

# Ofsted's corporate governance framework

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This document lays down the key responsibilities of the Board of the Office for Standards in Education, Children's Services and Skills (the Board) and of Her Majesty's Chief Inspector of Education, Children's Services and Skills (HMCI) and the Executive Board; the Board's and HMCI's powers of delegation; the conduct expected of the Board; and proceedings of the Board.

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## Foreword

This document lays down the key responsibilities of the Board of the Office for Standards in Education, Children's Services and Skills (the Board) and of Her Majesty's Chief Inspector of Education, Children's Services and Skills (HMCI) and the Executive Board; the Board's and HMCI's powers of delegation; the conduct expected of the Board; and proceedings of the Board.

The first version of *Ofsted's corporate governance framework* was formally approved by the Ofsted Board on 1 May 2007.<sup>1</sup> This version, which reflects the principles set out in *Corporate governance in central government departments: code of good practice*<sup>2</sup>, Version 4, was amended following annual review and approved by the Ofsted Board in September 2011. Version 5 was published in April 2012 following approval of Ofsted's new Scheme of Delegated Authority. Version 6 was published in October 2012 following amendments made by Ofsted's Audit Committee. The framework will be reviewed annually to ensure that it remains at the forefront of best practice. It is published on Ofsted's website as part of our commitment to openness and accountability.

## Statutory framework

1. The Office for Standards in Education, Children's Services and Skills, known as Ofsted, was established by the Education and Inspections Act 2006 (the Act)<sup>3</sup>.

## Functions of Ofsted

2. Ofsted is a non-ministerial government department responsible for the inspection and regulation of services for children and learners. The specific duties of Ofsted include:

- the registration and inspection of childcare and early education
- the registration and inspection of arrangements for the care and support of children and young people
- the inspection of all maintained and some independent schools
- the inspection and assessment of children's services provision in local authority areas, including inspections of safeguarding and looked after children
- the inspection of further education

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<sup>1</sup> Ofsted's corporate governance framework (090269), Ofsted, 2011; [www.ofsted.gov.uk/publications/090269](http://www.ofsted.gov.uk/publications/090269).

<sup>2</sup> *Corporate governance in central government departments: code of good practice*, HM Treasury, July 2005; can be found at: [www.hm-treasury.gov.uk/d/corpgovernancecode280705.pdf](http://www.hm-treasury.gov.uk/d/corpgovernancecode280705.pdf).

<sup>3</sup> *Education and Inspections Act 2006*; [www.legislation.gov.uk/ukpga/2006/40/contents](http://www.legislation.gov.uk/ukpga/2006/40/contents).

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- the inspection of all publicly funded adult education and training and some privately funded training provision
- the inspection of teacher training
- the inspection of the Children and Family Courts Advisory and Support Service
- the safeguarding and promotion of the rights and welfare of children living away from home, through the actions of the Children's Rights Director and his team.

3. As an independent regulator, Ofsted provides important information on the quality of the services within its remit. It provides practical recommendations and advises on what works, and ensures that public services are good value for money and that public money is spent properly.

4. For further information about Ofsted, visit our website at [www.ofsted.gov.uk](http://www.ofsted.gov.uk).

## **Responsibilities and accountability**

### **The Board**

#### **Board Membership**

5. The Ofsted Board comprises:
- The Chair
  - HMCI
  - Between five and ten other Board Members, including a Senior Board Member.

#### **Role and responsibilities of the Board**

6. The functions of the Board are set out in Part 8 of the Act.
7. The Board has the following functions:
- to determine strategic priorities for HMCI in connection with the performance of his functions
  - to determine strategic objectives and targets relating to such priorities
  - to ensure that HMCI's functions are performed efficiently and effectively.
8. The Board is to have such other functions in connection with the performance of HMCI's functions as may be assigned to it by the Secretary of State for Education.
9. The Board is to perform its functions for the general purpose of encouraging:
- the improvement of activities within HMCI's remit

- the carrying out of such activities as user-focused activities
  - the efficient and effective use of resources in the carrying out of such activities.
10. In performing its functions the Board is to have regard to:
- the need to safeguard and promote the rights and welfare of children
  - views expressed by relevant persons about activities within HMCI's remit
  - levels of satisfaction with such activities on the part of relevant persons
  - the need to promote the efficient and effective use of resources in carrying out such activities
  - the need to ensure that action by HMCI in relation to such activities is proportionate to the risks against which it would afford safeguards
  - any developments in approaches to inspection or regulatory action
  - best practice among persons performing functions comparable to those of HMCI.
11. In performing its functions the Board must also have regard to such aspects of Government policy as the Secretary of State for Education may direct.
12. In paragraph 10, 'relevant persons' are defined as persons who have an interest in activities within HMCI's remit, whether as persons for whose benefit they are carried out, as parents (if they are carried out for the benefit of children) or as employers. "Parents" includes persons who are not parents of children but have parental responsibility for them (within the meaning of the Children Act 1989) or who have care of children.
13. In order to carry out its functions, the Board will:
- provide oversight and approval of Ofsted's Strategic Plan, which will be proposed by the Executive Board and will set out the strategic priorities against which Ofsted's priorities will be judged
  - monitor, at regular intervals, information about Ofsted's performance, in order to ensure that its functions are carried out efficiently and effectively.
14. Other important corporate responsibilities of the Board include:
- ensuring that high standards of corporate governance are observed at all times
  - monitoring Ofsted's performance against strategic objectives and targets
  - ensuring that Ofsted uses resources efficiently and achieves value for money
  - ensuring that a transparent system of prudent and effective controls is in place (including internal controls)
-

- ensuring that Ofsted has regard to the views of users in the performance of its functions
- ensuring that Ofsted is an open organisation that provides information about its operations in accordance with the statutory regimes applicable to it
- ensuring that Ofsted operates with corporate social responsibility in the discharge of its statutory functions
- overseeing the risk management process within Ofsted.

15. Board members will comply at all times with the Code of Conduct (Annex A).

16. Meetings of the Board will be held in accordance with the Proceedings of the Board (Annex B).

### **The role of the Chair**

17. The Chair has particular responsibility for providing effective leadership on matters such as:

- formulating the Board's strategy for discharging its statutory duties
- encouraging high standards of propriety
- representing the views of the Board externally and internally within Ofsted
- providing for the induction, training, objectives and assessment of individual Board members (Annex C)
- advice to the Secretary of State for Education on the performance of HMCI, on behalf of the Board.

### **Committees**

18. The Board may establish committees, and any committee so established may establish sub-committees.

19. The members of a committee of the Board may include persons who are not Board members (and the members of a sub-committee may include persons who are not members of the committee or of the Board).

20. The Board may make arrangements for the payment of such remuneration and allowances, as it thinks fit, to any person who:

- is a member of a committee or sub-committee
- is not a Board member.

21. Members of committees will be proposed by the Chair and agreed by the Board.

22. The Board may delegate any of its functions to the Chair, another Board member, a committee or a sub-committee.

23. The current committees of the Board are:

- the Audit Committee (Annex D)
- the Chair's Committee (Annex E).

## **HMCI**

### **Role and responsibilities**

24. HMCI is responsible for the inspection and regulation of services within his remit.

25. HMCI is responsible for the overall organisation, management and staffing of Ofsted and for its procedures in financial and other matters, including conduct and discipline.

26. HMCI is the Accounting Officer of Ofsted, and is answerable to Parliament for ensuring that all the resources available are used properly and services provide value for money.

27. HMCI's statutory functions are set out in section 118 of the Act.

28. HMCI has the general duty of keeping the Secretary of State for Education 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 user-focused activities
- the efficient and effective use of resources in carrying out such activities and services.

29. If requested to do so by the Secretary of State for Education, HMCI must provide the Secretary of State for Education with information or advice on such matters relating to activities within HMCI's remit as are specified in the requests.

30. HMCI may at any time give advice to the Secretary of State for Education on any matter connected with any activities within his remit, including advice relating to a particular establishment, institution or agency.

31. HMCI is to have other functions in connection with activities within his remit as may be assigned by the Secretary of State for Education.

32. Section 119 of the Act sets out requirements relating to the performance of HMCI's functions.

33. HMCI is to perform his functions for the general purpose of encouraging:

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- the improvement of activities within HMCI's remit
- the carrying out of such activities as user-focused activities
- the efficient and effective use of resources in the carrying out of such activities.

34. HMCI must ensure that:

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

### **Delegation by HMCI**

35. HMCI may, subject to the provisions of the Act and Ofsted's Scheme of Delegated Authority, delegate any of his functions to any of Her Majesty's Inspectors or other member of Ofsted's staff or additional inspector whom he 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.

36. HMCI may delegate any inspection functions to another public authority.

37. 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.

### **Executive Board**

38. An Executive Board containing Ofsted's executive Directors and the Head of Corporate Affairs and Communications supports HMCI in ensuring effective strategic and corporate management of Ofsted.

39. An Operations Executive Board chaired by the Director, Performance and Operations and attended by all Directors and the Head of Corporate Affairs and Communications, supports HMCI in agreeing and monitoring corporate systems and policies, reporting to HMCI and the Executive Board as required.

40. The Inspection Reform Board, focusing on inspection issues, is an advisory Board and meets as and when required. The membership includes all of the Executive Board, Delivery Directors, the Children's Rights Director, the Head of Corporate Affairs and Communications and the Head of HR.

## **Planning, budgeting and control**

### **The strategic plan**

41. The Board oversees and approves the publication of a strategic plan to set out the strategic direction of Ofsted.
42. The Board reviews and, if necessary, revises the strategic plan annually, in particular the targets, in order to monitor Ofsted's performance.

### **The corporate plan and budget setting process**

43. The strategic plan is supported by Ofsted's corporate plan, which is approved by HMCI with the advice of the Executive Board. The corporate plan is underpinned by team plans.
44. HMCI, with the advice of the Executive Board, manages the preparation of the Ofsted budget on an annual basis, to reflect Ofsted's strategic priorities. The Board reviews the budget annually and monitors it during the year.
45. Any changes to individual directorate or divisional budgets are approved by HMCI, as advised by the Executive Board.

### **Internal audit and other forms of assurance**

46. Ofsted maintains an effective and independent internal audit facility and ensures that it operates in accordance with the Government Internal Audit Standards.
  47. Internal audit produces annual audit plans that take full account of the risks to Ofsted's strategic priorities. The internal audit plan is approved by the Accounting Officer on the advice of the Audit Committee. Internal audit carries out a systematic review and evaluation of Ofsted's risk management, control and governance based on these audit plans.
  48. The Head of Internal Audit produces an annual report that provides an opinion on the adequacy of risk management, governance and control arrangements. This report forms one of the primary sources of evidence that supports the governance statement in the Annual Report and Accounts. Other sources of evidence include:
    - annual certification by the Executive Board and divisional managers that they and their staff have complied with Ofsted's corporate governance, and internal control and risk management arrangements, including confirmation that any major problems have been notified to the Audit Committee and that any weaknesses identified, from whatever source, have been dealt with appropriately
    - the results of financial and value for money audit work by the National Audit Office
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- the outcome of visits/inspections by external third parties, such as Civil Service Commissioners, Her Majesty's Revenue and Customs and Investors in People
- the results of internal quality control regimes, particularly the quality assurance processes established over various inspection events
- examination and monitoring of complaints.

## **Audit Committee**

49. The Audit Committee (Annex D) provides scrutiny, oversight and assurance of risk management, internal control and governance procedures to HMCI, as Accounting Officer, and to the Board, including:

- the effectiveness of strategic processes for risk management, internal control and governance, and information assurance
- the accounting policies, including the process for review of the Annual Report and Accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
- the planned activities and results of internal and external audit.

## **External accountability**

### **The Annual Report and Accounts**

50. Ofsted publishes an Annual Report and Accounts that is prepared under a direction issued by HM Treasury in accordance with the Government Resources and Accounts Act 2000. The Annual Report and Accounts provides details on the work of Ofsted for that year and the way in which Ofsted has contributed to the improvement of services within its remit. The report does not present the comprehensive findings from our regulatory and inspection work during the year. These are found in the Annual Report of Her Majesty's Chief Inspector.

51. The Annual Report and Accounts will be considered by the Audit Committee and signed by HMCI. They will be produced and laid before Parliament before its summer recess.

### **External audit and value for money examinations**

52. Ofsted is subject to external audit review by the National Audit Office under the terms of the National Audit Act 1983<sup>4</sup>.

53. In addition to auditing the Annual Report and Accounts, the National Audit Office has the right to carry out value for money examinations into aspects of any activities as appropriate.

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<sup>4</sup> National Audit Office 1983, [www.legislation.gov.uk/ukpga/1983/44/contents](http://www.legislation.gov.uk/ukpga/1983/44/contents).

54. HMCI will consider the audit completion report from the National Audit Office and agree an action plan to address any issues raised on the basis of advice from the Executive Board. The Audit Committee will have oversight of this process.

55. HMCI will be responsible for ensuring that an action plan is established in relation to any individual detailed reports from the National Audit Office, including specific value for money or other reviews. Where appropriate these reports and action plans will be passed to the Board or Audit Committee for further scrutiny.

### **Annual Report of Her Majesty's Chief Inspector**

56. HMCI is required by the Act to make an annual report to the Secretary of State for Education, who lays it before Parliament. The annual report sets out the state of services within HMCI's remit, based on the inspection data relating to that year.

## Table of responsibilities

Subject	Responsibility of HMCI	Responsibility of the Board	
		Board	Audit Committee
<b>Strategy</b>	Preparation of Ofsted's strategic plan for consideration and approval by the Board	Consideration and approval of Ofsted's strategic plan	
<b>Corporate governance</b>	Review of the corporate governance framework and making recommendations to the Board	Consideration and approval of the corporate governance framework	<p>Advice to HMCI and the 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 resource accounts</p> <p>Advice to HMCI and the Board on assurances relating to the corporate governance requirements for the organisation</p>
<b>Budget</b>	<p>Responsible for the 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 Ofsted uses resources efficiently and achieves value for money</p>	Monitoring the accounting policies and expenditure of the organisation in order 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</p>	Advice to HMCI and the Board relating to internal and external audit plans, scope and coverage; audit reports and recommendations, and coordination between internal auditors and the National Audit Office

Subject	Responsibility of HMCI	Responsibility of the Board	
		Board	Audit Committee
<b>Risk management</b>	Management and approval of Ofsted's risk management arrangements	the Audit Committee (through the Chair) to the Board. Advice to HMCI, if appropriate  Scrutiny of risk management processes	Advice to HMCI and the Board relating to the appropriateness of mechanisms for the assessment and management of risk and of the measures taken to manage risks
<b>Annual Report and Accounts</b>	Management and approval of the Annual Report and Accounts	Oversight and approval of the Annual Report and Accounts	Reviewing the Annual Report and Accounts in order to provide advice and assurance to the Accounting Officer
<b>Human Resources</b>	Appointment and all aspects of management of staff  Determination of staffing structure  Determination of arrangements for additional inspectors, inspection service providers and public authorities to undertake inspections on behalf of HMCI	Scrutiny of whether Ofsted fulfils its statutory employment duties	Scrutiny and analysis of employment trends
<b>Contracts</b>	Management of Ofsted's contracts, such as the procurement of land, accommodation and inspection service providers	Ensure the efficient and effective use of resources related to contract management	Monitoring and reviewing contract activity
<b>Litigation</b>	Approval of decisions concerning litigation, except where litigation relates to functions exercised by the Board	Approval of decisions concerning litigation where it relates to functions exercised by the Board	

Subject	Responsibility of HMCI	Responsibility of the Board	
		Board	Audit Committee
<b>Board administration</b>	Ensure that the Board is well supported	The cycle of Board meetings, the composition of agenda and minutes of meetings	The cycle of committee meetings, the composition of agenda and minutes of meetings

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

## **Annex A. Code of Conduct for the Ofsted Board**

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

1. A Board member must observe the Code of Conduct whenever they conduct the business of the Board or act as a representative of the Board.

#### **Public service values**

2. The Board endorses and abides by the principles of public life as set out by the Committee on Standards in Public Life and detailed in Appendix I

3. The 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 Ofsted
- challenge and support HMCI in maximising value for money through delivery of Ofsted's functions in the most economical, efficient and effective way, within available resources, and with independent validation of performances achieved wherever practicable
- ensure that Ofsted is open and honest in its reports to Parliament and its interactions with the public through the publication of reports, effective complaints procedures and clear and accessible guidance
- have regard to best practice in good governance (Appendix II, page 20).

#### **Responsibilities of individual Board members**

4. As individuals, Board members are responsible for upholding the values and principles of Ofsted and for contributing their personal skills, knowledge and experience to the Board's work.

5. 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 Ofsted
  - 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 Ofsted's rules on declaration and registration of interests and on the acceptance of gifts and hospitality (Appendix III)
  - comply with Ofsted's ambassadorial protocol for Board members (Appendix IV)
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- comply with Ofsted’s protocol for shadowing inspections (Appendix V)
- not disclose to outside parties working papers of the Board and its meetings, except where these are published documents or where expressly agreed by the Chair or HMCI.

6. The Secretary of State for Education may remove a Board member from office on the grounds they are unable or unfit to discharge the functions of a member. This includes failing to meet their obligations and responsibilities as described in this document.

### **Personal liability**

7. 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 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 Board member.

8. HMCI is responsible for any rights and liabilities relating to functions conferred on HMCI in his capacity as holder of the office of Chief Inspector.

9. HMCI is also responsible for the rights or liabilities relating to powers of the Board only exercisable by HMCI in his capacity as a Board member.<sup>5</sup>

10. The Board is responsible for the rights or liabilities relating to the powers of the Board, exercisable by the Board.

11. In any of these cases, responsibility in relation to rights and liabilities includes the conduct of any legal proceedings.<sup>6</sup>

### **Process for investigations**

12. Where any person alleges that a Board member has failed to comply with the Code of Conduct, the Chair 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.

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<sup>5</sup> The determination of terms and conditions of HMI, the appointment and management of staff, and the arrangement of contracts are functions of the Board exercisable only by HMCI.

<sup>6</sup> Responsibility for the rights and liabilities relating to the functions of HMCI and the Ofsted Board is set out in SI Number 600, *The Office for Standards in Education, Children’s Services and Skills and Her Majesty’s Chief Inspector of Education, Children’s Services and Skills (Allocation of Rights and Liabilities) Order 2007*, which can be found at: <http://www.legislation.gov.uk/uksi/2007/600-699>.

13. Where the Chair considers that an investigation is required they will appoint a member of the Ofsted Executive Board (or any other person the Chair considers appropriate) to investigate the matter and prepare a report to determine whether the Board member concerned has contravened the Code of Conduct.

14. Where the report prepared for the Chair concludes that there has been a failure to comply with the Code of Conduct, the Chair will refer the matter to the Board for consideration and to determine what further action (if any) should be taken. This includes whether to recommend to the Secretary of State for Education that the Board member concerned be removed from office, being unable or unfit to carry out the duties of their office.

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

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## **Appendix I. The principles of public life**

### **Selflessness**

Holders of public office should act 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 seek to influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts and 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 relating 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 Committee on Standards in Public Life<sup>7</sup>*

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<sup>7</sup> Standards in Public Life, [www.public-standards.org.uk/](http://www.public-standards.org.uk/).

## **Appendix II. 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.

### **Good governance means 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.

### **Good governance means 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.

### **Good governance means 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.

### **Good governance means 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.

### **Good governance means engaging stakeholders and making accountability real**

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

*The good governance standard for public services*<sup>8</sup>

The Independent Commission on Good Governance in Public Services, 2004

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<sup>8</sup> *The good governance standard for public services*, 2004;  
[www.cipfa.org.uk/pt/download/governance\\_standard.pdf](http://www.cipfa.org.uk/pt/download/governance_standard.pdf).

## **Appendix III. Ofsted's rules and procedures governing registration of interests, gifts and hospitality for members of the Board and members of its committees and sub-committees**

### **General principles**

1. These rules and procedures apply specifically to members of the Ofsted 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 Ofsted 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 Ofsted.
  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 Board to register any interests that they believe may represent a conflict. Five issues are most frequently encountered which could lead to real, or apparent, conflicts of interest:
    - financial interests or share ownership
    - employment within a field of expertise in which the public body works, or allied business interests
    - membership of some societies or organisations
    - the perception of rewards for past or future contributions or favours
    - the activities, associations or employment of a relative, partner or close friend.
  4. The situations outlined at paragraph 3 will not in all cases constitute a conflict of interest. Interpretation is a personal matter and judgement must be made on an individual basis, taking account of the facts and circumstances.
  5. It is important to Ofsted 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 Ofsted can be confident that it will be properly and objectively handled
    - avoid any impression that any Board member has used their position to their personal advantage.
  6. Each Board member should ensure that, before they become involved in taking a decision, or participate in a discussion on any matter, there are no conflicts of interests that, in the opinion of a fair-minded and informed observer, would suggest a real possibility of bias.
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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 Ofsted 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, Ofsted requires Board members to register interests that are or may be perceived as being relevant or material to the business of Ofsted.<sup>9</sup> In addition, in relation to specific decisions, Board members should disclose to the Governance Support Team any interests that may 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 Ofsted 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 Ofsted 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
  - the interests of any person from whom they have received a gift or hospitality with an estimated value of at least £25.

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<sup>9</sup> Within 28 (calendar) days of the formal adoption of Ofsted's Corporate Governance Framework; of their appointment to the Board; or of the interest(s) becoming apparent.

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 the preceding persons
- 'partner' means a member of a couple who live together.

### **Disclosure of personal interests**

13. Where a Board member has a personal interest in any business of Ofsted and they attend a meeting of the Ofsted 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 Ofsted'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 Ofsted.

17. In the case of Board members who are employed by an organisation which serves many clients including Ofsted, 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 Ofsted if they have no role within that organisation in serving Ofsted, and are satisfied that there are sufficient

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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 Ofsted, 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 Ofsted where that business:

- does not affect their financial position or the financial position of a person or body described in paragraph 12
- does not relate to the determining of any new approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 12.

### **Procedures for handling interests**

20. Where a Board member has a prejudicial interest in any business of Ofsted 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 the Governance Support Team.

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 Ofsted's corporate governance framework or of their appointment to the Board, register in Ofsted'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 the Governance Support Team.<sup>10</sup>

25. The Governance Support Team 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. The Head of Corporate Affairs and Communications will provide advice to the Chair on how any identified or potential conflicts of interest should be managed, taking the advice of HMCI, Ofsted's Legal Team and the Propriety and Ethics Team at the Cabinet Office as appropriate.

26. The following list illustrates specific situations where interests should be registered with the Governance Support Team:

- relevant securities beyond the threshold of £25,000 which are not placed in a Blind Trust (see below)
- remunerated employment, office or profession of relatives if their employment is of a body, or in an area, regulated or inspected by Ofsted, such as a school, childminder, further education college, local authority, children's home, or work-based learning provider
- other regular significant sources of remuneration from an organisation or investment which might be considered relevant to the business of Ofsted, such as a pension from a local authority
- directorships, whether remunerated or not, of any organisation
- membership of, or position of general control or management, of any:
  - company, industrial and provident society, charity or body directed to charitable purposes
  - body whose principal purposes include the influence of public opinion or policy
  - trade union or professional association
- other public bodies such as hospital trusts, governing bodies of universities, colleges, schools, and local authorities.

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<sup>10</sup> Except where otherwise stated, 'days' refers to calendar days.

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27. In this section:

- 'relevant securities' means shares, debt securities, including debentures, bonds and gilts, options' relevant securities, rights or future rights to shares or other securities, but does not include units in a Unit Trust or equivalent managed fund
- 'Blind Trust' means an arrangement by which the Board member gives a stockbroker or other professional investment manager absolute discretion to manage investments in relevant securities and under which the Board member is not consulted before any dealing takes place, does not instruct the investment 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. The Governance Support Team 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 the Governance Support Team.

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 the Governance Support Team 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. Each year details of how any identified conflicts, or potential conflicts, of interest of Board members have been managed will be published in the Governance Statement.

31. The register is available to the public on request but will not be generally available on the Ofsted 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 Ofsted gained during the course of their duties, real or perceived, or solely as a result of their membership of the Board, they should decline such opportunities. If in doubt, a Board member should seek the advice of the Chair 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 the Criminal Justice Act 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 the Criminal Justice Act 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 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 the Head of Directorate Support.

36. The guiding principles governing the acceptance of gifts and hospitality are that:

- Board members should not canvass or seek gifts or hospitality
- the conduct of Board members should not foster suspicion of any conflict between their official duties and personal interests or advantage
- Board members or members of their family should not accept a gift, reward or hospitality, which would or might appear to place them under any obligation to the giver; or compromise their impartiality; or otherwise be improper; or where the offer is more frequent or regular than would be regarded as normal or reasonable, taking into account the nature and value of the item.

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:

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- an isolated gift of a trivial nature or value, such as a diary or calendar
- the occasional meal during the course of an official visit
- tickets to cultural or social events if attendance is justifiable in the interests of Ofsted, such as where Ofsted 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 the Governance Support Team.

42. Unsolicited gifts should normally be returned with a suitable letter of refusal, which explains Ofsted's policy.

43. The responsibility as to whether to accept a gift lies with the Board member. In deciding how to respond the Board member should act in accordance with the guidance provided above.

**Ofsted: Register of interests (example)**

<b>Member</b>	<b>Date advised</b>	<b>Current or previous employment or income details</b>	<b>Other relevant directorships and offices held (paid or not)</b>	<b>Relative disclosures</b>	<b>Securities held over threshold</b>
A.B. Cartwright (Director of Finance)	1 September 2005	Previously Director of Finance and Resources, Borsetshire Council (inspected body)	None	Wife is employed by Dotheboys School, Borchester (inspected body) Children attending state schools in Borchester (inspected bodies)	None

## Ofsted: Gifts and hospitality form (example)

Joe Bloggs: Director of Finance 2010–11

<b>Hospitality or gift offer and date</b>	<b>Decision</b>	<b>Reason</b>
Lunch with Gill Brown, ABCD Inc., 23 May	Accepted	Value small and in course of ABCD doing work for us in recruitment
Lunch with Sherlock Holmes, Find It plc on 6 June	Accepted	Value small and in course of all day visit to Baker Street Business Centre to view operations
Day at Goodwood Racing offered by Find It plc on 20 June	Declined	Offer clearly had significant value, corporate box, dining and so on, and Find It operate in a market in which we may wish to purchase services. Therefore decided not appropriate at this time
Lunch with John Smith of Auditors Unlimited plc	Accepted	Value small and in course of normal relationship

## **Appendix IV. Ambassadorial protocol for Ofsted Board members and members of its committees and sub-committees**

### **Scope**

1. This protocol applies to all members of the Ofsted Board and members of its committees and sub-committees. It covers all activities and engagements carried out on behalf of Ofsted or where membership of Ofsted's 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 Board should be considered to apply also to members of Board committees and sub-committees. Activities covered include those where:

- a Board member receives an invitation in their capacity as a member of the Ofsted Board, whether this is an external or an internal event
- a Board member pursues an engagement as part of a development plan agreed with the Chair
- a Board member pursues an engagement which does not have a direct connection with Ofsted, but where the member's position with Ofsted may be used in publicity or be highlighted during the activity.

2. Where this protocol refers to consulting, or obtaining the approval of, the Chair, HMCI or the Ofsted press office, members of the Board should lodge the request with the Governance Support Team, who will make the necessary arrangements with the Chair or others.

### **General**

3. HMCI is the official spokesperson of Ofsted.

4. The 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 Ofsted policy. If in doubt as to what is agreed Ofsted policy, a Board member should consult the Chair or 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. The Governance Support Team will arrange briefing, speaking notes or other forms of presentation on request, subject to appropriate notice.

7. The Chair and members of the Board are not restricted from activities in any personal or professional non-Ofsted capacity, where the activity could not be considered to be connected with Ofsted's remit. This protocol does not cover such activities.

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## **External events**

8. All activities which involve any external presence will be recorded by the Governance Support Team 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 Ofsted or where the activity could be considered to be connected with Ofsted's remit.

## **Media**

9. A Board Member must obtain the prior approval of the Chair 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 Ofsted's remit.

10. The Chair will consult with HMCI, and the Ofsted press office as appropriate, before approving any requests and before agreeing herself 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 Ofsted's remit.

## **Stakeholder and other events**

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

12. The Chair will consult HMCI before approving or accepting himself any invitation to attend an event on behalf of Ofsted, or where the engagement could be considered to be connected with Ofsted's remit.

## **Internal activities within Ofsted**

13. A Board member must refer all invitations to engage with Ofsted's staff, with the exception of HMCI or directors, to the Governance Support Team in order to seek the Chair's approval.

14. HMCI or, in his absence, a member of the Executive Board, will be consulted before such an invitation is accepted.

15. The Chair will refer all invitations to engage with Ofsted's staff, with the exception of HMCI or directors, to the Governance Support Team who will consult HMCI.

16. The Governance Support Team will keep a record of members of the Boards' internal engagement with Ofsted staff.

## **Inspections**

17. Board members may shadow inspections and other Ofsted frontline activity. Care should be taken to make clear to those being inspected that the Board member has no role in the professional process of inspection, or the judgements which arise from it. When joining an Ofsted inspection or other front line activity Board members should comply with Ofsted's protocol for shadowing inspections (see Appendix V).

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### Register of ambassadorial activities for Board members

Board member	Event purpose	Date of event	Attendees	Details of responsibilities such as speech, meetings, articles, and so on	Media presence?	Details of clearance (Chair, HMCI, press office, and so on)

## **Appendix V. Shadowing inspections**

### **What does 'shadowing' an inspection mean?**

1. Shadowing an inspection means accompanying inspectors to observe an inspection process for either part or all of an inspection event. A person shadowing an inspection is not part of the inspection team and does not contribute to gathering evidence or to making inspection judgements. Shadowing should be arranged in accordance with Ofsted's 'Protocol for Shadowing Inspections'.

### **Principles and approaches to shadowing inspections**

2. Ofsted's priority is the delivery of high-quality inspections that improve outcomes for those using services without placing undue burden on providers. However, it is important that Board Members understand Ofsted's work in order to fulfil their role effectively and they are encouraged to undertake shadowing activity, during the year.

3. Requests for shadowing inspections should be sent to the Governance Support Team.

### **Responsibilities of the lead inspector**

4. Where a shadow is proposed, the lead inspector should:
- consider with the relevant National Director (Social Care, Education, Learning and Skills), and the relevant Delivery Director, the risk of the shadowing causing any difficulty or disruption to the inspection and/or to service providers and users
  - discuss with the provider arrangements for shadowing during the initial conversation either immediately after notification or immediately on arrival in the case of an unannounced inspection
  - ensure at all times that the integrity of the inspection is paramount, including the ability of the lead inspector and team members to conduct the inspection fairly, rigorously and without undue interference.

### **Responsibilities of the shadow**

5. On all inspections, the person shadowing the inspection should:
- act so that that the integrity of the inspection is maintained, including the ability of the lead inspector and team members to conduct the inspection fairly, rigorously and without interference
  - observe inspectors and not take any active role in the inspections or discussions about the quality of the provider or the inspection unless invited to do so by the lead inspector

- ensure that they are familiar with written inspection frameworks and processes before the inspection, as required, to ensure that the most learning is gained from the opportunity
- take advice as needed from the lead inspector or any accompanying HMI or Managing Inspector as to the activities undertaken on the inspection.

## **Annex B. Proceedings of the Board**

### **Introduction**

1. In the exercise of powers under paragraph 8 of Schedule 11 of the Act, the Ofsted Board has made the following provisions to regulate its proceedings.

### **Frequency and timings of meetings**

2. Ofsted Board meetings will be held quarterly.
3. Meetings will be held for a duration of three hours. The Board may agree to extend the time available for the meeting.

### **Location of meetings**

4. Board meetings will be held in Aviation House, London, and the regional offices.

### **Board development event**

5. The 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 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 Board outside the regular cycle of meetings. Special meetings may be held in the following circumstances:
  - if called by the Head of Corporate Affairs and Communications following a written request signed by at least four Board members
  - if called by the Chair where, in their opinion, an urgent matter has arisen.
8. Papers for special meetings will be circulated to Board members not less than five days before the date of the meeting.

### **Executive attendance at meetings**

9. Ofsted's executive directors may be required to attend meetings of the Ofsted Board.

### **Engagement with stakeholders**

10. The Board is committed to listening to the views of the users and providers of services Ofsted inspects and regulates, in particular children, parents and employers. To this end, the Board will agree to engage in a range of stakeholder activity which is linked to Board meetings.

## Minutes of meetings and papers for meetings

11. Within seven working days of each Board meeting, the Governance Support Team will circulate draft minutes to all Board members for their comments.

12. The minutes of all Board meetings should include: the names of every Board member present and of any other person present; apologies tendered by any Board member; any declaration of interest; and the withdrawal from the meeting of any Board 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 Board member concerned, or required by the Chair. The minutes should record clearly which items are to be considered confidential business. This will normally include, but is not limited to, any issue where publicity would be prejudicial to the public interest or in breach of data protection, for example:

- issues where a named individual is the subject of the item
- issues which are of a commercially sensitive nature
- issues involving security or financial propriety
- issues that would be covered by exemptions under the Freedom of Information Act 1998.<sup>11</sup>

13. Members of the Board should send comments about the minutes to the Governance Support Team within 10 working days of receipt. In the absence of any comments the Governance Support Team will understand that Board members are content with the draft minutes.

14. With the exclusion of any confidential business, all minutes of Board and Board committee meetings should be published in draft on the Ofsted website within one month of the Board meeting. Where the Governance Support Team 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.

## Notice of meetings

15. By the end of each calendar year the Governance Support Team will propose, for the Board's approval, a schedule of meetings for the financial year commencing the following April. Once approved, this schedule will be published on the Ofsted website.

16. Amendments to this will be published not less than two weeks in advance of the change.

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<sup>11</sup> *Data Protection Act 1998*, [www.legislation.gov.uk/ukpga/1998/29/contents](http://www.legislation.gov.uk/ukpga/1998/29/contents).

17. Members of the 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 distribution of papers**

18. Board meetings will address, and make decisions relating to, long-term strategic issues and the areas of principal responsibility. The content of Ofsted's three-year strategic plan will provide particular focus.

19. The agenda for each Board meeting will be drawn up by the Governance Support Team after consultation with the Chair and HMCI. With the permission of the Chair, an Ofsted Board member may place items on the agenda for a Board meeting. Standing agenda items will allow the Board to monitor Ofsted's performance to ensure that its functions are being carried out efficiently and effectively.

20. The agenda and supporting papers will usually be circulated to Board members seven days in advance of the meeting, both electronically and in paper format. 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.

21. The Governance Support Team will publish the agendas and papers of Board and committee meetings, with the exclusion of any confidential business or publications in a draft form, on the Ofsted website no less than five days before each Board meeting.

22. The order of business at Board meetings will follow the agenda issued for that meeting unless otherwise agreed by the members attending the meeting.

23. The Chair may propose altering the order of the agenda of Board 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 Board members in attendance must agree the proposed change.

24. Board members will be expected to have read the papers before the meetings and sought, from the Governance Support Team, any clarification that they may need.

### **Chair**

25. If present, the Chair will preside over all Board meetings.



26. If the Chair is absent from a meeting temporarily on the grounds of a declared conflict of interest or otherwise, the senior Ofsted Board member, or if they are unavailable, a Board member chosen by those present, will chair the meeting.

27. It will be the responsibility of the Chair or the Board member presiding to:

- decide the order in which the Board 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
- determine whether or not a vote is required and how it is carried out in accordance with the section on voting on page 41
- maintain order in the meeting
- adjourn the meeting if this is necessary, for whatever period of time they think is appropriate.

## **Quorum**

28. Any decision made by a properly constituted Board satisfying the requirements of this framework should be deemed as a decision made by the Board.

29. In order to ensure that there has been proper input to and scrutiny of decisions, it is necessary to have a quorum for Board meetings.<sup>12</sup> To be considered quorate, meetings must have present at least half the appointed Board members and, where an odd number of members is appointed, a majority of those members. HMCI will normally attend all meetings.

30. If a Board 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 (see code of conduct) 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 business.

31. Where a quorum is not present within 30 minutes of the start of a meeting, or the meeting becomes inquorate during the course of the meeting, the meeting will be adjourned and a new date, time and venue for the meeting will be arranged.

32. The validity of the proceedings of the Board or any committee will not be affected by any vacancy in membership.

33. All or any of the Board members may, in exceptional cases, participate in a Board meeting by means of conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Such

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<sup>12</sup> A quorum is the minimum number of people needed to make decisions.

participants will be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

34. Written comments about agenda items submitted by any Board member who is not present when a particular agenda item is discussed may be circulated to those members of the Board who are present at the meeting and read out at the appropriate point in the meeting.

### **Voting**

35. Where decisions of the Board are needed, the Chair may propose that these are made by consensus or by means of a majority of votes of the Board members present and eligible to vote at the meeting. Any other Board member may also make proposals in this regard.

36. In the case of an equality of votes, the Chair or other person presiding at the meeting will have a second or casting vote.

37. The names and votes of Board members will be recorded in the minutes, in the interests of public scrutiny.

38. A Board member absent at the time of the vote may not vote by proxy.

### **Deferral of decisions**

39. Any Board member may propose to defer a decision on an agenda item so that the Board 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 Board for consideration.

40. A deferred decision may be taken through postal or email correspondence, outside of Board meetings, where this is agreed in the meeting. This may be agreed by the meeting by consensus or a majority.

41. All deferred decisions taken between Board meetings should be reflected in the minutes of the subsequent Board meeting, including the approval of key documents.

### **Urgent decisions**

42. There may be pressing circumstances where decisions have to be taken outside Board meetings. Every reasonable effort should be taken to solicit the views of Board members before any such decision is made. Where decisions that would ordinarily be taken at Board meetings have to be made on an urgent basis, they may be taken by the Chair in consultation with HMCI and will then be reported at the next Board meeting, with an explanation of the urgency. The decision will be recorded in the minutes of the Board meeting.

43. Resolutions in writing can be used in exceptional circumstances where it is agreed by the Chair and HMCI that this is necessary. In order for a resolution to be effective, it must be signed by all Board members who would have been entitled to vote on the subject of such resolution had it been proposed at a meeting at which they were present. 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.

### **The Governance Support Team**

44. The Head of Directorate Support is responsible for the Governance Support Team, which is responsible for managing the Board and its committees in line with their terms of reference. The Governance Support Team will follow corporate secretarial processes and procedures to ensure the smooth and efficient operation of corporate business. The responsibilities will include:

- all arrangements for Board meetings, in consultation with the Chair
- administrative support for members of the Board, including diary arrangements in relation to Ofsted business
- coordinating and clearing with the Chair any requests from Ofsted staff, except HMCI and directors, for engagement with or action by Board members

45. The Chair, Board members and members of sub-committees will have access to the Head of Corporate Affairs and Communications and the Governance Support Team for advice and assistance.

46. The Governance Support Team will arrange and coordinate advice to HMCI and the Board about the powers, authorities and discretions of Ofsted on matters of probity,<sup>13</sup> ultra vires<sup>14</sup> 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 Ofsted which are not delegated to other members of staff within Ofsted.

### **Senior Ofsted Board member**

47. The Chair will designate one Board member as the senior Ofsted Board member.

48. The senior Ofsted Board member will deputise for the Chair as required. They should determine whether meetings need to be held with the other Board members without the Chair.

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<sup>13</sup> Probity means honesty or integrity.

<sup>14</sup> Ultra vires means 'beyond the powers'.

## **Appendix I: Status of proceedings of the Board**

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

- The proceedings of the Board will be reviewed by the Head of Corporate Affairs and Communications in consultation with the Chair every 12 months, or sooner if requested by the Chair.
- If it is thought desirable to amend this section, 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, Board members will be given longer to review them.
- Any amendment shall only be effective if at least two-thirds of the Board vote in favour of the resolution, except where this would contravene any law or direction made by the Secretary of State for Education.
- The 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**

- The Chair or the Board member presiding at the Board meeting is responsible for interpreting the rules and procedures of the Board. Their decision, following advice given by the Governance Support Team on the construction or application of any of the rules and procedures, will not be challenged, unless a majority of the members attending the meeting agree that the rules have been misinterpreted.

## Appendix II: Individual Board members

### Appointment of new Board members

1. New appointments and reappointment to the Board are regulated by Her Majesty's Commissioner for Public Appointments.<sup>15</sup> The Order in Council for this was made on 11 February 2009.

### Remuneration

2. Board members will be paid, in accordance with the terms of their appointment on the assumption they will spend approximately 10 days a year on Ofsted-related business. Board members are expected to spend:

- four days a year preparing for and attending regular Board meetings
- one day a year attending a Board away day
- the days remaining on knowledge-building activity such as attending inspection visits; training courses; induction briefings; regional visits; or staff events.

3. In addition, Board members may spend time on core Ofsted business by:

- preparing for and attending committees
- providing assistance with recruitment processes
- attending key Ofsted events agreed with the Chair
- other activity agreed with the Chair.

4. Where Board members spend more than 10 days on the activities set out above they may, with the prior agreement of the Chair, invoice Ofsted at an agreed daily rate. The time expectation will be adjusted pro-rata for Board members who are not appointed for the full year. Invoices for additional days should be sent to the Head of Directorate Support, clearly stating the nature of the activity.

### Expenses

5. Board members and members of Board committees and sub-committees are entitled to seek reimbursement of reasonable expenses incurred in the exercise of their duties in accordance with this expenses policy agreed by the Board. References to Board members should be taken to cover Board members and members of Board committees and sub-committees.

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

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<sup>15</sup> See: [www.publicappointmentscommissioner.org/](http://www.publicappointmentscommissioner.org/).

## General expenses policy

7. When claiming expenses, Board members are required to certify that:
  - travelling expenses were actually incurred on Ofsted business
  - subsistence expenses were incurred necessarily and that the periods of absence and details of meals taken were specified in the claim.
8. Ofsted business covers all activities and engagements necessarily carried out on behalf of Ofsted and undertaken in accordance with the ambassadorial protocol. Activities covered include those where:
  - a Board member, with the agreement of the Chair, accepts an invitation in their capacity as a member of the Ofsted Board to an external or internal event
  - a Board member pursues an engagement as part of a development plan agreed with the Chair.

## Travelling expenses

### *Home to office expenses*

9. Board members are entitled to receive payment of 'home to office' or 'home to venue' travel-related expenses.

### *Own vehicle*

10. The Governance Support Team will make available to Board members details of the mileage reimbursement rate relevant to their vehicle.

### *Public transport*

11. The cost of travel by rail, bus and/or coach will be met. Board members should take advantage of any reduced fares available.
12. In addition, the cost of any seat reservation, storage of luggage and sleeping accommodation on any overnight journey will be met.
13. Where there is a need for urgency, there is no appropriate public transport available or the Board member has a disability which would make the use of public transport impractical, the cost of any taxi fare and any reasonable gratuity will be met.
14. Where there is a cost benefit in terms of travel and subsistence or the Chair decides that the saving in time is so substantial as to justify travel by air, the costs of a flight and any airport taxes will be met.

### *Hire car*

15. Travel by a hired car will be approved where this is the most cost efficient mode of transport or represents the best balance of cost efficiency and business need. The choice of car hired should be appropriate to the business need. Arrangements for hire cars should be made through the Governance Support Team.

### **Hotel expenses**

16. Board members requiring overnight accommodation should contact the Governance Support Team who will make an appropriate reservation using Ofsted's preferred partner. Any expenses incurred in excess of pre-agreed limits should be claimed by Board members in accordance with the subsistence policy.

### **Subsistence**

17. The Governance Support Team will make available to Board members details of day and overnight subsistence rates. Meal and incidental costs, including costs incurred while staying at hotels arranged by the Governance Support Team, will be reimbursed to the limits set out in Ofsted's subsistence rate table. On an exceptional basis, reimbursement of subsistence expenses outside of these limits may be approved by the Chair.

### **Carer expenses**

18. Board members can claim reimbursement of expenses incurred while on Ofsted 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 Board member. The expenses must be receipted and in line with the costs of providing such care in the locality.

19. 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**

20. Expense claims must be submitted to the Governance Support Team, and approved by the Head of Directorate Support, using an expense form which will be made available to Board members on request.

21. Before submitting their first expense claim, Board members must complete and submit a pay mandate form, which will be made available to them on request.

22. Each item should be identified separately on a claim form line to avoid confusion when the claim is checked by the Governance Support Team. 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.

23. Before submitting an expense form to the Governance Support Team, Board members should ensure that they have included all receipts, and signed and dated their completed expense claim form. Receipts are required for the following items:

- |                   |                                     |
|-------------------|-------------------------------------|
| ■ car parking     | Actual payments (receipt required)  |
| ■ rail            | First or Second Class               |
| ■ bus/underground | Actual payments (receipt required)  |
| ■ taxis           | Actual payments (receipt required)  |
| ■ air travel      | Actual payments (receipt required)  |
| ■ subsistence     | Actual payments (receipt required). |

24. Claims for expenses should be submitted as soon as possible after they are incurred.

25. If Board members have any questions or queries relating to the expenses policy, they should contact the Governance Support Team.

### **Publication of expenses claims**

26. In line with Cabinet Office guidance, the business expenses of Board members are published on a quarterly basis, this includes an itemised breakdown of travel, hotel and other costs, including hospitality.



## **Annex C. Board development and effectiveness**

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

1. The Chair of the Board will ensure that individual members of the Board are informed about the terms of their appointment, their duties and responsibilities. The Chair's Committee (Annex F) sets the Board's learning and development framework. The Chair will set individual performance objectives for Board members each year.
2. Board members will be expected to ensure they have the skills, knowledge and training to fulfil their duties and responsibilities and to meet their performance objectives.
3. The Chair, from time to time, may give an individual Board member responsibility for providing oversight and guidance on the Board's behalf in relation to areas of the Board's work. In that event, the relevant Board member (portfolio holder) will take an active involvement in the work area and will take a lead in Board discussions concerning their portfolio.
4. A Board member will be identified as the Board's Equalities champion, to ensure that equalities issues are considered routinely as part of Board business.
5. Board members will be expected to spend approximately 10 days each year on Ofsted business.

### **Review of effectiveness**

6. The Board will review its performance annually. As agreed by the Board, this review may from time to time involve external advisers to provide challenge from an independent, expert perspective. The Chair's Committee will agree the framework for the annual review of the Board.
7. The annual review will include consideration of the Board as a whole and the operation of committees (referring to the review of the Audit Committee where this has been undertaken separately). Contributions from individual members of the Board will be sought for both the review of the Board and any separate review of the Audit Committee.
8. The Chair will assess the performance of individual Board members and advise the Secretary of State for Education on the reappointment of members to the Board.
9. Where performance or conduct of a Board member is not satisfactory, such that the Chair considers a Board member is unable or unfit to carry out the duties of their office, the Chair may recommend to the Secretary of State for Education that their appointment be terminated.
10. The effectiveness of the Chair will be reviewed by the Permanent Secretary of the Department for Education on behalf of the Secretary of State for Education, taking account of a range of views.

## **Review of HMCI**

11. The Chair's Committee will agree the performance framework for the annual assessment of HMCI. The Chair will be responsible for assessing the performance of HMCI, taking account of a range of views. The Chair should inform the Secretary of State for Education via the Permanent Secretary of the Department for Education of the results of the evaluation.

## **Governance Statement**

12. The Governance Statement will be produced annually in accordance with the code of practice<sup>16</sup> and will include:

- Ofsted's governance framework, including information about the Board's committee structure
- details of compliance with, and any departures from, the code
- attendance record of individual board members
- identified conflicts of interest and any potential conflicts of interest, and how these have been managed
- the Board's performance and effectiveness
- any risks facing Ofsted.

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<sup>16</sup> Corporate Governance in Central Government Departments – [HM Treasury 2011](#).

## **Annex D. Audit Committee terms of reference**

### **Purpose**

1. The Audit Committee is an independent Committee of the Ofsted Board, which advises both HMCI, in their role as Accounting Officer, and the Ofsted Board. The Audit Committee's function is to support both HMCI and the Board in their responsibilities for issues of risk, internal control and governance by:
  - reviewing the comprehensiveness of assurances in meeting the Ofsted Board and Accounting Officer's assurance needs
  - reviewing the reliability and integrity of these assurances
  - providing an opinion on how well the Ofsted Board and Accounting Officer are supported in decision making and in discharging their accountability obligations (particularly in respect of financial reporting).

### **Membership**

2. The membership of the Audit Committee is as follows:
  - Chair: one Ofsted Board member
  - members: at least three additional members of the Ofsted Board.
3. The Chair and members of the Audit Committee will be appointed by the Board for a term of two years, with the option of reappointment for a further two-year period.

### **Meetings**

4. The Audit Committee will meet between four and six times each year. The Chair of the Audit Committee may convene additional meetings, as they deem necessary. HMCI or the Ofsted Board may, in exceptional circumstances, ask the Audit Committee to meet to consider any matter of relevant business.
5. A minimum of two members of the Audit Committee will be present for the meeting to be deemed quorate.
6. The following will normally attend meetings of the committee:
  - HMCI
  - Director, Finance and Resources
  - Director, Performance and Operations
  - Head of Internal Audit
  - a representative of the External Auditors

- A representative of the Internal Auditors where the IA service is provided by an external partner.
7. Others, including directors, may also be invited to attend committee meetings to address specific issues.
  8. The Audit Committee may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.
  9. The Divisional Manager Finance will organise secretariat to the Audit Committee, if requested by the Chair. Otherwise, the Chair will make alternative arrangements for taking minutes of the meeting.
  10. Committee papers will be distributed by the secretariat to those attending seven days in advance of meetings.

## **Reporting**

11. Within seven working days of each meeting, the draft minutes will be circulated to Audit Committee members for their comments. Minutes will be agreed with the Committee and will be published in draft on the Ofsted website within one month of the date of the meeting.
12. The Audit Committee will provide the Ofsted Board and Accounting Officer with an Annual Report. This will be timed to support finalisation of the annual report and accounts, which include the governance statement, summarising its conclusions from the work it has completed during the year.

## **Responsibilities**

13. The Audit Committee will advise and support the Board and Accounting Officer on the:
  - effectiveness of strategic processes for risk management, internal control, governance and information assurance
  - accounting policies, including the process for review of the annual report and accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
  - planned activities and results of internal and external audits
  - adequacy of management's response to issues identified by audit activity, including external audit's management letter
  - assurances relating to the corporate governance requirements for the organisation
  - (where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services

- anti-fraud policies and whistleblowing processes.

14. The Audit Committee will annually review its own effectiveness and report the results of that review to the Board.

## **Rights**

15. The Audit Committee may co-opt additional members for a defined period to provide specialist skills, knowledge and experience, and procure specialist advice at the expense of the organisation, subject to budgets agreed by the Ofsted Board.

16. The Chair of the Audit Committee will ensure that committee members are given appropriate opportunities for training and development.

## **Access**

17. The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee.

## **Information requirements**

18. For each meeting the Audit Committee will be provided with:

- a report summarising any significant changes to the organisation's risk register
- a progress report from the External Audit representative summarising work done and emerging findings
- 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
  - changes to the periodic plan
  - any resourcing issues affecting the delivery of Internal Audit objectives.

19. As and when appropriate the committee will also be provided with:

- 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 annual report and accounts of the organisation
- the draft 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 cooperation between Internal and External Audit.

### **Confidentiality**

20. Where members of the Audit Committee receive information in confidence in their capacity as members of the Audit Committee, they must 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.

## **Annex E. Chair's Committee**

### **Purpose**

1. The Board has established a Chair's Committee to agree the performance framework for the annual assessment of HMCI. The Committee will also have responsibility for the framework for both evaluating Board performance and Board learning and development. In addition, it will offer advice to the Secretary of State for Education on the appointment of Board members.

### **Membership**

2. The membership of the Chair's Committee is as follows:
  - Chair: Chair of the Board
  - Members: two members of the Board.
3. For the committee to be quorate two members of the committee must be present. The Chair may delegate another member to take the Chair in her/his absence.
4. Secretariat to the Chair's Committee will be provided as requested by the Chair.

### **Meetings**

5. The committee will meet at least once annually, and as and when required as determined by the Chair, who must give sufficient notice for the meeting.
6. Any papers will be circulated at least seven days before the meeting.
7. Minutes of the meeting will be produced within seven working days of the meeting and circulated to members to check for accuracy.

### **Detailed responsibilities**

8. To agree the performance framework for the annual assessment of HMCI.
9. To set the framework for the evaluation of Board performance.
10. To set the framework for Board learning and development.
11. To offer advice to the Secretary of State for Education on the re-appointment of Board members and the skill set required of new Board appointments.
12. To consider succession planning taking into account the skills and expertise which will be needed on the Board in the future.
13. To advise on corporate governance policy.

14. To make recommendations to the Board in respect of composition and membership/chairing of Board committees and Board sub-committees.

15. To discuss items as reasonably required by the Chair.