sponsor team 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; and
* notify the sponsor team as soon as possible of any changes to the terms of reference of its Internal Audit arrangements and/or its Audit (and Risk) Committee.

5.2.2 The Welsh Government shall:

* assess the effectiveness of Social Care Wales’ internal audit arrangements by scrutiny of their plans for future activity, reports on past activity and its annual assurance report (as prepared by Social Care Wales’ Head of the Internal Audit Service); and
* have a right of access to all documents prepared by Social Care Wales’ internal auditor, including where the service is contracted out.

**5.3 External Audit**

5.3.1 The AGW is Social Care Wales’ statutory external auditor. Social Care Wales’ external auditor appointed by agreement under the Government of Wales Act 2006.

5.3.2 In the light of new provisions contained in the Companies Act 2006 concerning the audit of public sector entities arrangements for the audit of any subsidiary companies established by WGSBs are currently under review.

5.3.3 The AGW shall send a copy of its’ final Additional Assurance Report and Management letter to the Additional Accounting Officer of the sponsor department. Under section 145 of the Government of Wales Act 1998 the AGW may carry out examinations into the economy, efficiency and effectiveness with which Social Care Wales has used its resources in discharging its functions. Under section 145A, the AGW may undertake studies designed to enable him or her to 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. The Comptroller and Auditor General shall also have rights of access by virtue of section 136 of the Government of Wales Act 2006. In addition, Social Care Wales shall provide, in conditions to grants and contracts, for the AGW 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 AGW to any other documents required by the AGW which are held by other bodies.

**5.4 Sponsor Department’s Right of Access**

5.4.1 Should the need arise the sponsor team has a right of access to all Social Care Wales’ records and personnel for monitoring purposes including, for example, sponsorship audits and operational investigations.

1. **Management Arrangements**

**6.1 Management arrangements**

**General**

6.1.1 Unless otherwise agreed in writing by the sponsor team Social Care Wales shall at all times follow the principles, rules, guidance and advice in Managing Welsh Public Money and this document, referring any difficulties or potential bids for exceptions to the sponsor team in the first instance. A list of the guidance and instructions with which Social Care Wales must comply is at annex 2.

6.1.2 Social Care Wales must ensure always that its relationship with the Welsh Government is recognised appropriately through the use of the Welsh Government’s sponsor brand mark.

6.1.3 In pursuit of its aims Social Care Wales shall work closely with other organisations in Wales including the private sector, local authorities and the voluntary sector reflecting the commitments in the Welsh Ministers’ partnership agreements with the voluntary, business and local government sectors.

**6.2 Recruitment, retention and management of staff**

6.2.1 Within the arrangements approved by the Minister Social Care Wales is responsible for the recruitment, retention and motivation of staff subject to the following general requirements;

* in the recruitment, management and advancement of staff the Social Care Wales will follow the principles and behaviours set out in Chapter 4 of Managing Welsh Public Money;
* Social Care Wales may determine its own structure with the exception of:
* the creation or re-grading of any senior management post that reports directly to the Chief Executive;
* any proposal to create a new post at, or to re-grade a post to, a level which is not already represented in the staff structure; or
* any proposal to re-grade all posts at a particular grade.
* Social Care Wales may vary the total number of staff employed to reflect changes in the scale of its operations or functions. The associated pay and related costs must be adjusted accordingly and reflected within the Management Running Cost total unless otherwise notified to the sponsor team;
* subject to its delegated levels of authority, Social Care Wales must ensure that the creation of any additional posts does not incur forward commitments which shall exceed its ability to fund them;
* staff management and development policies will be in place which reflect arrangements for staff appraisal and performance management including training and development to encourage staff to obtain relevant professional, managerial and any other skills and behaviours necessary to carry out their roles;
* Social Care Wales will have in place a Code of Conduct for its staff;
* Social Care Wales will have in place appropriate grievance and disciplinary procedures and appropriate arrangements to handle any staff concerns there may be regarding impropriety;
* meaningful consultation with staff will be undertaken on matters which affect them

**6.3 Pay, terms and conditions of employment**

6.3.1 All staff of Social Care Wales shall be subject to overall levels of remuneration and terms and conditions of service (including superannuation) as have been approved by the Minister. Any changes to those terms and conditions, including levels of remuneration, must be authorised by the Minister.

6.3.2 Social Care Wales has no delegated powers to amend its overall terms and conditions. However, Social Care Wales may vary individual contracts of employment without the prior agreement of the Minister provided that any changes are within the overall framework of the terms and conditions approved by the Minister. In cases of doubt, Social Care Wales should approach the sponsor team.

6.3.3 Terms and conditions for staff of Social Care Wales are set out in its documentation. Copies of the relevant documentation must be provided to sponsor team upon request and after amendment.

**6.4 Pay Remits**

6.4.1 Social Care Wales shall present to the sponsor team a detailed case for its proposed annual pay remit for pay. The pay remit shall be in the format specified by the Welsh Government; it will need to reflect the latest Welsh Government WGSB Pay Guidance, be fully costed and shown to be affordable in the period covered by the pay remit and future years. Social Care Wales is expected to operate a system that provides staff with equality of opportunity for progression. HM Treasury has overall responsibility for public sector pay policy and for ensuring that pay awards are consistent with the UK Government’s overall objectives.

6.4.2 The sponsor team must be satisfied that all pay arrangements have been subject to an equal pay audit and, in addition, will require evidence from time to time that independent quality assurance arrangements that meet this requirement have been carried out.

6.4.3 Social Care Wales will need to take account of the HM Treasury publication of May 2012, “Review of the Tax Arrangements of Public Sector Employees”. This Guidance confirms the need for all staff to be paid through payroll arrangements. Other arrangement where staff (and, in particular, senior staff earning in excess of £58,200 per annum) are paid through intermediaries including agencies, employment businesses and personal service companies are not acceptable. Social Care Wales will need to make sufficient enquiries to assure itself that secondees are on the payroll of the seconding organisation rather than using an intermediary arrangement.

**6.5 Staff benefits and non-pay awards**

6.5.1 In considering gifts or non-pay rewards to staff or board members the Social Care Wales must take a view on whether such a course of action represents an appropriate use of public money. In devising staff benefits or non-pay reward schemes Social Care Wales must pay attention to HM Treasury’s “Regularity, Propriety and Value for Money”.

**6.6 Pensions and PAYE**

6.6.1 Eligible staff of Social Care Wales will be enrolled automatically onto its approved occupational pension scheme in accordance with the Workplace Pension Reforms set out in the Pensions Act 2008 and the Occupational and Personal Pension Schemes (Automatic Enrolment) (Amendment) Regulations 2012. Details as to the number of staff opting out of the occupational pension scheme after being automatically enrolled may be required from time to time by the sponsor team.

6.6.2 From April 2013, employers will be legally required to report PAYE in real time. Employers and pension providers will inform HM Revenue and Customs (HMRC) about tax, national insurance contributions and other deductions when or before the payments are made, instead of waiting until after the end of the financial year.

**6.7 Redundancy, severance and compensation**

6.7.1 Any redundancy payments or payments of other compensation for loss of office must be made in accordance with a scheme approved by the sponsor team. Any proposal to make payments outside of an approved scheme will require prior written approval from the sponsor team. Proposals on severance must comply with the rules set out in Chapter 4 of “Managing Welsh Public Money”. Any re-employment of staff following redundancy/severance compensation must be agreed by the sponsor team prior to any discussion with the person concerned. The overriding principle is that any member of staff compensated for loss of office/employment will not be re-employed by Social Care Wales during the notional period to which and payment equates.

The terms of this Framework Document were approved by the Minister for Social Services and Public Health on 27/06/2017.

Signed……………………………… Dr Andrew Goodall, Director General for Health and Social Services, Welsh Government

Dated………………………………………………….

Signed…………………………………Sue Evans, Chief Executive, Social Care Wales

Dated………………………………………………….

**Annex 1**

**Essentials of Effective Sponsorship**

The principles which define the working relationship between a sponsoring team and its sponsored body are set out in the background to this Framework Document. This is as follows:

* submission of advice to relevant Welsh Ministers and provide briefing for relevant Assembly committees on WGSB matters;
* receive and act on information provided by the WGSB under the framework document;
* check claims for, and if satisfied, authorise payment of grant-in-aid (GIA);
* communicate the Welsh Government’s policy to the WGSB and advise on the interpretation of policy;
* advise Ministers on performance targets and indicators that are clear relevant and challenging;
* monitor and review WGSB performance against targets, reporting to Ministers and Assembly Committees as appropriate;
* advise Ministers on expenditure priorities and appropriate levels of GIA;
* monitor WGSBs financial position and performance against plans through regular meetings with and returns from WGSBs; and reporting to Ministers and appropriate Assembly Committees;
* issue guidance to WGSBs.

The aims of sponsorship 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 and the goals and principles as set out in the WBFG Act.
* Provide the sponsored body with the support and guidance it requires or may request to achieve its objectives.
* Encourage and promote high standards of corporate governance and financial accountability within the organisation to ensure its efficient and effective operation.

Sponsor teams need to strike a balance between control, and allowing WGSBs to operate independently on a day-to-day basis, as was the intention in setting up the body as arms length organisations. They need to ensure that the relationship is an effective one, with each partner enabling and supporting the other in the achievement of Ministerial objectives. Sponsor teams and WGSBs also need to make sure that they share information and best practice in a relevant and timely way, and seek out opportunities to work together more effectively.

The following paragraphs attempt to summarise the more important requirements of sponsorship that will help to ensure that the role can be performed as effectively as possible.

* **Clear Understanding of:**
* **the corporate governance framework within which the WGSB operates:** a good knowledge of how the operational and business planning and annual remit setting process works and links with the Welsh Government’s strategic aims and objectives and group/divisional and branch planning. Ensuring that the WGSB understands the monitoring process and what is expected of them.
* **the financial accountability framework within which both the sponsor team and the WGSB operates:** a clear knowledge of the respective roles and obligations set out in the Framework Document; the relevance and importance of the audit process including management letters and additional assurance reports; the sensitivity of Audit and Scrutiny Committee recommendations and their implementation;
* **the operational role and structure of the WGSB** together with an appreciation of the problems it faces or perceives it faces and clear roles, responsibilities and accountabilities between the sponsor team and the WGSB.
* **A clear and ongoing assessment of the risks involved in the sponsorship relationship and a strategy for dealing with them:** for instance risks, specific or generic, arising from the nature of the WGSB’s role (eg *differing risks associated with different bodies).* Also, specific risks relating to financial management identified in management letters; a pattern of failure in meeting strategic targets; or identifiable “blind spots” in terms of communication, which may require the sponsor team to take a more hands on role in the oversight of the WGSB.
* **Effective Communication provides and provided by:**
* **A clear structure for formal communication:** in respect of data which is of mutual benefit and regular operational and business planning and the formal reporting and monitoring arrangements that fall out of these. This may include sponsorship meetings and meetings between the Chief Executive and members of the sponsor team or Director General, as appropriate, to review performance and discuss cross cutting or arising issues.
* **A culture of frequent but not intrusive informal communication:** is important in helping to build confidence and trust, which in turn can engender openness and a willingness to share and resolve problems at an early stage. This should include informal communication between the Chief Executive and members of the sponsor team or Director General in addition to dialogue between officers. Annual information sharing/networking events should be considered, giving opportunities for policy and delivery colleagues to meet, share best practice and develop working relationships.
* **good senior level involvement:** to ensure good strategic direction, and to reflect commitment to the relationship.
* **Effective internal communication:** knowing who to contact within the Welsh Government for advice on issues such as budgeting; propriety; procurement and personnel issues: and a willingness to do so.
* **Inclusive policy development:** an appropriate level of involvement in any policy development should be secured for the WGSB, with regular dialogue and communication continuing throughout the process.
* **Establishing an authoritative presence, providing:**
* **the principal access point to the Welsh Government** for the WGSB and act as a source of authoritative advice (even if that advice is acquired from elsewhere). A willingness to take ownership of such advice in communication with the WGSB is vital. Understand the communications you are passing on and be prepared to give advice.
* **challenge and scrutiny:** make clear that properly structured and robust questioning of the WGSB is an essential part of the role, in support of public accountability, but this should be at a strategic rather than operational level, to avoid micro-management. Analyse proposals and make informed recommendations to third parties (e.g. Accounting Officers and Ministers).
* **a link with Ministers:** establish agreement with Ministers on what the WGSB is meant to achieve then advocate its position firmly and with integrity.
* **Skills**
* **Effective Training:** Effective reciprocal induction training and specific effective sponsorship training (jointly with WGSB personnel where possible).
* Consideration of the appropriateness of: desk training; short-term acclimatisation job-swaps; secondments or work shadowing; to aid understanding of roles and challenges.

**Annex 2**

**List of Government wide corporate guidance and instructions for Social Care Wales**

**Government-wide corporate guidance**

* Welsh Government’s ‘Managing Welsh Public Money’
* The Welsh Government memorandum ‘Responsibilities of a Welsh Government Sponsored Body (WGSB) Accounting Officer’
* HM Treasury’s Consolidation Officer Memorandum
* Corporate Governance in Central Government Departments: Code of Good Practice
* HM Treasury’s Public Sector Internal Audit Standards
* Treasury’s ‘Managing the Risk of Fraud’
* HM Treasury’s ‘Executive NDPBs - Annual Reports and Accounts Guidance’
* HM Treasury’s ‘Banking and Managing Cash’ (issued as Annex 5.6 of ‘Managing Public Money’)
* HM Treasury’s ‘Regularity, Propriety and Value for Money’
* HM Treasury’s ‘Green Book – Appraisal and Evaluation in Central Government’
* HM Treasury’s ‘Audit and Risk Assurance Committee Handbook’
* HM Treasury’s ‘Magenta Book – Guidance for Evaluation’
* Cabinet Office’s ‘Code of Conduct for Board Members of Public Bodies’
* The UK Evaluation Society’s ‘Guidelines for Good Practice in Evaluation’
* UK Statistics Authority’s ‘Code of Practice for Official Statistics’
* Health and Safety Commission Strategy ‘Common Sense Common Safety’

Guidance in relation, specifically, to Social Care Wales:

* This document
* The Minister’s annual Remit Letter to Social Care Wales
* extant ‘Dear Chief Executive Officer’ letters
* extant ‘Dear Accounting Officer’ letters
* extant ‘Dear Consolidation Officer’ letters
* [Well-being of Future Generation (Wales) Act 2015](http://gov.wales/topics/people-and-communities/people/future-generations-act/?lang=en)
* Management letters from external auditors
* other relevant instructions and guidance issued by the Welsh Ministers
* Those recommendations of the National Assembly’s Public Accounts Committee, other Committees of the National Assembly, the House of Commons Committee on Public Accounts, other Parliamentary Committees or Parliamentary authority that have been accepted by the Welsh Government, and which are relevant to Social Care Wales.

**General conduct of a public body in Wales**

In addition, in the conduct of its business, Social Care Wales shall ensure, inter alia, that:

* it conforms with the Welsh Language Standards
* its functions are exercised in a manner compatible with the Welsh Ministers’ duty to promote and facilitate the use of the Welsh language as set out in the Welsh Government’s strategy, as published from time to time,
* its functions are exercised with due regard to the principle that there should be equality of opportunity for all people,
* it adopts and maintains a scheme, approved by the Information Commissioner, for the publication of information as required by the Freedom of Information Act,
* its functions are exercised in a manner compatible with the Welsh Ministers ‘duty to promote sustainable development and its guiding principle of promoting social inclusion’, and ahead of being required by law to do so, works towards meeting the requirements of the Fairer Futures Act and the Future Generations Act.
* its functions are exercised with due regard to the Equalities Act. ,
* it follows the approach to openness set out in the Welsh Government’s Code of Practice on Access to Information,
* it has due regard to the Commissioner for Public Appointment’s ‘Code of Practice for Ministerial Appointments to Public Bodies’, and
* its procurements are effected with due regard to the principles set out in the Welsh Government’s Wales Procurement Policy Statement and the guidance available via the Value Wales Procurement Route Planner;
* its functions support the goals and principles as set out in the Well-being of Future Generations (Wales) Act 2015.

Where practicable and appropriate, Social Care Wales will publish its minutes of the Board on its website.

Social Care Wales must comply with all relevant statutory duties and UK Government policy in respect of health, safety and welfare as they relate to its functions, projects, programmes and activities. In addition, Social Care Wales will require organisations that it funds, and any contractors and sub-contractors to those organisations, to comply similarly.

**Annex 3**

**Summary of Welsh Government approval requirements and delegation limits**

|  |  |
| --- | --- |
| **Subject** | **Delegation Limit** |
| Appointment of Chief Executive | Ministerial approval following Chair of the Board |
| Staff remuneration and terms and conditions | Amendments to overall terms and conditions require Ministerial approval |
| Pension arrangements and payment of redundancy or compensation | Approval of sponsor team |
| Strategic and Business Plan | Ministerial approval |
| Subsidiary companies and joint ventures | Approval of sponsor team |
| Virement outside of specified limits | Approval of sponsor team |
| Novel, contentious or repercussive proposals | Approval of sponsor team |
| Any borrowing, lending, guarantees, indemnities or investment | Approval of sponsor team |
| Capital projects | £20,000 per project, approval of sponsor team |
| IT projects | £250,000 per project, approval of sponsor team |
| Consultancy contracts | £50,000 per project, approval of sponsor team |
| Single tender departures | Up to £50,000 – Chief Executive, Executive Director of Corporate Services and Resources  >£50,000 – Approval of sponsor team |
| Gifts, hospitality, prizes etc | £1,000 for each instance |
| Sponsorship | £2,500 for each instance |
| Losses and special payments | Up to £5,000- Chief Executive  >£5,000 - Notification to sponsor team in writing |
| Retention of receipts over and above limit set out in remit letter | Approval of sponsor team for each instance |
| Carry-over | In-year – 4% of total annual gross budget  End-of-year – 2% of total annual gross budget |
| Grants | Above £1m, approval of sponsor team |
| General expenditure | As per limitations on expenditure as described within the Framework document |

**Annex 4**

**High Level Reporting Arrangements**

|  |  |
| --- | --- |
| **Activity** | **Month** |
| Annual remit letter issued by welsh Government (Includes the strategic aims and direction for the year). | April |
| Annual business plan (Setting out in detail how the strategic aims will be delivered and to be aligned to the strategic aims to best support accountability discussions). | May |
| Five- year strategic plan setting out the vision for the organisation and sector. | August |
| Quarterly accountability meetings (All papers to be provided 3 weeks in advance of the meeting):   * to monitor progress against agreed targets in the business plan; * to monitor actual expenditure against budget profile; and * To consider any in-year exceptions or adjustments required. | Commencing in July |
| Annual review meeting with the Director of sponsor Directorate:   * to review the overall performance of Social Care Wales in the previous year as set out in the body's annual report; * to consider key strategic issues flowing from the annual report, within the forward agenda for social care; and * Prepare for the upcoming meeting with the Minister. | September |
| Annual accountability with the Minister:   * to account to the Minister for performance, including financial outturn in the previous year; and * To consider and discuss key strategic issues in the forward context. | October |
| Annual accountability meeting with the full council (Minister to attend):   * The Minister to meet with the full board each year to review performance and discuss current and future activities. | November |

1. ‘Managing Welsh public money’, February 2016, Welsh Government <http://gov.wales/funding/managing-welsh-public-money/?lang=en> [↑](#footnote-ref-1)
2. In practice, this function will mostly be performed by Sponsor Unit. See Schedule of Delegation at Annex 3. [↑](#footnote-ref-2)