



*Rhagoriaeth i bawb – Excellence for all*

Arolygiaeth Ei Mawrhydi dros Addysg  
a Hyfforddiant yng Nghymru

Her Majesty's Inspectorate  
for Education and Training in Wales

# Estyn's Corporate Governance Framework



**Version: May 2012**

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## Foreword

- 1 This document explains the key responsibilities of Her Majesty's Chief Inspector for Education and Training in Wales (HMCI), the Strategy Board for Estyn and the Executive Board. It also articulates 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 first version of Estyn's Corporate Governance Framework was formally approved by the Strategy Board on 14 May 2010. It reflects the principles set out in ['Corporate Governance in Central Government Departments - code of good practice'](#) (July 2005). It is published on Estyn's 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 Estyn is the office of Her Majesty's Inspectorate for Education and Training in Wales. We are independent of, but funded by, the National Assembly for Wales.
- 5 Estyn is a non-ministerial civil service department. Estyn is responsible for inspecting and reporting on the following:
  - nursery schools and settings that are maintained by, or receive funding from, local authorities (LAs);
  - primary schools;
  - secondary schools;
  - special schools;
  - pupil referral units;
  - independent schools;
  - further education;
  - adult community learning;
  - local authority education services for children and young people
  - teacher education and training;
  - work-based learning;
  - careers companies; and
  - offender learning.
- 6 Estyn has worked increasingly in collaboration with the Inspection, Audit and Regulation (IAR) bodies in Wales over the last few years. Since 2005 Estyn has been a member of the Heads on Inspectorate Forum whose purpose of this Forum is to foster further collaboration between IAR bodies and to inform Welsh Government policy concerning IAR.
- 7 In the spirit of the Welsh Government's 'Policy Statement on Inspection, Audit and Regulation' (2009), the IAR bodies established the Inspection Wales

secretariat to support collaborative and joint working in 2010. In the same year, the Heads of Inspectorate published a 'Strategic Agreement' which sets out five overarching objectives for the Joint Inspectorates and these, in turn, are underpinned by a range of groups and forums through which joint planning and working is delivered.

- 8 The day to day delivery of the joint programme in 2012 -13 will be managed by a programme board led by the deputies from the four IAR bodies, supported by operational working groups for specific topics as well as geographical teams consisting of the staff working within a locality.
- 9 Joint working in the recent past involving Estyn has included a joint report on Child and Adolescent Mental Health Services, a joint inspection of Local Safeguarding Children and joint inspection and investigation work about Pembrokeshire local authority.
- 10 Estyn, in partnership with Ofsted, has responsibility for inspecting learners in England who are funded by the Welsh Government and who attend independent special colleges, work-based learning courses, programmes for unemployed people and those provided through youth offending teams. In addition, Estyn inspects the education of offenders in secure estate and prisons in Wales through joint working with HMI Probation and HMI Prisons.
- 11 We contribute to the development and review of education and training policy in Wales through our inspection work and 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 will continue to promote the spread of best practice in the delivery of education and training through our programme of inspector training and best practice events. A series of sector stakeholder events will provide opportunities for the discussion of best practice at sector level, and a National Stakeholder event will enable the identification and discussion of common and overarching themes. We will also use these events to consult on the evaluation and review of inspection arrangements. In addition, we will highlight the best practice identified during inspection activity by publishing relevant case studies on the 'Best Practice' section of the Estyn website, and disseminate further information through our external newsletter.
- 13 Estyn provides a bilingual service across Wales that ensures effective engagement with all stakeholders.

## Responsibilities and accountability

### Her Majesty's Chief Inspector

#### Role and responsibilities

- 14 Her Majesty's Chief Inspector (HMCI) is responsible for the inspection and regulation of services within her remit.
- 15 HMCI is responsible for the overall organisation, management and staffing of Estyn and for its procedures in financial and other matters, including conduct and discipline.
- 16 HMCI is the Accounting Officer for Estyn responsible for ensuring that all resources available are used properly and provide value for money. As an Accounting Officer HMCI may be called upon to appear before the National Assembly for Wales' Public Accounts Committee. An Accounting Officer agreement is in place with the relevant additional Accounting Officer in the Welsh Government.
- 17 HMCI's statutory position is set out in the [Government of Wales Act 2006](#) (as Chief Inspector).
- 18 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; and
  - the efficient and effective use of resources in carrying out such activities and services.
- 19 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 as are specified in the requests.
- 20 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.
- 21 HMCI is to have other functions in connection with activities within his or her remit as may be assigned by the First Minister.
- 22 The Act also sets out requirements relating to the performance of HMCI's functions.

- 23 HMCI is to perform his or her functions for the general purpose of encouraging:
- the improvement of activities within HMCI's remit;
  - the carrying out of such activities as learner-focused activities; and
  - the efficient and effective use of resources in the carrying out of such activities.
- 24 HMCI must ensure that:
- his or her functions are performed efficiently and effectively; and
  - 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; and
    - the views expressed by other relevant people about such activities.

## Delegation by HMCI

- 25 HMCI may, subject to the provisions of the Act, delegate functions to any of Her Majesty's Inspectors or other members of Estyn's staff or additional inspector whom she 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.
- 26 HMCI may delegate any inspection functions to another public authority.
- 27 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.

## Strategy Board

### Purpose

- 28 The purpose of the Strategy Board is to establish and monitor Estyn's strategic agenda, to promote effective corporate governance and advise on Estyn's development so as to ensure its wellbeing and continued improvement as an employer and as a high-profile public service.

### Structure

- 29 To carry out the above functions, HMCI may create such committees as 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 Estyn Audit Committee and the Remuneration Committee, the terms of reference for which are at **Annex A**.

## Objectives

- 30 The Strategy Board's objectives are to:
- ensure that Estyn's mission, vision and values conform to ethical principles and lead to sound corporate governance;
  - facilitate strategic direction in accordance with the strategies and plans of the Welsh Government;
  - ensure that Estyn's organisational structure and capability are appropriate for the chosen strategies;
  - monitor progress against the Annual Plan, including the achievement of Estyn's performance indicators and other performance data, advising as necessary on areas of underperformance;
  - satisfy itself, having particular regard to the advice of its Audit Committee, that Estyn is operating appropriately in matters relating to corporate governance, risk and internal control and the adequacy of the internal and external audit arrangements; and
  - to advise HMCI on matters relating to Estyn's organisational development.
- 31 In working towards the delivery of the Annual Plan, the Strategy Board will:
- communicate the vision, role direction and priorities of Estyn to staff and other stakeholders;
  - ensure that Estyn's financial resources and staff are allocated and managed effectively;
  - monitor and improve Estyn's performance; and
  - protect and enhance Estyn's reputation as a highly effective inspectorate and employer.

## Membership

- 32 The members of the Strategy Board and Audit Committee are listed at **Annex B**.

## Appointment to the Strategy Board

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

## Roles and responsibilities

### The Chair – HMCI

- 34 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.
- 35 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 the performance of individual Strategy Board members is reviewed annually and review the effectiveness of the arrangements for external members of the Strategy Board;
- 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; and
- act as the main spokesperson, representing the Strategy Board and the organisation in general, to Ministers, staff and other stakeholders and partners with support from other members as appropriate and necessary.

36 As Accounting Officer, HMCI is under no statutory obligation to seek the Strategy Board's advice before taking decisions. She will, however, do so on all matters of major policy or management significance unless urgency precludes this.

### Executive Directors

37 Estyn members of the Strategy Board are executive directors. The role of the executive members 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:

- 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; and
- contributing to the analysis of financial and other management information and making sure that risk management is robust.

38 Executive members are employees of Estyn and are subject to their contract and Estyn's terms and conditions of service.

### Non-executive Directors

39 External members of the Strategy Board are non-executive directors (NEDs). The NEDs do not have a decision-making role. The role of the NEDs in Estyn 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; and
  - satisfy themselves that financial information is reliable and that financial controls and systems of risk management are robust.
- 40 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.
- 41 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

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

### Operation

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

### Development and Effectiveness

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

### Code of Conduct

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

## Executive Board

### Purpose

- 46 The purpose of the Executive Board is to support and assist HMCI in leading and managing Estyn in accordance with the principles of good corporate governance, internal control and risk management.

### Objectives

- 47 The Executive Board's objectives are to:
- promote the leadership and organisational development of Estyn and its workforce in line with our agreed organisational framework and performance management arrangements;
  - lead and drive change across Estyn so as to enhance Estyn's capacity to deliver well and improve;
  - decide matters of policy within the framework of the Annual Plan ahead of any operational work being started;
  - plan and co-ordinate the management and delivery of all Estyn's functions, taking account of the available organisational resources;
  - allocate and monitor the use of financial and human resources in Estyn;
  - ensure that Estyn's organisational structure and capability are appropriate to enable it to deliver against strategies and plans;
  - promote productive relationships with Estyn's stakeholders;
  - ensure that all aspects of Estyn's work are well communicated to staff;
  - address such issues as the Strategy Board may request; and
  - co-ordinate contributions to the achievement of Estyn's objectives following decisions made in accordance with the above.

### Membership

- 48 The members of the Executive Board are:

Chair:	HMCI
Other members:	Estyn's Strategic Directors
In attendance:	Estyn's Assistant Director (Corporate Services) One of Estyn's other Assistant Directors (on a six months rotational basis)

### Roles and responsibilities

#### The Chair – HMCI

- 49 The role of the Chair (HMCI) is to ensure the Executive Board's effectiveness, by making sure that the Executive Board is well organised, structured and led so that the organisation can achieve its strategic objectives.

50 The Chair will:

- ensure that the Executive Board's:
  - procedures are appropriate and effective;
  - procedures are reviewed at least annually;
  - performance is reviewed at least annually;
- ensure the performance of individual Executive Board members is reviewed annually and review the effectiveness of the arrangements for external members of the Executive Board;
- ensure that the Executive 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 Executive Board members' needs is undertaken.

51 It is also the Executive Board's function to:

- develop Estyn as a 'best value' organisation;
- develop Estyn as an 'exemplary employer'; and
- work collaboratively with other inspectorates to support improvement.

### Strategic Directors

52 The role of the Strategic Directors (SDs) is to provide corporate leadership in the Executive Board in support of the HMCI. The SDs have a decision-making role on the Executive Board and will act in a corporate way for the greater good of Estyn by:

- bringing to the Executive Board 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; and
- contributing to the analysis of financial and other management information and making sure that risk management is robust;

### Assistant Directors

53 The role of the Assistant Directors (ADs) is to provide leadership in the Executive Board in support of the HMCI. ADs do not have a decision-making role on the Executive Board, but should act corporately in:

- bringing to the Executive Board 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; and
- contributing to the analysis of financial and other management information and making sure that risk management is robust;

## Secretariat

54 HMCI's secretariat is responsible for the secretariat functions.

## Operation

55 The Executive Board will be chaired by HMCI. The Executive Board will normally meet monthly and at other times as may be necessary.

## Quorum

56 The Executive Board will not sit in HMCI's absence unless exceptional circumstances arise, in which case HMCI will appoint a SD to chair the meeting. The meeting will not normally take place unless two of the three members are present. Members may not be represented at meetings.

## Agendas and minutes

57 HMCI's secretariat will produce minutes of each meeting that will be agreed at the next meeting.

58 Substantial papers will be circulated via HMCI's secretariat to Executive Board members at least five clear working days ahead of the meeting at which they are to be considered.

## Planning, budgeting and control

### The Annual Plan and budget setting process

59 The Annual Plan is approved by the Welsh Government First Minister. HMCI is responsible for its preparation, with the advice of the Executive Board. 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 Estyn's performance.

60 HMCI, with the advice of the Executive Board, manages the preparation of the Estyn budget on an annual basis, to reflect Estyn's strategic objectives and priorities. The Executive Board reviews the budget annually and monitors it during the year.

61 Any changes to delegated budgets are approved by HMCI, as advised by the Executive Board.

## Internal audit and other forms of assurance

- 62 Estyn contracts an effective and independent internal audit facility and ensures that it operates in accordance with the Government Internal Audit Standards.
- 63 Strategic and periodic audit plans are produced that take full account of the risks facing Estyn. The strategic and periodic plans are approved by HMCI, as the Accounting Officer, on the advice of the Audit Committee. A systematic review and evaluation of Estyn's risk management, control and governance based on these audit plans is conducted.
- 64 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'.
- 65 Estyn will use benchmarking as a tool of performance management and, where possible, will compare its business processes to those used in similar organisations.
- 66 Other sources of evidence include:
- annual certification, by the SDs, ADs and Grade 7s that they and their staff have complied with Estyn's corporate governance, internal control and risk management arrangements. This will include confirmation that any major problems have been notified to the Audit Committee and that any weaknesses identified, from whatever source, have been addressed appropriately;
  - the results of financial and value for money audit work by the Wales Audit Office;
  - the outcome of visits/inspections by external third parties, such as the Office for Government Commerce, Civil Service Commissioners, Her Majesty's Revenue and Customs, and Investors in People;
  - the results of internal quality assurance processes, particularly those related to Estyn's inspection role;
  - examination and monitoring of complaints; and
  - the results of the annual Civil Service staff survey.

## Audit committee

- 67 The Audit 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; and
  - the planned activities and results of internal and external audit.

- 68 The assurance is provided in an annual report by the Chair of the Audit Committee to members of the Audit Committee and the Strategy Board.

## External accountability

### Statement of Accounts

- 69 Estyn produces an Annual Report and Accounts in accordance with Government Accounting, the Government Financial Reporting Manual (FREM), all relevant “Dear Accounting Officer” letters<sup>1</sup>, and other letters published by HM Treasury.
- 70 The annual accounts will be considered by the Audit Committee and signed by HMCI. They will be produced and laid before the Welsh Government within the timescale set.

### External audit and value for money examinations

- 71 Estyn is subject to external audit review by the Wales Audit Office (WAO).
- 72 In addition to auditing the annual Resource Accounts the WAO also has the right to conduct value for money examinations into aspects of any activities as appropriate.
- 73 HMCI will consider the annual Management Letter from the WAO and agree an action plan to address any issues raised on the basis of advice from the Strategy Board. The Audit Committee will have oversight of this process.
- 74 HMCI will be responsible for ensuring that an action plan is established in relation to any individual detailed reports from the WAO, including specific value for money or other reviews. Where appropriate these reports and action plans will be passed to the Strategy Board or Audit Committee for further scrutiny.

### Annual Report and Accounts

- 75 Each year, HMCI produces an annual report, alongside the statement of accounts, which summarises the work of Estyn for that year and the way in which Estyn has contributed to the improvement of services within its remit. This report is laid before the Welsh Government by the Auditor General on behalf of Estyn.

### HMCI's Annual Report

- 76 HMCI is required by the Act to make an annual report to the First Minister who lays it before the National Assembly for Wales. HMCI's annual report sets out the state of services within her remit, based on the inspection data relating to that year.

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<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

Subject	Responsibility of HMCI	Responsibility of the Strategy Board	
		Strategy Board	Audit Committee
<b>Strategy</b>	Preparation of Estyn's Strategic Plan for consideration and approval by the Strategy Board.	Consideration and approval of Estyn's 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 Committee.</p> <p>Scrutiny of Audit Committee's annual report and consideration of any other issues raised by the Audit 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 the Wales Audit Office
<b>Risk management</b>	Management and approval of Estyn's risk management arrangements.	Scrutiny of risk management processes.	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.
<b>Statement of accounts</b>	Management and approval of the annual Resource Accounts.		Reviewing Estyn's annual Resource Accounts, to provide advice and assurance to the Accounting Officer.
<b>Annual Report</b>	Management of the Annual Report.	Oversight and approval of the Annual Report.	



Estyn's Corporate Governance Framework

Subject	Responsibility of HMCI	Responsibility of the Strategy Board	
		Strategy Board	Audit Committee
<b>Human Resources</b>	Appointment and all aspects of management of staff. Determination of the staffing structure and arrangements for registered inspectors, additional inspectors, inspection service providers 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.	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 inspection service providers.	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 the 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.

77 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 Committee.

### Audit Committee and Remuneration Committee terms of reference

#### Audit Committee

##### Purpose

- 1 The Audit 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 Committee are shown at **Annex B** to Estyn's Corporate Governance Framework.

##### Appointment to the Audit Committee

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

##### Meetings

- 4 The Audit Committee will meet 4 times a year. The Chair of the Audit Committee may convene additional meetings as deemed necessary.
- 5 Normally all of the external members and the Estyn attendees would be expected to be present at Audit Committee meetings. However, a minimum of two external members of the Audit Committee and one of the Estyn executive directors will be present for the meeting to be deemed quorate.
- 6 The Audit 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 Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.
- 8 The Audit Committee will be provided with a secretarial function by Corporate Services.
- 9 There shall be an annual meeting between the Chief Inspector, the Chair and members of Estyn's Audit Committee to consider any matter arising from the Annual Governance Statement or any other document or record which might have implications for the proper and transparent handling of payments to Estyn, or for wider risk management.

## Access

- 10 There will be mutual rights of access among each of the Chair of the Audit Committee, the Accounting Officer, the Head of Internal Audit and the representative of External Audit.
- 11 The Audit Committee secretariat will arrange for separate annual meetings to take place between all NED members of the Audit 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 autumn Audit Committee meeting:
  - meeting with external auditor
  - meeting with internal auditor
  - meeting with Accounting Officer
- 12 It will be for the Chair of the Audit Committee to decide whether or not they wish the meetings to be minuted.

## Register of members' interests

- 13 External members are required to complete a Register of Members' Interests. Guidance on this is included at **Annex B** to Estyn's Corporate Governance Framework.

## Training

- 14 External 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 external 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 Committee members or frontline staff may be useful in this regard. Training for external members aimed at developing skills will not be funded by Estyn.

## Reviewing effectiveness

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

## Responsibilities

- 17 The Audit 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;
  - proposals for tendering for Internal Audit services or for purchase of non-audit services from contractors who provide such services; and
  - anti-fraud policies, whistle-blowing processes, and arrangements (if any) for special investigations.
- 18 External members and Estyn attendees will also periodically review the Audit Committee's effectiveness and report the results of that review to the Strategy Board.
- 19 External members have the right to raise concerns about matters of conscience or propriety, including that relating to the work of other external members or non-executive directors, with HMCI. If the concern relates to HMCI, external 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 external members as they are not civil servants. External members can also raise matters of conscience or propriety with Estyn's internal and/or external auditors.

## Reporting

- 20 The Audit Committee will:
- use the minutes of the Audit Committee meeting to formally report back to the Strategy Board after each meeting;
  - communicate the minutes of the Audit Committee via the intranet to all staff; and
  - 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

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

Date	Standing Agenda Item
<b>January</b>	Annual separate meeting with internal and external auditors WAO audit outline and fee structure Statement of Co-operation between internal and external auditors Audit Committee self-review Internal Audit Strategy and risk management Legal/consultancy fees Progress of Internal Audit work and published Reports Waivers/departures
<b>April</b>	Internal Audit Annual Programme of Work Review of progress on draft resource accounts Progress of Internal Audit work and published Reports Agree the Audit Committee's annual report to the Board Reporting of the Audit Deliverables document Waivers/departures
<b>June/July</b>	Head of Internal Audit Annual Report Draft Resource Accounts Review of Accounting Policies as part of the Audit Committee's annual consideration of the draft resource accounts Audit of financial statements report to those charged with governance Progress of Internal Audit work and published Reports Annual report of the Chair of the Audit Committee Annual Governance Statement Waivers/departures
<b>October/November</b>	WAO management letter Review of the terms of reference of the Audit Committee Corporate governance Progress of Internal Audit work and published Reports Strategic and Corporate Risk Registers Waivers/departures

- 22 For these meetings, the Audit 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); and
  - any resourcing issues affecting the delivery of Internal Audit objectives;
- a progress report from the External Audit representative summarising work done and emerging findings;
- proposals for the terms of reference of Internal Audit;
- the Internal Audit Strategy;
- 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;
- a report on any changes to accounting policies;
- External Audit's management letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between Internal and External audit; and
- any other documents that the Accounting Officer agrees, in consultation with Audit Committee members, that they should see to enable them to meet the responsibilities identified in paragraph 16 above.

## Remuneration Committee

### Purpose

23 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 DG, Local Government and Communities, WG, (DG), and for determining the remuneration of other SCS members of Estyn, based on the advice and recommendations of HMCI.

### Role

24 The Remuneration Committee's role is to:

- review and determine the annual pay strategy with close reference to Cabinet Office guidance;
- review the performance reports (including self assessments, reporting officer comments and any other presented evidence), and the standard of reporting for Pay Band 1 members of the SCS in Estyn.
- benchmark pay matters with other government departments, where possible;
- agree individual base pay awards on recognising continuing value to the organisation, including growth in skills (including leadership skills and those described in the PSG framework for Pay Band 1 posts), competencies, knowledge, track record of delivery and sustained contribution as a member of the SCS;
- agree size and distribution of bonuses based on the relative extent to which personal and business objectives and other shorter term personal contributions to wider corporate objectives have been achieved in year;
- make sure the bonuses and base pay awards are within the overall costs envelope and meet the requirements of Estyn's Senior Civil Service (SCS) Pay Band 1 Strategy;
- discuss and agree any other adjustments to pay that may be deemed to be necessary, appropriate and possible;
- monitor results to make sure there is no bias on the basis of gender, ethnicity, disability or working pattern and take any action;
- provide feedback to the Cabinet Office on the operation of the annual pay round as requested; and
- complete and check all paperwork associated with the process.

## Membership

25 The following are members of the Remuneration Committee:

External members     Andrew Bellamy (**Chair**), former Chief Executive of Glan Y Mor NHS Trust/Executive Director Swansea NHS Trust  
Date of re-appointment:     20 August 2010  
End of re-appointment:     19 August 2013

Dr Haydn Edwards, former Principal and Chief Executive of Coleg Menai  
Date of appointment:     2 September 2012  
End of appointment or renewal     1 September 2015

Rheon Tomos, currently partner of TDE Associates, appointed member of the S4C Authority and Vice Chairman of Chair of S4C's Audit and Risk Committee  
Date of appointment     1 April 2012  
End of appointment     31 March 2015

Estyn members     Ann Keane, HMCI of Education and Training in Wales and Accounting Officer will be present for discussion of arrangements for SDs

## 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 DG will undertake the role normally ascribed to the line manager in the standard SCS process, with advice from the Remuneration Committee and other Directors General, as appropriate.
- 28 At the start of each year, HMCI will draft a proposed set of annual objectives for the year ahead for consideration by the DG.
- 29 Prior to submitting the draft objectives to the DG, HMCI will provide the Remuneration Committee with a set for comment. HMCI will take account of any comments, as appropriate, in refining the draft for submission to DG. In the event that there is significant unresolved disagreement between HMCI and the Remuneration Committee on what should be included in the objectives, HMCI will draw this disagreement to the attention of DG, 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 DG will initiate the end-year performance appraisal process.

- 31 In the first instance, Estyn's Remuneration Committee will consider HMCI's performance against HMCI's agreed annual objectives and prepare advice for the DG on the extent to which the objectives have been met or exceeded and the broad level of overall performance it considers HMCI to have achieved during the year. The Committee will also recommend the tranche pay and the level of variable pay which may be merited for the year, consistent with Cabinet Office guidance and the Welsh Government's pay policy and pay criteria and limits.
- 32 On receipt of the Remuneration Committee's advice, the DG will consider it along with any other sources of evidence relating to HMCI's performance. The DG will arrange a formal end-year review meeting with HMCI at which the full range of evidence will be reviewed and considered.
- 33 The DG will reach a decision on the level of any salary uplift and variable pay to be awarded. In making this decision, the DG will use the framework adopted for SCS pay within the Welsh Government and may consult with other DGs within WG. The DG will inform HMCI and the Estyn Remuneration Committee of the outcome.
- 34 HMCI will also maintain a Personal Development Plan in accordance with normal SCS procedures. HMCI will plan, discuss and review the contents of that plan through their discussions with DG, taking appropriate account of any feedback about the achievement of objectives which may come through from the Remuneration Committee or other feedback sources.
- 35 The DG 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**

- 36 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.



### Strategy Board, Audit 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 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. External members will normally be appointed for a term of three years. 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 three external members of the Strategy Board albeit at times there may be more members for a period of time to provide continuity through changeovers.
- 4 HMCI, in consultation with Strategy Board or Audit Committee members (as appropriate), may co-opt on to the Strategy Board or Audit Committee such person or persons whom they consider may assist them to achieve the Strategy Board’s or Audit 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, eg for reasons of continuity. Co-opted members will be external members of the Strategy Board or Audit Committee.

#### Membership

- 5 The following are members of the Strategy Board:

External members	Andrew Bellamy, former Chief Executive of Glan Y Mor NHS Trust/Executive Director Swansea NHS Trust
	Date of re-appointment: 20 August 2010
	End of re-appointment: 19 August 2013

	Dr Haydn Edwards, former Principal and Chief Executive of Coleg Menai
	Date of appointment: 2 September 2012
	End of appointment or renewal 1 September 2015

Rheon Tomos, currently partner of TDE Associates,  
appointed member of the S4C Authority and Vice  
Chairman of Chair of the Audit and Risk Committee  
Date of appointment 1 April 2012  
End of appointment 31 March 2015

Estyn members Ann Keane, HMCI of Education and Training in Wales and  
Accounting Officer

Simon Brown, Strategic Director

Meilyr Rowlands, Strategic Director

In attendance Phil Sweeney, Assistant Director (Corporate Services)

6 The following are members of the Audit Committee:

External members Andrew Bellamy, former Chief Executive of Glan Y Mor  
NHS Trust/Executive Director Swansea NHS Trust  
Date of re-appointment: 20 August 2010  
End of re-appointment: 19 August 2013

Dr Haydn Edwards, former Principal and Chief Executive  
of Coleg Menai,  
Chair of the Audit Committee from 1 July 2010  
Date of appointment: 2 September 2012  
End of appointment or renewal 1 September 2015

Rheon Tomos, currently partner of TDE Associates,  
appointed member of the S4C Authority and Vice  
Chairman of Chair of S4C's Audit and Risk Committee  
Date of appointment 1 April 2012  
End of appointment 31 March 2015

Attendees The following persons are attendees by virtue of the posts  
they hold in Estyn:

Ann Keane, HMCI of Education and Training in Wales and  
Accounting Officer.

Simon Brown, Strategic Director

Phil Sweeney, Assistant Director, Corporate Services

7 Audit Committee meetings will also normally be attended by the Head of  
Internal Audit and a representative of the Wales Audit Office (Estyn's external  
auditors).

8 The Audit 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 The following are members of the Remuneration Committee:

External members	Andrew Bellamy (Chair), former Chief Executive of Glan Y Mor NHS Trust/Executive Director Swansea NHS Trust
	Date of re-appointment: 20 August 2010
	End of re-appointment: 19 August 2013
	Dr Haydn Edwards, former Principal and Chief Executive of Coleg Menai
	Date of appointment: 2 September 2012
	End of appointment or renewal 1 September 2015
	Rheon Tomos, currently partner of TDE Associates, appointed member of the S4C Authority and Vice Chairman of Chair of S4C's Audit and Risk Committee
	Date of appointment 1 April 2012
	End of appointment 31 March 2015
Estyn members	Ann Keane, HMCI of Education and Training in Wales and Accounting Officer

### 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 Committee Members, their close family members, persons living in the same household as the Strategy Board and Audit 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 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 Committee only need to complete the register once. External members need to complete a new form at the beginning of April each year and they 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 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**.

## Remuneration and expenses for non-executive directors of the Strategy Board

- 1 References to non-executive directors should be taken to cover non-executive Strategy Board directors and non-executive directors 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 are expected to spend:
  - nine days a year preparing for and attending Board and Audit Committee meetings; and
  - 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 Committee is paid a further three days (18 days in total) in recognition of the additional duties associated with Audit 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 18 days (or in the case of the Chair 23 days) on the activities set out above they will be paid for any additional work on an hourly basis (pro-rata of the daily rate) provided the details, subject and extent of the additional work are agreed beforehand with HMCI.

### Expenses

- 5 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.
- 6 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

- 7 When claiming expenses, non-executive directors are required to certify that:
  - travelling expenses were actually incurred on Estyn business; and
  - subsistence expenses were incurred necessarily, specifying periods of absence and details of meals taken in the claim.

- 8 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 to an external or internal event; and
  - a non-executive director pursues an engagement as part of a development plan agreed with HMCI.

### **Home to office expenses**

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

### **Carer expenses**

- 10 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.
- 11 The Inland Revenue deem payments made under these arrangements as a taxable benefit and will require tax to be deducted at source.

### **Submission of expense claims**

- 12 Expense claims must be submitted to, and approved by, Assistant Director – Corporate Services, using an expense form which will be made available to non-executive directors.
- 13 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.
- 14 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.
- 15 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.
- 16 Claims for expenses should be submitted within 3 months of the time they were incurred.
- 17 If non-executive directors have any questions or queries relating to the expenses policy, they should contact HMCI's secretariat.

## **Publication of expenses claims**

- 18 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.

### Proceedings of the Strategy Board

#### Introduction

- 1 In the exercise of powers under the [Government of Wales Act 2006](#), 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 quarterly. Additionally, HMCI will hold a meeting solely with external members at least once a year and at other times 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 main office.

#### 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 four Board members; and
  - if called by HMCI where, in 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 not less than three of the

four 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 Estyn's Annual Plan will provide particular focus.
- 12 Each meeting will have some standing items that fit in with Estyn's 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 and HMCI will clear the agenda. Items for any other business should be cleared with 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 seven 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 a 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 HMCI's secretariat will publish the agendas and papers of Strategy Board and committee meetings, with the exclusion of any confidential business or publications in a draft form, on the Estyn intranet no less than five days before each Board meeting.
- 17 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.
- 18 HMCI 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.
- 19 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

- 20 Within seven working days of each Strategy Board meeting, HMCI's secretariat will circulate draft minutes to all Strategy Board members for their comments.
- 21 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; and
  - issues that would be covered by exemptions under freedom of information.
- 22 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.
- 23 With the exclusion of any confidential business, all minutes of the Strategy Board meetings should be published in draft on the Estyn intranet within one month of the meeting. 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 published formally.

## Chair

- 24 If present, HMCI will chair all Strategy Board meetings.
- 25 It will be the responsibility of HMCI 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; and
  - adjourn the meeting if this is necessary, for whatever period of time she thinks is appropriate.

## HMCI's Secretariat

- 26 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; and
- coordinating and clearing with HMCI any request from non-executive members for engagement with or action by Estyn staff.

- 27 HMCI, Strategy Board members and members of sub-committees will have access to HMCI's secretariat for advice and assistance.
- 28 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

- 29 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.
- 30 Members may not appoint alternates to attend in their absence.
- 31 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 half the appointed members and, where an odd number of members is appointed, a majority of those members.
- 32 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.
- 33 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.
- 34 The validity of the proceedings of the Strategy Board or any committee will not be affected by any vacancy in membership.
- 35 All or any of the members may, in exceptional cases, participate in a meeting by

means of conference telephone or any communication equipment which allows all persons participating in the meeting to communicate with each other. Such participants will be deemed to be present in person at the meeting and shall be counted in a quorum accordingly.

- 36 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

- 37 Any member may propose to defer a decision on an agenda item so that members can be provided with additional information, or for any other reason. 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.
- 38 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.
- 39 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

- 40 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 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.
- 41 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.

### Register of members' interests

- 42 External members are required to complete a Register of Members' Interests. Guidance on this is included at **Annex B** to Estyn's Corporate Governance Framework.

## Conduct of the Strategy Board

- 43 Strategy Board meetings will be conducted in a way that promotes effectiveness by ensuring everyone's contributions can be made and heard, building on the diversity of the group to ensure the group has effective discussions and Estyn members are able to reach well-informed decisions. We will review the level of detail we go into in meetings to find the best balance for us.
- 44 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

- 45 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.
- 46 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:
- staff in Estyn;
  - Ministers in Wales and the UK;
  - policy makers in Wales and the UK;
  - partners in Estyn's forums;
  - contractors working for Estyn in all parts of its business;
  - other inspectorates and regulatory bodies; and
  - auditors.
- 47 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 the Estyn 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; and
    - commissioning work through the above to be reported back and discussed at the Strategy Board.

## Celebrating success

- 48 We will reflect on at least an annual basis what has gone well for Estyn and its individuals. We will celebrate our success in an appropriate way to help motivate and inspire the organisation.

## **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 HMCI every 12 months, or sooner if requested by HMCI.
- 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, except where this would contravene any law or direction made by the Secretary of State.
- 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 The Chair, or the senior NED if presiding at a meeting, is responsible for interpreting the rules and procedures of the Strategy Board. Their decision, following advice given by the 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.

## 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 Committee, or one of Estyn's other committees or groups:
  - Executive Board;
  - Directors Group
  - Service Delivery Group;
  - Management TUS Strategic Group;
  - Management TUS Operational Group;
  - Health, Safety & Wellbeing Committee;
  - Staff Engagement Group; or
  - 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 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 quarterly (or other time interval) 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 Estyn's operating needs.
- 4 In order to help Strategy Board members, your paper should:
  - be no more than about 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 abbreviations so that a lay person could read it and understand the paper;
  - be acceptable for publication if need be or, if not, you should make it clear on the header/footer and let HMCI's Secretariat know too; and
  - 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 coming Board meetings. The secretariat needs time to check and collate papers and prepare an annotated agenda. You should therefore:

- send non-routine papers to HMCI's secretariat at least 12 working days in advance of the meeting where the paper will be discussed;
- send your contribution to the routine management information reports to the AD (Corporate 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; and
- let HMCI's secretariat have any background to the paper so that he can annotate the agenda appropriately.

These guidelines will be reviewed following any feedback from Estyn Strategy Board members, HMCI's secretariat or others.

### Strategy Board development and effectiveness

#### Induction, training and objectives for individual Strategy 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 Strategy Board members each year.
- 2 Strategy 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 HMCI may occasionally give an individual member responsibility for providing oversight and guidance on the Strategy Board's behalf in relation to areas of its work. In that event, the relevant member (portfolio holder) will take an active involvement in the work area and will take a lead in Strategy Board discussions concerning their portfolio.
- 4 A NED will be identified by HMCI as the Strategy Board's health, safety and wellbeing champion, to ensure that any issues are considered routinely as part of Board business.
- 5 NEDs will be expected to spend approximately fifteen to eighteen days each year on Estyn business.

#### Review of effectiveness

- 6 The Strategy Board'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.
- 7 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 Committee.
- 8 HMCI will assess the performance of individual Strategy 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**.
- 9 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, she may terminate their appointment.

#### Review of HMCI

- 10 The effectiveness of HMCI will be reviewed by the [Local Government and Communities Directorate](#), WG, who will ask for advice from Estyn's Remuneration Committee.



## Development

- 11 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.

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

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

Criteria
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

Criteria
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

### 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 Estyn's functions in the most economical, efficient and effective way, within available resources, and with independent validation of performances achieved wherever practicable;
  - ensure that Estyn is open and honest in its reports to WAG and its interactions with the public through the publication of reports, effective complaints procedures and clear and accessible guidance; and
  - 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 the values and principles of Estyn 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 Estyn's rules on declaration and registration of interests and on the acceptance of gifts and hospitality (Appendix 4);
  - comply with Estyn's ambassadorial protocol for Strategy Board members (Appendix 5); and

- 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 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 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 she will appoint a member of the Estyn Executive Board (or any other 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, she will refer the matter to the Strategy Board for consideration and to determine what further action (if any) should be 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.

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<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.

## Attitudes and behaviours

- 13 When conducting Estyn 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 would want to be able 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.
- Estyn members 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; and
- 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.

## The seven principles of public life

- Selflessness** Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- Integrity** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- Objectivity** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- Accountability** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- Openness** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- Honesty** Holders of public office have a duty to declare any private interests that relate to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- Leadership** Holders of public office should promote and support these principles by leadership and example.

**Standards in public life:  
First report of the Nolan committee on standards in public life**

## 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.

## Six principles of good governance

Good governance means:

### **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.



## 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; and
  - 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 Estyn 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; and
  - 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, Estyn requires 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; or
  - 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;
    - 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 are a remunerated director, or any corporate body of the description supplied above; and
    - 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, uncle, aunt, nephew, niece, or the spouse or partner of any of

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<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

- the preceding persons; and
- ‘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; and
  - 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 registered with HMCI's secretariat:
- relevant securities beyond the threshold of £25,000 which are not placed in a Blind Trust;

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

- 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; and
  - trade union or professional association; and
- 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; and
- 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 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 their registration annually, but it is the responsibility of each Board member to update the register within 28 days of any change, by providing written notification to HMCI's secretariat.

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 request but will not be generally available 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 The Criminal Justice Act (CJA) 1993 makes it a criminal offence for an individual who has information as an insider to deal in securities (including shares, debentures, warrants and options) on a regulated market. Board members who gain access to price-sensitive information through their membership duties will be considered an 'insider' under CJA 1993. Board members who have unpublished price-sensitive information about any company, and either deal in the securities themselves, arrange for someone to deal in the securities on their behalf, pass the information to someone or encourage someone else to deal will be committing an offence. The insider dealing offence under CJA 1993 is punishable by up to seven years' imprisonment and/or an unlimited fine.
- 34 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

- 35 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, members of the Strategy Board must complete and sign a gifts and hospitality form (see example of gifts and hospitality form on page 32) This should then be passed on to and countersigned by HMCI's Secretariat.
- 36 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; and
  - 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.

- 37 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.
- 38 If the Board member is in doubt about the propriety of accepting a gift, reward or item of hospitality, then it should be refused.
- 39 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; or
  - 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.
- 40 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.
- 41 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.
- 42 Unsolicited gifts should normally be returned with a suitable letter of refusal, which explains Estyn's policy.
- 43 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 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
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Completed forms should be returned to:

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

# Estyn: Gifts and hospitality form

Name: ..... Appointment: .....

Date	Hospitality or gift offer	Approximate Value (£)	Accepted/ Declined	Reason
XX YYY ZZ	<b>Hospitality at the Millennium Stadium during Six Nations Rugby with XXXX of YYYY Ltd</b>	<b>250.00</b>	<b>Declined</b>	<b>Offer clearly had significant value and YYYY Ltd are contracted to us for the provision of services</b>
AA BBB ZZ	Lunch with XXXX, DWP	12.00	Accepted	Value small and in course of undertaking work for DWP

Key:

**Bold:** compulsory disclosures with related private sector partners

Plain: discretionary disclosure for personal decision

## 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 behalf of Estyn or where membership of the Strategy Board may be relevant. Such activities might include requests: to speak to the media; to publish articles; or to attend provider, stakeholder or other events. References to members of the Strategy Board should be considered to apply also to members of Board committees and sub-committees. 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; and
  - 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 behalf of Estyn or where the activity could be considered to be connected with Estyn's 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 Estyn's remit.
- 10 HMCI's secretariat will consult the Estyn 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 Estyn's remit.

## Internal activities within Estyn

- 12 A Board member must refer all invitations to engage with Estyn's staff, with the exception of HMCI or directors, to HMCI's secretariat in order to seek HMCI's approval.
- 13 HMCI or, in her absence, a member of the Executive Board, will be consulted before such an invitation is accepted.
- 14 HMCI's secretariat will keep a record of members of the Boards' internal engagement with Estyn staff.

## Inspections

- 15 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 (eg speech, meeting)	Media presence	Clearances (HMCI, Communications, etc)