

WELSH GOVERNMENT FRAMEWORK DOCUMENT

NATURAL RESOURCES WALES

Contents

1.	Introduction	3
2.	Purpose of the Public Body	3
3.	Governance and Accountability	4
	Legal Context	4
	Ministerial Responsibility	4
	Accountabilities and Responsibilities of the Principal Accounting Officer	4
	Accountabilities and Responsibilities of the Additional Accounting Officer	5
	Partnership Team	6
	Accountabilities and Responsibilities of the Chief Executive as Accounting Officer for the Body	6
	Responsibilities of the Chief Executive	7
	Responsibilities in respect of the Body's Board	7
	The Board	8
	Individual Board Members' Responsibilities	10
	The Chair	10
	Welsh Government Attendance at Board Meetings	11
4.	Reporting Requirements	11
	Statutory Accounting and Reporting	11
	Annual Report and Accounts	11
	Presentation of the Annual Report and Accounts	12
	Annual Report to the Minister	12
5.	Audit Arrangements	13
	Internal Audit	13
	External Audit	13
	Partnership Team's Right of Access	14
6.	Management Arrangements	14
7.	Planning Framework	15
	Remit Letters	15
	Corporate Plan	15
	Business Plan	15
	Publication of Plans	15
	Budget Planning	16

8.	Performance Management	16
9.	Revenue and Capital Resource Budgets.....	17
	Income and Resource Budgets	17
	Grants, Loans and Contracts given by the Body to other Entities.....	18
	State Aid.....	18
10.	Grant-in-aid and Cash Management.....	19
	In-Year Cash Balances.....	19
	End of Year Cash Balances.....	19
	Interest Earned on Cash and Bank Balances	20
11.	Economy, Efficiency and Effectiveness	20
	Evidence Base.....	20
	Tailored Review.....	20
	Annex A: Delegations.....	21
	Annex B: Term of Government Remit Process	25
	Annex C: Memorandum for the Accounting Officer of Natural Resources Wales.....	26

1. Introduction

- 1.1 This Framework document is for use with public bodies (except for Welsh Government-owned companies) whose remit is set by Welsh Ministers.
- 1.2 It sets out the broad framework within which the public body operates, details the terms and conditions under which the Welsh Ministers may provide resources to the body, and defines the roles and responsibilities of the Welsh Ministers and the public body as well as the relationship between them.
- 1.3 If there is an inconsistency between any of the provisions of this document and the provisions of legislation relating to the Body to which this document relates, the provisions of the legislation shall prevail.
- 1.4 Payment to the Natural Resources Body for Wales (known as Natural Resources Wales or NRW) is conditional upon the satisfactory performance by NRW of all its obligations as set out in this document and the remit letter and such other conditions and requirements as the Natural Resources Body for Wales (Establishment) Order 2012 may from time to time impose.
- 1.5 Welsh Ministers have a range of functions which will continue to accrue and be amended and decisions in relation to each such function are obliged to be taken in the light of all relevant, and to the exclusion of all irrelevant, considerations. Nothing contained or implied in, or arising under or in connection with, this Framework document will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh Ministers (or any of them) to exercise, or refrain from exercising, any of their functions in a particular way. Any reference in this document to any legislation whether domestic, retained EU or international law will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.
- 1.6 Copies of this document together with any subsequent amendments have been placed in the Library of Senedd Cymru – Welsh Parliament (the Senedd) and made available to members of the public via NRW's website.

2. Purpose of the Public Body

- 2.1 The Natural Resources Body for Wales (the "Body") was established under the Natural Resources Body for Wales (Establishment) Order 2012 (the "Establishment Order"). As a public body, it acts as a delivery agent for Welsh Ministers and its role is to fulfil its responsibilities set within the context of the Welsh Government's strategic aims. Its main purpose, strategic objectives and aims, as agreed by the Welsh Ministers, are set out in the remit letter.
- 2.2 The Body's statutory duties are to:
 - pursue sustainable management of natural resources in relation to Wales; and

- apply the principle of sustainable management of natural resources in the exercise of its functions.
- 2.3 Its functions are set out in the Natural Resources Body for Wales (Functions) Order 2012 (the “Functions Order”). Working with the Body, the Welsh Ministers set its strategic objectives. The Body must set out how it will achieve its strategic objectives in its Corporate Plan and Business Plan (see paragraphs 7.2 – 7.6 below).
- 2.4 The strategic objectives and Corporate Plan will remain in place for the term of the Government under which they are set and until replacements are published but will cease in the event of a decision by the Welsh Ministers to dissolve, merge or change the function(s) of the Body.

3. Governance and Accountability

Legal Context

- 3.1 The Body’s powers and duties are set out in Part 2, paragraph 4 of the Establishment Order.

Ministerial Responsibility

- 3.2 The First Minister has allocated responsibility for the oversight of the Body to the Minister for Climate Change (the “Minister”). The Minister generally exercises the functions of the Welsh Ministers in relation to the Body and is ultimately accountable to the Senedd for the activities of the Body and its use of resources. The Minister is not responsible for day-to-day operational matters.
- 3.3 The Minister sets the policy framework for the Body and is to meet the Chair of the Body at such frequency as the Minister considers necessary to review performance and discuss current and future activities. The assessment of the Board’s Chair is a Ministerial responsibility but may be delegated by the Minister to a senior official to carry out on their behalf.
- 3.4 The Minister’s responsibilities include:
- agreeing the Body’s strategic objectives and aims and key targets; and
 - agreeing the budget for the Body, and securing the necessary approvals from the Senedd.

Accountabilities and Responsibilities of the Principal Accounting Officer

- 3.5 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 the Senedd (through its Public Accounts & Public Administration Committee) and to the UK Parliament (through the House of Commons Committee on Public Accounts) for:

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

- 3.6 The PAO is also responsible for ensuring the finance and other management controls applied across the Welsh Government (WG) are appropriate and sufficient to safeguard public funds.

Accountabilities and Responsibilities of the Additional Accounting Officer

- 3.7 The PAO for the Welsh Ministers is assisted in their duties by the Director General for Economy, Skills and Natural Resources, who has been designated as the Additional Accounting Officer ("AAO") and who has delegated responsibility for the NRW Partnership Team.

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

- 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 body conform with the requirements both of propriety and of good financial management;
- there is an adequate statement of the financial relationship between the WG and the Body (i.e. this Framework Document) and this statement is regularly reviewed; and
- the conditions attached to the resources and grant-in-aid awarded conform with the terms of the Budget and arrangements are in place to monitor compliance with those conditions by the Body.

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

- address significant problems within the Body, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the Group and the Body's objectives and activities;
- inform the Body of relevant government policy in a timely manner;
- bring to the attention of the Body's full Board any concerns about the activities of the Body requiring explanations and assurances remedial action will be taken; and
- designate the Chief Executive of the Body as its Accounting Officer (AO).

- 3.10 The AAO is responsible for advising the Minister on:

- appropriate strategic objectives for the Body in the light of the wider strategic aims of their Group and key delivery and performance indicators;
- an appropriate budget for the Body in the light of the Group's overall spending priorities; and

- how well the Body is achieving its strategic objectives within the policy and resources framework determined by the Minister, and whether it is delivering value for money.

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

Partnership Team

3.12 The AAO delegates responsibility for the day-to-day management of relations between the WG and the Body to a designated Deputy Director who leads the Partnership Team within the Welsh Government. This person will work closely with the Body's Chief Executive and are answerable to the AAO. This person is also the primary source of advice to the Welsh Ministers on the discharge of their responsibilities in respect of the Body.

3.13 Specific responsibilities of the Partnership Team include:

- advising the Minister, PAO and AAO on the discharge of their responsibilities in respect of NRW;
- preparing an internal annual report to the AAO on the adequacy of oversight arrangements in place over the Body (the Head of the Internal Audit Service's opinion on risk management, control and governance will be used to inform this report);
- reviewing NRW's financial performance against plans and the achievement against targets; and
- informing and explaining wider policy developments which might impact on NRW.

3.14 The normal point of contact for the Body in dealing with WG is the Head of NRW Partnership Team.

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

3.15 The Chief Executive has specific duties in relation to their role as Accounting Officer (AO) for NRW, and is personally responsible for the proper stewardship of the public funds for which they have responsibility; for the day-to-day operations and management of the Body; and for ensuring compliance with the requirements of 'Managing Welsh Public Money'.

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

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

3.18 Further detail on the specific responsibilities of the AO of the Body, including their accountability to the Senedd, WG and the Body's Board, are set out in

the Memorandum for the Accounting Officer, which the AAO will have sent to the AO. This is attached at Annex C for reference.

Responsibilities of the Chief Executive

- 3.19 The Chief Executive also has a number of duties in addition to the role of Accounting Officer of the Body. They are appointed and employed by the Board, with the approval of the Minister. The Chief Executive is the Board's principal adviser on the discharge of its functions and is accountable to it. The Chief Executive's role is to provide operational leadership to the Body and ensure the Board's aims and objectives are met and the Body's functions are delivered and targets met. The AO in an organisation should be supported by a Board structured in line with the Corporate Governance Code for Central Government Departments or the Charity Governance Code, as applicable.

Responsibilities in respect of the Body's Board

- 3.20 The Chief Executive is responsible for:
- advising the Board on the discharge of its responsibilities as set out in this Framework document, relevant law, the Minister's remit letter or other communication to the Body; and any other guidance which may issue from time to time;
 - advising the Board on the Body's performance against its aims and objectives;
 - ensuring financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and suitable financial appraisal techniques are followed;
 - ensuring a system of good corporate governance and assurance, in line with the principles of the Corporate Governance Code for Central Government Departments or the Charity Governance Code, as applicable
 - ensuring a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
 - ensuring robust internal management and financial controls are introduced, maintained and reviewed regularly, including measures to protect against fraud and theft (such measures to incorporate a comprehensive system of internal delegated authorities);
 - ensuring there are procedures for handling complaints about the Body;
 - ensuring there are people management policies in place, and these are maintained and made readily available to all staff; and
 - taking action, as appropriate, in accordance with the terms of the Memorandum for the Accounting Officer if the Board or its Chair is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity; does not represent prudent or economical administration or efficiency or effectiveness; is of questionable feasibility; or is unethical.

- 3.21 Equality and fair work must be at the core of WG public service delivery and, as such, WG expects the bodies it funds to operate ethical standards of employment.
- 3.22 The Chief Executive is responsible for decisions around staffing within the Body. 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, WG should be notified of, and in certain specific cases be requested to authorise, specific change proposals – please see annex A for detail.
- 3.23 The Chief Executive is also responsible for ensuring that pay and remuneration align to Welsh Government public sector pay principles, set out in the pay remit and guidance issued by WG from time to time. All pay changes must be notified to the Welsh Government's Head of Pay and Remuneration and Public Bodies Unit: all proposals that may be considered novel or contentious should be approved by Welsh Ministers where appropriate – please see annex A for detail.
- 3.24 The Chief Executive is also responsible for handling cases involving the Public Service Ombudsman for Wales.

The Board

- 3.25 The Chair and Board members are appointed by the Minister. As regulated appointments, they are to be made in accordance with the Commissioner for Public Appointments' Code of Practice.
- 3.26 The Board must act in an open and transparent way and must publish its membership, agendas and minutes on its website.
- 3.27 The role of the Board is to:
- provide effective leadership to the Body, defining and developing strategic direction and setting challenging objectives;
 - promote high standards of public finance management, upholding the principles of regularity, propriety and value for money;
 - ensure the Body's activities are conducted efficiently and effectively, and monitor performance to ensure the Body fully meets its aims, objectives and performance targets; and
 - promote the Nolan principles of public life (selflessness, integrity, objectivity, accountability, openness, honest and leadership).
- 3.28 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 the Board with independent advice. The Board must assure itself of the effectiveness of the internal control and risk management systems.

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

3.30 The Board is responsible for:

- establishing and taking forward the strategic aims and objectives of the Body consistent with its overall purpose and within the policy and resources framework determined by the Minister;
- ensuring the Minister is kept fully informed of any changes likely to impact on the strategic direction of the organisation or on the attainability of its targets, and of steps needed to deal with such changes;
- ensuring compliance with any statutory or administrative requirements in respect of the use of public funds;
- ensuring the Body operates within the limits of its authority and any delegated authority agreed with the Partnership Team, and in accordance with any other conditions relating to the use of public funds;
- ensuring, in reaching decisions, the Body takes into account guidance issued by the WG; ensuring it receives and reviews regularly financial information concerning the management of the Body;
- ensuring the Minister is informed in a timely manner about any concerns about the Body's activities, including activities which might affect the future level of resources required, and any policy or practice changes which may have wide financial implications;
- taking appropriate remedial action to address any such concerns or changes with wide financial implications, and providing positive assurances to the Minister via the Partnership Team about the same;
- demonstrating high standards of corporate governance at all times, including by using the ARAC to help the Board address key financial and other risks;
- appointing, with the prior written approval of the Minister, a Chief Executive (please see annex A for more information); and
- appointing the Chairs of the Board committees.

3.31 The Board is also responsible for:

- nominating a member of the NRW Executive Team 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 Departmental Security Health Check to be returned to the Welsh Government SIRO; and
- ensuring independent certification of security arrangements to the Cyber Essential Plus and IASME standards.

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

Individual Board Members' Responsibilities

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

The Chair

- 3.34 The Chair is accountable to the Minister and may also be held to account by the Senedd. Communications between the Board and the Minister must, in the normal course of business, be conducted through the Chair, who must ensure other Board members are kept informed of all such communications.
- 3.35 The Chair is responsible for ensuring the Board's policies and actions support the Minister's wider strategic policies, and the Body's affairs are conducted with probity. Where appropriate, the Chair must make arrangements to communicate and disseminate these policies and actions throughout the Body.
- 3.36 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.
- 3.37 The Chair must also:
- ensure all Board members are briefed fully on the terms of their appointment and on their duties, rights and responsibilities;
 - ensure Board members receive appropriate training, including on the financial management and reporting requirements of public sector bodies

- and on the differences which might exist between private and public sector practice;
- ensure the Board has a balance of skills appropriate to directing the Body's business;
 - advise the Minister on the needs of the Body when appointments to vacancies on the Board are to be made;
 - assess the performance of individual Board members in accordance with the arrangements agreed with the Partnership Team; and
 - ensure an appropriate code of conduct for Board members is in place, including rules and guidance on Board members' interests and conflicts of interest.

Welsh Government Attendance at Board Meetings

- 3.38 WG officials will not routinely attend meetings of the Board of the Body or of its committees. However, WG officials reserve the right to attend Board or committee meetings in an advisory or observer capacity if they wish, but will not take part in any decision-making by the Board at the meeting. The Board may also invite WG officials to attend to provide particular advice or information.
- 3.39 The Body must provide its Partnership Team with advance agendas and papers for Board meetings to allow it to consider whether officials need 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 to the Partnership Team any novel, contentious, repercussive or difficult issues to be addressed at the Board meeting.
- 3.40 For the avoidance of doubt, WG officials will play no part in the decision-making processes of the 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 are set out in Paragraph 23 of the Schedule to the Establishment Order.

Annual Report and Accounts

- 4.2 The Body must prepare an Annual Report and Accounts, including a Governance Statement, in accordance with the Accounts Direction issued by the Welsh Ministers and the [Government Financial Reporting Manual](#).
- 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.
- 4.4 These registers enable the disclosure requirements set out in the Government Financial Reporting Manual and Managing Welsh Public Money to be met.
- 4.5 The Annual Report and Accounts document must also:
- outline the body's main activities and performance during the previous financial year; and
 - report on performance against key performance indicators and other deliverables.

Presentation of the Annual Report and Accounts

- 4.6 As soon as the audit of the accounts is complete, the Body must contact and work with the Auditor General for Wales ("AGW") and the Partnership Team regarding the precise timetable for laying and publication of the Annual Accounts and Report.
- 4.7 The Body must submit the signed accounts, together with a letter of representation, to the AGW. A copy of the signed accounts must also be forwarded to the Partnership Team.
- 4.8 The AGW must lay the audited accounts before the Senedd as required by Paragraph 23 of the Schedule to the Establishment Order.
- 4.9 The Body will also be required to provide certain accounts information for the Whole of Government Accounts process and, potentially, for the Welsh Government Consolidated Accounts. Timing and scope of information required is annually communicated by the Welsh Government Finance function through the network of Heads of Resources of arm's length bodies.

Annual Report to the Minister

- 4.10 As soon as possible after the end of each financial year, the Body 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 Body 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.
- 4.11 The Minister must lay a copy of the report before the Senedd. Following this, the Body should publish its report to permit the Senedd, other clients and the public to judge its success in meeting its targets.

5. Audit Arrangements

Internal Audit

- 5.1 The Body must establish an Audit and Risk Assurance Committee (ARAC) of its Board to advise its AO and the Board on the adequacy of arrangements within the organisation for internal and external audit and corporate governance matters. In establishing its ARAC the body should refer to the guidance set out in the Audit and Risk Assurance Committee Handbook. The ARAC will report, and be accountable, to the Board.
- 5.2 The Body must:
- establish and maintain arrangements for internal audit in accordance with the objectives, standards and practices described in the Public Sector Internal Audit Standards;
 - ensure where the audit function is provided in-house, arrangements are made for external quality reviews at least once every five years and in accordance with Public Sector Internal Audit Standards. WG is to consider whether it can rely on these reviews to provide assurance on the quality of the Body's internal audit;
 - following approval by the AO and the ARAC, 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 ARAC.
- 5.3 The WG must:
- in accordance with agreed oversight arrangements, assess the effectiveness of the Body's internal audit arrangements by scrutiny of its plans for future activity, reports on past activity and its annual assurance report (i.e. the opinion of the Body's Head of the Internal Audit Service on its risk management, control and governance); and
 - have a right of access to all documents prepared by the Body's internal auditor, including where the service is contracted out.

External Audit

- 5.4 The AGW is the Body's statutory external auditor appointed by agreement under the Government of Wales Act 2006. The AGW's statutory rights of access to documents and information are set out in the Government of Wales Act 2006.
- 5.5 The AGW may carry out examinations into the economy, efficiency and effectiveness with which the Body has used its resources in discharging its functions and may make recommendations for improving economy, efficiency and effectiveness in the discharge of functions of bodies, and other studies

relating to the provision of services. For the purposes of these examinations, as well as the statutory financial audit, the AGW has a statutory right of access to documents and information held by relevant persons.

- 5.6 The Body must 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 must use its best endeavours to secure access for the AGW to any other documents required by the AGW which are held by other bodies.

Partnership Team's Right of Access

- 5.7 As set out in paragraph 24 of the Schedule to the Establishment Order, the Body must, without charge, permit any officer or officers of the WG at any reasonable time and on 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. In exceptional circumstances, such as the prevention or detection of fraud, it may not be practicable to provide the Body with reasonable notice. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the WG, AGW or any officer, servant or agent of any of the above, further to paragraph 1.5.

6. Management Arrangements

- 6.1 Unless otherwise agreed in advance in writing by the Partnership Team, the Body must at all times follow the principles, rules, guidance and advice in Managing Welsh Public Money and this Framework Document. The Body must refer any difficulties or requests for exceptions to the Partnership Team in the first instance.
- 6.2 From time to time, WG will request certain information and data from the Body. Advice and guidance 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.
- 6.3 The Body recognises it is a Data Controller for personal data processed in relation to its statutory duties and will comply with all aspects of the UK's data protection legislative framework and Freedom of Information legislation.
- 6.4 The Body must ensure always its relationship with the WG is recognised appropriately through the use of the WG's brand mark, as appropriate.

7. Planning Framework

Remit Letters

- 7.1 At a suitable early juncture of the Government term, the Minister will issue the Body with a remit letter setting out the strategic objectives agreed for the Body for the full term of Government. 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. The Term of Government remit process is set out at Annex B. This process is distinct and independent of the flood remit letter, which the Minister will continue to issue annually.

Corporate Plan

- 7.2 Within six months of receiving the remit letter, the Body is to submit to the Minister a Corporate Plan setting out how it is to achieve its strategic objectives. The finalised plan, agreed by the Minister, is to reflect the Body's strategic aims and objectives and is to remain in place for the whole Term of Government unless the remit changes, as noted in paragraph 7.1.
- 7.3 At the end of the Term of Government, the Corporate Plan will roll forward until the new Government has set its strategic agenda.

Business Plan

- 7.4 Each financial year, in light of the decisions by the Welsh Ministers on the allocation of budgets for the forthcoming financial year, the Minister is to send to the Body a formal statement of its budgetary provision.
- 7.5 In response to this, each year the Body is to prepare a business 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 business plan is to be informed by the Minister's remit letter and the confirmed level of funding available. It is for the Board to determine the precise content of this plan. The Body will need to ask the Minister to note the business plan via the Partnership Team.
- 7.6 The business plan must reflect the principles of the Well-being of Future Generations (Wales) Act 2015, and the Body must set out how it will use the five ways of working set out in the Act and how it will contribute to achieving the seven wellbeing goals.

Publication of Plans

- 7.7 The Body is to ensure both the Corporate and Business Plans are made available to the public.

Budget Planning

- 7.8 WG's budget planning arrangements are governed by the requirements of the Government of Wales Act 2006 and the Standing Orders of the Senedd.
- 7.9 The Body must co-operate with the Partnership Team by providing all necessary assistance and information to WG to take forward its budget planning decisions. During the budget planning period, the Body should indicate the total forecast income and expenditure for the year including assumptions on commercial and charging income.
- 7.10 The Minister will confirm both the net revenue and capital resource budgets and amount of grant-in-aid (cash) funding to be provided to the Body for the next financial year. As part of the net resource budget allocation, the Minister will also confirm the level of income which may be retained by the Body. This will normally be no later than one month after the final budget has been agreed by the Senedd. Any funding for the year in question must be authorised by the Senedd in the Annual Budget Motion.
- 7.11 Where possible, the Minister will also provide indicative budgets for subsequent years to inform budget planning. However, details of budgets for indicative years can decrease or increase according to Government priorities, changes to Ministerial Portfolios, machinery of government changes, budget fluctuations and/or concerns about the efficiency and/or effectiveness of the Body, which might be required to model different options for activity dependent on the funding available.
- 7.12 When setting resource and capital budgets and grant-in-aid requirements, consideration will be given to the levels of reserves (if any) held by the body and income expected from other sources.

8. Performance Management

- 8.1 The Body must operate management, information and accounting systems which enable it to review in a timely and effective manner its financial and non-financial performance against its objectives. It must inform the Partnership Team of any changes which make achievement of objectives more or less difficult.
- 8.2 In accordance with the reporting requirements set out in the oversight arrangements for the Body, key assurance documents, KPIs, details of actual and forecast expenditure, and other agreed monitoring information must be shared with the Partnership Team at agreed intervals to demonstrate milestones and targets are being achieved, and KPIs are within acceptable levels.
- 8.3 The Chair will also meet the Minister at least once a year to discuss progress.

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

9. Revenue and Capital Resource Budgets

- 9.1 Expenditure against revenue and capital resource budgets must be recorded and monitored by the Body in accordance with HM Treasury's Consolidated Budgeting Guidance. These are the net expenditure limits for the Body in each year, including any use of reserves for which budgetary cover has been given and must be adhered to. Net expenditure above these limits may not be committed until or unless a revised budget has been agreed in writing by the Partnership Team.
- 9.2 The Body may not breach the component parts of the revenue and capital resource budgets. Approval must be sought in advance and in writing if the Body wishes to spend more in one category and less in another.
- 9.3 Revenue and capital resource budgets cover all income and expenditure by the Body, including ring-fenced grants provided by WG and income received from other sources.
- 9.4 If the body is designated in an Order under section 126A of the Government of Wales Act 2006, the net resource budgets, retained income limit, and grant-in-aid (cash) set for the year in question will be voted as part of the Senedd Budget Motion. If the body is not designated, only the grant-in-aid will be voted as part of the Budget Motion.

Income and Resource Budgets

- 9.5 All streams of income mentioned in the following paragraphs are treated as public funds and the requirements of this document apply equally to them.
- 9.6 The Body must seek, as far as possible, to maximise its income from sources other than the public sector where this is consistent with its functions (and is in line with the business and operational plans). It may retain income up to the level set out in the funding letter that is derived from. For example, proceeds from sale of land and buildings and other assets, grants given through lottery funds or other public means, any proceeds from the Body's commercial activities and those resulting from the sale of services into wider markets.
- 9.7 Income generated from site fees from third party Wind Farm Development under TAN8 and Future Wales should be surrendered to the Welsh Government unless agreed otherwise. The amount submitted will be net of the NRW costs of managing its role in directly furthering the Welsh Government's Energy Agenda, including compensatory mitigations.
- 9.8 Further information is provided at Annex A. Such activity must be undertaken in accordance with the terms of Managing Welsh Public Money and this Framework Document.

- 9.9 The limit for income which can be retained by the Body is set out in the funding letter. If total income is set to exceed that limit, the Body should discuss with the Partnership Team and seek approval from Welsh Government's Director of Finance.
- 9.10 Certain types of income, such as donations, grants for research from non-public organisations, or bequests given to the Body, may be restricted in their use. Such funds should be managed in accordance with the terms of the donation/grant or bequest. They must still be included within the income reported by the Body and form part of the income retention limit.
- 9.11 Income from charges is set to cover the related expenditure and prioritised and used for charge-related programmes and investments. However, with WG approval, any surplus can be used for wider NRW capital investments.

Grants, Loans and Contracts given by the Body to other Entities

- 9.12 This section confers permission for NRW to give grants to other bodies as long as the following conditions are met. 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.
- 9.13 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.
- 9.14 The Body must undertake appropriate and proportionate due diligence checks on the recipient of any funding.
- 9.15 The Partnership Team must be notified of any loan schemes the Body wishes to enter into. Where approval is given, borrowing must be managed under similar arrangements to those for grants.

State Aid

- 9.16 If the activity being supported is commercial or economic in activities, all support provided will need to comply with the UK subsidy control regime as well as all relevant international treaty obligations. The Body must apply the five subsidy criteria prior to award, ensure that support adheres to the seven principles for a compatible subsidy and further ensure that subsidies are appropriately managed, remembering that a subsidy 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. The Body is responsible for ensuring appropriate levels of transparency in reporting on the types of aid which have been provided. Please refer to the UK Government's guidance on the awarding of subsidies for further information.

- 9.17 The WG operates a pre-notification system for any decisions the Body makes that could impact on Welsh Government's Consolidated Accounts. Detail of these decisions is set out in Annex A.

10. Grant-in-aid and Cash Management

- 10.1 Grant-in-Aid is the amount of cash payable by the WG to the Body in each year to fund its operations and is independent of the budget figures, although derived from them. It does not include depreciation or any budgetary cover allocated by the WG for the Body's use of its own reserves.
- 10.2 The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of cash need and from a person authorised to do so. The Body will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other funds shall be kept to a minimum level consistent with the efficient operation of the Body. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to Senedd approval of the relevant Budget Motion provision, where grant-in aid is delayed to avoid excess cash balances at the year end, the WG will make available in the next financial year any such grant-in-aid required to meet any liabilities at the year end, such as creditors.
- 10.3 As a minimum, the Body shall continue to provide the WG with regular information via its grant-in-aid claims which will enable the WG to monitor satisfactorily:
- the Body's cash management;
 - its draw down of grant-in-aid;
 - forecast resource outturn by resource headings; and
 - other data required for HM Treasury's reporting systems.

In-Year Cash Balances

- 10.4 Cash balances accumulated during the course of the financial year must be kept at the minimum level consistent with the efficient operation of the Body.
- 10.5 The Body must seek to avoid holding a working balance in excess of the equivalent of 4 per cent of its annual income (including grant-in-aid) budget when it receives each instalment of grant-in-aid. Any funds exceeding that amount held by the Body as a working balance at the end of each funding period are to be taken into account in determining the amount of cash to be paid in the following period.

End of Year Cash Balances

- 10.6 The Body is permitted to carry-over from one financial year to the next any drawn but unspent cash balances of up to 2 per cent of its annual income (including grant-in-aid) budget. Any proposal to carry-over sums in excess of

this amount must be agreed in writing in advance with the Partnership Team and the Welsh Government Director of Finance on a case by case basis. Any sum carried-over in excess of the agreed amount is to be taken into account in the subsequent year's grant-in-aid.

Interest Earned on Cash and Bank Balances

- 10.7 All interest, net of any bank charges, earned by the Body on its cash and bank balances is to be declared each month on the Body's drawdown request form and surrendered to HM Treasury via the Welsh Consolidated Fund. The exception here, is that interest earned on Bond accounts is retained by the Body and repaid to Bond holders.

11. Economy, Efficiency and Effectiveness

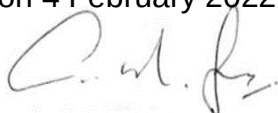
Evidence Base

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

Tailored Review

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

The terms of this Framework Document were noted by the Minister for Climate Change on 4 February 2022.

Signed 
Director General for
Economy, Skills and Natural Resources

Dated 4 February 2022

Signed 
Chief Executive

Dated 4 February 2022

Annex A: Delegations

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

1. Public Bodies Unit (PBU) has 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 Welsh Government, or to the effective delivery of the Government's Programme. These are arrangements to provide the Welsh Government with baseline data by which it can assess the volume of issues where responsibility is being transferred and to be sighted on the approach each body is taking to the new arrangements.
2. The intention of these arrangements is to keep the Welsh Government informed of how the new process is working in practice, rather than the continuation of a mechanism for approval by the Welsh Government.
3. PBU has agreed with the First Minister to put in place Approval, Pre-notification and Notification arrangements for decisions previously the subject of calling-in arrangements.
4. Accounting Officers in Public Bodies will be accountable for the decisions requiring notification. The Welsh Government may give advice on issues requiring pre-notification, as set out in Table B, but it is ultimately for the Chief Executive to take the decision. In the event of the Body deciding to disregard Welsh Government's advice, the Partnership Team will recommend to the Minister that a discussion is held with the Chair, with the Minister reserving the right to overrule any decision falling into this category where the Body has chosen for no justifiable reason to disregard Welsh Government advice.
5. The exceptions will be the decisions contained in Table A where the Welsh Government will be responsible for the decision.

Table A Approvals

Decision	Approval
Appointment of Chief Executive	Additional Accounting Officer and Minister
Term of Government Corporate Plan	Minister
Budget and Cash Management a) Cash carry-over in year in excess of 4% of total Income (including Grant in Aid) / Cash b) Cash carry-over end of year in excess of 2% of total Income (including Grant in Aid) / Cash c) Establishing new subsidiary companies/joint ventures d) Any borrowing, lending, guarantees, indemnities or investment related to public money e) Retention of income over and above that set out in funding letter. Any decision set out in legislation as requiring consent of Welsh Ministers	Welsh Government Finance Director Minister
Redundancy arrangements based on the Civil Service Compensation Scheme (bodies with Civil Service Pension)	Head of Pay and Remuneration who will seek advice of the Minister as appropriate.

Table B Pre-notification Arrangements

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

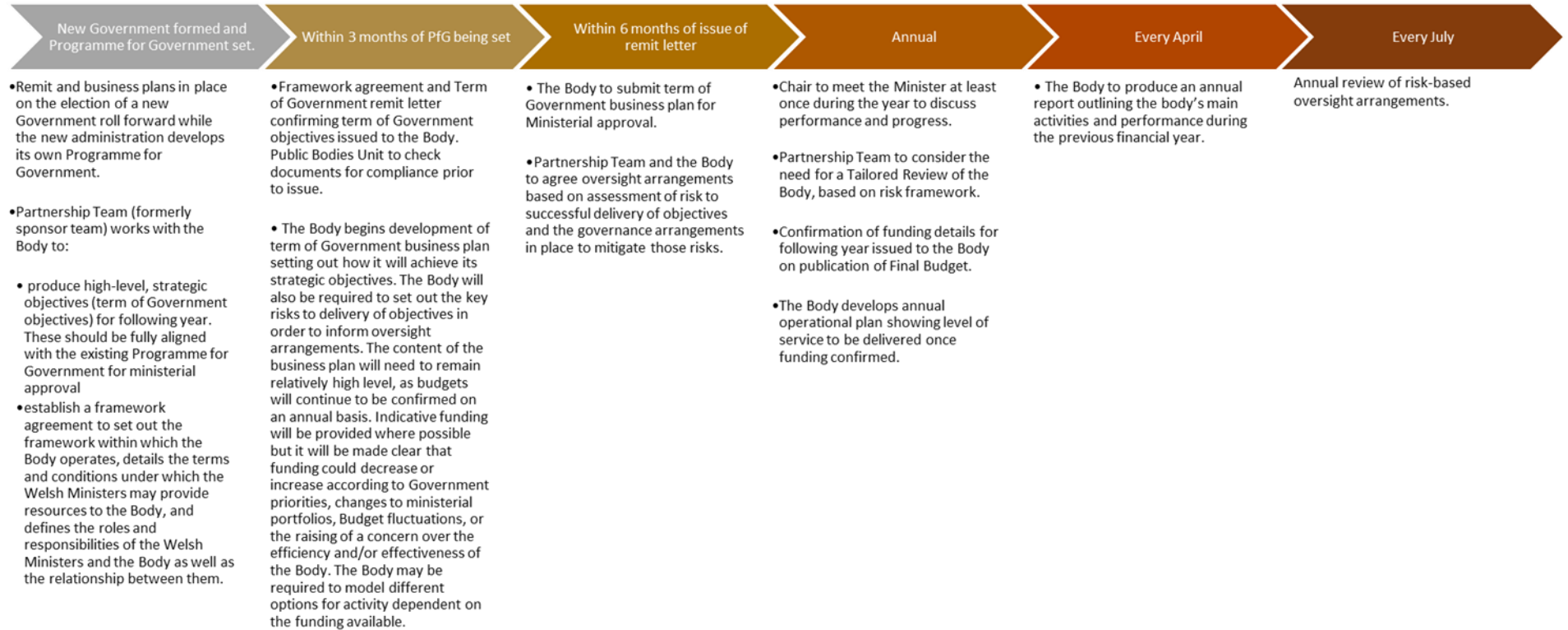
Decision	Pre-notification Action	Further Advice
Novel, contentious or repercussive proposals in line with Managing Welsh Public Money, including, but not restricted to, proposals that:	Partnership Team, in conjunction with the appropriate policy teams, to prepare advice to discuss with Public Bodies Unit, who will seek written advice of the Corporate	Additional Accounting Officer and Minister, as appropriate

Decision	Pre-notification Action	Further Advice
<ul style="list-style-type: none"> • Are not 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 	Governance Centre of Excellence and any other Body with expertise in the issue.	
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	Partnership Team to prepare advice to Additional Accounting Officer	Additional Accounting Officer
Policy or practice change that has wide financial implications	Partnership Team to prepare advice to Head of Budgetary Control copied to Public Bodies Unit	Minister, as appropriate
Staff remuneration & terms and conditions	Partnership Team to submit proposals to Head of Pay and Remuneration, Public Bodies Unit on: <ul style="list-style-type: none"> • changes falling outside WG public sector pay principles; • organisational design changes likely to lead to severances 	Minister, as appropriate
Anything that might affect the future level of resources required, e.g. potential budget pressures or underspends	Partnership Team to consider	Welsh Government Finance Director, as appropriate

Other Notification Arrangements

8. The Chief Executive should notify the Partnership Team at their quarterly monitoring meetings of any other decisions they have made or are likely to make in the next quarter that would previously have been referred to the Welsh Government.

Annex B: Term of Government Remit Process



Annex C: Memorandum for the Accounting Officer of Natural Resources Wales

Introduction

1. This Memorandum sets out the responsibilities of the Chief Executive of the Natural Resources Body for Wales (the “Body”) who is designated as an Accounting Officer (AO).
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 their 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

4. 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.
5. You must ensure that there is a high standard of financial management in the Body 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

6. 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:

- 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;
- 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;
- 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;
- 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;
- 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;
- 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;
- have in place arrangements to counter fraud and ensure that procedures for dealing with suspected cases are complied with; and
- ensure that your organisation conforms with the requirements of the Framework Document.

8. You should also ensure that managers at all levels:

- have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;
- 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;
- have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively; and

- 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

10. 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 the Senedd's Public Accounts & Public Administration Committee, other committees of the Senedd, the House of Commons Committee on Public Accounts or other Parliamentary Committees, to account for the Body's stewardship of public resources; and
 - responding to any recommendations from those committees made directly to the Body, and acting on any recommendations that have been accepted by the Welsh Government.

Appearance before the 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 their immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the Committee(s) contained errors, these should be made known to the Committee(s) 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 they are 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 their behalf if required.
18. If the post of Chief Executive (or equivalent) is vacant or it becomes clear that they are incapacitated and unable to discharge their responsibilities as AO, 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 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 consents, Welsh Government delegations or incompatible with the agreed spending budgets;
 - Propriety- if a proposal would breach Parliamentary or Senedd control procedures or expectations;
 - Value for Money – if an alternative proposal, or doing nothing, would deliver better value, for example: a cheaper, higher quality or more effective outcome;
 - Feasibility – where there is serious doubt about whether the proposal can be implemented accurately, sustainably, or to the intended timetable.
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 Division as quickly as possible;
- providing the Partnership Team with such information about its performance and expenditure as the team may reasonably require.

Partnership Working

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 requirements in the control of expenditure and any requirements imposed by the Partnership Team. A fundamental requirement is that the funds should be applied only to the extent and for the purposes authorised by the Senedd. The Senedd's attention must be drawn to losses or special payments, by appropriate notation of the relevant account.
28. You are responsible for ensuring that appropriate 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. Please see annex A for details. 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.