

DESIGN COMMISSION FOR WALES FRAMEWORK DOCUMENT

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1. Introduction

- 1.1 This Framework document sets out the broad framework within which The Design Commission for Wales (DCFW) Limited (known as Comisiwn Dylunio Cymru Design Commission for Wales) (the “**Company**”) operates, details the terms and conditions under which the Welsh Ministers may provide resources to the Company, and defines the roles and responsibilities of the Welsh Ministers and the Company as well as the relationship between them. The Company’s articles of association govern the day-to-day management of the Company.
- 1.2 Payment of core funding to the Company is conditional upon the satisfactory performance by it of all its obligations as set out in this Framework Document and the Remit Letter and such other conditions and requirements as the Minister for Climate Change, one of the Welsh Ministers acting pursuant to functions conferred by section 58A of the Government of Wales Act 2006, may from time to time impose.
- 1.3 The Welsh Ministers acknowledge certain activities of the Company may be subject to certain laws or regulations, including the Companies Act 2006, and acknowledge if there is any conflict between this Framework Document and any relevant laws or regulations, those laws or regulations shall prevail. Any question regarding the interpretation of this Framework Document will be resolved by the Welsh Ministers after consultation with the Company.
- 1.4 The 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, nor oblige 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 or international law, will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.
- 1.5 The Welsh Ministers are members of the Company, but the day to day relationship with it will be overseen by the Partnership Team.
- 1.6 Copies of this document, together with any subsequent amendments, have been placed in the Library of the Senedd Cymru and made available to members of the public via the Company’s website.

2. Purpose of the Company

2.1 The Design Commission for Wales (DCFW) was established under the Companies Act 1985. (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.

2.2 The purpose and remit of the Company are set out in the objects clause of the Company’s Articles of Association, as follows:

- To champion high standards of design and architecture to the public and private sector in Wales by promoting wider understanding of design issues and the importance of good standards in enhancing the built environment across all sectors.
- To promote design practice that is compatible with the Welsh Assembly Government’s Sustainable Development Scheme, promoting best practice in energy efficiency, waste disposal and public transport.
- To promote design practice compatible with the highest standards in relation to equal opportunity and promoting social inclusion.
- To give due regard to promoting excellence in day to day developments, like housing estates and industrial units, as well as promoting excellence in prestige projects.

2.3 Working with the Company, the Welsh Ministers set its strategic objectives in its Remit Letter. The Company must set out how it will achieve its strategic objectives in its business plan (see paragraph 7.2 below).

2.4 The strategic objectives and 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 Company.

3. Governance and Accountability

3.1 The Company’s powers and duties are set out in its Articles of Association.

3.2 The Company is a “company limited by guarantee” whose share capital is 100% owned by Welsh Ministers.

3.3 The Company is wholly owned by the Welsh Ministers. It must undertake its activities in accordance with:

- its objects as specified in its Articles of Association;
- all applicable laws and regulations;
- the terms of any relevant State Aid approvals;
- the remit letter;
- business plan as approved by the Welsh Ministers; and
- the principles, rules and guidance in *Managing Welsh Public Money*.

Ministerial Responsibility

3.4 The First Minister has allocated responsibility for the oversight of the Company to the Minister for Climate Change (the “**Minister**”). The Minister generally exercises the functions of the Welsh Ministers in relation to the Company and is ultimately accountable to Senedd Cymru for the activities of it, and its use of resources. The Minister is not responsible for day-to-day operational matters, which are the Company’s responsibility.

3.5 The Minister sets the policy framework for the Company and is to meet the Company’s Chair each year to review performance and discuss current and future activities.

3.6 The Minister’s responsibilities include:

- agreeing the Company’s strategic objectives and aims and key targets;
- agreeing the budget to be paid to the Company, and securing the necessary approvals from Senedd Cymru.

3.7 The Minister may, where appropriate, act through officials in the Welsh Government (WG) in carrying out these responsibilities.

Accountabilities & Responsibilities of the Principal Accounting Officer

3.8 The Principal Accounting Officer (PAO) for the Welsh Ministers is the Permanent Secretary to the Welsh Government. The PAO has responsibilities specified by HM Treasury and is accountable to Senedd Cymru (through its 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 voted to the Company under the Welsh Government’s Annual Budget Motion.

3.9 The PAO is also responsible for ensuring the finance and other management controls applied across the WG are appropriate and sufficient to safeguard public funds.

Accountabilities & Responsibilities of the Additional Accounting Officer

3.10 The PAO for the Welsh Ministers is assisted in his/her duties in respect of the DCFW by the Director General for Economy, Skills and Natural Resources, whom is designated as the Additional Accounting Officer (“**AAO**”) and to whom delegated responsibility for the Division within which the Company’s Partnership Team sit.

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

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

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

- address significant problems within the Company, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the Department and the Company’s objectives and activities;
- inform the Company of relevant government policy in a timely manner;
- bring to the attention of the Company’s full Board any concerns about the activities of the Company requiring explanations and assurances that remedial action will be taken; and
- unless otherwise covered by the Act designate the Chief Executive of the Company as its Accounting Officer.

3.13 The AAO is responsible for advising the Minister on:

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

3.14 The AAO must ensure appropriate oversight arrangements are in place.

Partnership Team

3.15 The AAO delegates responsibility for the day-to-day management of relations between the WG and the Company to the Deputy Director for Planning

3.16 The Deputy Director leads the Partnership Team within the WG and is to work closely with the Company'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 Company.

3.17 The normal point of contact for the Company in dealing with the WG is Stuart Ingram in the Partnership Team. The Company should notify him if it intends to meet officials from another area of the WG (with the exception of the Public Bodies Unit).

Accountabilities & Responsibilities of the Chief Executive Officer as Accounting Officer of the Company

3.18 The Company's Chief Executive Officer reports to the Chair of the Company. The Chief Executive Officer is also the Accounting Officer (AO) for the Company as set out in *Managing Welsh Public Money*. As AO, the Chief Executive Officer 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 Company; and for ensuring compliance with the requirements of *Managing Welsh Public Money*. The Chief Executive Officer may be assisted in the exercise of their role by employees of the Company. The Chief Executive Officer may also delegate the day-to-day administration of these responsibilities to those employees but remains responsible and accountable under the terms of their Accounting Officer Memorandum. All AOs also have accountability to the Permanent Secretary as PAO for the WG.

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

3.20 Further detail on the specific responsibilities of the AO of the Company, including their accountability to Senedd Cymru, WG and the Company's Board, are set out in the Accounting Officer Memorandum, which the AAO will have sent to the AO. This is attached at **Annex C** for reference.

Responsibilities of the Chief Executive to the Welsh Ministers and to the Board of the Company

3.21 The Chief Executive Officer of the Company is appointed and employed by the Board, with the approval of the Minister. The Chief Executive Officer is the Board's principal adviser on the discharge of its functions and is accountable to the Board. The Chief Executive Officer's role is to provide operational

leadership to the Company and ensure the Board's aims and objectives are met and the Company'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](#).

Responsibilities in respect of the Company's Board

3.22 The Chief Executive Officer is also 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 Company; and any other guidance which may issue from time to time;
- advising the Board on the Company'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](#);
- 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 Company;
- ensuring there are policies and procedures for personnel management policies and that these are maintained and made readily available to all staff; and
- taking action as appropriate in accordance with the terms of the Accounting Officer Memorandum 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.

3.23 Equality and fair work must be at the core of WG public service delivery and, as such, the WG expects the bodies it funds to operate ethical standards of employment.

3.24 The Chief Executive is responsible for decisions around staffing within the Company. 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 WG should be notified of specific change proposals, including redundancy arrangements – please see **annex A** for detail.

3.25 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.

3.26 The Chief Executive is also responsible for handling cases involving the Public Service Ombudsman for Wales.

The Board of Directors

3.27 The directors of the Company are appointed in accordance with the Companies Act 2006, and the Articles of Association of the Company.

3.28 The Chair and Board members are appointed for a period of 4 years by the Minister. Where these are regulated appointments, they are to be made in accordance with the Commissioner for Public Appointments' [code of practice](#). Where these are not regulated, the Company is encouraged to follow the principles of the code of practice.

3.29 In addition to the powers and duties of directors set out in the Companies Act 2006, the Articles of Association, and the Corporate Governance Code, the role of the Board is to:

- provide effective leadership to the Company, defining and developing strategic direction and setting challenging objectives;
- establish and take forward the strategic aims and objectives of the Company consistent with its overall purpose and within the policy and resources framework determined by the Minister;
- make senior executive and non-executive appointments to the Board, including the Chair and Chief Executive Officer. Ministerial approval is required prior to appointment, in accordance with the delegations matrix set out at **annex A**;
- ensure strategies are developed for meeting the Company's objectives in conjunction with the Welsh Ministers, and other relevant stakeholders, for example employees, customers and funding providers;
- ensure the Minister and Partnership Team are kept fully informed of any changes likely to impact on the strategic direction of the Company or on the attainability of its targets, and of steps needed to deal with such changes;
- promote high standards of public finance, upholding the principles of regularity, propriety and value for money;
- ensure the Company's activities are conducted efficiently and effectively;
- monitor performance to ensure the Company meets its aims, objectives and performance targets;
- ensure the Company considers equality of opportunity when approving policies and making decisions;
- ensure effective arrangements are in place to provide assurance on risk management, including information security, governance, internal audit, external audit and internal control in accordance with applicable statutory and regulatory requirements and, where relevant, Codes of Practice or other guidance relevant to the sector; and
- promote the Nolan principles of public life: selflessness, integrity, objectivity, accountability, openness, honest and leadership.

3.30 The Board is also responsible for:

- ensuring compliance with any statutory or administrative requirements in respect of the use of public funds;
- ensuring the Company 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 Company takes into account guidance issued by the Welsh Government;
- ensuring it receives and reviews regularly financial information concerning the management of the Company;
- ensuring the Minister is informed in a timely manner about any concerns about the Company's activities, including activities that might affect the future

level of resources required, and any policy or practice changes that may have wide financial implications; and

- 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.

3.31 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 (ARAC) 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.

3.32 The responsibility of the Chief Executive Officer 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 Company's activities are conducted in an efficient and effective manner. The Board must not give the Chief Executive Officer any instructions which conflict with their duties as AO.

3.33 The Board is also responsible for:

- nominating a Board member as the Senior Information Risk Owner (SIRO) with 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 and addressed;
- adhering to the [Security Policy Framework](#);
- arranging for the annual completion of the Cabinet Office Departmental Security Health Check to be returned to the Partnership Team to forward to the Welsh Government SIRO; and
- ensuring independent certification of security arrangements.

3.34 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 Company must maintain a list of matters reserved for decision by its Board as well as a scheme of delegation approved by the Board.

3.35 The Chair shall report to the WG via the Company's Annual General Meeting (AGM). The Welsh Ministers shall, through the WG, be represented at the AGM by the relevant Director General, or their proxy.

3.36 The Board must act in an open and transparent way and must publish its membership, agendas and minutes on its website.

Individual Board Members' Responsibilities

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

- Carry out their duties as Company Directors in accordance with the Companies Act;
- comply at all times with the Company's Code of Conduct for Board Members, 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 of external business interests; and
- act always in good faith and in the best interests of the Company.

The Chair

3.38 The Chair is accountable to the Minister and may also be held to account by Senedd Cymru. 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.

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

3.40 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.

3.41 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 Company'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 Company;
- assess the performance of individual Board members in accordance with the arrangements agreed with the Partnership Team;
- 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

3.42 Although they should not routinely attend, Welsh Ministers reserve the right for their officials to attend the Company's Board meetings in an advisory and/or observer capacity. The Board may also invite them to attend to provide particular advice or information.

3.43 The Body must provide their 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.

3.44 For the avoidance of doubt, WG officials will play no part in the decision-making process of any Board. A formal agreement detailing the role of WG officials attending Board meetings must be developed in accordance with WG guidance.

4. Reporting Requirements

Statutory Accounting and Reporting

4.1 The statutory accounting and reporting requirements for the Company are set out in the Companies Act 2006. The Company shall prepare, approve, sign and publish its financial statements each financial year in accordance with the requirements of the Companies Act 2006 and any relevant legislation pertinent to its sector.

Annual Report and Accounts

4.2 The Company must prepare an Annual Report and Accounts, including a Governance Statement, in accordance with the relevant statutes, the [Government Financial Reporting Manual](#), and the Companies Act 2006.

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

- gifts received and given;
- hospitality received and offered; and
- 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.

4.4 In addition to Companies Act requirements, WG requires the Annual Report and Accounts document to:

- outline the Company's main activities and performance during the previous financial year;
- report on performance against key performance indicators and other deliverables;
- report on the activities of any corporate bodies under its control; and
- set out the relationship between the Company and the Welsh Ministers as members of the Company in a way that is clear and understandable.

Presentation of the Annual Accounts and Report

4.5 As soon as the audit of the accounts is complete, the Company must liaise with the Auditor General for Wales ("**AGW**") or other external auditor where appropriate and the Partnership Team regarding the precise timetable for laying and publication of the Annual Accounts and Report.

4.6 The Company must submit the signed accounts, together with a letter of representation, to the AGW or other external auditor where appropriate. Two (2) copies of the signed accounts must also be forwarded to the Partnership Team in hard copy.

4.7 The Company may also be required to provide certain accounts information for 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.

Annual Report to the Minister

4.8 As soon as possible after the end of each financial year, the Company shall submit a report of its activities to the Minister. The precise format of the published annual report will be discussed with the Partnership Team, but as a minimum, it should show how the Company has:

- delivered on the objectives set for it by the Minister; and
- used the five ways of working set out in the Well-being of Future Generations Act (Wales) 2015 and the progress it has made in contributing to the seven wellbeing goals.

4.9 Following submission to the Minister, the Company should publish its report to permit Senedd Cymru, other clients and the public to judge its success in meeting its targets.

5. Audit Arrangements

Internal Audit

5.1 The Company must establish an Audit 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 Committee, the body should refer to the guidance set out in the [Audit Committee Handbook](#). The Audit and Risk Committee will report, and be accountable, to the Board.

5.2 The Company 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 that, 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 Company's internal audit;
- following approval by the AO and audit 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 committee.

- 5.3 The Welsh Government has a right of access to all documents prepared by the Company's internal auditor, including where the service is contracted out.
- 5.4 The Welsh Ministers have a right to nominate a representative to attend any meeting of the Audit and Risk Committee. That representative will, as a result of attending the meetings, receive copies of all papers for the Audit and Risk Committee, and will share them with the Welsh Government's Internal Audit Services, which has overall responsibility for providing assurance on organisations which fall within the Welsh Ministers' accounting remit. A formal observer agreement detailing the role of the Welsh Government Observer will be created and signed by the Welsh Government and the Company.
- 5.5 The Audit and Risk Committee shall be chaired by a non-executive director (but not the Chairperson) and shall have recent and relevant financial experience and a professional qualification from an accounting body.

External Audit

- 5.6 The Company will make its own arrangements for external audit in accordance with the requirements of the Companies Act 2006 and any requirements the WG may, from time to time, specify.
- 5.7 If required to do so, the Company shall arrange for its external auditor to provide the rationale for its audit opinion to the WG and to its external auditors.
- 5.8 The Company shall provide to the AGW, as the WG's external auditor, such assistance, information or explanations as he or she reasonably requests in the discharge of his/her responsibilities.

Partnership Team's Right of Access

- 5.9 The Company must, without charge, permit any officer or officers of the WG at any reasonable time and on reasonable notice (in exceptional circumstances, such as the prevention or detection of fraud, it may not be practicable to provide the body with reasonable notice) being given to the body to visit the body's premises and/or to inspect any of the body's activities and/or to examine and take copies of the body's 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 the body's use of the funding provided. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the WG, Wales Audit Office (WAO) or the European Commission or any officer, servant or agent of any of the above.

6. Management Arrangements

- 6.1 A list of the guidance and instructions with which the Company must comply is at **Annex A**.
- 6.2 Unless otherwise agreed in advance in writing by the Partnership Team, the Company must at all times follow the principles, rules, guidance and advice in *Managing Welsh Public Money* and this Framework document. The Company must refer any difficulties or requests for exceptions to the Partnership Team in the first instance.
- 6.3 From time to time, the Welsh Ministers will request certain information and data from the Company. Advice and guidance that 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.
- 6.4 The Company must ensure always its relationship with the WG is recognised appropriately through the use of the WG's brand mark.

7. Planning Framework

Business Planning

Remit Letters

- 7.1 At the start of the Government term, the Minister will issue the Company with a remit letter setting out strategic objectives agreed for the Company. 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 Ministerial priorities change. A summary of the Term of Government remit process is set out at **annex B**.

Business Plans

- 7.2 Within three (3) months of receiving the remit letter, the Company is to submit to the Minister a business plan setting out how it is to achieve its strategic objectives. The finalised plan, agreed by the Minister, is to reflect the Company's strategic aims and objectives and is to remain in place for the whole term of Government (i.e. covering five years hence), 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.

Operational 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 Company a formal statement of its budgetary provision in accordance with paragraph 7.10 below.

7.5 In response to this, the Company 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, the Term of Government business plan, 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 Company wish it, Ministerial approval of the operational plan may be sought via the Partnership Team.

7.6 The operation plan must reflect the principles of the Well-being of Future Generations (Wales) Act 2015, and the Company 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.

Publication of Plans

7.7 The Company is to ensure both the business and operational plans are made available to the public.

Budget Planning

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

7.9 The Company must co-operate with the Partnership Team by providing all necessary assistance and information to the WG to take forward its budget planning decisions.

7.10 The Minister will confirm both the net revenue and capital resource budgets and amount of grant-in-aid (cash) to be provided to the Company for the next financial year. This will normally be no later than one month after the final budget has been agreed by Senedd Cymru. Any funding for the year in question must be authorised by it in its Annual Budget Motion.

7.11 Where possible, the Minister will also provide indicative budgets for subsequent years to inform budget planning. However, levels of indicative budgets 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 Company, which may be required to model different options for activity dependent on the funding available.

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

8. Performance Management

8.1 The Company must operate management, information and accounting systems that 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 to be agreed between the Company and the Partnership Team, 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 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 Company in accordance with HM Treasury's Consolidated Budgeting Guidance (or its successor). These are the net expenditure limits for the Company 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 has been agreed in writing by the Partnership Team.

9.2 The Company may not breach the component parts of the revenue and capital resource budgets. Approval must be sought in advance and in writing if the Company 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 Company, including ring-fenced grants provided by WG and income received from other sources.

9.4 If the Company 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 in Senedd Cymru Budget Motion.) If the Company is not designated, only the grant-in-aid is voted in the Budget Motion.

Income and Resource Budgets

9.5 All streams of income received by the Company are treated as public funds and the requirements of this document apply equally to them.

9.6 The Company 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 Company'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 Company is set out in the funding letter. If total income is set to exceed that limit, the Company 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 Company 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 Company and form part of the income retention limit.

Grants, Loans and Contracts awarded by the Company to other Entities

9.9 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.

9.10 Terms and conditions must, for example, allow for phased payments, reinforce rights of access for WG officials and the AGW, ensure the WG's financial interests are adequately protected, and allow for clawback in certain circumstances, e.g. if grant monies are used other than for approved purposes.

9.11 The Company must take steps to appraise the financial standing recipient entity, e.g. by reviewing financial statements and compliance with statutory

reporting bodies, and carrying out checks with credit reference agencies.

9.12 The Partnership Team must be notified of any loan schemes the Company wishes to enter into. Where approval is given, borrowing must be managed under similar arrangements to those for grants.

State Aid

9.13 If the Company is engaged in commercial economic activities, it will need to comply with the European state aid rules and ensure all grants or awards are also compliant with the state aid rules. The Company is responsible for ensuring appropriate levels of transparency in reporting on the types of aid which have been provided. The Company will apply the 5 tests of state aid prior to awarding grants and ensure state aid is appropriately managed, remembering it is an advantage in any form whatsoever, conferred on a selective basis to an undertaking engaged in economic activity, giving it an advantage it would otherwise not have had. Please refer to the state aid pages of the Welsh Government website: <https://gweddill.gov.wales/funding/state-aid/?lang=en>

9.14 The WG operates a pre notification system for any decisions the Company makes which could impact on Welsh Government's Consolidated Accounts. Detail of these decisions is set out in **Annex B**

10. Grant-in-aid and Cash Management

10.1 Grant-in-Aid is the amount of cash payable by the WG to the Company 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 WG for the Company's use of its own 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 Company 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 Company. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to Senedd Cymru's approval of the relevant Budget Motion provision, where grant-in aid is delayed to avoid excess cash balances at the year end, the WG 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 Company shall continue to provide the WG with regular information via its grant-in-aid claims which will enable the WG to satisfactorily monitor:

- the Company's cash management;
- its draw down of grant-in-aid;
- forecast 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 Company.

10.5 The Company 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 Company as a working balance at the end of each funding period are to be taken into account in determining the amount of cash to be paid in the following period.

End of Year

10.6 The Company 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 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 WG 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 Company on its cash and bank balances which arise as a result of funding from the WG is to be declared each month on the Company's drawdown request form and surrendered to HM Treasury via the Welsh Consolidated Fund.

11. Economy, Efficiency & Effectiveness

Evidence Base

11.1 In order to ensure value for money, the Company 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 Reviews

11.2 The Partnership Team will consider annually the need for a Tailored Review of the Company, 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 Company will be provided with advance notice of a review taking place. The purpose of the review is to provide assurance to the Minister the Company is fit for purpose. The review will consider the Company's strengths and weaknesses and 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.



Signed.....

Deputy Director – Planning, Welsh Government

Dated.....9th May 2023.....



Signed.....

Chief Executive, Design Commission for Wales

For and on behalf of the Board of Directors

9th May 2023

Dated.....

Annex A

Delegations

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

1. For 2019/20 we have agreed with the First Minister transitional arrangements to provide assurance to him and the Permanent Secretary that the removal of the calling-in procedures with Arms-length bodies does not pose any risk to the WG, or to the effective delivery of the Government's Programme. These are interim 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 transitional 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 WG.
3. We have agreed with the First Minister that for this year we 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 WG 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 Company deciding to disregard WG's advice, the Partnership Team will recommend to the Minister that a discussion is held with the Chair with the Minister reserving the right to overrule a decision falling into this category where the Company has chosen for no justifiable reason to disregard WG advice.
5. The exceptions will be the decisions contained in Table A where the WG will be responsible for the decision.

Table A Approvals

Decision	Approval
Appointment of Chief Executive	Additional Accounting Officer and Minister
Term of Government Business Plan	Minister

<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"> • Are non-standard practice • Are politically sensitive and/or likely to attract negative media attention • Could result in unwelcome consequences for the organisation and/or for the wider public sector 	<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, efficiency and effectiveness and which the CEO has advised against.</p>	<p>Partnership Team to prepare advice to Additional Accounting Officer</p>	<p>Additional Accounting Officer</p>
<p>Policy or practice change that has wide financial implications</p>	<p>Partnership Team to prepare advice to Head of Budgetary Control copied to Public Bodies Unit</p>	<p>Minister, as appropriate</p>
<p>Staff remuneration & terms and conditions</p>	<p>Partnership Team to submit proposals to Head of Pay and Remuneration, Public Bodies Unit on:</p>	<p>Minister, as appropriate</p>

	<ul style="list-style-type: none"> • changes falling outside WG public sector pay principles; • organisational design changes likely to lead to severances 	
Anything that might affect the future level of resources required, e.g. potential budget pressures or underspends	Partnership Team to consider	WG Finance Director, as appropriate

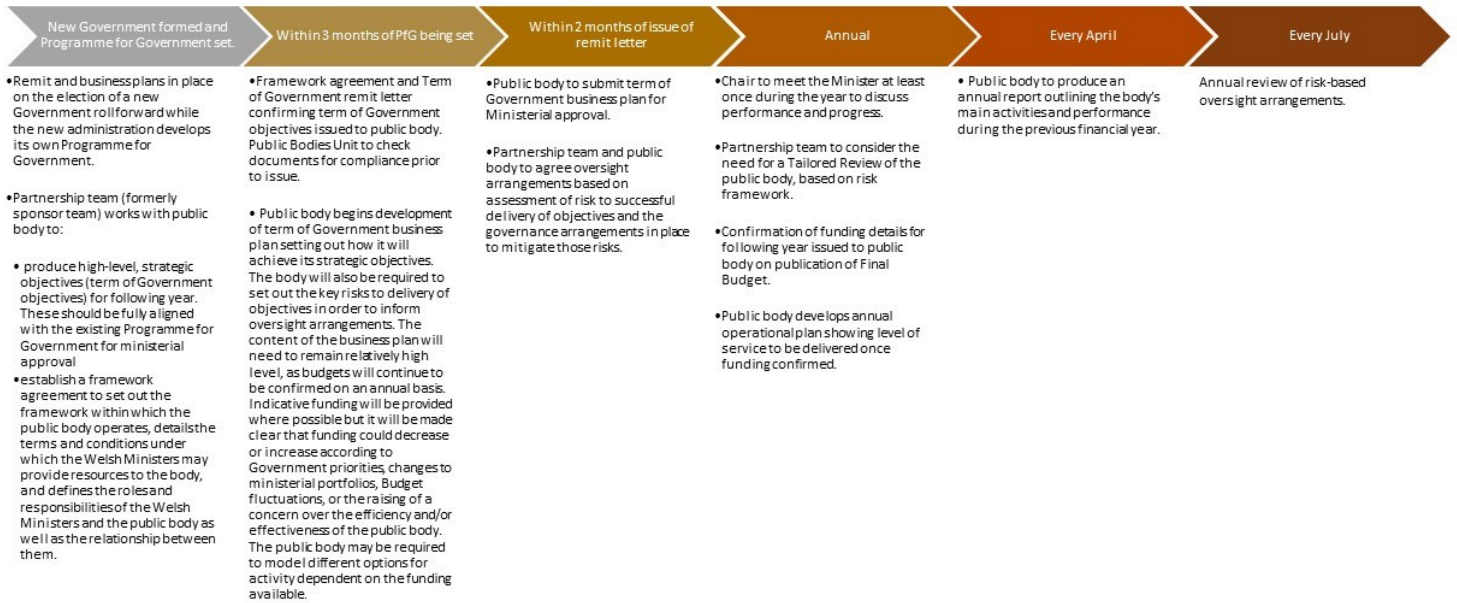
Other Notification Arrangements

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 WG.

Annex B

Term of Government Remit Process

Term of Government Remit Timeline



Annex C

Accounting Officer Memorandum

MEMORANDUM FOR THE ACCOUNTING OFFICER FOR DCFW LIMITED

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 Senedd Cymru. 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 Senedd Cymru 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.

7. 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,
8. 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.
9. 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 Senedd Cymru

1. As Accounting Officer, you are accountable to Senedd Cymru 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 Senedd Cymru's Public Accounts Committee, other committees of Senedd Cymru, 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 PAC or the House of Commons Committee on Public Accounts

11. 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.
12. The House of Commons Committee of Public Accounts may request the PAC 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.
13. 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.
14. 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.

15. 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.
16. 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

17. 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.
18. 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.
19. The PAC 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

20. 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
21. 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 Cymru Public Accounts Committee (PAC) 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 Cymru consents, Welsh Government delegations or incompatible with the agreed spending budgets;
 - **Propriety**- if a proposal would breach Parliamentary or Senedd Cymru 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.
22. 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 PAC. Provided you have followed this procedure, the PAC 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 PAC 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

23. 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 as quickly as possible;
- providing the Partnership Team with such information about its performance and expenditure as the Partnership Team may reasonably require.

Partnership Working

24. 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.
25. 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.
26. 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

27. You have a particular responsibility for ensuring compliance with Parliamentary and Senedd Cymru's requirements in the control of expenditure and any requirements imposed by the Welsh Government Partnership Team. A fundamental requirement is that the funds should be applied only to the extent and for the purposes authorised by Senedd Cymru. Senedd Cymru's attention must be drawn to losses or special payments, by appropriate notation of the relevant account.

28. 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.