



Ministry
of Justice



Youth Justice Board
Bwrdd Cyfiawnder Ieuencid

Framework Document between the Ministry of Justice and the Youth Justice Board for England and Wales

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Contents

Introduction and Background	3
1. Purpose of document	3
2. Objectives	3
3. Classification	4
Purposes Aims and Duties	5
4. Purposes	5
5. Powers and Duties	5
6. Aims	6
YJB Governance and accountability	8
7. Governance and Accountability	8
Role of the department	10
8. The Responsible Minister	10
9. The Principal Accounting Officer (PAO)	11
10. The role of the Sponsorship team	12
11. Resolution of disputes between the YJB and MoJ	13
12. Freedom of Information requests	14
13. Reporting on legal risk and litigation	14
YJB governance structure	15
14. The Chief Executive	15
The Board	18
15. Composition of the Board	18
16. The Chair's role and responsibilities	21
17. Individual board members' responsibilities	23
Management and financial responsibilities and controls	24
18. Delegated authorities	24
19. Spending authority	24
20. Banking and Managing Cash	25
21. Procurement	25
22. Risk management	26
23. Counter Fraud and Theft	27
24. Staff	27

Business Plans, Financial Reporting and Management Information	30
25. Corporate, strategic and business plans	30
26. Budgeting procedures	30
27. Grant-in-aid and any ring-fenced grants	31
28. Capital	32
29. Annual report and accounts	32
30. Reporting performance to the MoJ	33
31. Information Sharing	33
Audit	35
32. Internal audit	35
33. External audit	35
Reviews and Winding up arrangements	37
34. Review of YJB's status	37
35. Arrangements in the event that the YJB is wound up	37
Annex A – The YJB shall comply with the following guidance, documents and instructions:	39

Introduction and Background

1. Purpose of document

- 1.1 This Framework Document (the “Framework Document”) has been agreed between the Ministry of Justice (MoJ) and the Youth Justice Board for England and Wales (YJB) in accordance with HM Treasury’s handbook Managing Public Money (MPM) (as updated from time to time) and has been approved by HM Treasury.
- 1.2 The Framework Document sets out the broad governance framework within which the YJB and the MoJ operate. It sets out the YJB’s core responsibilities; describes the governance and accountability framework that applies between the roles of the MoJ and the YJB and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3 The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4 References to the YJB include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If the YJB establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the YJB agreed with the MoJ.
- 1.5 Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on gov.uk.
- 1.6 This Framework Document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer (PAO) of the MoJ. The latest date for review and updating of this document is February 2027.

2. Objectives

- 2.1 The MoJ and the YJB share the common priority of reducing reoffending and preventing children and young people from offending in the first place working to prevent children and young people from beginning a cycle of offending.
- 2.2 The vision of the YJB is for a youth justice system that sees children as children, treats them fairly and helps them to build on their strengths so they can make a

constructive contribution to society. This will prevent offending and create safer communities with fewer victims.

- 2.3 To achieve this, the YJB and the MoJ will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the YJB to achieve its objectives through the promotion of partnership and trust and ensuring that the YJB also supports the strategic aims and objectives of the MoJ and wider government as a whole.

3. Classification

- 3.1 The YJB has been classified as a central government organisation by the Office for National Statistics/HM Treasury Classifications team.
- 3.2 It has been administratively classified by the Cabinet Office as a Non-Departmental Public Body (NDPB).

Purposes Aims and Duties

4. Purposes

- 4.1 The YJB was established under the Crime and Disorder Act 1998 (the Act). Its purposes are set out in section 41 of that Act.

5. Powers and Duties

- 5.1 The YJB's statutory functions are:

- to monitor the operation of the youth justice system and the provision of youth justice services;
- to advise the SoS on the following matters –
 - the operation of that system and the provision of such services;
 - how the principle aim of that system might most effectively be pursued;
 - the content of any national standards they may see fit to set with respect to the provision of such services, or the accommodation in which children and young people are kept in custody; and
 - the steps that might be taken to prevent offending by children and young people.
- to monitor the extent to which that aim is being achieved and any such standards met;
- for the purposes of the bullet points above, to obtain information from relevant authorities;
- to publish information so obtained;
- to identify, to make known and to promote good practice in the following matters –
 - The operation of the youth justice system and the provision of youth justice services;
 - The prevention of offending by children and young people; and
 - Working with children and young people who are, or are at risk of, becoming offenders.
- to commission research in connection with such practice;
- with the approval of the Secretary of State (SoS), to make grants to local authorities and other persons for the purposes of the operation of the youth justice system and the provision of youth justice services, subject to such conditions as the Board considers appropriate, including conditions as to repayment; and

- to provide assistance to local authorities and other persons in connection with information technology systems and equipment used or to be used for the purposes of the operation of the youth justice system and the provision of youth justice services.

5.2 In carrying out their functions, the Board shall comply with any directions given by the Secretary of State and act in accordance with any guidance provided.

6. Aims

6.1 The Youth Justice Board's aims are to:

- Reduce the number of children in the youth justice system;
- Reduce reoffending by children in the youth justice system;
- Improve the safety and wellbeing of children in the youth justice system; and
- Improve outcomes for children in the youth justice system.

6.2 The YJB's strategic objectives are to:

- Be an exemplary public sector organisation and employer;
- Effectively deliver its unique statutory oversight function (as set out above);
- Drive system improvement.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966200/YJB_Strategic_Plan_2021_-_2024.pdf

6.3 The YJB's development of policy priorities, objectives and business planning will give due consideration to any relevant policy priorities set by the SoS or Responsible Minister.

Advice to Ministers

6.4 A statutory function of the YJB is to provide advice to the SoS. The YJB, therefore, has direct access to Ministers and is able to provide advice on any aspect of the youth justice system. Overall, all MoJ parties will work collaboratively to ensure joint advice is provided wherever possible and appropriate.

6.5 Where advice to Ministers is "joint", agreement will be made at the outset as to who will lead on drafting. Draft submissions will be shared at the earliest opportunity and within at least two days' notice for the relevant party to provide comment. If circumstances occur where an urgent/unforeseen submission is required, the YJB or relevant sponsor will make the other party aware as soon as the situation arises and before the submission is sent.

- 6.6 Where advice to Ministers is not “joint” it will be submitted by the party leading the area covered by the advice. Where advice is not submitted jointly, the author will acknowledge where contributions have been provided from elsewhere.
- 6.7 In the event that parties cannot agree on the advice to be provided, this should be clearly referenced so that Ministers are aware of the two differing points of view.

YJB Governance and accountability

7. Governance and Accountability

- 7.1 The YJB shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Framework Document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 7.2 In particular (but without limitation), the YJB should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report;
 - comply with MPM;
 - in line with MPM have regard to the relevant Functional Standards as appropriate and in particular those concerning Finance, Commercial, Security and Counter Fraud <https://www.gov.uk/government/collections/functional-standards>; and
 - take into account the codes of good practice and guidance set out in Annex A of this Framework Document as they apply to the YJB.
- 7.3 The senior officers accountable for managing each function in the YJB are accountable to the YJB AO for:
- the delivery of the YJB business plan objectives relevant to the function and the direction and control of associated resources;
 - the quality and value for money of the service provision; and
 - ensuring the YJB adopts the relevant function's policies, controls and standards, so far as consistent with the other provisions of this framework document.
- 7.4 As an embedded and integral part of the governance and performance management of the YJB, the senior officers accountable for managing each function in the YJB shall agree a proportionate basis for defining the scope of services, service levels, appropriate milestones and performance criteria, with routine reporting on compliance with defined standards and requirements, the resources deployed and costs, and any gaps in capacity and capabilities.

- 7.5 The senior officers accountable for managing each function in the YJB are accountable to the respective Ministry of Justice function leads for:
- providing assurance over compliance with functional standards, so far as consistent with the other provisions of this framework document;
 - implementing consistent policies, systems, processes and capabilities that support and promote interoperability and efficiency; and
 - supporting the on-going development of the function.
- 7.6 The senior officers accountable for managing each function in the YJB shall provide the Ministry of Justice function leads with such information about their operations, performance and capabilities as may reasonably be required. In the event of any significant concerns being identified, the MoJ function lead will draw these to the attention of the YJB AO.
- 7.7 The respective MOJ function lead will engage with the YJB AO and senior officer accountable for managing each function in the YJB to develop functional plans that set out activities, processes and developments that align to the delivery of MOJ outcome priorities to required standards, meet the collective needs across the organisation, and support an inclusive vision and clear prioritisation for all those operating within and supported by these activities. The YJB shall work collaboratively with the MOJ's functions to align processes, systems, knowledge and career pathways.
- 7.8 The YJB AO will consult with and reflect the views of the Ministry of Justice function leads to inform the performance assessment of the function leads in the YJB to support their continuing personal and professional development.
- 7.9 The YJB AO may provide their views on the performance of the MoJ function leads to support their continuing personal and professional development.
- 7.10 The Ministry of Justice may provide functional services to the YJB. The PAO may seek to change the precise nature of the delivery model for these functions during the lifetime of the framework document to support better delivery of the YJB objectives, more consistency, increased innovation and enhanced efficiency. The YJB AO will be consulted on proposals for any significant changes in the way functions are delivered.
- 7.11 In line with MPM Annex 3.1, the YJB shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that the YJB does intend to materially depart from the Code, the Senior Sponsor should be notified in advance and their agreement sought to this approach.

Role of the department

8. The Responsible Minister

- 8.1 The Secretary of State for Justice, or as delegated to the relevant responsible Minister, will account for the YJB on all matters concerning its functions in Parliament. The SoS's statutory powers in respect of the YJB are set out in the Crime and Disorder Act 1998.
- 8.2 The SoS's responsibilities include:
- in exercising their functions, having regard to the need to protect the YJB's ability to make impartial assessments;
 - the appointment of the Chair and members (the SoS and the non-executive members must ensure, so far as is possible, that the number of non-executive members exceeds the number of executive members, in order to ensure effective oversight);
 - approving the resources framework within which the YJB operates;
 - to confirm whether a person does not have a conflict of interest before appointment and, if a conflict of interest is identified, whether this can be managed and/or mitigated on appointment (conflict of interest is defined as a person having a financial or other interest which is likely to prejudice their function as a member of the YJB, which might be, for example, a member who sits on another public body that has an interest in the YJB's work);
 - determine the remuneration, allowances and gratuities to be paid to non-executive members of the YJB; paragraph 3(3) of Schedule 2 provides that the YJB must make a payment to a non-executive member as the SoS may determine where they cease to hold office (other than by reason of their term expiring), and the SoS thinks there are special circumstances that make it right for that member to receive compensation);
 - set the terms of appointment for non-executive member appointments, subject to the provisions contained in the Schedule;
 - power to remove a non-executive member of the YJB on the grounds specified in paragraph 2(9) of Schedule 2 (before doing so, the SoS is under a duty to consult the Chair); and
 - paying the YJB such sums, through grant-in-aid or other funds, as the SoS considers appropriate for the purpose of enabling the YJB to carry out its functions.

Appointments to the Board

- 8.3 The Chief Executive of the YJB is appointed by the non-executives of the Board who must consult with the SoS.
- 8.4 The Minister shall have the following appointment and approval rights in relation to the YJB's Board:
- the chair is appointed by the Secretary of State under schedule two of the Act. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance code on Public Appointments as and where applicable;
 - members of the board are appointed by the Secretary of State under section 41 of the Act. These appointments are subject to the Public Appointments Order in Council and as such must comply with the Governance code on Public Appointments as and where applicable;
 - All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.

Other Ministerial powers and responsibilities

- 8.5 The Minister is also responsible for:
- the policy framework within which the YJB operates;
 - setting the performance framework within which the YJB will operate including approving the YJB's Strategy and Annual Business Plan;
 - matters regarding spending approvals, acquisitions, disposals and joint ventures in line with delegations as set out in the delegation letter; and
 - such other matters as may be appropriate and proportionate.

9. The Principal Accounting Officer (PAO)

- 9.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of MoJ. The PAO of the MoJ designates the Chief Executive of the YJB as the Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities. YJB's AO is expected to raise any performance issues or risks to the PAO in a timely fashion. The respective responsibilities of the PAO and AOs for Public Bodies are set out in Chapter 3 of MPM.
- 9.2 The PAO is accountable to Parliament for the issue of any grant-in-aid to the YJB. The PAO may delegate the exercise of their responsibilities to an appropriately senior official within the department to act as Senior Sponsor to the YJB. Where

these responsibilities are delegated to the Senior Sponsor, the PAO does so based on the continuing assurances provided by the Senior Sponsor, supported by the policy sponsorship team, the Public Bodies Centre of Expertise and MoJ's functions.

- 9.3 The PAO is also responsible, supported by the Senior Sponsor and policy sponsorship team, for advising the Responsible Minister on:
- an appropriate framework of objectives and targets for the YJB in the light of the MoJ's wider strategic aims and priorities;
 - an appropriate budget for the YJB in light of the MoJ's overall public expenditure priorities;
 - how well the YJB is achieving its strategic objectives and whether it is delivering value for money; and
 - the exercise of the Ministers' statutory responsibilities concerning the YJB as outlined above.
- 9.4 The PAO, supported by the Senior Sponsor and the Public Bodies Centre of Expertise team (in collaboration with the MoJ policy sponsorship team) and MoJ's functions is also responsible for ensuring arrangements are in place in order to:
- monitor the YJB's activities and performance;
 - address significant problems in the YJB, making such interventions as are judged necessary e.g. where there might be cause for concern regarding propriety or regularity in the handling of public funds;
 - periodically, and at such frequency as is proportionate to the level of risk, carry out an assessment of the risks both to the MoJ and the YJB's objectives and activities in line with the wider departmental risk assessment process;
 - inform the YJB of relevant government policy in a timely manner; and
 - bring Ministerial or departmental concerns about the activities of the YJB to the full YJB board, and, as appropriate to the departmental board requiring explanations and assurances that appropriate action has been taken.

10. The role of the Sponsorship team

- 10.1 The Senior Sponsor, supported by the Public Bodies Centre of Expertise, the policy sponsorship team in the MoJ and the department's functions (where relevant), are the primary contact within the MoJ for the YJB. The responsible Senior Civil Servant for this sponsorship relationship is the Head of the Public Bodies Centre of Expertise. The Senior Sponsor is the main source of advice to the Responsible Minister on the discharge of their responsibilities in respect of the YJB. They also support the PAO on their responsibilities toward the YJB. This sponsorship engagement will be guided by the principles set out in the *Cabinet Office Code of Good Practice; Partnerships between departments and arm's length bodies*.

- 10.2 Officials of the Public Bodies Centre of Expertise team and those from the policy sponsor team in the MoJ will liaise regularly with YJB officials to review performance against plans, achievement against targets and expenditure against its budget allocations.
- 10.3 The Youth Justice Policy Unit of MoJ's Policy Group will provide policy sponsorship. They will work with the Public Bodies Centre of Expertise to support the PAO, the Senior Sponsor and the policy sponsor Director General in advising the SoS on the desired policy outcomes and monitoring and reporting on performance as to whether these are being delivered. They will:
- collaborate with the YJB on engagement and exchange of information and perspectives across MoJ and Whitehall, where policy development will have an impact on YJB policy;
 - inform the YJB of wider Government policy initiatives that may impact on sentencing and release in a timely manner so that the YJB can contribute constructively to consultations on the matter;
 - work with the YJB to respond to changes in operational demands;
 - with the Public Bodies Centre of Expertise, support the policy sponsor Director General (or as delegated) to conduct, on behalf of Ministers, the annual performance review of the Chair of the YJB; and,
 - maintain regular contact with the YJB to ensure there is ongoing dialogue around policy issues within the YJB's remit.
- 10.4 The Public Bodies Centre of Expertise and Youth Justice Policy Unit will work closely together to ensure that the YJB effectively carries out its functions under the Act and co-operates with the MoJ in doing so.

11. Resolution of disputes between the YJB and MoJ

- 11.1 Any disputes between the MoJ and the YJB will be resolved in as timely a manner as possible. The MoJ and the YJB will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the Permanent Secretary, as PAO, to nominate a non-executive member of the MoJ's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Responsible Minister.
- 11.2 This process is not applicable where the dispute between the MoJ and the YJB relates to areas of pure policy (rather than operational policy decisions or decisions around the organisation of the YJB) where the YJB may hold a different view on matters that are decided by Ministers. In this type of situation there is no requirement for dispute resolution.

12. Freedom of Information requests

- 12.1 Where a request for information is received by either party under the Freedom of Information Act 2000 or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

13. Reporting on legal risk and litigation

- 13.1 The YJB shall provide a quarterly update to the Senior Sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Senior Sponsor in a timely manner.
- 13.2 In respect of each substantial piece of litigation involving the YJB, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- material developments in the litigation are communicated to the Sponsor in an appropriate and timely manner;
 - legally privileged documents and information are clearly marked as such;
 - individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege; and
 - circulation of privileged information within government occurs only as necessary.

YJB governance structure

14. The Chief Executive

- 14.1 The Chief Executive of the YJB is appointed by the non-executives of the Board who must consult with the SoS.

Responsibilities of the YJB's Chief Executive as Accounting Officer

- 14.2 The Chief Executive as YJB AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the YJB. In addition, they should ensure that the YJB as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Annex 3.1 to Managing Public Money. These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO of the MoJ.

Responsibilities for accounting to Parliament and the Public

- 14.3 Responsibilities to Parliament and the public include:
- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the SoS;
 - preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
 - ensuring that effective procedures for handling complaints about the YJB in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the YJB and are published on gov.uk and the [YJB's website](#);
 - acting in accordance with the terms of this document, MPM and other instructions and guidance issued from time to time by the MoJ, the Treasury and the Cabinet Office;
 - ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation;
 - this framework document;
 - any delegation letter issued to the YJB;
 - any elements of any settlement letter issued to the MoJ that is relevant to the operation of the YJB;

- any separate settlement letter that is issued to the YJB from the MoJ;
- ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents.
- giving evidence, normally with the PAO when summoned before the Public Accounts Committee (PAC) and other Parliamentary Select Committees, on the YJB's stewardship of public funds.

Responsibilities to the Ministry of Justice and principal accounting officer

14.4 Responsibilities to the MoJ, in particular the PAO, include:

- (where relevant) establishing, in agreement with the MoJ, the YJB's corporate, business and strategic plans in the light of the MoJ's wider strategic aims and agreed priorities;
- (where relevant) informing the department of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives;
- ensuring that timely forecasts and monitoring information on performance, risk and finance are provided to the MoJ;
- ensuring that the MoJ and in particular the PAO is notified promptly if over or under spends are likely and that corrective action is taken;
- promptly notifying the MoJ of any significant problems whether financial or otherwise, and whether detected by internal audit or by other means;
- notifying the MoJ at the earliest opportunity if there is a risk of legal challenge against the YJB;

Responsibilities to the YJB Board

14.5 The Chief Executive is responsible for:

- advising the board on the discharge of the YJB's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the board on the YJB's performance compared with its aims and, strategic objectives; and
- ensuring that financial and commercial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed, and Commercial guidance implemented.

Managing conflicts

- 14.6 The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.
- 14.7 If the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical, the Chief Executive, in their role as AO, should reject that course of action and ensure that the Board have a full opportunity to discuss the rationale for that rejection.
- 14.8 Such conflicts should be brought to the attention of the PAO and the Responsible Minister as soon as possible.
- 14.9 Furthermore, and if agreed with the responsible Minister, the AO must write a letter of justification to the Chair of the YJB Board setting out the rationale for not following the advice and recommendation of the Board and copy that letter to the Treasury Officer of Accounts.
- 14.10 If the Responsible Minister agrees with the proposed course of action of the Board it may be appropriate for the Minister to direct the AO in the manner as set out in MPM paragraph 3.6.6 onwards.

The Board

15. Composition of the Board

- 15.1 The YJB will have a Board in line with good standards of Corporate Governance and as set out in its establishing statute and in guidance as set out in Annex A. The role of the Board shall be to run the YJB, and to deliver its objectives, in accordance with the purposes as set out above, its statutory, regulatory, common-law duties and its responsibilities under this Framework Document. Detailed responsibilities of the Board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting Manual (FReM).
- 15.2 The Board, as per legislation, will consist of:
- a Chair (who is to be a non-executive);
 - between 10 and 12 members;
 - the Chief Executive (who is to be an executive member), Chief Operating Officer; and
 - other members of the executive as required.
- 15.3 The YJB Board must have a balance of skills and experience appropriate to directing the YJB's business. For the YJB, the SoS and the Chair must have regard to the desirability of the YJB's members having extensive recent experience of the youth justice system. The Board should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role. The financial requirements set out in Annex 4.1 of Managing Public Money will be met through delivery of MoJ's Financial Operating Model.

Board Committees

- 15.4 The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below, at a minimum this should include an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member of the Board.
- 15.5 While the Board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration it retains responsibility for, and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

- 15.6 Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the sponsor team, PAO and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 15.7 The Chair should ensure Board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

Duties of the Board

- 15.8 The Board is specifically responsible for:
- establishing and taking forward the strategic aims and objectives of the YJB consistent with its overall strategic direction and within the policy and resources framework determined by the SoS.
 - providing effective leadership of the YJB within a framework of prudent and effective controls which enables risk to be assessed and managed;
 - ensuring that the YJB develops MoUs with the government departments and other Authorities and Administrations of which it provides oversight (as it considers appropriate);
 - ensuring that the Chief Executive, as AO, remains personally accountable for the YJB's resources. As the Chief Executive will be directly accountable to Parliament in ensuring the requirements of MPM are met, the Board is unable to delegate powers to someone other than the AO;
 - ensuring the financial and human resources are in place for the YJB to meet its objectives;
 - reviewing management performance;
 - ensuring that the board receives and reviews regular financial, commercial and management information concerning the management of the YJB; is informed in a timely manner about any concerns about the budget of the YJB and provides positive assurance to the MoJ that action appropriate to the YJB has been taken about such concerns;
 - ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the YJB Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the Responsible Minister and PAO via the executive team, sponsorship team or directly;

- ensuring that any statutory or administrative requirements for the use of public funds are complied with;
- ensuring that it operates within the limits of its statutory authority and any delegated authority agreed with the MoJ, and in accordance with any other conditions relating to the use of public funds and that in reaching decisions, the Board takes into consideration guidance issued by the MoJ;
- having non-executive members contribute to the appointment of executive members of the Board ensuring that as part of the above compliance they are familiar with;
 - this framework document;
 - any delegation letter issued to the YJB;
 - any elements of any settlement letter issued to the MoJ that is relevant to the operation of the YJB;
 - any separate settlement letter that is issued to the YJB from the MoJ;
- ensuring it has appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents;
- ensuring the Chief Executive and the YJB as a whole act in accordance with their obligations under the above documents;
- demonstrating high standards of corporate governance at all times, including compliance with the requirements of the security policy framework and information assurance standards, by using the independent audit committee to help the Board to address key financial and other risks;
- appointing, with the responsible Minister's approval, a Chief Executive and, in consultation with the MoJ, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilisation of public resources;
- putting in place mechanisms for independent appraisal and annual evaluation of the performance of the Chair by the independent non-executives, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the Responsible Minister; and
- determining all such things which the Board considers ancillary or conducive to the attainment of fulfilment by the YJB of its objectives.

15.9 In line with departmental policy, the SoS may agree a number of additional days per month for Board members to work. Board members' terms of appointment will include the possibility of working additional days. Any additional days agreed should be allocated by the Chair and monitored and approved for payment by the Chief Executive.

15.10 The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

- 15.11 The Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book) .The Board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department’s Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

16. The Chair’s role and responsibilities

- 16.1 The Chair is appointed by the SoS and is responsible for leading the Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in the Chair’s contract of employment, any appointment letter, the priorities in the Chair’s letter issued to them by the MoJ, the statutory authority governing the YJB, this document and the documents and guidance referred to within this document.
- 16.2 Communications between the YJB Board and the Responsible Minister should normally be through the Chair.
- 16.3 The Chair is bound by the [Code of Conduct for Board Members of Public Bodies](#), which covers conduct in the role and includes the [Nolan Principles of Public Life](#).
- 16.4 In addition, the Chair is responsible for:
- ensuring, including by monitoring and engaging with appropriate governance arrangements, that the YJB’s affairs are conducted with probity; and
 - ensuring that policies and actions support the Responsible Minister’s (and where relevant other Ministers’) wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout the YJB.
- 16.5 The Chair has the following leadership responsibilities:
- formulating the Board’s strategy;
 - providing leadership to the Board;
 - taking responsibility for Board’s composition and development;
 - ensuring proper information for the Board;
 - planning and conducting Board meetings effectively;

- involving all members in the Board's work;
- ensuring the Board focuses on its key tasks;
- engaging the Board in assessing and improving its performance;
- overseeing the induction and development of Board members;
- supporting the Chief Executive;
- holding YJB management to account in delivering their strategic, operational and financial objectives;
- driving YJB performance overall and working closely with the Chief Executive to ensure the organisation complies with the principles of good governance and the requirements for the use of public funds;
- representing the views of the YJB when advising Ministers on the operation of the wider youth justice system
- ensuring that the board, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the MoJ;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the board to the general public.

16.6 The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation throughout their terms of appointment and more in-depth assessments of the performance of individual board members when being considered for re-appointment;
- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered;
- that the board has a balance of skills appropriate to directing the YJB's business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with the YJB to fulfil their role both on the Board and committees. This will include, but not be limited to, skills and training in relation to financial management and reporting requirements, risk management and the requirements of Board membership within the public sector;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with the other Board members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the Responsible Minister is advised of the YJB's needs when Board vacancies arise;

- there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance;
- there is a code of practice for Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies – <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

Chair's Appraisal

- 16.7 The Chair will be assessed at least once a year against objectives for each year of the appointment and linked to the performance of the YJB. The appraisal will be conducted by a person of appropriate level within the MoJ, for example the policy sponsor Director General (or as delegated). The Public Bodies Centre of Expertise will support the preparation and coordination of the appraisal process.

17. Individual board members' responsibilities

- 17.1 Individual board members should:
- comply at all times with their terms of Appointment, the Code of Conduct for Board Members of Public Bodies (which covers conduct in the role and includes the Nolan Principles of Public Life) as well as the rules relating to the use of public funds and to conflicts of interest;
 - demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate; <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>
 - not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
 - declare any financial interests;
 - declare any other personal interests relevant to the exercise of a function;
 - comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments;
 - act in good faith and in the best interests of the YJB; and
 - ensure they are familiar with any applicable guidance on the role of Public Sector non-executive directors and Boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government.

Management and financial responsibilities and controls

18. Delegated authorities

- 18.1 All the YJB's delegated authorities are set out in the delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by the MoJ in agreement with HM Treasury.
- 18.2 In line with MPM Annex 2.2, these delegations will be reviewed on an annual basis.
- 18.3 The YJB shall consult with the Senior Sponsor and, obtain MoJ, and where appropriate HM Treasury's prior written approval before:
- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the YJB's annual budget as approved by the MoJ;
 - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the MoJ;
 - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
 - carrying out policies that go against the principles, rules, guidance and advice in MPM.

19. Spending authority

- 19.1 Once the budget has been approved by the MoJ (and subject to any restrictions imposed by statute, the Responsible Minister's instructions, this document, HM Treasury settlement or delegation letters), the YJB shall have authority to incur expenditure approved in the budget without further reference to the MoJ, on the following conditions:
- the YJB shall comply with the delegations and Financial Transaction Limits set out in the prevailing Budget Version (BV) letter. These delegations shall not be altered without the prior agreement of the MoJ and as agreed by HM Treasury and Cabinet Office as appropriate;
 - the YJB shall comply with MPM regarding novel, contentious or repercussive proposals;

- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- the YJB shall provide the MoJ with such information about its operations, performance, individual projects or other expenditure as the MoJ may reasonably require.

20. Banking and Managing Cash

- 20.1 The YJB must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking Service – GBS).
- 20.2 The YJB should only hold money outside GBS accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.
- 20.3 Commercial Accounts where approved should be operated in line with the principles as set out in MPM.
- 20.4 The AO is responsible for ensuring the YJB has a Banking Policy as set out in MPM and ensuring that policy is complied with.

21. Procurement

- 21.1 The YJB shall ensure that it operates within the delegated authorities set out in the delegation letter(s), which will include their Delegated Commercial Authority (DCA) as well as their Spending Authority to incur expenditure approved in the budget.
- 21.2 The YJB shall ensure that its procurement policies are aligned with and comply with any relevant UK Procurement Regulations, HMG policies and procedures or other international procurement rules.
- 21.3 The YJB shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual;
- 21.4 In procurement cases where the YJB is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Senior Sponsor, via the MoJ's sponsorship team.

- 21.5 Goods, services and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, compliant with the UK Procurement regulations and a quarterly report explaining those exceptions should be sent to the MoJ Chief Commercial Officer.
- 21.6 Procurement by the YJB of works, equipment, goods, and services shall be based on a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).
- 21.7 The YJB shall:
- engage fully with MoJ and Government wide procurement initiatives that seek to achieve VfM from collaborative projects;
 - comply with all relevant Procurement Policy Notes issued by Cabinet Office;
 - co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM;
 - ensure that its staff are fully aware of relevant procurement policies and guidance, its general commercial delegations and financial transaction limits;
 - put in place a procurement framework which sets out its procurement structure, organisation, processes and control mechanisms where/if relevant/appropriate;
 - provide reports of spend against central contracts and other spend metrics as requested by CCMD for ongoing reporting to the Cabinet Office; and
 - periodically and wherever practicable participate in a benchmarking exercise against best practice elsewhere in the MoJ.
- 21.8 The YJB shall comply with the Commercial Standards and Grants Standards. These standards apply to the planning, delivery and management of government commercial activity including management of grants in all departments and public bodies regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government¹.

22. Risk management

- 22.1 The YJB shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts (<http://www.hm-treasury.gov.uk/orange-book.htm>).

¹ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>
<https://www.gov.uk/government/publications/grants-standards>

23. Counter Fraud and Theft

- 23.1 The YJB should adopt and implement policies and practices to safeguard itself against fraud, bribery and corruption. This includes staff fraud and theft.
- 23.2 The YJB should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard. It should also take all reasonable steps to conduct due diligence checks and appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid in order to minimise fraud risks.
<https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>
- 23.3 The YJB should keep records of, and prepare and forward, to the department an annual report on fraud and theft suffered by the YJB and notify the MoJ of any unusual or major incidents as soon as possible. The YJB should also report, quarterly, detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

24. Staff

Broad responsibilities for staff

- 24.1 Within the arrangements approved by the Responsible Minister (and the Treasury), the YJB will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination against employees with protected characteristics under the Equality Act 2010;
 - the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
 - there is an effective equality and diversity policy and statement in place, equality is embedded into business planning processes and can demonstrate how the YJB is meeting the legal duty to pay due regard to the public-sector equality duty including carrying out proportionate equality impact assessments where appropriate;

- the performance of its staff at all levels is satisfactorily appraised and the YJB performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the YJB's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place; and
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for staff of Executive Non-Departmental Bodies;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

Staff costs

- 24.2 Subject to its delegated authorities, the YJB shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them (this should include all staff costs – the on-costs- not just the headline salary, and should take into account costs potentially increasing through pay increases).

Pay and conditions of service

- 24.3 As a Non-Departmental Public Body sponsored by the MoJ, the YJB is independent in the exercise of its functions and submits a separate pay case each year to HMT but it is accountable to the MoJ for the way it manages its staff and budgets, including pay. YJB is also subject to Cabinet Office and HMT rules on pay, terms and conditions (including pensions).
- 24.4 In line with the current policy outlined in the HMT annual Civil Service pay remit guidance (CSPG), the pay remit of the YJB is subject to the approval of the Permanent Secretary and Lord Chancellor and must comply with the CSPG. The MoJ will engage the YJB as both YJB and MoJ carry out their annual reviews and develop their pay remits. MoJ will provide constructive feedback to the YJB on its draft pay remit submission as part of the submission process. YJB has freedom to develop its own proposal within the framework provided by HMT and Cabinet Office rules and the CSPG.
- 24.5 If Civil Service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the

department to vary such rates.

<https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

- 24.6 Staff terms and conditions will be set out in their contract. Policies relating to staff are accessible on the YJB intranet.
- 24.7 The YJB shall abide by public sector pay controls, including the relevant approvals process dependent on the organisation's classification as detailed in the Senior Pay Guidance and the public sector pay and terms guidance
<https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
<https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>
- 24.8 The YJB operates a reward and recognition scheme. Funding for this forms part of the annual budget approved by the MoJ. The YJB aligns with the MoJ performance related pay scheme for SCS and that shall form part of the annual aggregate pay budget approved by the MoJ or the general pay structure approved by the MoJ and the Treasury whichever is applicable, where relevant with due regard to the senior pay guidance.
- 24.9 The travel expenses of board members shall be tied to the rates allowed to senior staff of the YJB or departmental rates, whichever is applicable. Reasonable actual costs shall be reimbursed.

Pensions, redundancy and compensation

- 24.10 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 24.11 YJB staff are eligible to join the Civil Service Pension Scheme alpha, with the alternative to join the partnership scheme which is a defined contribution also known as money purchase pension provided by a third party provider, Legal and General. Staff are able to opt out of the pension scheme if they wish however, under automatic enrolment legislation, organisations must re-enrol all employees/workers who are not currently in a pension scheme every three years from their initial staging date.
- 24.12 Any proposal by the YJB to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the MoJ. Proposals on severance must comply with the rules in chapter 4 of MPM.

Business Plans, Financial Reporting and Management Information

25. Corporate, strategic and business plans

- 25.1 The YJB shall submit annually to the MoJ a draft copy of the business plan and will always have a 3-year strategic plan in place. This will be shared with the MoJ and agreed with ministers. The YJB shall agree with the MoJ the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the YJB's statutory and other duties and, within those duties, the priorities set from time to time by the Responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). Where appropriate the plan should demonstrate the areas where the YJB also support wider departmental objectives in the MoJ Business Plan.
- 25.2 The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the department. Subject to any commercial considerations, the strategic plan, corporate and business plans should be published by the YJB on gov.uk and separately be made available to staff.
- 25.3 The following key matters should be included:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
 - key non-financial performance targets;
 - a review of performance in the preceding financial year, together with comparable outturns for the previous years, and an estimate of performance in the current year;
 - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
 - other matters as agreed between the MoJ and the YJB.

26. Budgeting procedures

- 26.1 Each year, in the light of decisions by the department on the updated draft Business plan, the department will send to the YJB:
- a formal statement of the annual budgetary provision allocated by the MoJ in the light of competing priorities across the MoJ and of any forecast income

approved by the MoJ including funding from other Government Departments;
and

- a statement of any planned change in policies affecting the YJB.

26.2 The approved YJB Annual Business Plan will take account both of approved funding provision (where this applies) and any forecast receipts and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

27. Grant-in-aid and any ring-fenced grants

27.1 Any grant-in-aid (GiA) provided by the MoJ for the year in question will be voted in the MoJ's Supply Estimate and be subject to Parliamentary control.

27.2 The GiA will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The YJB will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from GiA or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the YJB. GiA not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where GiA is delayed to avoid excess cash balances at the year-end, the MoJ will make available in the next financial year any such GiA that is required to meet any liabilities at the year end, such as creditors.

Grants

27.3 In the event that the department provides the YJB separate grants for specific (ring-fenced) purposes, it would issue the grant as and when the YJB needed it on the basis of a written request. The YJB would provide evidence that the grant was used for the purposes authorised by the MoJ. The YJB shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

27.4 In the event of the YJB providing general grants to a third party, it should be covered under a specific legislation and provide benefit to the community. For providing grant funding, YJB should follow the standard grants process and minimum requirements under the Cabinet Office's Grants Functional Standard. YJB should set out in the grant documentation the proportionate level of control and monitoring measures that should be in place to ensure that the grant recipients achieve the agreed outcomes.

- 27.5 Where 27 is appropriate, the YJB will provide the MoJ Grants Centre of Expertise team (MoJ GCoE) grants data in line with the deadlines set in the MoU between the MoJ and Cabinet Office. The Senior Responsible Owner for the grant will provide a confirmation that the grants data is accurate and complete. MoJ GCoE will upload the grants data on behalf of the YJB onto the Government Grants Information System (GGIS). The MoJ GCoE will provide support, training and guidance on grants to the YJB who in turn will also be invited to attend the MoJ Grants Best Practice Network.

28. Capital

- 28.1 Capital requirements must be agreed in advance and be included as part of the MoJ's capital allocation included in its Supply Estimate and delegated to YJB as part of its budget allocation. The approval of the MoJ Investment Committee will be sought for any requests for capital spend above the YJB's financial transaction limit based on the submission of a business case for approval of this spend. Expenditure and decisions on estates and ICT issues will comply with the MoJ guide to spending controls and limits.

29. Annual report and accounts

- 29.1 The YJB must publish an annual report of its activities together with its audited accounts after the end of each financial year. The YJB shall provide the Public Bodies Centre of Expertise and MoJ Finance its finalised (audited) accounts in line with the timetable set out in MoJ Finance and Commercial Instructions (FCI) on the production of Consolidated Departmental Accounts in order for the accounts to be consolidated within the MoJ's. A draft of the report should be submitted to the MoJ in good time prior to the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the SoS as well as the Treasury's Financial Reporting Manual (FRM).
- 29.2 The annual report must:
- cover any corporate, subsidiary or joint ventures under its control;
 - comply with the FRM and in particular have regard to the illustrative statements for an NDPB;² and
 - outline main activities and performance during the previous financial year and set out in summary form forward plans.
- 29.3 Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and

² <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

accounts shall be laid in Parliament and made available on the YJB's website, in accordance with the guidance in the FReM.

30. Reporting performance to the MoJ

- 30.1 The YJB shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the strategic and business plans.
- 30.2 The YJB shall inform the MoJ of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly.
- 30.3 The YJB's performance shall be formally reviewed by the department via quarterly Business Assurance Meetings (BAM). BAMs shall be chaired by the Head of the Public Bodies Centre of Expertise (or in exceptional circumstances by their deputy) and attended by the Chief Executive of the YJB. These meetings provide a timely formal opportunity for a two-way conversation to discuss YJB performance, risk and finance to assure the PAO, via the Senior Sponsor, that the YJB is functioning efficiently and effectively.
- 30.4 The responsible minister will, unless other arrangements have been agreed, meet the Chair and Chief Executive of the YJB at least once a year to discuss the YJB's performance and current issues however the frequency of these meetings can, when appropriate, be increased to quarterly. MoJ will also monitor performance outside of the scope of the BAMs through day to day assurance partnership and attending quarterly Audit and Risk Committee (ARC) meetings.
- 30.5 The Senior Sponsor will meet the Chief Executive at least once a year.

31. Information Sharing

- 31.1 The MoJ has the right of access to all YJB records and personnel for any purpose including, for example, sponsorship audits and operational investigations.
- 31.2 The YJB shall provide the MoJ with such information about its operations, performance, individual projects or other expenditure as the MoJ may reasonably require.
- 31.3 The MoJ and HM Treasury may request the sharing of data held by the YJB in such a manner as set out in central guidance except insofar as it is prohibited by law.

This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

- 31.4 As a minimum, the YJB shall provide the MoJ with information monthly that will enable the department satisfactorily to monitor:
- the YJB's cash management;
 - its draw-down of grant-in-aid;
 - forecast outturn by resource headings;
 - other data required for the Online System for Central Accounting and Reporting (OSCAR); and
 - data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter.

Audit

32. Internal audit

32.1 The YJB shall:

- establish and maintain arrangements for the Government Internal Audit Agency to provide internal audit services in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- ensure the MoJ is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
- set up an audit committee of its Board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the YJB's Head of Internal Audit opinion on risk management, control and governance as soon as possible to the MoJ via the Public Bodies Centre of Expertise;
- keep records of, and prepare and forward to the MoJ, an annual report on fraud and theft suffered by the YJB and notify the MoJ of any unusual or major incidents as soon as possible; and
- share with the MoJ information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, in particular on issues impacting on the MoJ's responsibilities in relation to financial systems within the YJB.

The GIAA has a right of access to all documents prepared by the YJB's internal auditor, including where the service is contracted out.

33. External audit

33.1 The Comptroller & Auditor General (C&AG) audits the YJB's annual accounts. The C&AG passes the audited accounts to the SoS who will lay the accounts together with the C&AG's report before parliament.

33.2 In the event that the YJB has set up and controls subsidiary companies, the YJB will (in the light of the provisions in the Companies Act 2006) ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls

and/or whose accounts are consolidated within its own accounts. The YJB shall discuss with the MoJ the procedures for appointing the C&AG as auditor of the companies.

33.3 The C&AG:

- will consult the department and the YJB on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from the YJB;
- will share with the MoJ, information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the MoJ's responsibilities in relation to financial systems within the YJB;
- will consider requests from departments and other relevant bodies to provide Regulatory Compliance Reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion; and
- The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the YJB has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the YJB shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Reviews and Winding up arrangements

34. Review of YJB's status

- 34.1 The status of the YJB will be periodically reviewed in line with Cabinet Office Guidance. The principle aim of periodic reviews is to ensure public bodies remain fit for purpose, well governed and properly accountable for what they do. This document sets out the agreed governance arrangements at the time of publication and will be updated, as necessary, after any such review of the YJB.

35. Arrangements in the event that the YJB is wound up

- 35.1 The MoJ shall put in place arrangements to ensure the orderly winding up of the YJB. In particular, the MoJ should ensure that the assets and liabilities of the YJB are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the MoJ.) To this end, the MoJ shall:
- have regard to Cabinet Office guidance on winding up of Public Bodies https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/public_bodies_a_guide_for_departments_-_chapter_10.pdf
 - ensure that procedures are in place in the YJB to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
 - specify the basis for the valuation and accounting treatment of the YJB's assets and liabilities;
 - ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts; and
 - arrange for the most appropriate person to sign the closing accounts. In the event that another public body takes on the role, responsibilities, assets and liabilities, the succeeding public body AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the MoJ's AO should sign.

- 35.2 The YJB shall provide the MoJ with full details of all agreements where the YJB or its successors have a right to share in the financial gains of developers. It should also pass to the MoJ details of any other forms of claw-back due to the YJB.

Annex A – The YJB shall comply with the following guidance, documents and instructions:

Corporate governance

- This framework document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies:
<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Departments and Arm's Length Bodies:
<https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships>

Financial management and reporting

- Managing Public Money (MPM):
<https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM):
www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant Dear Accounting Officer (DAO) letters:
www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts: <https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by the parent department.

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>
- Public Sector Internal Audit Standards: www.gov.uk/government/publications/public-sector-internal-audit-standards

- HM Treasury approval processes for Major Projects above delegated limits: <https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance: <https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

- Procurement Policy Notes: <https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls: <https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

Public appointments

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments: <https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments: www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees: <https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward: www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually): www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms: <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
- Whistleblowing Guidance and Code of Practice: <https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions: www.legislation.gov.uk/ukpga/2000/36/contents and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to [the Public body].
- Guidance from the Public Bodies team in Cabinet Office: www.gov.uk/government/publications/public-bodies-information-and-guidance
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute): <https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects: www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service: www.gov.uk/government/organisations/government-digital-service
- The Government Fraud, Error, Debt and Grant Efficiency function; www.gov.uk/government/collections/fraud-error-debt-and-grants-function and www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics: <https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy>
- Accounting Officer System Statements (AOSS are produced by departments with input from Public Bodies): www.gov.uk/government/publications/accounting-officer-system-statements

Ministry of Justice contacts

This document can be downloaded from GOV.UK

If you require this information in an alternative format or have general enquiries, please contact: ALBGovernance@Justice.gov.uk



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