

# Corporate governance framework

**This document is also available in Welsh.**

**Version: April 2025**

# Contents

- Foreword ..... 1
- Statutory Framework ..... 1
- Functions of Estyn ..... 1
- Responsibilities and accountability ..... 4
- Strategy Board..... 8
- Strategic Management Group (SMG)..... 12
- Inspection Leadership Group (ILG)..... 16
- Operational Group (OG)..... 18
- Planning, budgeting and control ..... 22
- External accountability..... 24
- Audit and Risk Assurance Committee and Remuneration Committee terms of reference ..... 27
- Strategy Board, Audit and Risk Assurance Committee and Remuneration Committee – appointments, membership, register of members’ interests and remuneration and expenses for non-executive directors ..... 36
- Remuneration and expenses for non-executive directors of the Strategy Board and members of the Audit and Risk Assurance Committee ..... 39
- Proceedings of the Strategy Board..... 42
- Status of proceedings of the Strategy Board ..... 49
- Guidance on the preparation of Strategy Board papers ..... 50
- Strategy Board, Audit and Risk Assurance Committee and the Remuneration Committee development and effectiveness ..... 52
- Criteria for the review of the effectiveness of non-executive members of the Strategy Board ..... 54
- Estyn Strategy Board and ARAC Effectiveness Questionnaire ..... 55
- Code of Conduct for the Estyn Strategy Board ..... 58
- Nine principles of public service delivery..... 64
- Six principles of good governance..... 65
- Estyn’s rules and procedures governing registration of interests, gifts and hospitality for members of the Strategy Board and members of its committees and sub-committees..... 68
- Register of Member’s interest: Strategy Board and Audit and Risk Assurance Committee ..... 75
- Estyn: Gifts and hospitality form ..... 77
- Ambassadorial protocol for non-executive directors of the Strategy Board, its committees and sub-committees..... 78
- Register of ambassadorial activities for Strategy Board members ..... 80



## Foreword

1. This document explains the key responsibilities of His Majesty's Chief Inspector for Education and Training in Wales (HMCI), the Strategy Board, the Strategic Management Group, the Inspection Leadership Group and the Operational Group. An annex to this document sets out the responsibilities of the Audit and Risk Assurance Committee and the Remuneration Committee. It also sets out HMCI's and the Strategy Board's powers of delegation; the conduct expected of the Strategy Board; and the proceedings of the Strategy Board.
2. This version of our Corporate Governance Framework was formally approved by the Strategy Board on 12 December 2022. It reflects the principles set out in '[Corporate Governance in Central Government Departments – code of good practice](#)' (2017 version). It is published on our website as part of our commitment to openness and public accountability.

## Statutory Framework

3. The duties and powers of Estyn are drawn from those of HMCI whose position is set out in the Government of Wales Act 2006.

## Functions of Estyn

4. We are a non-ministerial civil service department that is independent of but funded by the Welsh Government under section 104 of the Government of Wales Act 1998. Information on our strategic objectives, our mission and our values can be found on our website and within the Annual Plan, which we publish each financial year.
5. One of our key roles is to inspect education and training in Wales to give assurance to the public and government regarding educational standards. We help education providers, such as schools and colleges, to improve quality and outcomes. We firmly believe in making inspection a positive experience for everyone working in education and training.
6. We are responsible for inspecting and reporting on the following sectors:
  - ▲ nursery schools and settings that are maintained by, or receive funding from, local authorities
  - ▲ primary schools
  - ▲ secondary schools
  - ▲ all-age schools
  - ▲ maintained special schools
  - ▲ pupil referral units

- ▲ independent schools
  - ▲ further education
  - ▲ independent specialist colleges
  - ▲ adult learning in the community
  - ▲ local government education services
  - ▲ Welsh language immersion arrangements in local authorities
  - ▲ youth work
  - ▲ initial teacher education
  - ▲ Welsh for adults
  - ▲ apprenticeships
  - ▲ learning in the justice sector
7. Following extensive consultation with many stakeholders over the last few years, we now have a new approach to inspection in schools and pupil referral units. In most sectors our inspection reports no longer include summative gradings. Rather than focusing on a grading, our reports detail how well providers are helping a child to learn. We also now produce a separate report summary for parents, which allows parents to access the key information they need about an inspection quickly.
  8. Our new approach aligns with the personalisation of the new curriculum for Wales. Our inspections also involve more in-person discussions, placing less emphasis on achievement data.
  9. We continue to work in collaboration with Inspection Wales. A 'Strategic Agreement' sets out five overarching objectives for Inspection Wales and these, in turn, are underpinned by a range of groups and forums through which joint planning and working is delivered.
  10. In partnership with Ofsted, we have responsibility for inspecting learners in England who are funded by the Welsh Government and who attend independent specialist colleges, work-based learning courses and programmes for unemployed people. In addition, we work with HMI Probation to inspect the education of offenders in secure estate and prisons. We also inspect non-maintained settings with Care Inspectorate Wales and local government education services with Audit Wales.
  11. We contribute to the development and review of education and training policy in Wales through our inspection work and thematic remit reports, providing advice on themes agreed in the annual remit task from the Welsh Government. We also work with the Welsh Government and other major stakeholders through participation in policy working groups and in regular forums.
  12. We promote the spread of effective practice in the delivery of education and training

through our programme of inspector training and effective practice events. Our sector stakeholder events provide opportunities to discuss best practice at sector level and provide input to the evaluation and review of inspection arrangements. In addition, we highlight the best practice identified during inspection activity by publishing relevant case studies on the 'Effective Practice' section of our website, and disseminate further information through our external newsletter.

13. Our theme for the coming years, across all our activities, will be to have more impact through our work. This means making sure that we can provide the usual excellence from our inspections while also giving clear messages in a format that suits the audience. In particular, we will increase the reach of our reports on educational issues by tailoring them to our different audiences such as learners, parents and teachers.
14. We provide a bilingual service across Wales that ensures effective engagement with all stakeholders both internally with staff and externally. Our [Strategic Welsh Language Plan 2021-2024](#) sets out our Welsh Language Objectives for the period 2021-2024. Our annual reports on the Welsh Language in Estyn include a summary of progress made each year against the priorities that we identified in the previous year's report.
15. We operate within a wider framework of government aims and policy. The Well-being of Future Generations (Wales) Act 2015 sets out to achieve a better and lasting quality of life for us all. In Estyn, we are looking forward to continuing to play our part in delivering this vision for the people of Wales.

## Responsibilities and accountability

### His Majesty's Chief Inspector

#### Role and responsibilities

16. His Majesty's Chief Inspector (HMCI) is responsible for the inspection and regulation of services within his or her remit.
17. HMCI is responsible for the overall organisation, management and for procedures in financial and other matters, including conduct and discipline.
18. HMCI is our Accounting Officer responsible for ensuring that resources are used properly and provide value for money. As an Accounting Officer, HMCI may be called upon to appear before the Senedd's Public Accounts Committee. An Accounting Officer agreement is in place with the relevant additional Accounting Officer in the Welsh Government.
19. HMCI's statutory position is set out in the [Government of Wales Act 1998](#) (as Chief Inspector).
20. HMCI has the general duty of keeping the First Minister informed about:
  - the quality of activities within HMCI's remit and (where appropriate) the standards achieved by those for whose benefit such activities are carried out
  - improvements in the quality of such activities and in any such standards
  - the extent to which such activities are being carried out as learner-focused activities
  - the efficient and effective use of resources in carrying out such activities and services
21. If requested to do so by the First Minister, HMCI must provide the First Minister with information or advice on such matters relating to activities within HMCI's remit.
22. HMCI may at any time provide advice to the First Minister on any matter connected with activities within his or her remit, including advice relating to a particular establishment, institution or agency.
23. HMCI may have other functions in connection with activities within his or her remit as assigned by the First Minister.
24. The Act also sets out requirements relating to the performance of HMCI's functions.
25. HMCI must ensure that:

- his or her functions are performed efficiently and effectively
- so far as is practicable, those functions are performed in a way that responds to:
  - the needs of people for whose benefit activities within HMCI's remit are carried out
  - the views expressed by other relevant people about such activities

### **Delegation by HMCI**

26. HMCI may, subject to the provisions of the Act, delegate functions to any of His Majesty's Inspectors or other members of our staff or additional inspector whom HMCI authorises to carry out that function. HMCI must ensure that the person has the necessary qualifications, experience and skills to be able to perform the functions in an effective manner.
27. HMCI may delegate any inspection functions to another public authority.
28. Although HMCI can delegate any inspection function, any such inspection will be regarded as if carried out by HMCI and the responsibility for such inspections will remain with HMCI.

### **Governance framework**

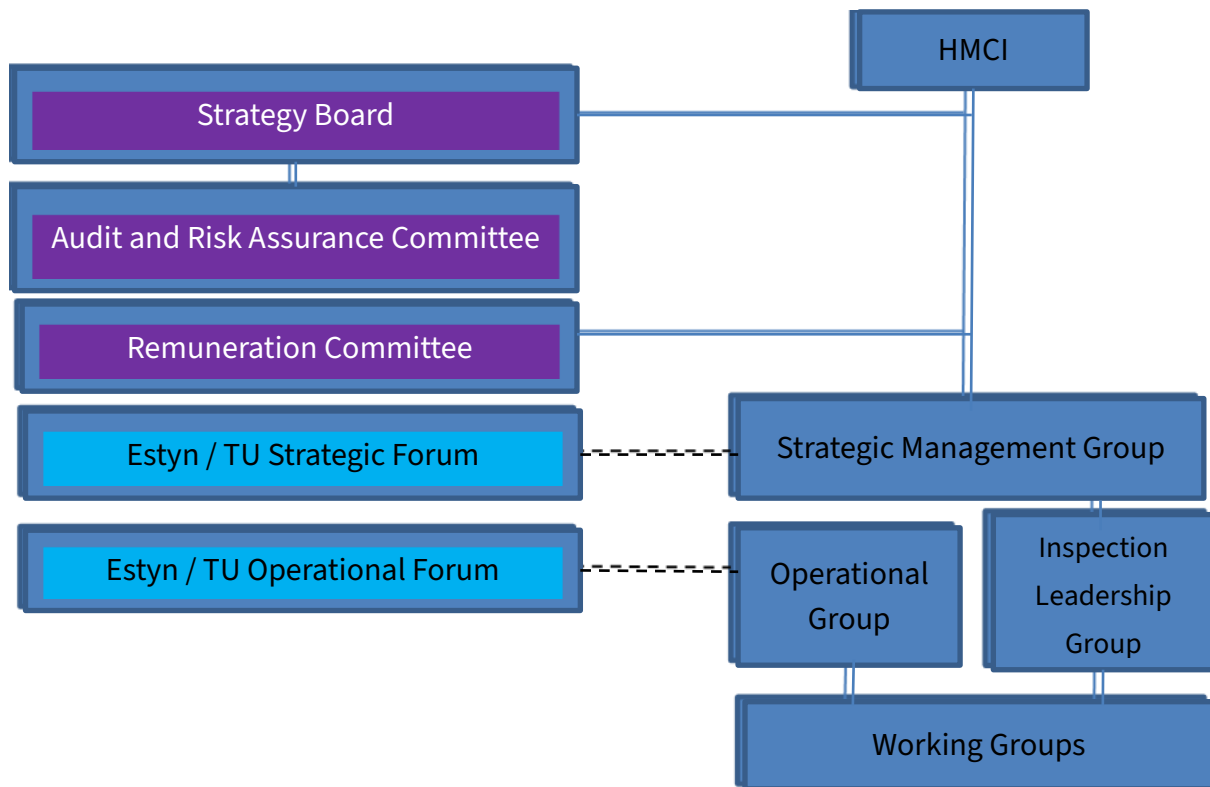
29. HMCI has established a governance framework that describes the systems, processes, culture and values by which Estyn is directed and controlled and by which we monitor the achievement of our strategic objectives and engagement with our stakeholders. The system of internal control manages risk to a reasonable level rather than eliminating all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. Risk assessment is based on an on-going process designed to identify and prioritise the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically by mitigating their potential impact and lowering the level of risk.
30. The governance framework (this document), incorporating the system of internal control, accords with Treasury guidance. The document explains the key responsibilities of His Majesty's Chief Inspector for Education and Training in Wales (HMCI), the Strategy Board for Estyn (and its two sub-committees: the Audit and Risk Assurance Committee and the Remuneration Committee) and the Strategic Management Group and Operational Group. It also explains HMCI's powers of delegation; the conduct expected of the Strategy Board; and the proceedings of boards and committees.



31. A clear statement of our purpose and vision is set out in our Annual Plan. The Plan outlines both our longer term and annual priorities along with details of how we will deliver against our strategic objectives. It is required to be published under Section 87 of the Learning and Skills Act 2000 and has to be approved by the First Minister of the Welsh Government. In alignment with the Annual Plan, business/activity plans are developed and individual officer work plans are agreed with performance objectives and targets.

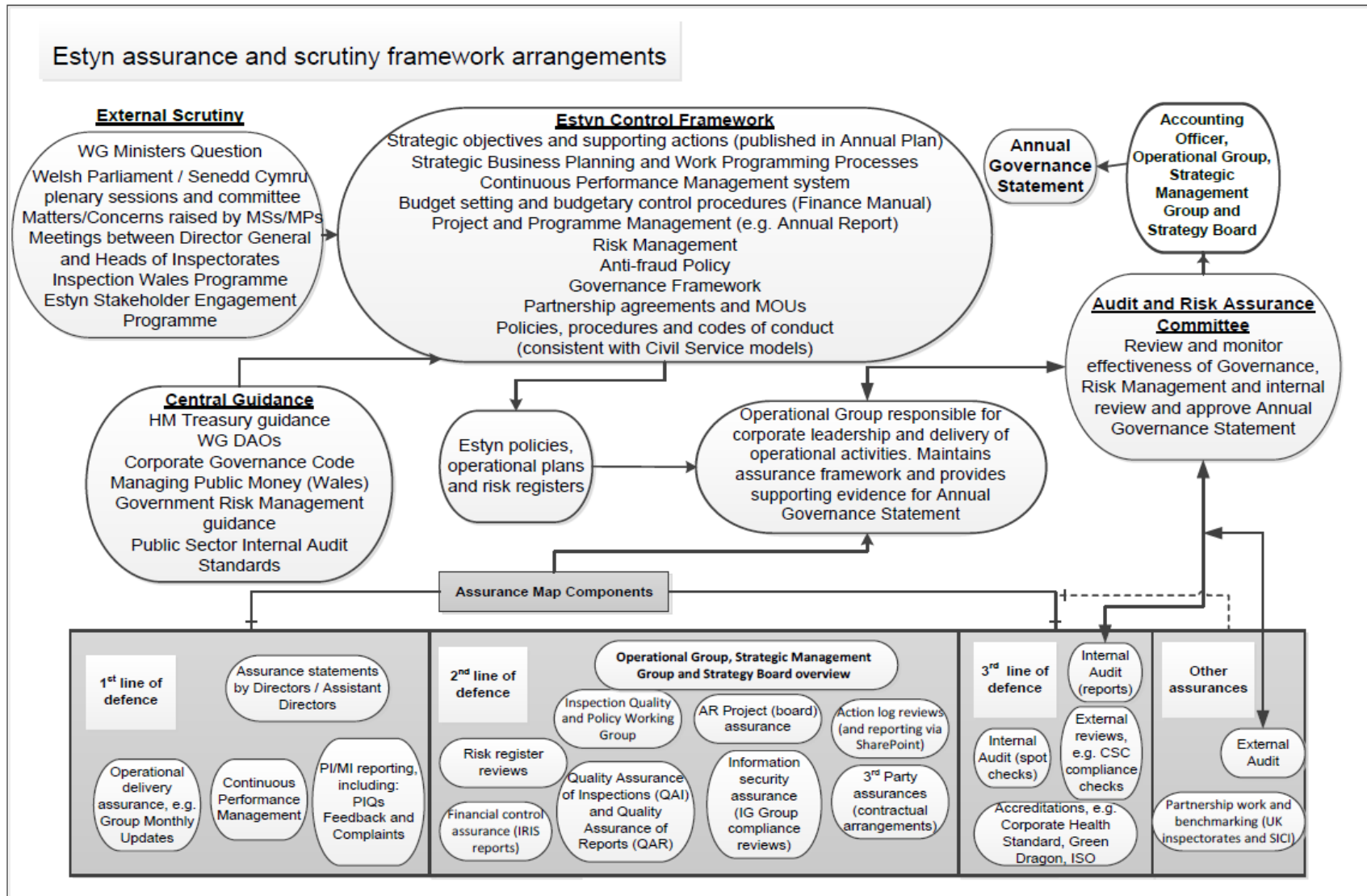
### How the management and control system operates

Structure of our groups and committees:



Attended by senior management and non-executive directors

Attended by staff and regional/national representatives of Public and Commercial Services Union (PCS) and First Division Association (FDA)



## Strategy Board

### Purpose

32. The purpose of the Strategy Board is to establish and monitor our strategic agenda and promote effective corporate governance. In doing this the Board will advise on Estyn's development so as to ensure its well-being and continued improvement as an employer and as a high-profile public service.

### Structure

33. To carry out the above functions, HMCI may create such committees as he or she deems necessary. The membership and terms of reference of each committee will be agreed by HMCI in consultation with Strategy Board members. At present, the committees of the Strategy Board are the Audit and Risk Assurance Committee and the Remuneration Committee, the terms of reference for which are at **Annex A**.

### Objectives

34. The Strategy Board's objectives are to:
- ensure that our mission, vision and values conform to ethical principles and lead to sound corporate governance
  - facilitate strategic directions and ensure that our organisational structure and capability are appropriate for the chosen strategies
  - monitor progress against the Annual Plan, including the achievement of our performance indicators and other performance data, advising as necessary on areas of underperformance
  - satisfy itself, having particular regard to the advice of its Audit and Risk Assurance Committee, that we are operating appropriately in matters relating to corporate governance, risk and internal control and the adequacy of the internal and external audit arrangements
  - advise HMCI on matters relating to organisational development
  - review, prior to publication, our Annual plan and Annual report and accounts
35. In working towards the delivery of the Annual Plan, the Strategy Board will:
- communicate the vision, role direction and priorities to staff and other stakeholders
  - ensure that financial resources and staff are allocated and managed effectively
  - monitor performance and advise on operational implications and effectiveness of policy proposals, plans and major projects
  - protect and enhance our reputation as a highly effective inspectorate and employer

## Membership

36. The members of the Strategy Board, Audit and Risk Assurance Committee and the Remuneration Committee are listed at **Annex B**.

## Appointment to the Strategy Board

37. Details of the appointment procedures are included at **Annex B**.

## Roles and responsibilities

### The Chair – HMCI

38. The role of the Chair (HMCI) is to ensure the Strategy Board's effectiveness, by ensuring that it is well organised, structured and led so that the organisation can achieve its purpose and strategic objectives.
39. The Chair will:
- facilitate meetings
  - ensure that the Strategy Board's:
    - procedures are appropriate and effective
    - procedures are reviewed at least annually
    - performance is reviewed at least annually
  - ensure that the Strategy Board considers:
    - the right issues to the right level of detail
    - the wider Civil Service agenda and the political and governance agenda in Wales, as appropriate
    - future challenges, opportunities, and current and possible threats
  - make sure that training appropriate to Strategy Board members' needs is undertaken
  - act as the main spokesperson, representing the external members of the Strategy Board to staff, partners and other stakeholders, with support from other members as appropriate and necessary
40. As Accounting Officer, HMCI is under no statutory obligation to seek the Strategy Board's advice before taking decisions. He or she will, however, do so on all matters of major policy or management significance unless urgency precludes this, including notifying the Board of any matters that threaten the regularity, propriety or value-for-money with which we carry out our business.
41. HMCI will ensure that the performance of individual Strategy Board members is reviewed annually and review the effectiveness of the arrangements for external members of the Strategy Board.

### Executive Directors

42. Executive members are employees and are subject to their contract and terms and conditions of service. The role of the executive member is to provide corporate leadership in the Strategy Board in support of the Accounting Officer. The executives have a decision-making role on the Strategy Board and will act in a corporate way for the greater good of Estyn by:
- ensuring that the Board obtains and considers all appropriate information
  - advising on operational and delivery implications of policy/business proposals
  - widening the horizons of the Strategy Board in determining strategy through their different knowledge perspectives, experiences and skills
  - constructively assisting in the policy formulation process
  - supporting the Chair in progressing the achievement of objectives and goals
  - contributing to the analysis of financial and other management information and making sure that risk management is robust

### Non-executive Directors

43. External members of the Strategy Board are non-executive directors (NEDs). The NEDs do not have a decision-making role. The role of the NED is advisory and they should:
- widen the horizons of the Strategy Board in determining strategy through their different relevant experiences and backgrounds
  - constructively challenge the policy formulation process
  - contribute to policy development
  - support and monitor the performance and progress of management in meeting objectives and goals
  - satisfy themselves that financial information is reliable and that financial controls and systems of risk management are robust
44. NEDs are not employees of Estyn and will not take part in the day-to-day business of the organisation. NEDs are accountable to HMCI, as the Accounting Officer.
45. NEDs will participate fully in the Strategy Board as described above and should raise concerns about matters of conscience or propriety, including that relating to the work of other NEDs, with HMCI. If the concern relates to HMCI, NEDs should raise the matter with another member of the Strategy Board. The Strategy Board will determine the most appropriate process for considering the matter. There is no right of appeal to the Civil Service Commissioners for NEDs as they are not civil servants.

## The Secretariat

46. HMCI's secretariat supports the Strategy Board and is responsible for:
- arranging meetings
  - making decisions in consultation with the Chair about papers and agenda
  - quality assuring meeting papers and arrangements
  - collecting and circulating papers from the Chair
  - preparing minutes and clearing them with the Chair
  - circulating minutes including a summary of key decisions and action points
  - publishing papers and minutes at the appropriate time on the intranet
  - circulating papers to members five working days ahead of a meeting
  - assisting in reviews of the Board's procedures
  - assisting in actioning the Board's communication framework

## Operation

47. The proceedings of the Strategy Board are laid out at **Annex C**.

## Development and Effectiveness

48. **Annex D** provides details relating to the development and effectiveness of Strategy Board members.

## Code of Conduct

49. **Annex E** describes how the Code of Conduct is applied to members of the Strategy Board.

## Strategic Management Group (SMG)

### Purpose

50. The purpose of the group is to discuss the strategic direction of Estyn and corporate issues. It will support HMCI as Accounting Officer in leading and managing the organisation in accordance with the principles of good corporate governance, internal control, and risk management.

### Objectives

51. The Strategic Management Group's objectives are to:
- uphold and promote our mission, vision and values
  - plan and co-ordinate the delivery of our functions to achieve our strategic objectives
  - oversee and monitor delivery of our strategic objectives – inspection, advice and building capacity work
  - prepare a statutory Annual Plan and Annual Report and Accounts
  - allocate budgets and monitor their use
  - work with Resource Panel to make human resource decisions linked to business priorities
  - lead and promote organisational and workforce development to enhance capacity to deliver and improve
  - approve corporate policy and decide on matters of organisational structure and process
  - monitor and manage our performance and progress against our plans and the achievement of performance indicators
  - identify, manage and review strategic risks
  - address issues raised by Strategy Board and Audit and Risk Assurance Committee or identified through internal and external audit
  - ensure that all aspects of our work are communicated effectively to staff

SMG's work will be supported by an annual plan of business. Operational Group will also provide regular updates to enable SMG to have strategic oversight of operational matters.

### Membership

52. The members of SMG are:

Chair: HMCI

Other members: Estyn's Strategic Directors

In attendance:           Assistant Director Central Services

                                  Head of Finance and Business Services

                                  Head of People

                                  Two Inspection Assistant Directors on termly rotation (one from each Strategic Director area where possible)

                                  Representative from Communications team

Other colleagues will be invited to attend for specific items as required.

## **Roles and responsibilities**

### **The Chair – HMCI**

53.     The role of the Chair (HMCI) is to ensure SMG’s effectiveness, by making sure that it is well organised, structured and led so that the organisation can achieve its strategic objectives.
54.     The Chair will:
- ensure that SMG’s:
    - procedures are appropriate and effective
    - procedures are reviewed at least annually
    - performance is reviewed at least annually
  - ensure the performance of individual SMG members is reviewed annually
  - ensure that SMG considers:
    - the right issues to the right level of detail
    - the wider Civil Service agenda and the political and governance agenda in Wales, as appropriate
    - future challenges, opportunities, and current and possible threats
  - make sure that training appropriate to SMG members’ needs is undertaken
55.     It is also SMG’s function to:
- Further develop Estyn as a ‘best value’ organisation and as an ‘exemplary employer’
  - work collaboratively with our partners, particularly the other inspectorates to support improvement
  - further develop our role as a key source of expertise, fresh thinking and effective practice in the field of education and training policy
  - focus on having more impact through our work



### Strategic Directors

56. The role of the Strategic Directors (SDs) is to provide corporate leadership in SMG in support of HMCI. The Directors have a decision-making role on SMG and will act in a corporate way for the greater good of Estyn by:
- bringing to SMG their different knowledge perspectives, experiences and skills
  - constructively assisting in the policy formulation process
  - supporting the Chair in progressing the achievement of objectives and goals
  - contributing to the analysis of financial and other management information and making sure that risk management is robust

### Assistant Directors, Head of Finance and Business Services, Head of People, Communications team representative

57. The role of the Assistant Directors, Head of Finance and Business Services, Head of People, and Communications team representative is to provide leadership in SMG in support of HMCI. They do not have a decision-making role on SMG, but should act corporately in:
- bringing to SMG their different knowledge perspectives, experiences and skills
  - constructively assisting in the policy formulation process
  - supporting the Chair and other members in progressing the achievement of objectives and goals
  - contributing to the analysis of financial and other management information and making sure that risk management is robust

### Secretariat

58. HMCI's secretariat supports the SMG and is responsible for:
- arranging meetings
  - making decisions in consultation with the Chair about papers and agenda
  - quality assuring meeting papers and arrangements
  - collecting and circulating papers from the Chair
  - preparing minutes and clearing them with the Chair
  - circulating minutes including a summary of key decisions and action points
  - publishing papers and minutes at the appropriate time on the intranet
  - circulating papers to members five working days ahead of a meeting
  - assisting in reviews of the group's procedures
  - assisting in actioning the group's communication framework

### Operation

59. SMG will be chaired by HMCI. It will normally meet monthly, meetings to last two

hours, and at other times as may be necessary.

### **Quorum**

60. Quorum shall be at least half the members in attendance of which there will be at least two executive members and two regular members (one AD and one from Central Services).

## Inspection Leadership Group (ILG)

### Role

61. The purpose of the group is to:
- provide high quality leadership to develop inspection policy and practice and associated policy advice and capacity building activity across sectors.
  - provide high quality corporate leadership and to develop and oversee the implementation of management policies that are effective, cohesive and transparent in line with Estyn's strategic direction and its objectives.
  - ensure that operational activities deliver Estyn's strategic objectives.
  - uphold and promote Estyn's mission, vision, and values.
62. ILG will support SMG and the Accounting Officer by applying the principles of good governance, internal control, and risk management.

### Responsibilities

63. The objectives of the group are to provide a:
- vital bridge between strategic and operational leadership, management, and planning in relation to inspection policy and practice and associated policy advice and capacity building activity across sectors.
  - forum to discuss inspection policy and practice and agree key developments and changes.
  - forum for the creative and constructive exchange of contributions against each of Estyn's three strategic objectives.
  - strategic direction for the activities of inspection and policy lead officers.
  - vehicle for shaping and influencing Estyn's growth and direction through shared open discussion of our organisational challenges.
  - consistency of approach by all ADs (inspection and central services) in applying Estyn's policies and procedures.
  - corporate risk management.
  - consistency of communication with staff and stakeholders.
64. The group can make decisions on:
- management approaches to implementing policies and procedures in relation to inspection, subject to considering the operational impact assessment and liaison with OG where needed.
  - operational changes which do not increase the net requirement for resources (through liaison with OG).

- LILO role allocations (agreement in principle for referral to RP for decision).
- inspector performance review validations.
- inspector eligibility to tender.
- management of inspector declaration of interest.

65. The group makes recommendations to SMG for decisions regarding:

- changes to business strategy.
- increase in resource requirements.
- Significant changes to content and operational activities within the draft Annual Plan.

### Membership

- Chair – Strategic Director (alternating)
- **HMCI** to attend periodically.
- Attendees: **All Assistant Directors**
- Other staff members to be invited as appropriate for specific agenda items.
- Executive Assistant notetaker

### Conduct of business

66. **Frequency:** Half termly (pilot arrangement to be reviewed in December 2023)
67. **Notice:** Agendas and papers will be circulated a minimum of 4 working days before the meeting. All papers should be accompanied by a cover sheet.
68. Agendas will be split into items for decision and items for brief discussion. Items for information only will not be included on the agenda, these should be shared electronically outside of meetings.
69. Support and reporting: the group will be supported by an Executive Officer who will keep a brief record of the meeting highlighting actions agreed, decisions taken and recommendations for decision.
70. As a minimum, the group will review its risk register during each quarter and ToR annually.
71. An annual planner of activities to be agreed at the start of each academic year.

### Quorum

72. To have a quorum for decision, there should be one SD and at least four ADs present, including the AD (or designated deputy) for CS and inspection.

## Operational Group (OG)

### Purpose

73. The purpose of the group is to lead on day to day operational delivery supported by sound decision-making and discussion of day to day operational decisions.
74. It upholds and promotes Estyn's mission, vision and values, ensuring that operational activities deliver Estyn's strategic objectives.
75. It provides high quality corporate leadership and develops and implements management policies that are cohesive and transparent in line with Estyn's strategic direction and its objectives.
76. It supports SMG and the Accounting Officer by applying the principles of good governance, internal control and risk management.

### Objectives

77. The group is responsible for:
  - the operational delivery of Estyn's strategic objectives
  - monitoring quality of key deliverables against the annual plan
  - evaluating delivery at branch, team, sector and policy area
  - reviewing monthly financial reporting, organisational risks and escalation of issues to SMG
  - contributing to and reviewing draft Annual Plan and draft Annual Report and Accounts
  - ensuring organisation-wide consistency of approach in applying Estyn's policies and procedures
  - assuring that staff performance review validations are completed by relevant grade groups and reviewing high level reports on validation outcomes
  - management of staff declarations of interest and inspector eligibility to tender
78. The group can make decisions on:
  - how to implement policies and procedures
  - operational changes that do not increase the net requirement for resources, including lead officer role allocations
79. The OG's work is supported by an annual plan of business and a robust process of evaluation and improvement. OG provides a regular update to SMG after each meeting (copied to all SMT) to enable it to maintain strategic oversight of operational matters. It makes recommendations to SMG for strategic decisions and those

requiring additional resources.

## Membership

80. The members of Operational Group are:

Chair: Assistant Director (Central Services)

In attendance: All inspection Assistant Directors

All Central Services Grade 7s

One Strategic Director on termly rotation

Representative from Communications team

81. Other colleagues will be invited to attend for specific items as required.

82. Due to quorum arrangements no deputy nominations are required.

## Roles and responsibilities

### The Chair – HMCI

83. The role of the Chair (Assistant Director Central Services) is to ensure the Operational Group's effectiveness, by making sure that it is well organised, structured and led so that the organisation can achieve its operational objectives.

84. The Chair will:

- ensure that the Operational Group's:
  - procedures are appropriate and effective
  - procedures are reviewed at least annually
  - performance is reviewed at least annually
- ensure the performance of individual Operational Group's members is reviewed annually
- ensure that the Operational Group considers:
  - the right issues to the right level of detail
  - the wider Civil Service agenda and the political and governance agenda in Wales, as appropriate
  - future challenges, opportunities, and current and possible threats
- make sure that training appropriate to the Operational Group's members' needs is undertaken

85. It is also the Operational group's function to:

- further develop Estyn as a 'best value' organisation and as an 'exemplary employer'
- work collaboratively with our partners, particularly the other inspectorates to support improvement
- further develop our role as a key source of expertise, fresh thinking and effective practice in the field of education and training policy
- focus on having more impact through our work

### **Strategic Director**

86. The role of the Strategic Director (SD) is to provide corporate oversight of the meetings. The Director will act in a corporate way for the greater good of Estyn by:

- bringing to the Operational Group their different knowledge perspectives, experiences and skills
- constructively assisting in the policy formulation process
- supporting the Chair in progressing the achievement of objectives and goals
- contributing to the analysis of financial and other management information and making sure that risk management is robust

### **Assistant Directors, Grade 7s, Communications team representative**

87. The role of the Assistant Directors, Grade 7s and Communications team representative is to provide leadership in the Operational Group in support of the Chair, as follows:

- bringing to the Operational Group their different knowledge perspectives, experiences and skills
- constructively assisting in the policy formulation process
- supporting the Chair and other members in progressing the achievement of objectives and goals
- contributing to the analysis of financial and other management information and making sure that risk management is robust

### **Secretariat**

88. HMCI's secretariat supports the OG and is responsible for:

- arranging meetings
- making decisions in consultation with the Chair about papers and agenda
- quality assuring meeting papers and arrangements
- collecting and circulating papers from the Chair
- preparing minutes and clearing them with the Chair
- circulating minutes including a summary of key decisions and action points

- publishing papers and minutes at the appropriate time on the intranet
- circulating papers to members five working days ahead of a meeting
- assisting in reviews of the group's procedures
- assisting in actioning the group's communication framework

### **Operation**

89. The Operational Group will be chaired by the Assistant Director (Central Services). It will normally meet monthly, meetings to last three hours, and at other times as may be necessary.

### **Quorum**

90. Quorum shall be at least half the members in attendance of which there will be at least three inspection ADs, one SD and two Grade 7s.



## Planning, budgeting and control

### The Annual Plan and budget setting process

91. The Annual Plan is approved by the Welsh Government First Minister. HMCI is responsible for its preparation, with the advice of SMG. When preparing each annual plan, performance targets against performance objectives will be reviewed and, if appropriate, revised, in order to provide an appropriate framework for monitoring our performance.
92. Our funding is currently provided via the Finance and Local Government Main Expenditure Group (MEG).
93. HMCI, with the advice of SMG, manages the preparation of our budget on an annual basis, to reflect our strategic objectives and priorities. SMG approves the budget annually and monitors and approves adjustments to the budget allocations during the year.
94. Any changes to delegated budgets are approved by HMCI, as advised by SMG.
95. Further information on the budgetary control processes and general financial governance can be found within the Estyn Finance Manual.

### Internal audit and other forms of assurance

96. We contract an effective and independent internal audit facility and ensure that it operates in accordance with the Public Sector Internal Audit Standards.
97. Strategic and periodic audit plans are produced that take full account of the risks we face and ensure that there is sufficient coverage of key areas in line with an agreed three-year audit programme. The strategic and periodic plans are approved by HMCI, as the Accounting Officer, on the advice of the Audit and Risk Assurance Committee. A systematic review and evaluation of our risk management, control and governance based on these audit plans is conducted.
98. Work completed by our internal auditors results in reports that include an independent opinion on the adequacy and effectiveness of the system of internal control together with recommendations for improvement. Any areas for improvement identified through internal (and external) audit reports will be addressed to ensure continuous improvement. A tracking system will be used by OG, SMG and Audit and Risk Assurance Committee to monitor completion of and compliance with audit recommendations.
99. The internal auditor produces an annual report that provides an opinion on the

adequacy of risk management, governance and control. This report forms one of the primary sources of evidence that underpins 'The Annual Governance Statement'.

100. We use benchmarking as a tool of performance management and, where possible, will compare our business processes to those used in similar organisations.
101. Other sources of evidence include:
- annual assurance statement by the members of Operational Group that they and their staff have complied with our corporate governance, internal control and risk management arrangements; this will include confirmation that any major problems have been notified to the Audit and Risk Assurance Committee and that any weaknesses identified, from whatever source, have been addressed appropriately
  - the results of financial and value for money audit work by Audit Wales
  - the outcome of visits/inspections by external third parties, such as the Civil Service Commissioners, Her Majesty's Revenue and Customs, and Public Health Wales (Corporate Health Standard)
  - the results of internal quality assurance processes, particularly those related to our inspection role
  - examination and monitoring of complaints
  - the results of the annual Civil Service People survey

### **Audit and Risk Assurance Committee**

102. The Audit and Risk Assurance Committee provides scrutiny, oversight and assurance of risk management control and governance procedures to HMCI, as Accounting Officer, and to the Strategy Board, including:
- the effectiveness of strategic processes for risk management control and governance, information assurance and 'The Annual Governance Statement'
  - the accounting policies, the Annual Report and Accounts, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
  - the planned activities and results of internal and external audit.
103. The assurance is provided in an annual report by the Chair of the Audit and Risk Assurance Committee to members of the Audit and Risk Assurance Committee and the Strategy Board.

## External accountability

### Statement of Accounts

104. We produce an Annual Report and Accounts in accordance with Managing Welsh Public Money, the Government Financial Reporting Manual (FREM), all relevant “Dear Accounting Officer” letters<sup>1</sup>, and other letters published by HM Treasury and Welsh Government.
105. The annual accounts will be considered by the Audit and Risk Assurance Committee and signed by HMCI. They will be produced and laid before the Senedd within the timescale set.

### External audit and value for money examinations

106. External audit review is undertaken by Audit Wales (AW).
107. In addition to auditing the Annual Report and Accounts, AW also has the right to conduct value for money examinations into aspects of any activities as appropriate.
108. HMCI will consider the annual Management Letter from the AW and agree an action plan to address any issues raised on the basis of advice from the Strategy Board. The Audit and Risk Assurance Committee will have oversight of this process.
109. HMCI will be responsible for ensuring that an action plan is established in relation to any individual detailed reports from AW, including specific value for money or other reviews. Where appropriate these reports and action plans will be passed to the Strategy Board or Audit and Risk Assurance Committee for further scrutiny.

### Annual Report and Accounts

110. Each year, HMCI produces an annual report, alongside the statement of accounts, which summarises our work for that year and the way in which we contributed to the improvement of services within our remit. This report is laid before the Senedd by the Auditor General on behalf of Estyn.

### HMCI's Annual Report

111. HMCI is required by the Act to make an annual report to the First Minister who lays it before the Senedd. HMCI's annual report provides findings and analysis on the performance of education and training in Wales during the previous academic year.

---

<sup>1</sup> “Dear Accounting Officer” letters (DAOs) are used to provide specific advice to accounting officers on issues of accountability, regularity and propriety, and annual accounting exercises. These are used to supplement guidance published in ‘[Government Accounting](#)’ and the FREM.

## Table of responsibilities

| <b>Subject</b>              | <b>Responsibility of HMCI and SMG</b>   | <b>Strategy Board</b>   | <b>Audit and Risk Assurance Committee</b>  |
|-----------------------------|---|---|--|
| <b>Strategy</b>             | Preparation of Estyn's Strategic Plan for consideration by the Strategy Board.  | Consideration and approval of Estyn's draft Strategic Plan.   |  |
| <b>Corporate governance</b> | Annual review of the Corporate Governance framework and making recommendations to the Strategy Board.   | Consideration and approval of the Corporate Governance framework.   | <p>Advice to HMCI and the Strategy Board on the strategic processes for risk management, financial control, information assurance and governance.</p> <p>Review of the Annual Governance Statement which accompanies the annual accounts.</p> <p>Advice to HMCI and the Strategy Board on assurances relating to the corporate governance requirements for the organisation.</p> |
| <b>Budget</b>               | <p>Review of expenditure and the annual budget.</p> <p>Approval of any changes from the budget.</p>   | <p>Review of the annual budget.</p> <p>Oversight to ensure Estyn uses resources efficiently and achieves value for money.</p>   | Monitoring the accounting policies and expenditure of the organisation, to provide advice and assurance to the Accounting Officer.   |
| <b>Audit issues</b>         | <p>Management and approval of Internal and External Audit plans, scope and coverage.</p> <p>Ensure appropriate response to audit recommendations.</p> | <p>Advisory functions mainly delegated to Audit and Risk Assurance Committee.</p> <p>Scrutiny of Audit and Risk Assurance Committee's annual report and consideration of any other issues raised by the Audit and Risk Assurance Committee (through the Chair) to the Strategy Board. Advice to HMCI, if appropriate.</p> | Advice to HMCI and the Strategy Board relating to internal and external audit plans, scope and coverage, audit reports and recommendations, and coordination between internal auditors and Audit Wales   |
| <b>Risk management</b>      | Management and approval of Estyn's risk management arrangements.  | <p>Scrutiny of risk management processes.</p> <p>Review of risk registers – including 'deep dive' reviews.</p>  | Advice to HMCI and the Strategy Board relating to the appropriateness of mechanisms for the assessment and management of risk and the measures taken to manage risks.  |

Estyn's Corporate Governance Framework

| <b>Subject</b>                       | <b>Responsibility of HMCI and SMG</b>   | <b>Strategy Board</b>  | <b>Audit and Risk Assurance Committee</b>   |
|--------------------------------------|---|--|---|
| <b>Statement of accounts</b>         | Management and approval of the Annual Report and Accounts.  |  | Reviewing Estyn's annual Resource Accounts, to provide advice and assurance and recommendation of approval to the Accounting Officer. |
| <b>Annual Report</b>                 | Management and approval of the Annual Report.   | Oversight and approval of the draft Annual Report.   |   |
| <b>Human Resources</b>               | Appointment and all aspects of management of staff. Determination of the staffing structure and arrangements for registered inspectors, additional inspectors, and public authorities to undertake inspections on behalf of HMCI. | Scrutiny of whether Estyn fulfils its statutory employment duties. Analysis of employment trends and external factors – to help inform planning, recruitment, engagement and well-being. | Scrutiny and analysis of related audit reports and management actions.  |
| <b>Contracts</b>                     | Management of Estyn's contracts, such as procurement of accommodation leases and certified additional inspectors.   | To ensure the efficient and effective use of resources related to contract management.   | Monitoring and reviewing contract activity and procurement processes, including departures from standard procurement practice.        |
| <b>Litigation</b>                    | Approval of decisions concerning litigation, except where litigation relates to functions exercised by the Strategy Board.  | Approval of decisions concerning litigation where it relates to functions exercised by the Strategy Board.   |   |
| <b>Strategy Board administration</b> | Ensuring that Strategy Board is well supported.   | The cycle of Strategy Board meetings, the composition of agendas and minutes of meetings.  | The cycle of committee meetings, the composition of agendas and minutes of meetings.  |

112. Each year HMCI will present the Strategy Board with a schedule of reporting information covering strategic and operational performance, finance, audit, risk management, equalities issues and other matters agreed by the Strategy Board. This schedule will make clear the reporting information which will go to the Strategy Board and which will go to the Audit and Risk Assurance Committee.

## Annex A

### Audit and Risk Assurance Committee and Remuneration Committee terms of reference

#### Audit and Risk Assurance Committee

##### Purpose

- 1 The Audit and Risk Assurance Committee is a committee of the Strategy Board and derives its formal terms of reference following advice from the Strategy Board. It exists to support the Strategy Board and Accounting Officer in their responsibilities for issues of risk control and governance by reviewing the comprehensiveness of assurances in meeting the Strategy Board's and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

##### Membership

- 2 The members of the Audit and Risk Assurance Committee are shown at **Annex B** to our Corporate Governance Framework.

##### Appointment to the Audit and Risk Assurance Committee

- 3 Details of appointment procedures are included at **Annex B** to our Corporate Governance Framework.

##### Meetings

- 4 The Audit and Risk Assurance Committee will meet four times a year. The Chair of the Audit and Risk Assurance Committee may convene additional meetings as deemed necessary.
- 5 Normally all of the members and the Estyn attendees would be expected to be present at Audit and Risk Assurance Committee meetings, i.e. all SMG members, the Head of Finance and Business Services and the Head of Governance. However, a minimum of three of the current four members of the Audit and Risk Assurance Committee (NEDs) will be present for the meeting to be deemed quorate. In the absence of the Chair of ARAC, another NED will deputise.
- 6 The Chair of Audit and Risk Assurance Committee may ask any or all of those who normally attend but who are not external members to withdraw to facilitate open and frank discussion of particular matters.
- 7 The Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which he or she would like the

Committee's advice.

- 8 The Audit and Risk Assurance Committee will be provided with a secretarial function by HMCI's secretariat.
- 9 There shall be an annual meeting between the Chief Inspector, the Chair and members of Estyn's Audit and Risk Assurance Committee to consider any matter arising from the Annual Governance Statement or any other document or record which might have implications for ensuring good governance and risk management.

### Access

- 10 There will be mutual rights of access among each of the Chair of the Audit and Risk Assurance Committee, the Accounting Officer, the Head of Internal Audit and the representative of External Audit.
- 11 The Audit and Risk Assurance Committee secretariat will arrange for separate annual meetings to take place between all members of the Audit and Risk Assurance Committee and each of the other persons listed in **Annex B** to ensure that there is a clear understanding of expectations and mutual understanding of current issues. The meetings will take place, in the following order, either immediately before or after the January or February Audit and Risk Assurance Committee meeting:
  - meeting with external auditor
  - meeting with internal auditor
  - meeting with Accounting Officer
- 12 It will be for the Chair of the Audit and Risk Assurance Committee to decide whether or not they wish the meetings, as referred to in paragraph 11 above, to be minuted.

### Register of members' interests

- 13 Members are required to complete a Register of Members' Interests. Guidance on this is included at **Annex E (Appendix 4)** to our Estyn's Corporate Governance Framework.

### Training

- 14 Members are not employees of Estyn and therefore the principles of continuous development which apply to Estyn attendees do not apply to external members. Funding for the training of members will only be met insofar as it is an effective means of assisting the external member to understand the context in which they are operating. Opportunities to visit different work areas and perhaps shadow other Audit and Risk Assurance Committee members or frontline staff may be useful in this

regard. Training for members aimed at developing skills will not be funded by Estyn.

### **Reviewing effectiveness**

- 15 The Accounting Officer will ensure that there are regular opportunities to review the effectiveness of the arrangements for members of the Audit and Risk Assurance Committee and formally recognise their contribution to the Audit and Risk Assurance Committee and organisation.
- 16 The Audit and Risk Assurance Committee will undertake an annual self-assessment.

### **Responsibilities**

- 17 The Audit and Risk Assurance Committee will advise the Accounting Officer on:
  - the strategic processes for risk, control and governance and the Annual Governance Statement
  - the accounting policies, and the accounts, including the process for review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to external auditors
  - the planned activity and results of both internal and external audit
  - the adequacy of management response to issues identified by audit activity, including external audit's Management Letter
  - assurances relating to the corporate governance requirements for Estyn
  - updates each meeting in relation to progress in implementing Estyn's annual assurance statement
  - proposals for tendering for Internal Audit services or for purchase of non-audit services from contractors who provide such services
  - anti-fraud policies, whistle-blowing processes, and arrangements (if any) for special investigations
- 18 Members and Estyn attendees will also periodically review the Audit and Risk Assurance Committee's effectiveness and report the results of that review to the Strategy Board.
- 19 Members have the right to raise concerns about matters of conscience or propriety, including that relating to the work of other members or non-executive directors, with HMCI. If the concern relates to HMCI, members should raise the matter with any member of the Strategy Board. The Strategy Board will determine the most appropriate process for considering the matter. There is no right of appeal to the Civil Service Commissioners for non-executive members as they are not civil servants. Members can also raise matters of conscience or propriety with Estyn's internal and/or external auditors.



**Rights**

- 20 The Audit and Risk Assurance Committee may:
- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience
  - procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by SMG

**Reporting**

- 21 The Audit and Risk Assurance Committee will:
- use the minutes of the Audit and Risk Assurance Committee meeting to formally report back to the Strategy Board after each meeting
  - communicate the minutes of the Audit and Risk Assurance Committee via the intranet to all staff
  - provide the Strategy Board with an Annual Report summarising its conclusions from the work it has done during the year

**Meeting cycle and information requirements**

22 The Accounting Officer, in consultation with the members of Audit and Risk Assurance Committee, has agreed the following cycle and standing agenda items:

| Date                  | Standing Agenda Item  |
|-----------------------|---|
| <b>February/March</b> | Annual separate meeting with internal and external auditors<br>Internal audit <ul style="list-style-type: none"> <li>• Progress of Internal Audit work and published Reports</li> </ul> Audit Wales <ul style="list-style-type: none"> <li>• AW audit outline and fee structure</li> </ul> Estyn <ul style="list-style-type: none"> <li>• Legal/consultancy fees</li> <li>• Waivers/departures</li> <li>• Assurance Statement updates</li> <li>• Risk register review</li> </ul> Annual Self-Assessment |
| <b>April/May</b>      | Internal audit <ul style="list-style-type: none"> <li>• Internal Audit Annual Plan</li> <li>• Draft of Head of Internal Audit Annual Report</li> <li>• Progress of Internal Audit work and published Reports</li> </ul> Audit Wales <ul style="list-style-type: none"> <li>• Plan of progress on draft resource accounts</li> <li>• Reporting of the Audit Deliverables document</li> <li>• Audit enquiries to those charged with governance and management</li> </ul>                                  |

|   |  |
|---|--|
|   | <p>Estyn</p> <ul style="list-style-type: none"> <li>• Assurance Statement updates</li> </ul>   |
| <b>Emailed updates outside of meeting</b> | <p>Agree plan for compiling the Audit and Risk Assurance Committee's annual report to the Board</p> <p>Discuss preparation of Annual Governance Statement</p>  |
| <b>June/July</b>                          | <p>Internal audit</p> <ul style="list-style-type: none"> <li>• Progress of Internal Audit work and published Reports</li> </ul> <p>Audit Wales</p> <ul style="list-style-type: none"> <li>• Review of Accounting Policies as part of the Audit and Risk Assurance Committee's annual consideration of the draft resource accounts</li> <li>• Audit of financial statements report to those charged with governance</li> <li>• Statement of Co-operation between internal and external auditors</li> </ul> <p>Estyn</p> <ul style="list-style-type: none"> <li>• Head of Internal Audit Annual Report</li> <li>• Draft Resource Accounts</li> <li>• Annual report of the Chair of the Audit and Risk Assurance Committee</li> <li>• Annual Governance Statement</li> <li>• Assurance Statement updates</li> <li>• Estyn Finance Team Risk Register</li> <li>• Financial Risk Profile</li> <li>• Annual review of responses to related party transactions</li> <li>• Risk register review</li> <li>• Waivers/departures</li> </ul> |
| <b>October/November</b>                   | <p>Internal audit</p> <ul style="list-style-type: none"> <li>• Progress of Internal Audit work and published Reports</li> </ul> <p>Audit Wales</p> <ul style="list-style-type: none"> <li>• AW management letter (if applicable)</li> </ul> <p>Estyn</p> <ul style="list-style-type: none"> <li>• Review of the terms of reference of the Audit and Risk Assurance Committee</li> <li>• Corporate governance review</li> <li>• Risk register review</li> <li>• Waivers/departures</li> <li>• Assurance Statement updates</li> <li>• Preparations for Audit and Risk Assurance Committee self-assessment</li> </ul>   |

23 For these meetings, the Audit and Risk Assurance Committee will be provided, as appropriate, with:

- a report summarising any significant changes to Estyn's Risk Register
- a progress report from the Head of Internal Audit summarising:
  - work performed (and a comparison with work planned)

- key issues emerging from Internal Audit work
- management response to audit recommendations (to be provided by Estyn)
- any resourcing issues affecting the delivery of Internal Audit objectives
- a progress report from the External Audit representative summarising work done and emerging findings (this may include, where relevant to the organisation, aspects of the wider work carried out by Audit Wales or NAO, for example, Value for Money reports and good practice findings)
- proposals for the terms of reference of Internal Audit
- the Internal Audit Strategy and any changes to the agreed internal audit plan
- the Head of Internal Audit's Annual Opinion and Report
- Quality Assurance Reports on the Internal Audit Function
- the draft accounts of Estyn
- the draft Annual Governance Statement (Assistant Director Central Services assurance statement updates)
- a report on any changes to accounting policies
- External Audit's management letter (if applicable)
- Updates in relation to Estyn's assurance statement
- a report on any proposals to tender for audit functions
- a report on co-operation between Internal and External audit
- any other documents the Accounting Officer agrees in consultation with Audit and Risk Assurance Committee members that they should see to enable them to meet the responsibilities identified in paragraph 17 above

## Remuneration Committee

### Purpose

- 24 Estyn's Remuneration Committee is established as a sub-committee of the Strategy Board with the specific purpose of providing advice and recommendations on HMCI's remuneration to the Welsh Government Accounting Officer for Estyn (WGAOE), and for determining the remuneration of other SCS members of Estyn, based on the advice and recommendations of HMCI. It ensures that there are appropriate arrangements to evaluate the performance of SCS members to inform decisions on remuneration. It also provides advice and guidance to HMCI in relation to remuneration of staff up to and including Grade 6.

### Role

- 25 The Remuneration Committee's role is to:
- review and advise on the annual Estyn pay strategy for HMCI and other SCSs in Estyn with close reference to Welsh Government and Cabinet Office guidance
  - ensure that proper performance management arrangements are in place to

appraise the performance of HMCI and members of the SCS in Estyn. The HMCI is responsible to the WG, which is where the appraisal rests, but the Remuneration Committee should ensure that these protocols are followed

- receive benchmark information on pay matters from other government departments, where possible
- discuss and agree any other adjustments to pay that may be deemed to be necessary, appropriate and possible
- monitor results to make sure that there is no bias on the basis of any protected characteristic covered by the Equality Act 2010 or working pattern and take action as appropriate, and notify Estyn's senior team or WG
- provide feedback to the Welsh Government and Cabinet Office, on the operation of the annual pay round for HMCI and SCSs in Estyn as requested

### Arrangements for HMCI

- 26 As a member of the SCS and head of Estyn, HMCI is subject to the process set out by Cabinet Office for developing performance agreements, and for reviewing and appraising performance.
- 27 The WGAOE will undertake the role normally ascribed to the line manager in the standard SCS process, with advice from the Remuneration Committee as appropriate.
- 28 At the start of each financial year, HMCI will draft a proposed set of annual objectives for the year ahead for consideration by the WGAOE.
- 29 Prior to submitting the draft objectives to the WGAOE, HMCI will provide the Chair of Remuneration Committee with a set for comment. HMCI will take account of any comments, as appropriate, in refining the draft for submission to WGAOE. In the event that there is significant unresolved disagreement between HMCI and the Chair of Remuneration Committee on what should be included in the objectives, HMCI will draw this disagreement to the attention of WGAOE, who will consider the issues further and reach a final decision in discussion with HMCI.
- 30 At the year-end and triggered by the routine issue of Cabinet Office instructions on the SCS appraisal and remuneration process for the year, the WGAOE will initiate the end-year performance appraisal process.
- 31 The Committee as a whole will recommend the level of any salary uplift and variable pay to be awarded consistent with Cabinet Office guidance and the Welsh Government's pay policy and pay criteria and limits. This advice will be determined by the appraisal agreed with WG.

- 32 The WGAOE will reach a decision on the level of any salary uplift and variable pay to be awarded. In making this decision, the WGAOE will use the framework adopted for SCS pay within the Welsh Government and may consult within Welsh Government. The WGAOE will inform HMCI and the Estyn Remuneration Committee of the outcome.
- 33 The WGAOE and HMCI will also engage in at least one ‘mid-year’ review meeting to discuss progress against business and personal objectives, in accordance with normal SCS guidance.

### **Arrangements for SDs**

- 34 The Remuneration Committee will consider SDs’ annual objectives for the year ahead. HMCI will consider any comments, as appropriate, in refining the objectives with SDs.
- 35 The Remuneration Committee will consider the outcomes of the end-of-year performance appraisal process for SDs by HMCI with a view to deciding on the level of any salary uplift and variable pay to be awarded consistent with Cabinet Office guidance and the Welsh Government’s pay policy and pay criteria and limits. In advising the Remuneration Committee, HMCI will use the framework adopted for SCS pay within the Welsh Government

### **Operation**

- 36 Remuneration Committee meetings will be held as required and will normally follow an Audit and Risk Assurance Committee meeting or a Strategy Board. There will be a planned meeting each year to consider objective setting and performance (see meeting cycle below).
- 37 The Chair of Remuneration Committee will meet with HMCI at least once a year to evaluate evidence ahead of preparing advice on performance to WGAOE.
- 38 To support the application of these ToRs, HMCI will meet with the WGAOE at least twice in each financial year, around April and October.  
Relevant links:

[SCS Performance Management guidance and Appraisal Form](#)

### **Meeting cycle and information requirements**

- 39 The Accounting Officer, in consultation with the members of the Remuneration Committee, has agreed the following standing agenda items:

| Date                                   | Standing Agenda Item   |
|--|--|
| <p><b>To follow June/July ARAC</b></p> | <p>Chair of Remuneration Committee will provide the Committee with a summary of the advice on end-of-year performance for the WGAOE. They will also appraise the Committee of the comments offered on HMCI's draft objectives for the year.</p> <p>The Committee will also discuss:</p> <ul style="list-style-type: none"> <li>• and where appropriate, recommend the level of any salary uplift and variable pay to be awarded to HMCI</li> <li>• the end-of-year performance appraisal for SDs by HMCI and the level of any salary uplift and variable pay to be awarded</li> <li>• HMCI's recommendations on SD objectives for the coming year</li> </ul> |

**Appendix A: the committee's business cycle**

|                    |   |
|--------------------|---|
| <p>March/April</p> | <p>HMCI meets with the Chair of Remuneration Committee and provides draft objectives for comment.</p>   |
| <p>June/July</p>   | <p>Remuneration Committee considers and recommends to WGAOE any salary uplift for HMCI, referring to Cabinet Office pay remit guidance for the financial year*.</p> <p>The WGAOE confirms any salary uplift for HMCI.</p> <p>Remuneration Committee considers SD performance and recommends any salary uplift for SDs to HMCI, referring to Cabinet Office pay remit guidance for the financial year*.</p> <p>*This is subject to timely publication of Cabinet Office's guidance for the reporting year.</p> |
|                    | <p>Other meetings will be arranged as necessary.</p>  |

## Annex B

### Strategy Board, Audit and Risk Assurance Committee and Remuneration Committee – appointments, membership, register of members’ interests and remuneration and expenses for non-executive directors

#### Appointments

- 1 Estyn members of the Strategy Board, the Audit and Risk Assurance Committee and the Remuneration Committee are appointments by virtue of posts held in Estyn.
- 2 External members will be appointed by HMCI by means of open competition to bring a breadth and range of knowledge and experience to the organisation. External members will normally be appointed for a term of three years. For business continuity purposes, appointments will normally not run concurrently. Following the cessation of any appointment, whether at full term, or earlier for any reason, a further open competition will be held. Former external members of the Strategy Board will not be debarred from applying for a further term of appointment with Estyn but their applications will be considered on the same transparent and even-handed basis by an appointment panel, as applications from any other candidates applying for the role. For external members, the maximum total term of appointment with Estyn will be no more than six years.
- 3 There will normally be a minimum of three external members of the Strategy Board albeit at times additional members may be appointed or co-opted for a period of time to provide continuity through changeovers, for example if a number of appointments came to an end at a similar time (as was the case in 2022). Currently there are four external members to provide such continuity and breadth of knowledge and experience. Some appointments may be for terms of less than three years to ensure the new cycle of appointments do not all end at the same time.
- 4 HMCI, in consultation with Strategy Board or Audit and Risk Assurance Committee members (as appropriate), may co-opt on to the Strategy Board or Audit and Risk Assurance Committee such person or persons whom they consider may assist them to achieve the Strategy Board’s or Audit and Risk Assurance Committee’s stated purpose. Such co-options will be for no more than a calendar year. Co-options are not intended to circumvent the process of membership appointment through open competition and may therefore only be used when circumstances warrant this action, e.g. for reasons of continuity. Co-opted members will be external members of the Strategy Board and/or Audit and Risk Assurance Committee.

## Membership

- 5 Membership of the **Strategy Board** comprises the non-executive directors, the Chief Inspector, the two Strategic Directors and the Assistant Director Central Services.
- 6 Membership of the **Audit and Risk Assurance Committee** comprises the non-executive directors. The meetings are also attended by the Chief Inspector, the two Strategic Directors, the Assistant Director Central Services, the Branch Head of Finance and Business Services, the Finance Manager and the Branch Head of Governance, by virtue of the posts they hold in Estyn.
- 7 Audit and Risk Assurance Committee meetings will also normally be attended by the Head of Internal Audit and a representative of Audit Wales (Estyn's external auditors).
- 8 The Audit and Risk Assurance Committee may ask any other officials or executive directors of the Estyn Board to attend to assist it with its discussions on any particular matter.
- 9 Membership of the **Remuneration Committee** comprises the non-executive directors, and meetings are attended also by the Chief Inspector.

## Register of members' interests

- 10 It is Estyn's policy to maintain a Register of Interests appropriate to the activities of the organisation and those who engage with us in our business. The purpose of the Register is to ensure that persons so engaged do not have interests that would unduly influence, conflict or otherwise interfere with the proper performance of their roles in a public sector organisation. The register will list all **direct or indirect pecuniary interests** and **non-pecuniary interests** which relate closely to Estyn's activities, and those of Strategy Board and Audit and Risk Assurance Committee Members, their close family members, persons living in the same household as the Strategy Board and Audit and Risk Assurance Committee Member, or other persons or organisations which members of the public might reasonably think could influence the member's judgement.
- 11 Upon appointment, all external members of the Strategy Board and Audit and Risk Assurance Committee are required to complete a Register of Members' Interests form as set out in Appendix 4 to Annex E of Estyn's Corporate Governance Framework. External members on both the Strategy Board and the Audit and Risk Assurance Committee only need to complete the register once. To streamline the process of updating Member's declaration of interests, a single list will be brought to each Strategy Board and Audit and Risk Assurance Committee meeting showing the current declaration for each Member along with any updates provided. HMCI's



Secretariat will manage this process. External Members need to inform HMCI of any changes in their personal circumstances, such as other appointments/work, to enable HMCI to take a view as to whether the change in circumstances creates a conflict of interest for Estyn. At the beginning of each meeting, external members will re-affirm that there have been no changes to their declarations of interest since the last meeting or notification to HMCI. In addition to this, any member of the Strategy Board or Audit and Risk Assurance Committee with a potential conflict of interest in a particular item will declare this and, if appropriate, will leave the meeting whilst that item is considered.

### **Remuneration and expenses for non-executive directors**

- 12 Guidance on remuneration and expenses for non-executive directors of the Strategy Board is at **Appendix 1**.

## Appendix 1 to

### Annex B

#### Remuneration and expenses for non-executive directors of the Strategy Board and members of the Audit and Risk Assurance Committee

- 1 References to non-executive directors should be taken to cover non-executive Strategy Board directors and non-executive members of the Strategy Board's committees.

#### Remuneration

- 2 Non-executive directors will be paid, in accordance with the terms of their appointment on the assumption they will spend approximately 15 days a year on Estyn-related business. Non-executive directors normally will spend:
  - nine days a year preparing for and attending Board and Audit and Risk Assurance Committee meetings
  - six days for extraordinary meetings/events including the annual staff conference, Remuneration Committee, and organisational development work
- 3 In addition; the Chair of the Audit and Risk Assurance Committee is paid a further three days (18 days in total) in recognition of the additional duties associated with Audit and Risk Assurance Committee briefings, agenda and Annual Report of Chair, and the Chair of the Remuneration Committee is paid a further one day (16 days in total) in recognition of additional duties associated with this role.
- 4 The time expectation will be adjusted pro-rata for non-executive directors who are not appointed for the full year. Where non-executive directors spend more than 15 days (or in the case of the Chair of the Audit and Risk Assurance Committee 18 days and the Chair of the Remuneration Committee 16 days) on the activities set out above they will be paid for any additional work on half-day basis (pro-rata of the daily rate) provided the details, subject and extent of the additional work are agreed in writing beforehand with HMCI.
- 5 Estyn's daily rates are based on the rates the Welsh Government propose are used by the bodies it funds, and which should reflect the level of gross expenditure, staff numbers, complexity of role and risk/exposure of the organisation.

#### Expenses

- 6 Non-executive directors are entitled to seek reimbursement of reasonable expenses

incurred in the exercise of their duties in accordance with Estyn's travel and subsistence policy.

- 7 As reimbursement is from public funds it is important that expenditure is cost effective and balances business requirements with best value principles.

### **General expenses policy**

- 8 When claiming expenses, non-executive directors are required to certify that:
  - travelling expenses were actually incurred on Estyn business
  - subsistence expenses were incurred necessarily, specifying periods of absence and details of meals taken in the claim
- 9 Estyn business covers all activities and engagements necessarily carried out on behalf of Estyn. Activities covered include those where:
  - a non-executive director, with the agreement of HMCI, accepts an invitation in their capacity as a member of the Estyn Strategy Board (and sub-committees) to an external or internal event
  - a non-executive director pursues an engagement as part of a development plan agreed with HMCI

### **Home to office expenses**

- 10 Non-executive directors are entitled to receive payment of 'home to office' travel-related expenses – for tax and national contribution purposes these claims are processed and paid through payroll.

### **Carer expenses**

- 11 Non-executive directors can claim reimbursement of expenses incurred while on Estyn business in relation to the provision of a carer for any relatives for whom they are responsible. The carer responsibility may be for a dependent child or an elderly or infirm relative resident at the home of the non-executive director. The expenses must be receipted and in line with the costs of providing such care in the locality.
- 12 His Majesty's Revenue and Customs deem payments made under these arrangements as a taxable benefit and will require tax to be deducted at source.

### **Submission of expense claims**

- 13 Expense claims must be submitted to HMCI's secretariat, and approved by HMCI or Assistant Director Central Services, using an expense form which will be made available to non-executive directors.

- 14 Before submitting their first expense claim, non-executive directors must complete and submit a pay mandate form, which will be made available to them on appointment.
- 15 Each item should be identified separately on a claim form line to avoid confusion when the claim is checked by HMCI's secretariat. Claims must include details related to the nature of the claim. Where expenses have been incurred for more than one event, the nature of the different events must be indicated clearly and each item of expenditure clearly related to the relevant event.
- 16 Before submitting an expense form to HMCI's secretariat, non-executive directors should ensure that they have included all receipts, and signed and dated their completed expense claim form.
- 17 Claims for expenses should be submitted within 2 months of the time they were incurred.
- 18 If non-executive directors have any questions or queries relating to the expenses policy, they should contact HMCI's secretariat.

#### **Publication of expenses claims**

- 19 In line with Cabinet Office guidance the business expenses of non-executive directors will be published in the notes of the Annual Report and Accounts.

## Annex C

### Proceedings of the Strategy Board

#### Introduction

- 1 In the exercise of powers under the [Government of Wales Act 1998](#), the Strategy Board has made the following provisions to regulate its proceedings.

#### Status of proceedings of the Strategy Board

- 2 **Appendix 1** outlines the status of proceedings of the Strategy Board.

#### Frequency and timings of meetings

- 3 Strategy Board meetings will be held three times a year. Additionally, HMCI may hold a meeting solely with external members and/or with one or more of the external members, as may be appropriate, to discuss specific and/or general issues.

#### Location of meetings

- 4 Meetings will generally be held in Estyn's office or remotely via Microsoft Teams.

#### Board development event

- 5 The Strategy Board may decide to hold a development event, once a year, in addition to regular business.
- 6 The purpose of this event will be to provide the opportunity for the Strategy Board to develop its working practices and to reflect more thoroughly on key issues.

#### Special meetings

- 7 On an exceptional basis, it may be necessary to conduct some business of the Strategy Board outside the regular cycle of meetings. Special meetings may be held in the following circumstances:
  - if requested by at least three Board members
  - if called by HMCI where, in his or her opinion, an urgent matter has arisen
- 8 Papers for special meetings will be circulated to Strategy Board members not less than five days before the date of the meeting.

## Engagement with stakeholders

### Notice of meetings

- 9 By the end of each calendar year HMCI's secretariat will propose, for the Strategy Board's approval, a schedule of meetings for the financial year commencing the following April.
- 10 Members of the Strategy Board are expected to attend the meetings scheduled in a 12-month period, unless exceptional circumstances prevent this.

### Agenda and papers for meetings

- 11 Strategy Board meetings will address, and make decisions relating to, long-term strategic issues and the areas of principal responsibility. The content of our Annual Plan will provide particular focus.
- 12 Each meeting will have some standing items that fit in with our business planning cycle. In addition, and subject to the time available, there will be scope for other appropriate matters to be placed on the agenda via HMCI's secretariat.
- 13 All members may suggest items for the agenda via HMCI's secretariat. These will be cleared with the Chair (HMCI) in advance of the meeting.
- 14 Papers for the Board meetings should contribute to the Board's objectives and enable effective discussion and decision making on key strategic issues. Guidelines on the preparation of Board papers are at **Appendix 2**.
- 15 The agenda and supporting papers will usually be circulated to Strategy Board members five working days in advance of the meeting in electronic format in line with our environmental management commitments. All matters requiring substantial decisions should usually appear on the agenda and be supported by short papers which will include the necessary information on which to base any decision. There may be pressing circumstances where this cannot happen. Such circumstances must be exceptional and an explanation provided to the meeting. The non-receipt of agenda or papers for a meeting will not invalidate the meeting or any business transacted at the meeting.
- 16 The order of business at Strategy Board meetings will follow the agenda issued for that meeting unless otherwise agreed by the members attending the meeting.
- 17 The Chair may propose altering the order of the agenda of meetings and taking business that does not appear on the agenda where they consider that because of special circumstances the matter should be considered at the meeting as a matter of

urgency. A majority of the members in attendance must agree the proposed change.

- 18 Strategy Board members will be expected to have read the papers before the meetings and sought, from HMCI's secretariat, any clarification that they may need.

### Minutes of meetings

- 19 The minutes should include: the names of every member present and of any other person present; apologies tendered by any member; any declaration of interest; and the withdrawal from the meeting of any member on account of a conflict of interest. Minutes should record key points of discussion, but should not attribute comments to individual members unless specifically requested by the member concerned, or required by the Chair. The minutes should record clearly which items are to be considered confidential business. This will normally include, but is not limited to, any issue where publicity would be prejudicial to the public interest or in breach of data protection, for example:

- issues where a named individual is the subject of the item
- issues which are of a commercially sensitive nature
- issues involving security or financial propriety
- issues that would be covered by exemptions under freedom of information

- 20 Members of the Strategy Board should send comments about the minutes to HMCI's secretariat within 10 working days of receipt. In the absence of any comments HMCI's secretariat will understand that members are content with the draft minutes.

- 21 Where HMCI's secretariat receives amendments by correspondence, a revised draft version will be circulated to members of the Board prior to publication. The minutes will be formally ratified at the next meeting after which the approved minutes will be uploaded formally to our intranet.

### Chair

- 22 HMCI will chair all Strategy Board meetings.

- 23 It will be the responsibility of the Chair to:

- decide the order in which the members will speak ensuring that adequate views are sought to make decisions
- determine all matters of order, competency and relevancy
- decide which matters are or are not out of order in terms of the meeting
- maintain order in the meeting
- adjourn the meeting if this is necessary, for whatever period of time he or she thinks is appropriate

## HMCI's Secretariat

- 24 HMCI's secretariat will be responsible for managing the Strategy Board and its committees in line with his/her terms of reference. HMCI's secretariat will follow corporate secretarial processes and procedures to ensure the smooth and efficient operation of corporate business. His/her responsibilities include:
- all arrangements for Strategy Board meetings, in consultation with HMCI
  - administrative support for members, including diary arrangements in relation to Estyn business
  - co-ordinating and clearing with HMCI any requests from Estyn staff, except HMCI and directors, for engagement with or action by Strategy Board members
- 25 HMCI, Strategy Board members and members of sub-committees will have access to HMCI's secretariat for advice and assistance.
- 26 HMCI's secretariat will arrange and coordinate advice to HMCI and the Strategy Board about the powers, authorities and discretions of Estyn on matters of probity, ultra vires and corporate governance. They will coordinate the provision of timely interpretation and advice to HMCI and the Board about the Corporate Governance Framework, and about ministerial or other guidance and protocols affecting Estyn which are not delegated to other members of staff within Estyn.

## Quorum

- 27 Any decision made by a properly constituted Strategy Board satisfying the requirements of this framework should be deemed as a decision made by the Strategy Board.
- 28 Members may not appoint alternates to attend in their absence.
- 29 In order to ensure that there has been proper input to and scrutiny of decisions, it is necessary to have a quorum for meetings. To be considered quorate, meetings must have present at least three of the current five non-executive members and two executive members.
- 30 If a member has been disqualified from participating in a discussion on any matter and/or from voting on any resolution because of the declaration of an interest (the code of conduct at **Annex E** to Estyn's Corporate Governance framework refers) they will no longer count towards the quorum. If a quorum is not available for discussion of any matter, this will be recorded in the minutes and the meeting will proceed to the next item of business.
- 31 Where a quorum is not present within 30 minutes of the start of a meeting, or the



meeting becomes inquorate during the course of the meeting, the meeting will be adjourned and a new date, time and venue for the meeting will be arranged.

- 32 The validity of the proceedings of the Strategy Board or any committee will not be affected by any vacancy in membership.
- 33 Meetings may be in person or virtual (usually via Microsoft Teams). All or any of the members may, in exceptional cases, participate in a meeting by means of conference telephone. Such participants will be deemed to be present at the meeting and shall be counted in a quorum accordingly.
- 34 Written comments about agenda items submitted by any member who is not present when a particular agenda item is discussed may be circulated to those members present at the meeting and read out at the appropriate point in the meeting.

### **Deferral of decisions**

- 35 Any member may propose to defer a decision on an agenda item, for example so that members can be provided with additional information. The decision to defer, together with the reasons for doing so, will be recorded in the minutes of the meeting together with a proposed timescale for returning the matter to the Strategy Board for consideration.
- 36 A deferred decision may be taken through postal or email correspondence, outside of meetings, where this is agreed in the meeting. This may be agreed by the meeting by consensus.
- 37 All deferred decisions taken between meetings should be reflected in the minutes of the subsequent Strategy Board meeting, including the approval of key documents.

### **Urgent decisions**

- 38 There may be pressing circumstances where decisions have to be taken outside Strategy Board meetings. Every reasonable effort should be taken to solicit the views of members before any such decision is made. Where decisions that would ordinarily be taken at Strategy Board meetings have to be made on an urgent basis, they may be taken by the Chair (HMCI) and will then be reported at the next Strategy Board meeting, with an explanation of the urgency. The decision will be recorded in the minutes of the meeting. In addition, the details of the decision and an explanation of the need to take it outside a Strategy Board meeting will be advised to Board members by e-mail at the earliest opportunity after the decision is taken.
- 39 Resolutions in writing can be used in exceptional circumstances where it is deemed by HMCI that this is necessary. In order for a resolution to be effective, it must be

signed by all members who would have been present at a meeting. All must be in agreement with the resolution. A resolution in writing will be as effective as if it had been passed at a meeting duly convened and held for that purpose.

### Conduct of the Strategy Board

- 40 Strategy Board meetings will be conducted in a way that promotes effectiveness by ensuring that everyone's contributions can be made and heard, building on the diversity of the group to ensure the group has effective discussions and members are able to reach well-informed decisions. We will review the level of discussion in meetings to find the best balance for us.
- 41 Some sessions or part sessions that are to discuss particularly sensitive matters will be closed, but HMCI may on occasions invite members of staff to attend Strategy Board meetings as observers as part of their training and development.

### Communication

- 42 We will communicate with the organisation so that issues can be directed to the appropriate level of detail and Strategy Board papers can be drafted to include the required level of detail.
- 43 The way the Strategy Board communicates its decisions will influence perceptions of its leadership and many different people will have an interest in the Strategy Board's work, for example:
  - our staff
  - Ministers in Wales and the UK
  - policy makers in Wales and the UK
  - partners in our forums
  - contractors working for us in all parts of our business
  - other inspectorates and regulatory bodies
  - auditors
- 44 However, not every individual or group will have the same interest in every issue the Strategy Board considers. The Strategy Board will communicate issues only to those with a legitimate interest to either inform them of, or engage them in, Board activities:
  - **informing** via the Board's site on our Intranet, where membership details, structure and papers, including minutes will be placed
  - **engaging** through:
    - consultation exercises

- inviting suggestions for agenda items
- inviting representatives of committees, working groups and forums to meet the Strategy Board
- commissioning work through the above to be reported back and discussed at the Strategy Board

### **Celebrating success**

45 We will reflect on at least an annual basis what has gone well. We will celebrate our success in an appropriate way to help motivate and inspire the organisation.

## **Appendix 1 to**

### **Annex C**

#### **Status of proceedings of the Strategy Board**

##### **Review of the status of proceedings of the Strategy Board**

- 1 The proceedings of the Strategy Board will be reviewed by HMCI's secretariat in consultation with the Chair (HMCI) every 12 months, or sooner if requested by either the Chair .
- 2 If it is thought desirable to amend this section, Strategy Board members will be provided with a reasonable timescale of not less than seven calendar days to review the revised rules and procedures, including the full text of the proposed variation. Where substantial changes are proposed, Strategy Board members will be given longer to review them.
- 3 Any amendment shall only be effective if at least two-thirds of the Strategy Board are in favour of the resolution.
- 4 The Strategy Board may suspend its rules and procedure by a simple majority. No formal business may be transacted while the framework is suspended.

##### **Interpretation of the rules and procedures**

- 5 HMCI as Chair is responsible for interpreting the rules and procedures of the Strategy Board. Their decision, following advice given by HMCI's secretariat on the construction or application of any of the rules and procedures, will not be challenged, unless a majority of the members attending the meeting agree that the rules have been misinterpreted.

## Appendix 2 to

## Annex C

### Guidance on the preparation of Strategy Board papers

- 1 Discuss with HMCI's Secretariat well in advance to find out whether the Strategy Board should see your paper or whether it should go to one of the Board's supporting committees or working groups.
- 2 Consider whether the paper should go to one of the Strategy Board's supporting committee, the Audit and Risk Assurance Committee, or one of Estyn's other committees or groups, e.g.:
  - Senior Management Group
  - Operational Group
  - Service Delivery Group
  - Management TUS Strategic Group
  - Management TUS Operational Group
  - Health, Safety Employee Well-being and Engagement Group
  - Take advice from HMCI's secretariat and if necessary speak to the chair of the appropriate committee/groups
  - If one of the above committees or groups has already discussed the issue in your paper, consider what it is that you need the Strategy Board to do and make sure that this is reflected in the paper.
  - If the Strategy Board has commissioned the paper, then it would expect to see the results. Remind the Strategy Board of any relevant earlier decisions in the papers being drafted.
  - If the issue in the paper is one that the Board would regularly consider, refer to it as a progress report, or similar to set it in context.
- 3 Discuss with HMCI's secretariat when the Strategy Board will discuss the paper. HMCI's secretariat will consider how heavy forthcoming agendas are, as well as our operating needs.
- 4 In order to help Strategy Board members, your paper should be relevant, and concise, enabling the Board to understand the background and issues for effective debate, advice and challenge. Papers should:
  - be no more than 10 pages, with a summary template sheet on the front page

- (available from HMCI's secretariat) and provide annexes for any tables, charts or background papers
- make clear whether the item is for information or for discussion/consideration/approval, and highlight the key issues for discussion and set out any decision to be taken
  - be free of jargon and explain any abbreviations so that a lay person could read it and understand the paper
  - be marked whether or not it is acceptable for internal sharing (at which level) and/or external publication
  - contain the date of the meeting at which the paper is to be presented or discussed along with your name, as author
- 5 Board members need time to prepare for Board meetings. The secretariat needs time to check and collate papers and prepare a clear agenda. If a paper has not previously been tabled at an SMG meeting you should therefore:
- send non-routine papers to HMCI's secretariat at least 10 working days in advance of the meeting where the paper will be discussed
  - send your contribution to the routine management information reports to the Secretariat, to be copied to the Assistant Director Central Services at least 10 working days in advance of the meeting where the paper will be discussed
  - provide papers electronically
  - include a cover sheet to the paper summarising what the action is to be taken
  - let HMCI's secretariat have any background to the paper so that they can clarify on the agenda appropriately
- 6 These guidelines will be reviewed following any feedback from Estyn Strategy Board members, HMCI's secretariat or others.

## Annex D

### Strategy Board, Audit and Risk Assurance Committee and the Remuneration Committee development and effectiveness

#### Induction, training and objectives for individual Board members

- 1 HMCI will ensure that individual members of the Board are informed about the terms of their appointment, their duties and responsibilities. HMCI will agree individual performance objectives for members each year.
- 2 Board members will be expected to ensure they have the skills, knowledge and training to fulfil their duties and responsibilities and to meet their performance objectives.
- 3 Induction will cover:
  - a. General information about Estyn, the Welsh Government, the Senedd, and the wider civil service
  - b. Principles of corporate governance in Estyn
  - c. the roles of the board and individual board members, including expected behaviours
  - d. management of risk in Estyn
  - e. a tailored overview to provide understanding of specific areas/functions/projects

#### Review of effectiveness

- 4 The Board member's performance will be reviewed annually. As agreed by the Strategy Board, this review may from time to time involve external advisers to provide challenge from an independent, expert perspective. HMCI will agree the framework for the annual review of the Board.
- 5 The annual review will include consideration of the Strategy Board as a whole, the operation of its sub-committees, and the contributions of individual members. The review will take account of the annual report of the Audit and Risk Assurance Committee. The whole Board/Committee self-assessment form is at Appendix 2.
- 6 HMCI will assess the performance of individual Board members, including non-executive members to the Strategy Board. A template for the review of the effectiveness of non-executive members is at **Appendix 1**.
- 7 Where the performance or conduct of a Board member is not satisfactory such that HMCI considers that a Board member is unable or unfit to carry out the duties of their

office, he or she may terminate their appointment.

### **Review of HMCI**

- 8 The effectiveness of HMCI will be reviewed by the Director General, Health and Social Services Department, WG, who will ask for advice from Estyn's Remuneration Committee.

### **Development**

- 9 External members are not employees of Estyn and therefore the principles of continuous development which apply to Estyn members do not apply to external members. Funding for the training of external members will only be met insofar as it is an effective means of assisting the external member to understand the context in which he or she is operating. Opportunities to visit different work areas and perhaps shadow other Board members or frontline staff may be useful in this regard. Training for external members aimed at developing skills will not be funded by Estyn.



## **Appendix 1 to**

### **Annex D**

#### **Criteria for the review of the effectiveness of non-executive members of the Strategy Board**

##### **From the point of view of the Strategy Board**

- The NED is seen to be working in the best interests of the organisation
- The NED is willing to offer the benefit of his/her skills, knowledge, experience and contacts
- The NED participates fully in board discussions
- The NED supports the Chair as appropriate
- The NED brings strategic thought to his/her contribution
- The NED motivates and encourages the board to enhanced performance and achievement
- The NED has demonstrated an appropriate interest in increasing his/her understanding of and involvement in the organisation
- The NED devotes the necessary time to the affairs of the board and is reasonably available outside of formal meetings
- The NED adds value to the organisation

##### **From the point of view of the NED**

- I have received an adequate explanation of my role and responsibilities, and those of the Strategic Board as a whole
- The Strategy Board encourages me to pursue appropriate training opportunities
- The board appreciates that I have other commitments outside the organisation
- The Strategy Board provides the support and information that I require
- I am involved in all Strategy Board discussions, and I am invited to attend all Strategy Board meetings and events
- The Strategy Board actively seeks my views and ideas
- My contributions are given appropriate consideration
- The Strategy Board regularly offer me constructive feedback on my contribution to the performance of the Strategy Board
- I feel appreciated by the Strategy Board
- I am content with the arrangement

## Appendix 2 to

### Annex D

#### Estyn Strategy Board and ARAC Effectiveness Questionnaire

The following questionnaire is designed to assist in the overall assessment of the the Strategy Board's and ARAC's effectiveness during the year 2025-2026. Having attended the Board / committee we would appreciate your assistance in completing the document. Assessments should either strongly agree (SA), agree (A), disagree (D) or strongly disagree (SD) with the statements insofar as this relates to you. If not, you are asked to mark as non-applicable (N/A). Please add any relevant comments at the end of the questionnaire and mark the reference in the relevant column (Note Ref.).

| <b>Strategy Board</b>  | <b>Strongly Agree</b> | <b>Agree</b> | <b>Disagree</b> | <b>Strongly Disagree</b> | <b>Comments</b> |
|--|-----------------------|--------------|-----------------|--------------------------|-----------------|
| 1. I have a clear understanding of the roles, responsibilities and purpose of the Board as a whole and of its individual members.            |                       |              |                 |                          |                 |
| 2. The Board demonstrates clear and constructive level of challenge to the Accounting Officer and Estyn                                      |                       |              |                 |                          |                 |
| 3. The information, papers and materials tabled for the Board are of good quality - clear, concise and focusing on key issues and priorities |                       |              |                 |                          |                 |
| 4. The meetings are chaired effectively, with a proportionate amount of time given to discuss the matters being considered                   |                       |              |                 |                          |                 |
| 5. The Board considers effectively how its work integrates with the wider performance management in Estyn                                    |                       |              |                 |                          |                 |

| <b>Strategy Board</b>  | <b>Strongly Agree</b> | <b>Agree</b> | <b>Disagree</b> | <b>Strongly Disagree</b> | <b>Comments</b> |
|--|-----------------------|--------------|-----------------|--------------------------|-----------------|
| 6. The Board operates in an atmosphere of openness and trust, where members feel free to speak their minds and pursue issues to a conclusion |                       |              |                 |                          |                 |

Are there any other issues you would like to raise in relation to the running of the Board and its success in carrying out its activities?

| <b>Audit and Risk Assurance Committee</b>  | <b>Strongly Agree</b> | <b>Agree</b> | <b>Disagree</b> | <b>Strongly Disagree</b> | <b>Comments</b> |
|--|-----------------------|--------------|-----------------|--------------------------|-----------------|
| 1. I have a clear understanding of the roles, responsibilities and purpose of the Committee as a whole and of its individual members.            |                       |              |                 |                          |                 |
| 2. The Committee demonstrates clear and constructive level of challenge to the Accounting Officer and Estyn                                      |                       |              |                 |                          |                 |
| 3. The information, papers and materials tabled for the Committee are of good quality - clear, concise and focusing on key issues and priorities |                       |              |                 |                          |                 |
| 4. The meetings are chaired effectively, with a proportionate amount of time given to discuss the matters being considered                       |                       |              |                 |                          |                 |
| 5. The Committee considers effectively how its work integrates with the wider performance management in Estyn                                    |                       |              |                 |                          |                 |
| 6. The Committee operates in an atmosphere of openness and trust, where members feel free to speak their minds and pursue issues to a conclusion |                       |              |                 |                          |                 |

| <b>Audit and Risk Assurance Committee</b>   | <b>Strongly Agree</b> | <b>Agree</b> | <b>Disagree</b> | <b>Strongly Disagree</b> | <b>Comments</b> |
|---|-----------------------|--------------|-----------------|--------------------------|-----------------|
| 7. Are there any other issues you would like to raise in relation to the running of the Committee and its success in carrying out its activities? |                       |              |                 |                          |                 |

## Annex E

### Code of Conduct for the Estyn Strategy Board

#### Application of Code of Conduct to members of the Strategy Board

- 1 Members of the Strategy Board must observe the Code of Conduct whenever they undertake the business of the Strategy Board or act as its representative.

#### Public service values

- 2 The Strategy Board endorses and abides by the principles of public life as set out by the Committee on Standards in Public Life (the Nolan Committee) and detailed in **Appendix 1**.
- 3 The Strategy Board will, in its activities and actions, at all times:
  - observe the highest standards of propriety through impartiality, integrity and objectivity in relation to the stewardship of public funds and the strategic leadership of Estyn
  - challenge and support HMCI in maximising value for money through delivery of our functions in the most economical, efficient and effective way, within available resources, and with independent validation of performances achieved wherever practicable
  - ensure that we are open and honest in our reports to WG and our interactions with the public through the publication of reports, effective complaints procedures and clear and accessible guidance
  - have regard to best practice in good governance (**Appendix 2** and **Appendix 3**)

#### Responsibilities of individual Strategy Board members

- 4 As individuals, Strategy Board members are responsible for upholding our values and principles and for contributing their personal skills, knowledge and experience to the Strategy Board's work.
- 5 Strategy Board members must also:
  - comply at all times with this Code of Conduct and with the rules relating to the use of public funds
  - act in good faith and in the best interests of Estyn
  - not use information gained in the course of their public service to promote their private interests, or those of connected persons, firms, businesses or other organisations
  - familiarise themselves and ensure that they comply with our rules on

- declaration and registration of interests and on the acceptance of gifts and hospitality (Appendix 4)
- comply with the ambassadorial protocol for Strategy Board members (Appendix 5)
  - not disclose to outside parties any information relating to the working papers of the Strategy Board and its meetings, except where these are published documents or where expressly agreed by HMCI.

### Personal liability

- 6 Legal proceedings by a third party against individual members of the Board are very rare. Except for fraud, negligence, breach of confidence under common law or a criminal offence under insider dealing legislation, the issue of personal liability should not arise. However, if it should, provided that Strategy Board members have acted in accordance with the seven principles of public life, acting honestly, reasonably, in good faith and without negligence, they will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their functions as a Strategy Board member.
- 7 HMCI is responsible for any rights and liabilities relating to functions conferred on him or her as holder of the office of Chief Inspector.
- 8 HMCI is also responsible for the rights or liabilities relating to powers of the Strategy Board only exercisable by HMCI in his or her capacity as a Board member<sup>2</sup>.

### Process for investigations

- 9 Where any person alleges that a Strategy Board member has failed to comply with the Code of Conduct, HMCI will require details of any alleged contravention of the Code in writing in order to determine whether there is sufficient evidence of a potential breach of the Code as to warrant investigation.
- 10 Where HMCI considers that an investigation is required he or she will appoint a person he/she considers appropriate to investigate the matter and prepare a report to determine whether the Strategy Board member concerned has contravened the Code of Conduct.
- 11 Where the report prepared for HMCI concludes that there has been a failure to comply with the Code of Conduct, he or she will refer the matter to the Strategy Board for consideration and to determine what further action (if any) should be

---

<sup>2</sup> The determination of terms and conditions of HMI, the appointment and management of staff, and the arrangement of contracts are functions of the Strategy Board exercisable only by HMCI.

taken, including if necessary removing the Board member from office.

- 12 In the event that any person alleges that HMCI has failed to comply with the Code of Conduct, the Strategy Board will ensure that a third party is appointed to investigate the alleged contravention in accordance with the above requirements.

## Attitudes and behaviours

- 13 When conducting our business Strategy Board members should display the following attitudes and behaviours:
- We will work together to generate trust and respect in one another's contributions so as to ensure issues are discussed openly and honestly and views and concerns are listened to.
  - We will encourage staff to discuss with the Board Secretary at what stage, if at all, papers or projects should be brought to a Board meeting.
  - We will seek to give an early steer to projects but not overly influence the operational stages of developments.
  - As Board members we will ensure that we step outside of any operational and sectoral role we have in Estyn, or elsewhere, and take a wider organisation perspective in Board discussions.
  - We will ensure that after each meeting there is a sufficient record of the business and any decisions for audit purposes.
  - We will communicate their decisions to stakeholders and drive forward any resulting work including making it clear whose responsibility it is for taking forward actions and agreeing timescales for completion of actions.
  - At the beginning of each meeting, or via correspondence through the Board Secretary in between meetings, if it is appropriate, we will follow up progress of actions until they are completed
- 14 In addition, Board members will work to a 'contract' of behaviour that will include:
- listening carefully
  - challenging constructively
  - questioning when unsure
  - welcoming different ideas or points of view
  - learning from mistakes
  - supporting one another to increase one another's effectiveness
- 15 At the end of each Strategy Board meeting there will be a review of the effectiveness of the meeting, in which members explain how they felt the proceedings went.



## **Appendix 1 to**

### **Annex E**

#### **Preamble**

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

#### **Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **Honesty**

Holders of public office should be truthful.

## Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## Appendix 2 to

### Annex E

#### Nine principles of public service delivery

Every public service should:

- |   |   |
|---|---|
| <b>Set standards of service</b>                     | Set clear standards of service that users can expect; monitor and review performance; and publish the results, following independent validation wherever possible.                          |
| <b>Be open and provide full information</b>         | Be open and communicate clearly and effectively in plain language, to help people using public services: and provide full information about services, their cost and how well they perform. |
| <b>Consult and involve</b>                          | Consult and involve present and potential users of public services, as well as those who work in them; and use their views to improve the service provided.                                 |
| <b>Encourage access and the promotion of choice</b> | Make services easily available to everyone who needs them, including using technology to the full, and offering choice wherever possible.   |
| <b>Treat all fairly</b>                             | Treat all people fairly; respect their privacy and dignity; be helpful and courteous; and pay particular attention to those with special needs.   |
| <b>Put things right when they go wrong</b>          | Put things right quickly and effectively; learn from complaints; and have a clear, well publicised, and easy-to-use complaints procedure, with independent review wherever possible.        |
| <b>Use resources effectively</b>                    | Use resources effectively to provide best value for taxpayers and users.  |
| <b>Innovate and improve</b>                         | Always look for ways to improve the services and facilities offered.  |
| <b>Work with other providers</b>                    | Work with other providers to ensure that services are simple to use, effective and co-ordinated, and deliver a better service to the user.  |

#### Service First, UK Cabinet Office, 1998

## **Appendix 3 to**

### **Annex E**

#### **Six principles of good governance**

##### **Focusing on the organisation's purpose and on outcomes for citizens and service users**

- Being clear about the organisation's purpose and its intended outcomes for citizens and service users.
- Making sure that users receive a high quality service.
- Making sure that taxpayers receive value for money.

##### **Performing effectively in clearly defined functions and roles**

- Being clear about the functions of the governing body.
- Being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out.
- Being clear about relationships between governors and the public.

##### **Promoting values for the whole organisation and demonstrating the values of good governance through behaviour**

- Putting organisational values into practice.
- Individual governors behaving in ways that uphold and exemplify effective governance.

##### **Taking informed, transparent decisions and managing risk**

- Being rigorous and transparent about how decisions are taken.
- Having and using good quality information, advice and support.
- Making sure that an effective risk management system is in operation.

##### **Developing the capacity and capability of the governing body to be effective**

- Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well.
- Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.

- Striking a balance, in the membership of the governing body, between continuity and renewal.

## **Engaging stakeholders and making accountability real**

- Understanding formal and informal accountability relationships.
- Taking an active and planned approach to dialogue with and accountability to the public.
- Taking an active and planned approach to responsibility to staff.
- Engaging effectively with institutional stakeholders.

## **The good governance standard for public services,**

## **The Independent Commission on Good Governance in Public Services, 2004**

## Appendix 4 to

### Annex E

## Estyn's rules and procedures governing registration of interests, gifts and hospitality for members of the Strategy Board and members of its committees and sub-committees

### General principles

- 1 These rules and procedures apply specifically to members of the Strategy Board or members of any of its committees and sub-committees. Any reference to Board members in these rules and procedures should be taken to refer to members of the Strategy Board or members of any of its committees and sub-committees.
- 2 Board members must conduct themselves in a manner appropriate to their position as the most senior decision makers in Estyn.
- 3 It is not possible to define all instances in which there may be a real or apparent conflict of interest. It is the responsibility of each individual member of the Strategy Board to register any interests that they believe may represent a conflict. Five issues are most frequently encountered which could lead to real, or apparent, conflicts of interest:
  - financial interests or share ownership
  - employment within a field of expertise in which the public body works, or allied business interests
  - membership of some societies or organisations
  - the perception of rewards for past or future contributions or favours
  - the activities, associations or employment of a relative, partner or close friend
- 4 The situations outlined at paragraph 3 will not in all cases constitute a conflict of interest. Interpretation is a personal matter and judgement must be made on an individual basis, taking account of the facts and circumstances.
- 5 It is important to:
  - ensure that no Board member takes a decision or participates in a discussion on any matter where they have a conflict of interest
  - ensure that those providing information to Estyn can be confident that it will be properly and objectively handled
  - avoid any impression that any Board member has used their position to their personal advantage

- 6 Each Board member should ensure that, before they become involved in taking a decision, or participate in a discussion on any matter, there are no conflicts of interests that, in the opinion of a fair-minded and informed observer, would suggest a real possibility of bias.
- 7 Where Board members come into possession of information that is not in the public domain in the course of their role, they must not use or disclose that information in order to benefit themselves or to benefit any other person.
- 8 Board members should not use their membership of the Strategy Board to benefit themselves or to benefit any other person.
- 9 Each Board member is responsible for their own compliance with these guidelines and with the law.

### **Interests that should be registered or disclosed**

- 10 In the interests of transparency and accountability, we require Board members to register interests that are, or may be perceived as being, relevant or material to the business of Estyn<sup>3</sup>. In addition, in relation to specific decisions, Board members should disclose to HMCI's Secretariat any interests that conflict with their duties.

### **Personal interests**

- 11 Board members must regard themselves as having a personal interest in any matter where either:
  - a decision in relation to that matter might reasonably be regarded as affecting the well-being or financial position of themselves, a relative or close friend to a greater extent than the majority of people with a similar personal interest who are not members of the Strategy Board
  - the matter relates directly to, or is likely to affect:
    - any body of which they or such persons are a member or in a position of general control or management
    - any employment or business carried on by them or by such persons
    - any person or body who employs or has employed them or such persons
    - any corporate body in which they or such persons have a beneficial interest in a class of securities or body exceeding the nominal value of £25,000 which has or is likely to conduct business with Estyn
    - any contract for goods, services or works made between Estyn and themselves or a firm in which they are a partner, a company of which they

---

<sup>3</sup> Within 28 (calendar) days of the formal adoption of Estyn's Corporate Governance Framework; of their appointment to the Strategy Board; or of the interest(s) becoming apparent



are a remunerated director, or any corporate body of the description supplied above

- the interests of any person from whom they have received a gift or hospitality with an estimated value of at least £25.

12 In this section:

- ‘relative’ means spouse, partner, parent, parent-in-law, son, daughter, step-son, step-daughter, child of a partner, brother, sister, grandparent, grandchild, or the spouse or partner of any of the preceding persons
- ‘partner’ means a member of a couple who live together.

### Disclosure of personal interests

13 Where a Board member has a personal interest in any business of Estyn and they attend a meeting of the Strategy Board at which the business is considered, they must disclose to the meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

14 Paragraph 13 only applies where a Board member is aware or ought reasonably to be aware of the existence of the personal interest.

15 In considering whether to disclose an interest, those affected by these rules and procedures should ask whether, in the opinion of a fair-minded and informed observer, the interest would suggest a real possibility of conflict. The following questions may be useful:

- do you have, or have you recently had (within the past two years), any material business or other pecuniary relationships with a relevant party?
- do you have, or have you recently had, any other relationships with a relevant party, the existence of which might suggest a real possibility of bias on your part?
- have you taken a public position that might be seen as compromising your ability to deal objectively with a matter that is relevant to Estyn’s functions?
- in considering whether to disclose an interest, you should also ask whether, in the opinion of a fair-minded and informed observer, the interests of close family members would suggest a real possibility of bias.

16 Relevant party means:

- anybody under inspection
- a complainant
- an organisation with a significant commercial relationship with Estyn.

- 17 In the case of Board members who are employed by an organisation which serves many clients including Estyn, Board members will disclose their employment by the organisation in the register of interests. The Board member need not disclose that organisation's material business relationship with Estyn if they have no role within that organisation in serving Estyn, and are satisfied that there are sufficient internal safeguards to ensure that they are not otherwise in conflict by way of possession of information, financial interest, or other connection.

### **Prejudicial interest**

- 18 Subject to paragraph 19, where a Board member has a personal interest in any business of Estyn, they also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgement of the public interest.
- 19 A Board member does not have a prejudicial interest in any business of Estyn where that business:
- does not affect their financial position or the financial position of a person or body described in paragraphs 11 and 12
  - does not relate to the determining of any new approval, consent, licence, permission or registration in relation to them or any person or body described in paragraphs 11 or 12

### **Procedures for handling interests**

- 20 Where a Board member has a prejudicial interest in any business of Estyn they must withdraw from all involvement in discussions and decisions relating to that business.
- 21 In the event that a Board member receives a written paper or agenda on a matter on which they have a prejudicial interest, they must immediately return the paper or agenda to HMCI's Secretariat.
- 22 If a Board member becomes aware of a conflict during the course of any discussion, they should disclose the interest immediately and a decision relating to the matter made at that time and recorded.
- 23 In circumstances where the interest is personal but not prejudicial, the Board member may participate in decisions and/or discussions. As an example, the Board member may participate where their relationship is so slight or historic that it would be unreasonable to suppose that they have any significant interest, or where the decision and discussion will have no foreseeable implications for their interest.

## Registering interests

- 24 Board members must, within 28 days of the formal adoption of Estyn’s Corporate Governance Framework or of their appointment to the Board, register in Estyn’s Register of Board Members’ Interests details of personal interests where they fall within a category mentioned in paragraph 11, by providing written notification to HMCI’s secretariat<sup>4</sup>.
- 25 HMCI’s secretariat should retain individual hard copy or electronic declarations of Board members’ interests which should clearly show when these declarations were made. All categories of disclosure should be addressed, even if this is to state that there is no interest to declare.
- 26 The following list illustrates specific situations where interests should be disclosed:
- relevant securities beyond the threshold of £25,000 which are not placed in a Blind Trust
  - remunerated employment, office or profession of relatives if their employment is of a body, or in an area, regulated or inspected by Estyn
  - other, regular significant sources of remuneration from an organisation or investment which might be considered relevant to the business of Estyn, such as a pension from a local authority
  - directorships, whether remunerated or not, of any organisation
  - membership of, or position of general control or management, of any:
    - company, industrial and provident society, charity or body directed to charitable purposes
    - body whose principal purposes include the influence of public opinion or policy
    - trade union or professional association
  - other public bodies such as hospital trusts, governing bodies of universities, colleges, schools, and local authorities
- 27 In this section:
- relevant securities means shares, debt securities, including debentures, bonds and gilts, options’ relevant securities, rights or future rights to shares or other securities, but does not include units in a Unit Trust or equivalent managed fund
  - Blind Trust means an arrangement by which the Board member gives a stockbroker or other professional investment manager absolute discretion to manage investments in relevant securities and under which the Board member is not consulted before any dealing takes place, does not instruct the investment

---

<sup>4</sup> Except where otherwise stated, ‘days’ refers to calendar days.

manager with regard to any specific securities, and is not informed of changes in specific investments or the state of the portfolio other than in an aggregated form or as required for tax returns

- 28 The list at paragraph 26 is not exhaustive, and Board members should use their judgement with regard to matters not listed.
- 29 HMCI's secretariat will ask Board members to review and update, as appropriate, their registration at each Board or Committee meeting and HMCI's secretariat will record changes within the minutes of each meeting.
- 30 From time to time Board members may have or become aware of interests which do not have to be registered but which might, nonetheless, conflict with their duties. As well as keeping their entry in the register up to date, a Board member must disclose to HMCI's secretariat such interests as soon as they become aware that they may cause a conflict, for example on receipt of an agenda for a meeting. Such interests must be disclosed whether or not they are entered in the register.
- 31 The register is available to the public on the Estyn website.

### **Handling business opportunities**

- 32 If a Board member believes that they are being approached with business opportunities either on the basis of privileged knowledge of Estyn gained during the course of their duties, real or perceived, or solely as a result of their membership of the Strategy Board, they should decline such opportunities. If in doubt, a Board member should seek the advice of HMCI before deciding whether to accept a business opportunity. If the opportunity is accepted, the Board member should then declare a personal interest in line with paragraph 13 above.

### **Confidential information**

- 33 Where Board members receive information in confidence in their capacity as Board members, they should not disclose that information to any third party unless they are required to do so by law, or they have obtained consent to disclose the information from the person authorised to give it.

### **Gifts and hospitality policy**

- 34 Board members are expected to observe a high standard of personal integrity. In all cases where a gift, reward or item of hospitality is offered, is accepted or declined, Board members must complete and sign a gifts and hospitality form (see example of gifts and hospitality form at the end of this section). This should then be passed on to and countersigned by HMCI's Secretariat.

- 35 The guiding principles governing the acceptance of gifts and hospitality are that:
- the conduct of Board members should not foster suspicion of any conflict between their official duties and personal interests or advantage
  - Board members or members of their family should not accept a gift, reward or hospitality, which would or might appear to place them under any obligation to the giver; or compromise their impartiality; or otherwise be improper; or where the offer is more frequent or regular than would be regarded as normal or reasonable, taking into account the nature and value of the item
- 36 As a general guideline, where it is possible to estimate a monetary value, Board members should not accept a gift, reward or hospitality over the value of £25.
- 37 If the Board member is in doubt about the propriety of accepting a gift, reward or item of hospitality, then it should be refused.
- 38 The principles listed above are not intended to stop Board members from accepting for example:
- an isolated gift of a trivial nature or value, such as a diary or calendar
  - the occasional meal during the course of an official visit
  - tickets to cultural or social events if attendance is justifiable in the interests of Estyn, such as where Estyn has membership or is affiliated to another organisation and is invited to attend their annual dinner
- 39 A distinction should be made between items offered as hospitality and those offered in substitution of fees for broadcasts, speeches, lectures, or other work done in an official capacity. Offers of this kind may be acceptable where the item is of a trivial nature or value.
- 40 If a decision is made not to accept the gift, reward or item of hospitality the gifts and hospitality form should be completed and a record of the offer must be maintained by HMCI's Secretariat.
- 41 Unsolicited gifts should normally be returned with a suitable letter of refusal, which explains Estyn's policy.
- 42 The responsibility as to whether to accept a gift lies with the Strategy Board. In deciding how to respond the Board member should act in accordance with the guidance provided above.

## Register of Member’s interest: Strategy Board and Audit and Risk Assurance Committee

Please complete all sections, indicating whether you (or anyone associated with you as defined in paragraph 12) have any interests to declare. Please sign, date, and return the form as indicated.

(PLEASE USE BLOCK CAPITALS)

|                 |
|-----------------|
| <b>Name</b>     |
| <b>Employer</b> |
| <b>Position</b> |

If an interest is declared in sections (a) to (i), please identify who has the interest.

|            |   |
|------------|---|
| <b>(a)</b> | Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies) |
| <b>(b)</b> | Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with Estyn        |
| <b>(c)</b> | Majority or controlling shareholdings in organisations likely or possibly seeking to do business with Estyn                               |
| <b>(d)</b> | Organisational or employment relationships with potential beneficiaries of Estyn  |
| <b>(e)</b> | Connections with education and training providers (not included at (d) above)   |
| <b>(f)</b> | A position of authority in a charity or voluntary body in the field of education and training   |

|            |  |
|------------|--|
|            |  |
| <b>(g)</b> | Any educational and training interests not mentioned above   |
| <b>(h)</b> | Any connections with a voluntary or other body contracting for services with Estyn                                   |
| <b>(i)</b> | Any other matter which you believe might be perceived by a member of the public as leading to a conflict of interest |

I confirm that to the best of my knowledge and belief, I have listed above all relevant matters which need to be disclosed.

|        |      |
|--------|------|
| Signed | Date |
|        |      |

Completed forms should be returned to:

HMCI's Secretariat  
Estyn  
Anchor Court  
Keen Road  
Cardiff  
CF24 5JW

**Estyn: Gifts and hospitality form**

|   |  |                   |             |              |             |               |  |
|---|--|-------------------|-------------|--------------|-------------|---------------|--|
| <b>Name:</b>  |  |                   |             |              |             |               |  |
| <b>Job title and department:</b>                    |  |                   |             |              |             |               |  |
| <b>Provider of hospitality / gift:</b>              |  |                   |             |              |             |               |  |
| <b>Description of gift / hospitality offered:</b>   |  |                   |             |              |             |               |  |
| <b>Estimated value:</b>                             |  |                   |             |              |             |               |  |
| <b>Any others in receipt of gift / hospitality:</b> |  |                   |             |              |             |               |  |
| <b>Gift / hospitality - accepted / declined</b>     | <b>ACCEPTED</b> <span style="margin-left: 200px;"><b>DECLINED</b></span>   |                   |             |              |             |               |  |
| <b>Reason for acceptance / decline:</b>             |  |                   |             |              |             |               |  |
| <b>Completed by:</b>                                | <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><b>Signature:</b></td> <td><b>Date</b></td> </tr> <tr> <td><b>Name:</b></td> <td><b>Date</b></td> </tr> <tr> <td><b>Grade:</b></td> <td></td> </tr> </table> | <b>Signature:</b> | <b>Date</b> | <b>Name:</b> | <b>Date</b> | <b>Grade:</b> |  |
| <b>Signature:</b>                                   | <b>Date</b>  |                   |             |              |             |               |  |
| <b>Name:</b>  | <b>Date</b>  |                   |             |              |             |               |  |
| <b>Grade:</b>                                       |  |                   |             |              |             |               |  |
| <b>Dated:</b>                                       |  |                   |             |              |             |               |  |
| <b>Gifts accepted and retained</b>                  | <b>Keeper:</b> <span style="margin-left: 100px;"><b>Location:</b></span>   |                   |             |              |             |               |  |

Please send completed form to the Secretariat.



## Appendix 5 to

### Annex E

## Ambassadorial protocol for non-executive directors of the Strategy Board, its committees and sub-committees

### Scope

- 1 This protocol applies to all non-executive directors of the Strategy Board and members of its committees and sub-committees. It covers all activities and engagements carried out on our behalf, such as requests: to speak to the media; to publish articles; or to attend provider, stakeholder or other events. Activities covered include those where a Strategy Board member:
  - receives an invitation in their capacity as a member of the Estyn Board, whether this is an external or an internal event
  - pursues an engagement as part of a development plan agreed with HMCI
  - pursues an engagement which does not have a direct connection with Estyn, but where the member's position with Estyn may be used in publicity or be highlighted during the activity
- 2 Where this protocol refers to consulting, or obtaining the approval of HMCI or the Estyn communications manager, members of the Board should lodge the request with HMCI's secretariat, who will make the necessary arrangements with HMCI or others.

### General

- 3 HMCI is the official spokesperson of Estyn.
- 4 The Strategy Board will take collective responsibility for the decisions made by it, and individual members will represent the Board's decisions.
- 5 In no case should views be expressed that are at variance with agreed Estyn policy. If in doubt as to what is agreed Estyn policy, a Strategy Board member should consult HMCI.
- 6 It is the responsibility of Board members to ensure that they are briefed appropriately before taking part in any activities covered by this protocol. HMCI's secretariat will arrange briefing, speaking notes or other forms of presentation on request, subject to appropriate notice.
- 7 HMCI and members of the Strategy Board are not restricted from activities in any

personal or professional non-Estyn capacity, where the activity could not be considered to be connected with Estyn's remit. This protocol does not cover such activities.

### **External events**

- 8 All activities which involve any external presence will be recorded by HMCI's Secretariat in the register of ambassadorial activities. Such activities may arise from requests: to speak to the media; to publish articles; to attend provider, stakeholder or other events on our behalf or where the activity could be considered to be connected with our remit.

### **Media**

- 9 A Board member must obtain the prior approval of HMCI before agreeing to speak to or in the presence of the national or local media, or publishing articles, or engaging in any other media related activity, where this activity could be considered to be connected with our remit.
- 10 HMCI's secretariat will consult the communications manager before putting the request to HMCI for approval.

### **Stakeholder and other events**

- 11 A Board member must obtain the HMCI's approval before accepting any invitation to attend an event on behalf of Estyn, or where the engagement could be considered to be connected with our remit.

### **Inspections**

- 12 Board members may attend inspections and other Estyn front line activity. Care should be taken to make clear to those being inspected that the Strategy Board member has no role in the professional process of inspection, or the judgements which arise from it. A non-executive director wishing to attend an inspection must first receive the permission of HMCI to do so.

## Register of ambassadorial activities for Strategy Board members

| Board member | Event | Date | Attendees | Details of responsibilities<br>(e.g. speech, meeting) | Media presence | Clearances<br>(HMCI, Communications, etc.) |
|--------------|-------|------|-----------|---|----------------|--|
|              |       |      |           |   |                |  |
|              |       |      |           |   |                |  |
|              |       |      |           |   |                |  |
|              |       |      |           |   |                |  |