

WELSH GOVERNMENT FRAMEWORK DOCUMENT

**COMMISSION FOR TERTIARY EDUCATION AND
RESEARCH (CTER)**

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Governing Principles defining relations between the Welsh Government and its Arm's-Length Bodies

Joint mission and purpose

Delivering for Wales. Arm's-length bodies (ALBs) play a key role in the governance of Wales and meeting the aspirations of Welsh citizens. From the perspective of the Welsh Government, the primary role of an ALB is to fulfil its statutory or policy responsibilities and to meet objectives established by the Welsh Ministers using funds voted by the Senedd. This relationship is conducted through a partnership arrangement managed on behalf of Ministers by the Welsh Government. ALBs have diverse organisational forms, including charities and quasi-judicial bodies, and can cover jurisdictions beyond Wales. Whilst respecting this diversity, Ministers look to ALBs primarily to deliver important functions and services for the people of Wales on their behalf.

Outcome focus and ALB performance. Within the constraints set by statute and Ministerial commitments, the ALBs objectives will as far as possible be specified in terms of outcomes which are clear, relevant, and challenging, and contribute to the goals set out in the Well-being of Future Generations (Wales) Act 2015 (WBFNG). To promote innovation and efficiency, bodies shall be given as much flexibility as possible in how these outcomes are achieved. Individual remit letters should be no more prescriptive than the body's responsibilities require. However, the performance framework should assess the contribution of the ALB in achieving its outcomes.

Relationships between the Welsh Government and ALBs

Relationships defined by trust and risk. The relationship between the Welsh Government and bodies should be based on trust and mutual respect, with a proportionate approach to risk. Where there is evidence of poor performance or weak governance, the Welsh Government will adopt a more prescriptive 'hands-on' approach to the relationship. The Welsh Government will ensure that its partnership functions perform effectively and meet the expectations set out in these principles.

Effective collaboration. ALBs are highly valued for their expertise and experience. These bodies, the Welsh Government and the wider public sector recognise the importance of working together and building 'Team Wales,' seeking opportunities for broader and deeper collaboration in policy development supporting each other and celebrating success. Opportunities to save money, identify efficiencies and improve effectiveness should be pursued collectively and energetically.

Effective communication. ALBs and the Welsh Government form an extended family and undertake to maintain a consistent, respectful, and collegiate approach to dealing with each other in public and private. All parties undertake to strive for effective communication, to be as open as possible, to share information on a 'no surprises' basis and to manage contentious matters through dialogue and negotiation.

Governance and accountability

ALB Chair and Board. The Chairs of ALBs are important figures in Welsh public life and will be appointed in accordance with the Code of Practice for Ministerial Appointments to Public Bodies. ALB Boards are accountable to Ministers for achieving the defined objectives, ensuring high quality corporate governance and for oversight of the body's executive, including the role of the Chief Executive or equivalent as the body's Accounting Officer.

Primary role of the Board in ALB oversight. Governance and the internal control regime should be a matter primarily for the body's Board. The Welsh Government will rely on the Board, internal audit, and Audit Wales for assurance. The Welsh Government's role should focus on accounting for delivery of objectives and the management of relationships between it and the body. Clear roles and expectations for Ministers, Chairs, Boards, executives, Accounting Officers, Partnership Teams, and auditors should be set out in the Framework Document.

Performance management. Whilst we expect the norm to be good performance, effective governance and a respectful relationship, our approach must be capable of an effective response to poor performance or other problems. Where there is evidence of poor performance in relation to objectives, management of funds, Board effectiveness or other aspects of governance, the Welsh Government has both the right and responsibility to become more involved and more prescriptive. Performance management will be risk-based, relying on evidence of robust internal control to support a lighter touch or, alternatively, to apply a stronger grip where risks are managed less satisfactorily.

Delegation. Welsh Government and ALB Accounting Officers remain jointly accountable for public funds spent through the body. However, the routine management regime should be only as prescriptive as necessary to be assured that public funds are managed correctly and that outcomes are being achieved cost-effectively. Financial responsibility will be delegated to the greatest extent possible, consistent with the Welsh Ministers' and Accounting Officers' responsibilities.

Responding to change. In a changing world and with changing Ministerial priorities, it may be necessary to reshape the functions and methods of service delivery of ALBs or, where more appropriate, to review the continued relevance of their objectives and constitutional arrangements. The Welsh Government may from time-to-time conduct in-depth organisational or thematic reviews to ensure that its ALBs remain fit for purpose and to make proposals for reform. Each executive ALB should expect to take part in a Tailored Review once in each Senedd term. CTER will not be assessed for a Tailored Review during this current Term of Government but will be assessed for such a review during the next, and subsequent, Terms.

1. Introduction

- 1.1 This Framework Document has been drawn up by the Welsh Government in consultation with the Commission for Tertiary Education and Research (CTER). This document is for use with public bodies classified to the central government sector for national accounts purposes or classified for administrative purposes as either Welsh Government arm's-length bodies (ALBs), Non-Ministerial Departments (NMDs), Executive Agencies (EAs) or another public body (except Welsh Government-owned companies) whose remit is set by the Welsh Ministers.
- 1.2 It sets out the broad framework within which CTER operates, details the terms and conditions under which the Welsh Ministers may provide resources to CTER and defines the roles and responsibilities of the Welsh Ministers and CTER as well as the relationship between them.
- 1.3 Payment to CTER of grant in aid funding is conditional upon the satisfactory performance by CTER of all its obligations as set out in this Framework Document, CTER's strategic plan as approved by Welsh Ministers, and such other conditions and requirements as the [First Minister acting pursuant to sections 70 and 71(1) of the Government of Wales Act 2006], [Cabinet Secretary for Education, or other Welsh Minister, acting pursuant to functions conferred by section 58A of the Government of Wales Act 2006 and the Tertiary and Education and Research Act (hereafter referred to as TERA) may from time to time impose. A comprehensive overview of public financial management arrangements in Wales is provided by [Managing Welsh public money | GOV.WALES](#)
- 1.4 This document shall be reviewed jointly from time to time by the Welsh Government and CTER. A review of governance arrangements should be conducted at least once every five years. This can be initiated by Welsh Government or CTER and would be conducted jointly. Where a particular concern arises, the Partnership Team may decide to undertake a formal governance review, with the agreement of CTER, in those circumstances. The document has been signed and dated by the Welsh Government and CTER. If there is an inconsistency between any of the provisions of this document and the provisions of legislation relating to CTER to which this document relates, the provisions of the legislation shall prevail.
- 1.5 The Welsh Government and its ALBs have agreed the above principles to govern relations between them. The Welsh Ministers have a range of functions which will continue to accrue and be amended and decisions in relation to each such function are obliged to be taken in the light of all relevant, and to the exclusion of all irrelevant, considerations. Nothing contained or implied in, or

arising under or in connection with, this Framework Document will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them, nor oblige the Welsh Ministers or any of them to exercise, or refrain from exercising, any of their functions in a particular way. Any reference in this document to any legislation whether domestic or international law will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.

- 1.6 In addition, CTER must ensure that, in carrying out its functions, it does so in a way which is consistent with the **Welsh Government's Citizen-Centred Governance Principles set out below**. These are based on the [The Seven Principles of Public Life - GOV.UK \(www.gov.uk\)](http://www.gov.uk) set out by the Committee on Standards in Public Life (the Nolan Committee).
- putting the Citizen First;
 - knowing Who does What and Why;
 - engaging with Others;
 - living Public Service Values;
 - fostering Innovative Delivery;
 - being a Learning Organisation; and
 - achieving Value for Money.
- 1.7 CTER must also ensure that, in carrying out its functions on behalf of the Welsh Government, it does so in a way which is consistent with the sustainable development principles (the “ways of working”) as rehearsed in the Well-being of Future Generations (Wales) Act 2015 (WBFG as set out in Annex C).
- 1.8 Copies of this document together with any subsequent amendments have been placed in the Library of Senedd Cymru/Welsh Parliament (the “Senedd”) and made available to members of the public via CTER’s website.

2. The Commission's Purpose

Purpose and Function

2.1 CTER was established under the Tertiary Education and Research (Wales) Act 2022 (TERA). As a public body, it acts as a delivery agent for the Welsh Ministers and its primary role is to fulfil its statutory duties and policy responsibilities set within the context of the Welsh Government's Strategic Priorities as set out in the statement of priorities published by the Welsh Ministers pursuant to section 13 of TERA.

2.2 CTER is the regulatory body responsible for the funding, oversight and regulation of tertiary education and research in Wales. Tertiary education encompasses post-sixteen education including further and higher education, adult community learning and work-based education, apprenticeships, and local authority-maintained school sixth forms.

2.3 CTER has the following functions in relation to the tertiary education system in Wales:

- The provision, planning, funding and regulation of further education, apprenticeships, higher education, adult learning and maintained school sixth form (via local authorities).
- Funding of research and innovation in Welsh tertiary education institutions and collaborating bodies.
- The issue and review of Welsh apprenticeship frameworks and the issuing of Welsh apprenticeship certificates.
- Oversight and regulation of the quality and standards of education and training in the tertiary education, training, and research sector.

2.4 CTER will be a 'competent body' under the Data Protection Act 2018 (DPA 2018) and, thereby, is the Data Controller under UK GDPR for the personal data which it processes.

3. Governance and Accountability

Legal Context

3.1 CTER's powers and duties are set out in the Tertiary Education and Research Act (Wales) 2022 (TERA).

3.2 CTER is a Welsh Government sponsored body operating at arm's-length from Government but within a strategic planning and funding framework established by the Welsh Ministers. CTER is accountable to the Welsh Ministers, who in turn are accountable to the Senedd.

3.3 CTER's relationship with the Welsh Government will be managed through a partnership arrangement with a Partnership Team established within the Welsh Government to provide support. The Partnership Team will be the main contact between CTER and the Welsh Government on matters relating to governance and monitoring of its performance. (*Further information on the role of the Partnership Team is in Para 3.15 below*).

CTER Ways of working

3.4 A *CTER Ways of Working* protocol is attached at **Annex FG**, which details how the three parties, the Welsh Ministers (and their teams), CTER and the Partnership Team will work together. The protocol should be viewed as a statement of aspiration and intention with the expectation that it is reviewed and amended as the relationship between the three parties develops.

Roles and Responsibilities

Ministerial Responsibilities

3.5 The First Minister has allocated responsibility for the oversight of CTER to the Cabinet Secretary for Education. The Cabinet Secretary generally exercises the functions of the Welsh Cabinet in relation to CTER and is ultimately accountable to the Senedd for the activities of CTER and its use of resources. The Cabinet Secretary is not responsible for day-to-day operational matters.

3.6 The Cabinet Secretary sets the policy framework for CTER and is to meet CTER's Board each year to review performance and discuss current and future activities.

3.7 The Cabinet Secretary's responsibilities include:

- agreeing CTER's strategic objectives and aims and key targets;

- agreeing the budget for CTER, and securing the necessary approvals from the Senedd;
- carrying out any Ministerial responsibilities set out in TERA.

Accountabilities and Responsibilities of the Principal Accounting Officer

3.8 The Principal Accounting Officer for the Welsh Ministers is the Permanent Secretary to the Welsh Government. The Principal Accounting Officer (PAO) has responsibilities specified by HM Treasury and is accountable to the Senedd (through the Senedd's Public Accounts and Public Administration Committee) and to the UK Parliament (through the House of Commons Committee on Public Accounts) for:

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

3.9 The PAO is also responsible for ensuring that the financial and other management controls applied across the Welsh Government are appropriate and sufficient to safeguard public funds.

Accountabilities and Responsibilities of the Additional Accounting Officer

3.10 The PAO for the Welsh Ministers is assisted in their duties by the Director General for Public Services and Welsh Language whom they have designated as the Additional Accounting Officer (AAO) and to whom they have delegated responsibility for the Welsh Government Division within which CTER's Partnership Team sits.

3.11 The Director General, as the AAO, has a responsibility to support the PAO (and through the PAO to the Minister and the Senedd) in ensuring that:

- the financial and other management controls applied by the Welsh Government are appropriate and sufficient to safeguard public funds and, more generally, those being applied by CTER conform with the requirements both of propriety and of good financial management;
- there is an adequate statement of the financial relationship between the Welsh Government and CTER (i.e., this Framework Document) which is reviewed regularly; and the quality of the Welsh Government's relationship with CTER remains good; and
- the conditions attached to the resources and grant-in-aid awarded conform with the terms of the Budget, and arrangements are in place to monitor compliance with those conditions by CTER.

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

- address significant problems within CTER, making such interventions as are judged necessary;
- periodically conduct an assessment of the risks both to Welsh Government and CTER's objectives and activities;
- inform CTER of relevant government policy in a timely manner;
- monitor CTER's activities and its financial position through regular meetings and returns;
- bring to the attention of CTER's full Board any concerns about the activities of CTER requiring explanations and assurances that remedial action will be taken; and
- designate the Chief Executive of CTER as its Accounting Officer.

3.13 The AAO is also responsible for advising the Minister on:

- appropriate strategic objectives for CTER in the light of the wider strategic aims of the Welsh Government and key delivery and performance indicators;
- an appropriate budget for CTER in the light of the Welsh Government's overall spending priorities; and
- how well CTER is delivering against its Strategic Plan and whether it is delivering value for money.

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

Partnership Team

3.15 The AAO delegates responsibility for the day-to-day management of relations between the Welsh Government and CTER to the Deputy Director who heads the CTER Partnership Team within the Welsh Government.

3.16 The Deputy Director leads the Partnership Team within the Welsh Government and is to work closely with CTER's Chief Executive and be answerable to the AAO. They are also the primary source of advice to the Welsh Ministers on the discharge of their responsibilities in respect of CTER and support both the PAO and AAO in their responsibilities towards CTER.

3.17 The partnership arrangements will take into account the outcomes from the 2017 review *Delivering Together – Strengthening the Welsh Government's Sponsorship of arm's-length bodies*. [Appendix 4: table of recommendation - delivering together report \[HTML\] | GOV.WALES](#)

3.18 Specific responsibilities of the Partnership Team include:

- acting as the primary source of advice to the Minister and officials on CTER's governance and the discharge of its responsibilities as an arm's-length body;
- acting as a conduit between CTER and the Welsh Ministers on the delivery of tertiary education and research in Wales, enabling join up on policy priorities and ensuring that conversations between other areas of Government and providers involve CTER;
- managing the Welsh Government's relationship with CTER's Chair, CEO, and senior team, including providing a link between the CEO, Chair, and the Minister;
- engaging with CTER on whether its strategic plan is fit-for-purpose, achievable, and remains so;
- conducting appropriate and timely discussions with CTER on Ministerial priorities, forward planning, and related budget-setting;
- managing the approval process for CTER's strategic plan
- monitoring CTER's operational and financial performance against CTER's Strategic Plan, (developed in response to the Strategic Priorities), and advising Ministers as appropriate;
- ensuring the budgetary control and internal disciplines are satisfactory so CTER can live within its budget allocation and deliver its objectives;
- assessing and monitoring risks associated with delivery of CTER's Strategic Plan;
- overseeing arrangements for the appointment of the Chair and Members of CTER Board, in partnership with the Public Appointments Team in the Public Bodies Unit (PBU);
- monitoring compliance with any Welsh Government oversight, governance, and accountability requirements for CTER or for Welsh Government Sponsored Bodies.

3.19 Officials of the Partnership Team will liaise regularly with CTER officials to review CTER's financial performance against plans and the achievement against targets.

3.20 CTER should provide management accounts to the Partnership Team at least quarterly. Management accounts information should cover actuals and forecasts for income, expenditure, assets, liabilities, and equity.

3.21 The Partnership Team will also take the opportunity to inform and explain wider policy developments which might impact on CTER and will consider how CTER can contribute to policy development where appropriate.

3.22 Further information about the Partnership Team’s responsibilities can be found at **Annex A** (Partnership Function Model) and **Annex F** (Ways of Working protocol)

Public Bodies Unit

3.23 Public Bodies Unit (PBU) is charged with ensuring that all Welsh Government public bodies within its remit are subject to the relevant controls and given appropriate freedoms to manage their responsibilities. It also has specific responsibility, under the Chief Operating Officer of the Welsh Government, to ensure that:

- all newly created arm’s-length bodies have been set up properly and have the proper agreements and documents in place, such as this Framework Document;
- the appointment of Chief Executives and other senior staff by or to CTER, where these are regulated by the Commissioner for Public Appointments under the Public Appointments Order in Council, meet the requirements of the Governance Code or, where the Code does not apply, are in accordance with best practice;
- similarly, all appointments to non-executive posts meet either the requirements of the Code or, where it does not apply, best practice;
- all pay systems and proposals for annual pay settlements meet the requirements of the annual pay remit and wider Welsh Government policy, including the Real Living Wage, pay parity and other issues;
- additional requirements around remuneration and allowances for CTER staff are covered in TERA Schedule one, Section 10 (Chief Executive and other staff) para (6):

*“Except in relation to the first person appointed as Chief Executive under paragraph (1), the following are to be determined by CTER **with the approval of the Welsh Ministers-***

a) The terms and conditions of its staff (including remuneration and allowances)

b) The payment or provision for the payment of pension to or in respect of a member of its staff or a former member of its staff.”

- remuneration for non-executive Board members reflects the contribution made by them, while maintaining control on costs and reflecting the different responsibilities of different bodies.

3.24 PBU will consider any proposals relating to pension provision, compensation payments or redundancy schemes. All such schemes based on the Civil Service

Compensation Scheme will require approval from the Director of HR, Welsh Government, through PBU before any action is taken.

3.25 PBU will also provide advice and support to Partnership Teams on accountability and governance matters.

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

General

3.26 The Chief Executive as Accounting Officer (AO) is personally responsible for the proper stewardship of the public funds for which they have responsibility; for the day-to-day operations and management of CTER; and for ensuring compliance with the requirements of [Managing Welsh public money | GOV.WALES](#)

3.27 The AO may be assisted in the exercise of their role by CTER employees. The AO may delegate the day-to-day administration of their responsibilities to those employees but remains ultimately responsible and accountable under this Framework Document [and the Memorandum for the Accounting Officer].

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

3.29 Further detail on the specific responsibilities of the CTER AO, including their accountability to the Senedd, the Welsh Government and CTER's Board, are set out in the Memorandum "*Accountabilities and Responsibilities of the Chief Executive as Accounting Officer*" which the AAO will have sent to the AO. A model Memorandum is attached at **Annex E** for reference.

Responsibilities of the Chief Executive to the Welsh Ministers and to the CTER Board

3.30 The first CTER Chief Executive will be appointed by the Welsh Ministers for a term of up to four years. Subsequent appointments (or reappointments) of a person as Chief Executive will be made by the CTER Board, with the approval of the Welsh Ministers.

3.31 The Chief Executive is the Board's principal adviser on the discharge of its functions and is accountable to it. The Chief Executive's role is to provide operational leadership to CTER and ensure that the Board's aims and objectives are met, the body's functions are delivered, and targets met. The AO in an organisation should be supported by a Board structured in line with the [Corporate Governance Code for Central Government Departments](#)

Accountabilities to Senedd Cymru

3.32 CTER's Accounting Officer is accountable to the Senedd for the following:

- signing the accounts and ensuring that proper records are kept relating to the accounts;
- ensuring that the accounts are prepared and presented in accordance with any directions issued from the Welsh Ministers;
- signing a statement of Accounting Officer's responsibilities for inclusion in the annual report and accounts;
- signing the Governance Statement for inclusion in the Annual Report and Accounts;
- giving evidence, including attending hearings, on matters relating to CTER which arise before the Senedd's Public Accounts and Public Administration Committee, other Committees of the Senedd, the House of Commons Committee on Public Accounts or other Parliamentary Committees, to account for the CTER's stewardship of public resources; and
- acting upon any recommendations of those Committees which have been accepted by the Welsh Government.

Accountability to the Welsh Government

3.33 CTER's AO is accountable to the Welsh Government, through its Partnership Team, for the following:

- establishing, in agreement with the Partnership Team, CTER's corporate and operational plans, taking into account the contribution of CTER towards the Well-being of Future Generations goals;
- informing the Partnership Team of progress in helping to achieve the Welsh Government's policy objectives and demonstrating how resources are being used to achieve those objectives;
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Partnership Team; that the Team is notified promptly if overspends or under spends are likely and that corrective action is taken;
- ensuring that significant problems are notified to the Partnership Team as quickly as possible;
- employing the Well-being "ways of working;" and
- providing the Welsh Government with such information about its performance and expenditure as the Welsh Government may reasonably require.

Responsibilities in respect of CTER's Board

3.34 The Chief Executive is responsible for:

- advising the Board on the discharge of its responsibilities as set out in this document, relevant legislation, the Strategic Plan, the annual funding letter, or other communication to CTER, and any other guidance which may issue from time to time;
- advising the Board on CTER's performance against its aims and objectives;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions and that suitable financial appraisal techniques are followed;
- ensuring a system of good corporate governance and assurance throughout CTER in line with the principles of the [Corporate Governance Code for Central Government Departments](#)
- ensuring that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensuring that robust internal management and financial controls are introduced, maintained, and reviewed regularly - including measures to protect against fraud and theft (such measures to incorporate a comprehensive system of internal delegated authorities);
- establishing procedures for handling complaints about CTER, including appropriate procedures for whistleblowing complaints;
- developing and maintaining appropriate personnel management policies, all of which shall be readily available to all staff; and
- taking action as appropriate in accordance with the terms of the Accounting Officer Memorandum 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 or efficiency or effectiveness, is of questionable feasibility or is unethical.

3.35 Equality and fair work must be at the core of Welsh Government public service delivery and, as such, Welsh Government expects the bodies it funds to operate ethical standards of employment. The Chief Executive must ensure that pay arrangements in CTER are equal for all, appropriate, transparent, provide value for money and reward staff fairly for the work they perform.

3.36 The Chief Executive is responsible for proposals around staffing within CTER. CTER can determine staff terms and conditions (including remuneration and allowances) and pension provisions, and per TERA Schedule one, Section 10, these must be approved by the Welsh Ministers.

3.37 CTER must ensure that robust, appropriate, and fair job evaluation and recruitment practices are followed. Welsh Government should be notified of specific proposals for workforce changes, including redundancy arrangements, as set out in **Annex D**.

3.38 The Chief Executive is also responsible for ensuring remuneration aligns to Welsh Government public sector pay principles. All pay changes should be notified to the PBU – please see **Annex D** for details of notification procedures. Any proposals to make changes outside the pay principles must be agreed by Ministers.

The Chief Executive's role as Principal Officer for Ombudsman Cases

3.39 The Chief Executive is also the Principal Officer for handling cases involving the Public Service Ombudsman for Wales.

CTER's Board

The Board

4.1 The CTER Chair and Board members are appointed by the Minister. These are regulated appointments, which will be made in accordance with the Commissioner for Public Appointments' [Code of Practice](#).

The Board must act in an open and transparent way and must publish its membership, agendas, and minutes on its website.

Collective Responsibilities

4.2 The role of the Board is to:

- provide effective strategic leadership, defining and developing strategic direction and setting challenging objectives;
- promote high standards of public finance, upholding the principles of regularity, propriety, and value for money;
- ensure that CTER's activities are conducted efficiently and effectively and, in a manner, consistent with the "five ways of working" (as in the Well-being of Future Generation (Wales) Act 2015); and
- monitor performance to ensure that CTER fully meets its aims, objectives, and performance targets; and
- promote the Nolan principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

4.3 The Board is responsible for:

- establishing and taking forward CTER's strategic aims and objectives consistent with its overall purpose, the Well-being goals and within the policy and resources framework determined by the Minister;
- ensuring strategies are developed for meeting CTER's objectives in conjunction with the Welsh Ministers, and other relevant stakeholders, for example employees, customers, and funding providers;
- ensuring that the Minister and Partnership Team are kept informed fully of any changes likely to impact on CTER's strategic direction or on the attainability of its targets, and of steps needed to deal with such changes;
- ensuring compliance with any statutory or administrative requirements in respect of the use of public funds;

- ensuring that it operates within the limits of its statutory authority and any delegated authority agreed with the Welsh Government and in accordance with any other conditions relating to the use of public funds;
- ensuring that, in reaching decisions, it takes into account guidance issued by the Welsh Government;
- ensuring that it receives and reviews regularly financial information concerning the management of CTER;
- ensuring the Minister is informed in a timely manner about any concerns about CTER's activities, including activities which might affect the future level of resources required, and any policy or practice changes which may have wide financial implications;
- taking appropriate remedial action to address any such concerns or changes with wide financial implications and providing positive assurance to the Minister through the Partnership Team that appropriate remedial action has been taken to address any such concerns;
- appointing [with the prior approval of the Minister] a Chief Executive, in accordance with the delegations matrix set out at **Annex D**; As per paragraph 5.3 CTER's first Chief Executive will be appointed by the Minister.
- ensuring that CTER considers equality of opportunity when approving policies and making decisions; and
- ensuring that effective arrangements are in place to provide assurance on risk management, including information security, governance, internal audit, external audit, and internal control in accordance with applicable statutory and regulatory requirements and, where relevant, Codes of Practice or other guidance relevant to the sector.
- nominating an Executive Board member as the Senior Information Risk Owner (SIRO) with responsibility for ensuring that information assets and risks within the organisation are managed as a business process rather than as a technical issue. The SIRO will ensure that information risks which affect business objectives are highlighted to the Board and are addressed;
- adhering to the [Security Policy Framework](#) and adhering to the Government Function Security [Standard GovS 007: Security](#);
- arranging for the annual completion of the Departmental Security Health Check to be returned to the Welsh Government SIRO;
- ensuring independent certification of security arrangements to the Cyber Essential Plus and IASME standards.

4.4 To do this, the Board must ensure that effective arrangements are in place to provide assurance on risk management, governance, and internal control. It must establish an Audit and Risk Assurance Committee (“ARAC”) chaired by a non-executive member (but not the Chair) to provide it with independent advice. The Board must assure itself of the effectiveness of the internal control and risk management systems.

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

4.6 The Board may, to the extent permitted by TERA, delegate to staff responsibility for the administration of day-to-day management issues but it remains ultimately responsible and accountable for all those matters. CTER must maintain a list of matters which are reserved for decision by its Board as well as a scheme of delegation approved by the Board.

The Chair’s Personal Responsibilities

4.7 CTER’s Chair is accountable to the Minister and to the Board and may also be held to account by the Senedd. Communications between the Board and the Minister shall, in the normal course of business, be conducted through the Chair. The Chair shall ensure that other Board members are kept informed of all such communications.

4.8 The Chair is responsible for ensuring that the Board’s policies and actions support the Minister’s wider strategic policies and that CTER’s affairs are conducted with probity. Where appropriate the Chair must make arrangements to communicate and disseminate these policies and actions throughout CTER.

4.9 The Chair has a particular leadership responsibility regarding:

- formulating the Board’s strategies;
- ensuring that the Board, in reaching decisions, takes proper account of statutory and financial management requirements and all relevant guidance including guidance provided by the Welsh Ministers;
- promoting the economic, efficient, and effective use of staff and other resources;
- ensuring high standards of regularity and propriety; and
- representing the views of the Board to the public.

4.10 The Chair must also:

- ensure that all Board members are briefed fully on the terms of their appointment and on their duties, rights, and responsibilities;
- ensure that they, together with other Board members, receive appropriate training, including on the financial management and reporting requirements of public sector bodies and on the differences which might exist between private and public sector practice;
- ensure that the Board has an appropriate balance of skills and backgrounds that best reflect the diversity of Wales to direct CTER's business;
- advise the Minister on CTER's needs and how it might best reflect the diversity of Wales, when appointments to Board vacancies are being made;
- assess the performance of individual Board members in accordance with the arrangements agreed with the Welsh Government; and
- ensure that an appropriate Code of Conduct for Board members, including rules and guidance on Board members' interests and conflicts of interest, is in place and consistent with the Welsh Government model Code.

Individual Board Members' Responsibilities

4.11 In undertaking their duties and responsibilities Board members shall:

- comply at all times with CTER's Code of Conduct for Board Members, and with all applicable rules relating to the use of public funds and conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or political profit, nor seek to use the opportunity of public service to promote their private interests or those of persons or organisations with whom they have a relationship;
- comply with CTER's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act always in good faith and in the best interests of CTER.

Welsh Government Attendance at Board Meetings

4.12 Although they should not routinely attend, the Welsh Ministers reserve the right for their officials to attend CTER's Board meetings in an advisory and/or observer capacity. The Board may also invite them to attend to provide particular advice or information.

4.13 CTER must provide its Partnership Team with advance agendas and papers for Board meetings to allow it to consider whether officials wish to attend and contribute to discussions. Papers should be provided to the Welsh Government at the same time as they are provided to Board members. CTER should also highlight to the Partnership Team any novel, contentious, repercussive, or difficult issues to be addressed at the Board meeting.

4.14 For the avoidance of doubt, Welsh Government officials will play no part in the decision-making process of the Board. A formal agreement detailing the role of Welsh Government officials attending Board meetings will be developed by the Partnership Team in accordance with WG guidance and in discussion with CTER.

5. CTER's Board selection

Ordinary Board members

5.1 CTER will have a Board and an Executive and will consist of a maximum of seventeen members comprising a Chair, Deputy Chair (who will be the Chair of the Research and Innovation Committee), the Chief Executive and up to fourteen ordinary members.

5.2 For CTER to be formally constituted, there will be at least seven members, including the Chair, Deputy Chair, Chief Executive and at least four ordinary members.

5.3 The Welsh Minister will be responsible for appointing the Chair, Deputy Chair, and ordinary Board members and the appointment of the first Chief Executive. Subsequent appointments to the Chief Executive role will be made by CTER's Board, with the approval of the Welsh Ministers.

5.4 The Chair, Deputy Chair and ordinary members will be appointed through a public appointments exercise. Appointments will be regulated by the Commissioner for Public Appointments and follow the Code of Governance on Public Appointments.

5.5 CTER's Board will be recruited and selected based upon their skills, knowledge, and experience, rather than to represent a particular sector.

5.6 In appointing the Chair and ordinary members of the Board, the Welsh Ministers must have regard to the desirability of CTER's members, between them, having experience of, and showing capability in:

- the provision of education or training;
- the carrying out or administration of research;
- industrial, commercial, or financial matters or the practice of any profession;
- promoting the needs of learners in tertiary education; and
- the provision of education or training through the medium of Welsh or the promotion of such education and training.

5.7 In appointing the Chair and ordinary members of the Board, the Welsh Ministers will also consider the way the Board represents the diversity of Wales as set out in [Reflecting Wales in Running Wales - Diversity and Inclusion Strategy for Public Appointments in Wales \(2020-2023\)](#) and its successors.

5.8 Advice on the remuneration for these posts is provided by the PBU using the Welsh Government Remuneration Guidance. It advises on the level of the body and has assessed CTER as Level 4 which determines the pay scales for these roles.

5.9 The Board will have responsibility for setting the Strategic Plan for CTER, the delivery of the Strategic Plan and statutory functions, for the achievement of corporate objectives, and for the financial stewardship and performance management of the Chief Executive Officer (CEO) and of CTER.

5.10 The Welsh Ministers may, in pursuance of paragraph 3(9) and (1) of Schedule 1 to TERA suspend and or remove the Chair, Deputy Chair, and ordinary members from CTER if the Ministers are satisfied that the person or persons are unable or unfit to conduct the functions of office or are failing to do so.

5.11 In addition to the Ordinary Board members referred to above, the Board will also include **associate members**, who will be non-voting members of CTER.

Associate Board Members

5.12 There will be at least four associate members, which will include:

- at least two tertiary education workforce representatives, **one to represent the academic workforce**, and **one to represent the non-academic workforce**, both of whom will be appointed by the Welsh Ministers.
- one **CTER staff member**; appointed by the Board's Staff Member Appointment Committee(section 6.4 below refers); and
- at least one person appointed by the Welsh Ministers to **represent learners** in tertiary education.

5.13 It is expected that CTER will formally recognise one or more of the trade unions representing its staff, and under the Social Partnership model, it is expected that CTER will recognise formally representatives of those Trade Union(s). One of the criteria for the staff associate member is that they are a member of a Trade Union recognised by CTER.

Tertiary Education workforce representatives:

5.14 TERA requires Welsh Ministers to (having consulted with CTER and such other persons as the Welsh Ministers consider appropriate) publish a list of Trade Unions for the purpose of appointing the Associate workforce members to represent the academic tertiary education workforce and the non-academic tertiary education workforce.

5.15 Where either or both of the Associate workforce member positions are not filled, Welsh Ministers must invite each of the listed Trade Unions to nominate eligible candidates and will specify the period within which a nomination can be made.

5.16 The Welsh Ministers must appoint at least one person from among eligible candidates:

- A person will be an eligible candidate for appointment as an associate workforce member to represent **academic tertiary education workforce** if the person is:
 - Employed by a person who provides tertiary education in Wales, and
 - A member of a listed Trade Union.
- A person will be an eligible candidate for appointment as an associate workforce member to represent the **non-academic tertiary education workforce** if the person is:
 - Employed by a person who provides tertiary education in Wales and
 - A member of a listed Trade Union.

Learner Representative:

5.17 TERA requires Welsh Ministers to (having consulted with CTER and such other persons as the Welsh Ministers consider appropriate) publish a list of one or more bodies appearing to them to represent the interests of learners undertaking tertiary education in Wales.

5.18 Where no one holds the position of Associate learner member, Welsh Ministers must invite each of the listed bodies to nominate an eligible candidate for appointment as the associate learner member and will specify the period within which a nomination can be made.

5.19 The Welsh Ministers must appoint a person from among the eligible candidates as the associate learner member.

5.20 A person is an eligible candidate for appointment as an associate learner member if:

- The person has been a learner undertaking tertiary education at any time during the period of three years ending on the day of the appointment; and
- The person holds an office or any form of membership of a body on the published list.

Staff Representative:

5.21 TERA required CTER to establish a Committee composed of the Chair and the ordinary members to be the Staff Member Appointment Committee. Where CTER has recognised one or more Trades Unions and the Associate staff member position is vacant, the Committee must invite each of those Trade Unions to

nominate an eligible candidate for appointment as the CTER Associate staff member and will specify the period within which a nomination can be made.

5.22 The Staff Member Appointment Committee will appoint a person from among the eligible candidates nominated to be the CTER Associate staff member.

5.33 A person is an eligible candidate for appointment as the CTER Associate staff member if the person is:

- employed by CTER; and
- a member of a Trade Union recognised by CTER.

Committees

5.24 TERA requires CTER to establish **three statutory committees**:

- a Research and Innovation Committee;
- a Quality Committee; and
- a Staff Member Appointment Committee.

Research and Innovation Committee:

5.25 The Research and Innovation Committee will advise CTER on matters relating to research and innovation and is intended to help ensure CTER acts as a champion for Welsh research at the UK and global level.

5.26 The Deputy Chair of CTER will be the Chair of the Research and Innovation Committee. The remaining size, membership, and terms of reference of the Research and Innovation Committee will be determined by CTER.

Quality Committee:

5.27 The Quality Committee will advise CTER on the quality of all tertiary education funded, or otherwise secured, by CTER. It will also consider matters of policy related to those functions. One of the ordinary members of CTER must be appointed as the Chair of the Quality Committee. The size, membership, and terms of reference of the Quality Committee will be determined by CTER.

Staff Member Appointment Committee:

5.28 CTER must create a Staff Member Appointment Committee for the purpose of appointing a staff member to become the CTER Associate staff member. The Committee will be composed of the Chair and the ordinary members.

5.29 As the term of the associate staff member can be for up to four years, this Committee will potentially only meet once every three to four years.

Other Committees:

5.30 In line with Welsh Government requirements for sponsored bodies, CTER must establish an **Audit and Risk Assurance Committee** to advise its AO and the

Board on the adequacy of arrangements within the organisation for internal audit, assurance, external audit, and corporate governance matters.

5.31 In establishing its Audit and Risk Assurance Committee, CTER should refer to the guidance set out in the [Audit Committee Handbook](#). The Audit and Risk Assurance Committee will report, and be accountable, to the Board as a sub-Committee of that Board and will be Chaired by a Non-Executive Ordinary Member of the Board, but not its Chair.

5.32 CTER can establish other committees, joint committees, and sub-committees to provide the flexibility it needs to deliver its remit. CTER may dissolve any non-statutory Committee or sub-Committee it establishes (other than the Audit and Risk Assurance Committee). CTER may also establish joint committees with other bodies in connection with joint functions.

5.33 CTER may pay remuneration and allowances to any person who is a member of a committee or sub-Committee if they are not a member of CTER or a member of staff.

5.34 All committees will report to and be accountable to CTER's Board.

5.35 Remuneration and allowances for Committee members (who aren't members of CTER or staff) must be discussed with the Partnership Team initially. The Partnership Team will liaise with PBU and will advise the Minister as to whether the suggested rates are acceptable.

Delegation of Functions

5.36 CTER can delegate any of its functions to:

- individual member or members of CTER's Board or members of its staff;
- the Research and Innovation Committee, the Quality Committee or other Committee or subcommittee established by CTER; or
- a joint committee.

5.37 The delegation of a function does not affect:

- CTER's ability to exercise the function; or
- CTER's responsibility for the exercise of the function.

5.38 CTER will prepare a scheme of delegation and will maintain a list of non-delegated functions.

6. Accounting and Reporting Requirements

Statutory Accounting and Reporting

6.1 The statutory accounting and reporting requirements are set out in paragraphs 15 and 16 of Schedule 1 to TERA.

Annual Report and Accounts

6.2 CTER must prepare an Annual Report and an Annual Statement of Accounts, including a Governance Statement in accordance with the Accounts Direction issued by the Welsh Ministers under paragraph 15 of Schedule 1 to TERA, (see above) and the [Government Financial Reporting Manual](#)

6.3 To support the preparation of accounts, registers of the following are required to be maintained:

- Gifts received and given;
- Hospitality received and offered; and
- Losses and special payments as described in [Managing Welsh public money | GOV.WALES](#)

These registers enable the disclosure requirements set out in the Government Financial Reporting Manual and *Managing Welsh Public Money* to be met.

6.4 The Annual Report and Accounts document must also:

- outline CTER's main activities and performance during the previous financial year;
- report on performance against key performance indicators and other deliverables; and
- report on the activities of any corporate bodies under its control.

Presentation of the Annual Report and Statement of Accounts

6.5 As soon as the audit of the accounts is complete, CTER must liaise with the Auditor General for Wales ("AGW") and the Partnership Team regarding the precise timetable for laying and publication of the Annual Report and Accounts.

6.6 CTER must submit the signed accounts, together with a letter of representation, to the AGW. Two (2) copies of the signed accounts must also be forwarded to the Partnership Team in electronic copy.

6.7 The AGW must lay the audited accounts before the Senedd as required by the TERA.

6.8 CTER will also be required to provide certain accounts information for the Whole of Government Accounts process, and to allow assessment of whether CTER falls within the accounting boundary for the Welsh Government Consolidated Accounts. Timing and scope of information required is annually communicated by the Welsh Government Finance function through the Welsh Government Sponsored Bodies' Heads of Resources network. Management accounts information must be provided to the Partnership Team at least quarterly.

6.9 Where the body falls within the accounting boundary for the Welsh Government Consolidated Accounts, draft accounts must be provided to the Welsh Government Finance function in a timely manner, with timeframes agreed during the financial year. Subsequently, the audited accounts and ISA 260 report must be provided to the Welsh Government Finance function. Where there is a misalignment between the accounting policies of the body and the accounting policies of Welsh Government, a summary of the impact of the misalignment should be provided. Where requested by the Welsh Government Finance function, confirmations for specific Government Financial Reporting Manual disclosures should be provided.

Annual Report

6.10 As soon as possible after the end of each financial year, CTER shall submit a report of its activities to the Minister. The precise format of the published annual report will be discussed with the Partnership Team.

6.11 Schedule 1 to TERA requires the annual report to include details of:

- how it has exercised its functions during the year;
- its progress towards its objectives as set out in the Strategic Plan, developed in response to the strategic duties and the Statement of Priorities;
- the extent to which tertiary education has been provided through the medium of Welsh;
- the extent to which Welsh was taught to persons above compulsory school age in Wales;
- the financial health and sustainability of tertiary education providers;
- the funding for research and innovation;
- an assessment of quality of regulated tertiary education;
- details of how designated bodies have performed;
- an assessment of learner protection plans, and
- the effectiveness of the learner engagement code.

The Annual Report should also show how CTER has:

- delivered on the objectives set for it by the Minister; and
- used the five ways of working set out in the Well-being of Future Generations Act (Wales) 2015 and the progress it has made in contributing to the seven well-being goals.

6.12 Following submission to the Minister, CTER should publish its report to permit the Senedd, other clients and the public to judge its success in meeting its targets.

7. Audit Arrangements

Internal Audit

Audit and Risk Assurance Committee

7.1 CTER must establish an Audit and Risk Assurance Committee (“ARAC”) of its Board to advise its Accounting Officer and the Board on the adequacy of arrangements within the organisation for internal and external audit and corporate governance matters. In establishing its ARAC, CTER should refer to the guidance set out in the UK Government [Audit and Risk Assurance Committee Handbook](#). ARAC will report, and be accountable, to the Board as a sub-Committee of that Board and will be Chaired by an Ordinary Member of the Board (not the Chair), with a wholly non-executive membership. ARAC shall share copies of the minutes of its meetings with the Welsh Government. Welsh Government officials also have a right to attend any meeting of ARAC if circumstances require it, as explained in paragraphs 4.12 (Welsh Government Attendance at Board Meetings) and 7.8 (Welsh Government Right of Access).

7.2 CTER must:

- establish and maintain arrangements for internal audit in accordance with the objectives, standards and practices described in HM Treasury’s Public Sector Internal Audit Standards;
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- if the function is provided in-house, ensure that arrangements are made for external quality reviews of its internal audit at least once every five (5) years and in accordance with Public Sector Internal Audit Standards. The Welsh Government shall consider whether it can rely on these reviews to provide assurance on the quality of CTER’s internal audit;
- following approval by CTER's Accounting Officer and its Audit and Risk Assurance Committee submit the audit strategy, periodic audit plans and annual audit report, including the Head of the Internal Audit Service’s opinion on risk management, control, and governance, to the Welsh Government; and
- notify the Welsh Government as soon as possible of any changes to the terms of reference of its Internal Audit arrangements and/or its Audit and Risk Assurance Committee.

7.3 The Welsh Government shall:

- in accordance with agreed oversight arrangements, assess the effectiveness of CTER's internal audit arrangements by scrutiny of its plans for future activity, reports on past activity and its annual assurance report (as prepared by CTER's Head of the Internal Audit Service, giving their opinion its risk management, control, and governance); and
- have a right of access to all documents prepared by CTER's internal auditor, including where the service is contracted out.

7.4 The Audit and Risk Assurance Committee shall be Chaired by an Ordinary Board Member (but not the Chair) who should have recent and relevant financial experience and a professional qualification from an accounting body.

External Audit

7.5 The Auditor General for Wales (AGW) is the body's [statutory] external auditor appointed per TERA Schedule 1 section 15 (4). The AGW's statutory rights of access to documents and information are set out in that Act.

7.6 The AGW may carry out examinations into the economy, efficiency, and effectiveness with which CTER has used its resources in discharging its functions and may make recommendations for improving economy, efficiency, and effectiveness in the discharge of functions of bodies, including CTER, and other studies relating to the provision of services. For the purposes of these examinations, as well as the statutory financial audit, the AGW has a statutory right of access to documents and information held by relevant persons.

7.7 CTER shall provide, in conditions to grants and contracts, for the AGW to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the AGW to any other documents required by the AGW which are held by other bodies.

Welsh Government Right of Access

7.8 CTER must, without charge, permit any officer or officers of the Welsh Government at any reasonable time and on reasonable notice being given to CTER (in exceptional circumstances, such as the prevention or detection of fraud, it may not be practicable to provide CTER with reasonable notice) to visit its premises and/or to inspect any of its activities and/or to examine and take copies of its books of account and any such other documents or records howsoever stored as in such officer's reasonable view may relate in any way to its use of the funding provided. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, the Auditor General for Wales, [or the European Commission] or any officer, servant, or agent of any of the above, as appropriate.

8. Management Arrangements

Principles

8.1 CTER shall at all times follow the principles, rules, guidance and advice in [Managing Welsh public money | GOV.WALES](#) and this Framework Document, referring any difficulties or potential bids for exceptions to the requirements of this Framework Document to the Partnership Team in the first instance. If a departure is required to the Framework Document, this must be agreed in writing by the Welsh Government. A list of the guidance and instructions with which CTER must comply is at **Annex C**.

8.2 From time to time, the Welsh Government will request certain information and data from CTER. Advice and guidance which public bodies need to take account of may also be issued by the Welsh Government Permanent Secretary and PBU, as well as HM Treasury.

8.3 CTER must ensure always that its relationship with the Welsh Government is recognised appropriately through the use of the Welsh Government's brand mark.

8.4 In pursuit of its aims CTER shall work closely with other organisations in Wales including the private sector, local authorities, other public sector bodies and the voluntary sector reflecting the commitments in the Welsh Ministers' partnership agreements with the voluntary, business, and local government sectors.

Staffing

Recruitment, retention, and management of staff

8.5 Within the arrangements approved by the Minister CTER is responsible for the recruitment, retention, and motivation of staff subject to the following general requirements:

- in the recruitment, management and progression of staff CTER will follow the principles of regularity and propriety in expending resources as set out in [Managing Welsh public money | GOV.WALES](#), in particular, Chapter 4 which deals with internal management and government structures; CTER may determine its own structure with the exception of:
- the creation or re-grading of any senior management post which reports directly to the Chief Executive;
- any proposal to create a new post at, or to re-grade a post to, a level which is not already represented in the staff structure; or
- any proposal to re-grade all posts at a particular grade.

- CTER may vary the total number of staff employed to reflect changes in the scale of its operations or functions. The associated pay and related costs must be adjusted accordingly and reflected within the Management Running Cost total unless otherwise notified to the Welsh Government through its Partnership Team;
- subject to its delegated levels of authority, CTER must ensure that the creation of any additional posts does not incur forward commitments which shall exceed its ability to fund them;
- staff management and development policies will be in place which reflect arrangements for staff appraisal and performance management including training and development to encourage staff to obtain relevant professional, managerial and any other skills and behaviours necessary to carry out their roles;
- CTER will have in place a Code of Conduct for its staff, consistent with the Model Code of Conduct issued by the Welsh Government;
- CTER will have in place appropriate grievance and disciplinary procedures and appropriate arrangements to handle any staff concerns there may be regarding impropriety;
- it will work with its recognised trade unions and will follow the principles of Social Partnership as set out by the Welsh Government; and
- meaningful consultation with its recognised trade union(s) or (where there is no recognised trade union) other representatives of its staff will be undertaken on matters which affect them.

8.6 PBU will issue guidance and remits on pay and related issues from time to time. Any queries should be raised with PBU and the Partnership Team when needed.

Pay and Conditions of Service

8.7 All staff of CTER shall be subject to overall levels of remuneration and terms and conditions of service (including superannuation) as have been approved by the Minister. Any changes to those terms and conditions, including levels of remuneration, must be authorised by the Minister following the agreement of the Partnership Team and PBU.

8.8 All arrangements for negotiating pay and associated matters must reflect the Welsh Government's policy of Social Partnership [and CTER shall recognise all

trade unions which represent staff it employs]. CTER shall also ensure that all its employees are paid no less than the Real Living Wage¹ as it applies to Wales.

8.9 CTER has no delegated powers to amend its overall terms and conditions. However, CTER may vary individual contracts of employment without the prior agreement of the Minister provided that any changes are within the overall framework of the terms and conditions approved by the Minister. In cases of doubt, CTER should approach the Welsh Government through PBU and its Partnership Team.

8.10 Terms and conditions for staff of CTER are set out in its documentation. Copies of the relevant documentation must be provided to the Welsh Government upon request and after amendment.

Pay Remits

8.11 CTER shall present to the Partnership Team and PBU a detailed case for its proposed annual pay remit which will require approval by the Welsh Ministers. The pay remit shall be in the format specified by the Welsh Government; it will need to reflect the latest Welsh Government ALB Pay Guidance, be fully costed and shown to be affordable in the period covered by the pay remit and future years. CTER is expected to operate a system which provides staff with equality of opportunity for progression. PBU, on behalf of the Director of HR at the Welsh Government, oversees all pay and remuneration issues for Welsh Government public bodies and must be advised of all proposals affecting the pay of public body staff. HM Treasury has overall responsibility for public sector pay policy and for ensuring that pay awards are consistent with the UK Government's overall objectives.

8.12 The Welsh Ministers have also committed to delivering greater coherence in the pay systems of the various devolved public bodies. Where CTER has set out pay scales for its staff, the minimum point of each scale should be no less than the minimum point of the equivalent grade in the Welsh Government. Advice on equivalence may be sought from PBU.

8.13 The Welsh Government must be satisfied that all pay arrangements have been subject to an equal pay audit and, in addition, will require evidence from time to time that independent quality assurance arrangements which meet this requirement have been carried out.

8.14 CTER will need to take account of the HM Treasury publication of May 2012, "*Review of the Tax Arrangements of Public Sector Employees*". This Guidance confirms the need for all staff to be paid through payroll arrangements. Other arrangements where staff (and, in particular, senior staff earning in excess of

¹ The Real Living Wage is calculated by the Resolution Foundation and overseen by the Living Wage Commission, based on the best available evidence about living standards the UK. The basket of goods draws on the Minimum Income Standard to identify everyday living costs through public consensus. <https://www.livingwage.org.uk>

£58,200 per annum) are paid through intermediaries including agencies, employment businesses and personal service companies are not acceptable. CTER will need to make sufficient enquiries to assure itself that secondees are on the payroll of the seconding organisation rather than using an intermediary arrangement.

Staff Benefits and Non-Pay Rewards

8.15 In considering gifts or non-pay rewards to staff or Board members CTER must take a view on whether such a course of action represents an appropriate use of public money. In devising staff benefits or non-pay reward schemes CTER must pay attention to HM Treasury's "*Regularity, Propriety and Value for Money*" and the Welsh Government's [Managing Welsh public money | GOV.WALES](#) .

Pensions and PAYE

8.16 Eligible staff employed by CTER will be enrolled automatically onto its approved occupational pension scheme in accordance with the Workplace Pension Reforms set out in the Pensions Act 2008 and the Occupational and Personal Pension Schemes (Automatic Enrolment) (Amendment) Regulations 2012. Details as to the number of staff opting out of the occupational pension scheme after being automatically enrolled may be required from time to time by the Welsh Government.

8.17 Since April 2013, employers have been legally required to report PAYE in real time. Employers and pension providers must inform HM Revenue and Customs (HMRC) about tax, national insurance contributions and other deductions when or before the payments are made, instead of waiting until after the end of the financial year.

8.18 All queries about possible changes to pension arrangements by CTER should be raised with the PBU. Where necessary, it will contact UK government colleagues on behalf of CTER where there are wider issues on, for example, access to civil service pension schemes.

Redundancy, Severance, and Compensation

8.19 Any redundancy payments or payments of other compensation for loss of office must be made in accordance with a scheme approved by the HR Director, Welsh Government, through PBU and the Partnership Team. Any proposal to make payments outside of an approved scheme will require prior written approval from the HR Director. Proposals on severance must comply with the rules set out in Chapter 4 of [Managing Welsh public money | GOV.WALES](#). Any re-employment of staff following redundancy/severance compensation must be agreed by the HR Director, Welsh Government through PBU prior to any discussion with the person concerned. The overriding principle is that any member of staff compensated for loss of office/employment will not be re-employed by CTER during the notional period to which any payment equates.

9. Planning Framework

Remit Letters

9.1 At the start of the Government term, or when practicable, the Minister will issue CTER with a remit letter setting out the strategic objectives agreed. This arrangement will remain in force for the lifetime of the administration (term of Government), although the remit may be amended on written notice if, for instance, Ministerial priorities change.

9.2 For CTER, the remit letter is termed the **Statement of Priorities**. A statutory duty has been imposed on the Welsh Ministers by TERA to prepare and publish a Statement of Priorities, setting out the long-term overarching policy and strategic direction for the tertiary education sector and research and innovation in Wales. A related duty has been imposed on CTER to prepare a Strategic Plan, taking into account the Statement of Priorities

9.3 TERA sets out **eleven strategic duties under which CTER is required to exercise its functions.**



9.4 These duties frame the strategic direction and focus of CTER and support the delivery of its functions, providing clarity as to its purpose and overarching remit.

9.5 The Statement of Priorities, the strategic duties and Strategic Plan form a strategic planning framework which guides CTER's investment in tertiary education and research and enables CTER to discharge the full range of its functions in support of the priorities set out in the Welsh Ministers' Statement of Priorities.

9.6 This strategic framework provides a clear and public 'line of sight' between the Welsh Government's priorities, and how CTER envisages providers contributing towards them.

Statement of Priorities

9.7 Section 13 of TERA requires Welsh Ministers to publish a Statement of Priorities, for and in connection with, tertiary education and research and innovation. The Minister may amend or revise the Statement at any time, including by replacing it entirely. Whilst there is flexibility for the priorities to be amended, revisions are not expected to be radical in nature unless there is a change in government resulting in a change of direction. The Ministers must publish any amendments made to the statement.

9.8 CTER may suggest additional priorities for the Welsh Ministers to consider.

9.9 The Statement of Priorities will set the long-term overarching policy direction for tertiary education and research and innovation in Wales.

9.10 Whilst TERA does not stipulate the timing for the issue of the Ministerial Statement of Priorities, once CTER is fully operational, it is anticipated that they will usually be based on a five-year term of government, reflecting the Welsh Government's expectations of business planning. However, the initial Statement will need to be issued in the middle of the current government's programme, as well as reflect transitional arrangements, meaning the timescale for this is likely to be different. The Priorities contained within any Statement will guide the way in which CTER exercises its functions and, therefore, guide its allocation of funding."

Strategic Plan

9.11 CTER must prepare a Strategic Plan setting out how it intends to:

- a) discharge its strategic duties [shown above]; and
- b) address the priorities in the Welsh Ministers' Statement of Priorities.

Consulting on the Strategic Plan:

9.12 In preparing the plan, CTER must **consult such persons as it considers appropriate**. It is anticipated this will likely include tertiary education providers, learners, Trade Unions, and bodies representing education providers and learners in

Wales. This gives stakeholders the opportunity to contribute to the planning process and raise any concerns.

Approving the Strategic Plan:

9.13 Ordinarily, CTER must send a Strategic Plan to the Welsh Ministers for approval **within six months*** of publication of the Statement of Priorities. The Minister may:

- a) approve the plan; or
- b) approve the plan with modifications.

9.14 Where the Minister proposes to modify the plan, they must seek CTER's agreement to each proposed modification before they modify the plan.

9.15 If the Minister approves a plan containing a modification not agreed by CTER,

- a) the Minister must give reasons for that modification to CTER; and
- b) CTER must publish the reasons given by the Welsh Ministers when it publishes its approved Strategic Plan.

9.16 *The first [Statement of priorities](#) was published on 28th February 2024. CTER will have until December 2024 to respond with its first Strategic Plan.

Publishing the Strategic Plan:

9.17 CTER must publish its approved Strategic Plan, thereby making it accessible to all relevant stakeholders. CTER will be required to publish its statement about well-being objectives under section 7 of the **Well-being of Future Generations (Wales) Act 2015** and may include this in the approved strategic plan. This should include setting out how it will use the five ways of working set out in the Act and how it will contribute to achieving the seven wellbeing goals.

Implementing the Strategic Plan:

9.18 CTER must take all reasonable steps to implement its approved Strategic Plan.

Reviewing the Strategic Plan:

9.19 If Welsh Ministers review their Statement of Priorities after CTER has published its approved Strategic Plan, CTER must review its plan.

9.20 CTER may review its Strategic Plan at any other time and must follow the same guidance as when it initially prepared the plan, setting out how it will discharge its strategic duties, and how it will address the Welsh Ministers' priorities, consulting as appropriate.

9.21 CTER must send its revised Strategic Plan to the Welsh Ministers for their approval:

- a) where the revision is a result of the Welsh Ministers amending their Statement of Priorities, the revised Strategic Plan must be sent within a period of six months of the statement being published; or
- b) where the revision is for any other reason, the revised plan should be sent as soon as reasonably practicable.

9.22 At the end of the term of Government, the Strategic Plan is to roll forward until the new Government has set its strategic agenda.

9.23 The Minister shall issue a funding letter as soon as possible, and normally no later than one month, after the Senedd has approved the final budget. This shall set out all relevant funding arrangements and shall include the voted grant-in-aid figure and resource budget, broken down to budget control totals.

Operational Plans

9.24 Each financial year, in light of the decisions by the Welsh Ministers on the allocation of budgets for the forthcoming financial year, the Minister is to send to CTER a formal statement of its budgetary provision in accordance with the paragraph above.

9.25 In response to this, CTER shall prepare an annual operational plan setting out the level of service to be achieved in key areas and the performance and output information required to monitor progress. The operational plan will be informed by the Strategic Plan and the confirmed level of funding available. It is for the Board to determine the precise content of this plan. However, should the Minister or CTER wish it, Ministerial approval of the operational plan may be sought via the Partnership Team.

9.26 The operational plan must reflect the principles of the Well-being of Future Generations (Wales) Act 2015, and CTER must set out how it will use the five ways of working set out in the Act and how it will contribute to achieving the seven wellbeing goals. The Net Carbon Zero example (set out below) is a good illustration of the kind of inputs and outcomes required.

Net Zero – Climate Emergency

It is imperative that all public bodies play their full part in our drive toward a net zero carbon Wales. As our recent Plan, *Net Zero Wales Carbon Budget 2 (2021 to 2025)* (<https://gov.wales/sites/default/files/publications/2021-10/net-zero-wales-carbon-budget-2-2021-25.pdf>) and the Committee on Climate Change risk assessment (<https://www.ukclimaterisk.org/wp-content/uploads/2021/06/CCRA-Evidence-Report-Wales-Summary-Final.pdf>) make clear, the Climate Emergency (<https://gov.wales/welsh-government-makes-climate-emergency-declaration>) and the risks arising from it are very real and pressing. Action is needed now to remove carbon from our systems and to respond to the challenge of adapting to a change in climate as we see the inevitable consequences of a change in global temperatures.

In March 2021, the Senedd put the 2050 Net Zero pathway (<https://gov.wales/climate-change-targets-and-carbon-budgets>) into legislation whilst *Net Zero Wales* has reconfirmed the ambition to achieve a collective carbon net zero public sector by 2030. In response, the body is expected to play its full role by requiring changes to its business behaviours and practices to create a just and sustained reduction in its consumption of carbon leading to a net zero position. When doing so, it is expected that the body:

- Places climate change at the centre of all decision-making, large and small, to ensure we are both squeezing carbon emissions from every policy, operation, and area of influence, and ensuring decisions take account of and adapt to the changing climate we see today and will in the future.

Uses the *Net Zero Carbon Status by 2030: A Route Map for Decarbonisation Across the Welsh Public Sector*

(<https://gov.wales/sites/default/files/publications/2021-07/a-route-map-for-decarbonisation-across-the-welsh-public-sector.pdf>) to develop a plan and report on your actions to reduce emissions and move to carbon neutral operations by 2030. This may be in the form of an annual report on progress against a published action plan or a separate document.

- Follows the *Public sector net zero reporting guide* (https://gov.wales/sites/default/files/publications/2021-05/welsh-public-sector-net-zero-reporting-guide_1.pdf) to report estimate baseline emissions (annually to Welsh Government), identify priority sources and to monitor progress towards meeting the target collective ambition of a carbon neutral public sector by 2030.
- Demonstrates the steps you are taking to plan for the impacts of the changing climate. Climate risk considerations should be embedded into governance arrangements, policies, and decision-making, taking account of the best available evidence on climate risk and resilience planning.

Adopts practices and behaviour which will set the standard, act as an exemplar, and positively enable change to achieve a net zero carbon society in Wales. This is in recognition of the public sectors unique position to influence emissions far wider than its own, relatively small but important direct emissions, in areas such as services, transport, energy and land use.

9.27 The planning process can be summarised as:



Publication of Plans

9.28 CTER is to ensure both the Strategic and operational plans are made available to the public.

Budget Planning

9.29 The Welsh Government's budget planning arrangements are governed by the requirements of the Government of Wales Act 2006 and the Standing Orders of the Senedd.

9.30 CTER must work with the Partnership Team to ensure that together they achieve an effective and affordable funding settlement for the sector, linking to the delivery of Welsh Government priorities. This will involve providing all necessary assistance and information to the Welsh Government to take forward its budget planning decisions.

9.31 The Minister will confirm both the net revenue and capital resource budgets and amount of grant-in-aid (cash) funding to be provided to CTER for the next financial year. As part of the net resource budget allocation, the Minister will also confirm the level of income which may be retained by CTER to fund activity in the financial year. This will normally be no later than one month after the final budget has been agreed by the Senedd. Any funding for the year in question must be authorised by the Senedd in the Annual Budget Motion.

9.32 Where possible, the Minister will also provide indicative resource revenue and capital budgets for subsequent years to inform budget planning. However, details of budgets for indicative years can decrease or increase according to Government

priorities, changes to Ministerial portfolios, budget fluctuations and/or concerns about CTER's efficiency and/or effectiveness. CTER may be required to model different options for activity dependent on the funding available.

9.33 When setting resource revenue and capital budgets and grant-in-aid (cash) requirements, consideration will be given to the levels of reserves (if any) held by CTER and income expected from other sources.

10. Performance Management

Performance

10.1 CTER must operate management, information and accounting systems which enable it to review in a timely and effective manner its financial and non-financial performance against its objectives. It must inform the Partnership Team of any changes which effect the achievement of objectives.

10.2 In accordance with the oversight arrangements agreed with the Partnership Team CTER must share key assurance documents, KPIs, details of actual and forecast expenditure, and other agreed monitoring information with the team at agreed intervals to demonstrate that milestones and targets are being achieved, and that KPIs are within acceptable levels.

10.3 The Chair will also meet the Welsh Ministers quarterly to discuss progress.

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

Exception Reporting

10.5 CTER must notify the Welsh Government as soon as it becomes apparent that:

- the full-year resource expenditure is likely to exceed its approved budget in any of the budget control totals; or
- it is likely to under spend by more than the equivalent of 3 per cent of its total grant-in-aid cash award.

10.6 It shall also provide:

- an annual report of losses written-off and special payments made or sanctioned during the previous twelve months;
- an annual report outlining all cases of fraud and theft to which it has been exposed.

Subsidiary Companies and Joint Ventures

10.7 CTER shall not establish subsidiary companies or joint ventures which involve setting up special purpose vehicles – such as companies, partnerships or any other structure with legal identity and liability – without securing the prior written approval of the Partnership Team.

10.8 Any subsidiary company or joint venture controlled or owned by CTER shall be consolidated with it as required by accounting standards and, unless agreed

otherwise by the Partnership Team, shall be subject to the controls and requirements set out in this document, and to any such other further provisions set out in pertinent guidance and instructions.

11. Funding CTER

Funding conditions

11.1 The Welsh Ministers will fund CTER and attach terms and conditions to that funding. Part 3 of TERA details terms and conditions relating to funding and to protect institutional autonomy and academic freedom, also provides for certain limitations on the terms and conditions that may be applied by the Welsh Ministers:

- whilst the Welsh Ministers will be able to apply terms and conditions in respect of categories of tertiary education providers, they cannot apply terms and conditions to the activities of individual tertiary education providers.
- The Welsh Ministers are prohibited from applying terms and conditions which relate to the criteria for the selection, appointment, or dismissal of academic staff, including how those criteria are applied, or to the criteria for the admission of students and how those are applied.
- although the Welsh Ministers may apply terms and conditions relating to areas of research or innovation specified in CTER's strategic plan and to individual courses of higher education, the Act provides that those terms and conditions must not specify:
 - particular parts of courses;
 - particular programmes of research or innovation projects;
 - the content of courses of study or programmes of research or innovation projects; or
 - the way such courses, programmes or projects are taught, supervised, or assessed, except for study through the medium of Welsh.

11.2 The Welsh Government may include, within the terms and conditions, a requirement on CTER to enter into outcome agreements with the provider to whom CTER proposes to provide funding. This could apply to any provider which is to be funded by CTER, whether registered or unregistered.

11.3 (An outcome agreement is defined as an agreement between CTER and the provider to whom CTER proposes to provide financial resources that sets out the activities to be conducted by that provider for the purposes of contributing to the implementation of CTER's approved Strategic Plan.)

11.4 Outcome agreements are CTER's responsibility, and where specified in the terms and conditions, intended to form the basis of performance commitments attached to funding. This approach provides a line of sight from the Welsh Ministers'

Statement of Priorities through CTER's strategic plan, to the activities of providers. The intention is that outcome agreements will be the product of co-production through negotiation between CTER and funded bodies.

11.5 The Welsh Ministers may wish to ring-fence certain amounts of their funding allocations to CTER, to be used for particular purposes or special projects. Welsh Ministers will be able to give funding to CTER for particular courses of study, subject to CTER agreeing that it will fund them. However, the Welsh Ministers will not be able to oblige CTER to do anything which would result in CTER being required to provide such courses.

11.6 The Welsh Ministers can fund a limited range of courses of higher education directly and retain their ability to fund further education and training directly. (These provisions enable extant Welsh Government funded initiatives such as Working Wales to continue to be funded in the short to medium term). The Welsh Ministers do have a power to directly fund higher education in general.

11.7 As required by section 87(1) of TERA, CTER must publish a statement of its policy on how it intends to exercise its funding powers.

Financial Support Directions

11.8 The Welsh Ministers can issue a financial support direction to CTER about the provision of financial support to a relevant person, where it appears to the Welsh Ministers that the financial affairs of that person have been, or are being, mismanaged (a relevant person is defined as a registered provider or a body other than a registered provider that is in receipt of financial resources provided or secured by CTER under specified funding powers). The Welsh Ministers are required to consult CTER, and the relevant person concerned before issuing a financial support direction (other than in the case of urgency, or where the consultation would defeat the purpose of direction).

11.9 The Welsh Ministers must keep any financial support direction given to CTER, under review. CTER is required to comply with any financial support direction which may be given. The Welsh Ministers must publish any financial support direction that is given to CTER under these powers. The Welsh Ministers are also required to report to the Senedd on any such directions.

11.10 These provisions ensure that the Welsh Ministers can take appropriate action in circumstances where it might be necessary to protect the interests of students, safeguard public funds or prevent reputational damage to the tertiary education sector in Wales.

12. Revenue and Capital Resource Budgets

Expenditure

12.1 Subject to any restrictions imposed by TERA other relevant legislation, directions of the Welsh Ministers, or by this document, CTER may, as soon as its budget has been approved by the Minister, incur expenditure on the programme approved in its annual budget without further reference to the Partnership Team, subject to the following conditions:

- CTER shall comply with the delegations set out in Annex B and the limits in Annex C. These delegations must not be modified or breached without the written agreement in advance of the Partnership Team;
- CTER must obtain written approval in advance of proceeding with:
 - any proposal which could be considered to be novel, contentious, or repercussive;
 - any change of policy or practice which has wide financial implications;
 - anything which might affect the future level of resources required; or
 - any significant change in the operation or funding of any initiative or particular scheme approved by the Partnership Team;
- CTER shall follow the policy framework set out in [Managing Welsh public money | GOV.WALES](#) in relation to the procurement of goods and services;
- CTER shall resist requests for payment in advance except in exceptional cases where it is considered that some payment may be necessary. In such cases, the principles set out in [Managing Welsh public money | GOV.WALES](#) must be observed;
- CTER shall consult the Partnership Team before entering into any property lease agreement. The Partnership Team must also approve in advance any proposals to relocate or move to new accommodation;
- CTER must be open and transparent in its approach to gifts and have clear policies on disclosing information about, and the procedures adopted for, making any gifts.

12.2 Expenditure against revenue and capital resource budgets must be recorded and monitored by CTER in accordance with [HM Treasury's Consolidated Budgeting Guidance](#). These are the net expenditure limits up to which the body can incur expenditure in each financial year – including any use of reserves for which budgetary cover has been given – and must be adhered to. Net expenditure above

these limits may not be committed until or unless a revised budget cover has been agreed in writing by the Partnership Team.

12.3 CTER may not breach the component parts of the revenue and capital resource budgets. Approval must be sought in advance and in writing if CTER wishes to spend more in one category and less in another.

12.4 Revenue and capital resource budgets cover all income and expenditure by CTER, including ring-fenced grants provided by Welsh Government and income received from other sources.

12.5 After CTER is designated in an Order under section 126A of the Government of Wales Act 2006, the net resource budgets, retained income limit, and grant-in-aid (cash) set for the year in question will be voted as part of the Senedd's Budget Motion. Before CTER is designated, only the grant-in-aid (cash) will be voted as part of the Budget Motion and a reconciliation will be required to CTER's resource budget.

Income and Resource Budgets

12.6 All streams of income mentioned in the following paragraphs are treated as public funds and the requirements of this document apply equally to them.

12.7 CTER must seek as far as possible to maximise its income from sources other than the public sector where this is consistent with its functions (and is in line with the business and operational plans). It may retain income to fund activities during the year up to the level set out in the funding letter derived from, for example, proceeds from sale of land and buildings and other assets, grants given through lottery funds, any proceeds from CTER's commercial activities and those resulting from the sale of services into wider markets. Such activity must be undertaken in accordance with the terms of [Managing Welsh public money | GOV.WALES](#) and this Framework Document.

12.8 The limit for income which can be retained by CTER to fund activity during the financial year is set out in the funding letter. If total income is set to exceed that limit, CTER must discuss with the Partnership Team and seek approval from Welsh Government's Director of Finance.

12.9 Certain types of income such as donations, grants for research from non-public organisations, or bequests given to CTER may be restricted in their use. Such funds should be managed in accordance with the terms of the donation/grant or bequest. They must still be included within the income reported by CTER and form part of the income retention limit. When they are used, any excess associated expenditure incurred will still need resource budget cover.

Borrowing, Lending, Guarantees and Investments

12.10 CTER shall not, without the Welsh Government's prior written consent, borrow (including temporary borrowing facilities in the form of a pre-arranged overdraft facility to bridge any gaps between long-term borrowing arrangements); lend; charge any asset or security; give any guarantee or indemnities; letters of comfort; or incur knowingly any other contingent liability (as described in [Managing Welsh public money | GOV.WALES](#)) whether or not in a legally binding form. All financial guarantees and indemnities given by CTER under TERA must be covered adequately against un-drawn Senedd Public Expenditure Resources.

12.11 Nor shall CTER make any investments without securing the prior written approval of the Partnership Team except in respect of short-term deposits of cash surpluses.

Grants, Loans and Contracts given to other Entities.

12.12 All grants must comply with the terms of [Managing Welsh public money | GOV.WALES](#) and be made subject to appropriate terms and conditions which provide adequate protection for the public purse.

12.13 Terms and conditions must, for example, allow for phased payments, reinforce rights of access for Welsh Government officials and the AGW, ensure the Welsh Government's financial interests are adequately protected, and allow for clawback in certain circumstances, such as if grant monies are used other than for approved purposes.

12.14 CTER must take steps to appraise the financial standing of the recipient entity, for example, by reviewing financial statements and compliance with statutory reporting bodies and carrying out checks with credit reference agencies.

12.15 The Welsh Government must be notified of any loan schemes CTER wishes to enter into. Where approval is given, borrowing must be managed under similar arrangements to those for grants.

UK Subsidy Control

12.16 If the activity being supported is commercial or economic in nature, all support provided will need to comply with the UK subsidy control regime as well as all relevant international treaty obligations. CTER must apply the four limbed test prior to award, ensure that support adheres to the seven principles for a compatible subsidy and further ensure that subsidies are appropriately managed, remembering that a subsidy is an advantage in any form whatsoever, conferred on a selective basis to an undertaking engaged in economic activity, giving it an advantage, it would otherwise not have had that may distort the market. CTER is responsible for ensuring appropriate levels of transparency in reporting on the types of aid that have been provided. Please refer to the UK Government's guidance on the awarding of

subsidies for further information: <https://www.gov.uk/government/publications/uk-subsidy-control-statutory-guidance>

12.17 The Welsh Government operates a pre-notification system for any decisions made by CTER which could impact on Welsh Government's Consolidated Accounts. Detail of these decisions is set out in **Annex B**.

13. Grant-in-aid and Cash Management

Grant-in-Aid

13.1 Grant-in-Aid is the amount of cash payable by the Welsh Government to CTER in each year to pay for its operations and is independent of the resource budget figures, although derived from them. It does not include depreciation, any other accounting adjustments or any budgetary cover allocated by the Welsh Government for CTER's use of its own cash reserves.

13.2 The grant-in-aid will normally be paid in monthly instalments based on written applications showing evidence of cash need and from a person authorised to do so. The instalments should echo CTER's expenditure pattern. CTER will comply with the general principle there is no payment in advance of need.

13.3 Cash balances accumulated during the course of the year from grant-in-aid or other funds shall be kept to a minimum level consistent with CTER's efficient operation. High levels of retained cash can have an impact on the resource budget when the associated expenditure is incurred, and, if not held with the government banking service, can also impact on public sector borrowing costs. In addition, there is no need for public bodies to hold large reserves of public funding as this is seen as an inefficient use of public resources and opens both the Welsh Government and CTER to both public and audit criticism.

13.4 Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to Senedd approval of the relevant Budget Motion provision, where grant-in aid is delayed to avoid excess cash balances at the year end, the Welsh Government will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

13.5 As a minimum CTER shall continue to provide the Welsh Government with regular information via its grant-in-aid claims which will enable the Welsh Government to satisfactorily monitor:

- CTER's cash management;
- its draw down of grant-in-aid;
- forecast resource outturn by resource headings; and
- other data required for HM Treasury's reporting systems.

Cash Balances

In-Year

13.6 Cash balances accumulated during the course of the financial year must be kept at the minimum level consistent with CTER's efficient operation.

CTER must seek to avoid holding a working balance in excess of the equivalent of 4 per cent of its annual grant-in-aid award when it receives each instalment of grant-in-aid. Any funds exceeding that amount held by CTER as a working balance at the end of each funding period need to be agreed by the Welsh Government Finance Director, via the Partnership Team, and will be taken into account in determining the amount of cash to be paid in the following period.

End of Year

13.7 CTER is permitted to carry-over from one financial year to the next any drawn but unspent cash balances of up to 2 per cent of its annual grant-in-aid award. Any proposal to carry-over sums in excess of this amount must be agreed in writing in advance with the Welsh Government Finance Director, via the Partnership Team, on a case-by-case basis. Any sum carried over in excess of the agreed amount is to be taken into account in the subsequent year's grant-in-aid.

Interest Earned on Cash and Bank Balances

13.8 All interest, net of any bank charges, earned by CTER on its cash and bank balances is to be declared each claim period on CTER's drawdown request form and surrendered to HM Treasury via the Welsh Consolidated Fund at the financial year end.

14. Economy, Efficiency and Effectiveness

Evidence Base

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

14.2 It shall review its services and activities on a regular basis and shall submit to the Partnership Team for approval its annual efficiency plan.

14.3 CTER must also ensure that its approach to carrying out appraisals and evaluations shall be fully consistent with the principles set out in guidance.

Tailored Review

14.4 The Partnership Team and PBU will consider annually the need for a Tailored Review of CTER. Risks will be assessed using the Handy Assessment Risk Tool (HART), which is a holistic risk assessment tool that considers the residual risk to which arm's-length bodies are exposed.

14.5 The likelihood and the impacts of political, economic, society, technology, legal and environment on the body and respective stakeholders, as evidenced by relevant supporting documents, such as the Well-being of Future Generations Act report, Risk Register(s), Internal and External Auditors Reports, Internal Control Questionnaire or other assurance management tools, topical reports and/or reviews relevant to CTER's objectives, are all considered when determining CTER's holistic risk.

14.6 Reviews will take place at a maximum interval of five (5) years and CTER will be provided with advance notice of a review taking place. The purpose of the review is to provide assurance to the Minister that CTER remains fit for purpose. The review will consider CTER's strengths and weaknesses, and its capacity for delivering more effectively and efficiently, including identifying the potential for efficiency savings, and where appropriate, its ability to contribute to economic growth. It will also consider the control and governance arrangements in place to ensure the organisation and the Welsh Government are complying with recognised principles of good governance.

14.7 CTER should expect to take part in a Tailored Review once in each Senedd term. CTER will not be assessed for a Tailored Review during this current Term of Government (unless Welsh Ministers are of the view such a Tailored Review is required during that period) but will be assessed for such a review during the next, and subsequent, terms.

The terms of this Framework Document have been shared with the **Cabinet Secretary for Education**.

Signed.....
Director General for Public Services and Welsh Language

Dated.....

Signed.....
Chief Executive for the Commission for Tertiary Education and Research

Dated.....

Annex A – Partnership Model

Partnership Function set out in Model Framework Document

- submission of advice to relevant Welsh Ministers and provide briefing for relevant Senedd Committees on matters concerning the body;
- receive and act on information provided by the body under the framework document;
- check claims for, and if satisfied, authorise payment of grant-in-aid (GIA);
- communicate the Welsh Government’s policy to the body and advise on the interpretation of policy;
- advise Ministers on performance targets and indicators that are clear, relevant, and challenging;
- monitor and review body performance against targets, reporting to Ministers and Senedd Committees as appropriate;
- advise Ministers on expenditure priorities and appropriate levels of GIA;
- monitor bodies financial position and performance against plans through regular meetings with and returns from bodies; and reporting to Ministers and appropriate Senedd Committees;
- issue guidance to bodies.

Essentials of Effective Partnership

The principles which define the working relationship between a Partnership Team and its arm’s-length body are set out in the introduction to this Framework Document.

The aims of partnership are to:

- Foster a relationship between the Welsh Government and the arm’s-length body which is based on mutual trust and respect and open and honest communication.
- Ensure that the strategic aims and objectives of an arm’s-length body reflect and promote the wider strategic objectives of the Welsh Government and also the goals and principles set out in the WBFG Act [and the Social Partnership and Public Procurement (Wales) Bill/Act 2023].
- Provide the arm’s-length body with the support and guidance it requires or may request to achieve its objectives.
- Encourage and promote high standards of corporate governance and financial accountability within the organisation to ensure its efficient and effective operation.

The functions of partnership that underpin these principal aims are set out in this Framework Document, which defines the relationship between the Partnership Team and the body for which it has responsibility.

Partnership Teams need to strike a balance between control and allowing bodies to operate independently on a day-to-day basis, as was the intention in setting up the body as an arm's-length organisation. They need to ensure that the relationship is an effective one, with each partner enabling and supporting the other in the achievement of Ministerial objectives. Partnership Teams and bodies also need to make sure they share information and best practice in a relevant and timely way and seek out opportunities to work together more effectively.

The following paragraphs attempt to summarise the more important attributes that help to ensure that the partnership role can be performed as effectively as possible.

Clear Understanding -

- **of the corporate governance framework within which bodies operate:** a good knowledge of how the operational and business planning and annual remit setting process works and links with the Welsh Government's strategic aims and objectives (reflected in the Programme for Government); and group/divisional and branch planning. Ensuring that the body understands the monitoring process and what is expected of them.
- **of the financial accountability framework within which both the Welsh Government and the body operate:** a clear knowledge of the respective roles and obligations set out in the Framework Document; the relevance and importance of the audit process including management letters and additional assurance reports; the sensitivity of Audit and Risk Assurance Committee recommendations and their implementation;
- **of the operational role and structure of the body:** together with an appreciation of the problems it faces or perceives it faces and clear roles, responsibilities and accountabilities between the Partnership Team and the body.

Assessment of Risk -

- **a clear and ongoing assessment of the risks involved in the partnership relationship and a strategy for dealing with them:** for instance, specific or generic risks arising from the nature of the body's role (such as *differing risks associated with different bodies*). Also, specific risks relating to financial management identified in management letters; a pattern of failure in meeting strategic targets; or identifiable "blind spots" in terms of communication, which may require the Partnership Team to take a more 'hands on' role in the oversight of the body.

Effective Communication -

- **a clear structure for formal communication:** in respect of data which is of mutual benefit and regular operational and business planning and the formal reporting and monitoring arrangements that fall out of these. This may include meetings between the Chief Executive and members of the Partnership Team, Public Bodies Unit or Director General, as appropriate, to review performance and discuss cross cutting or arising issues.

- **a culture of frequent but not intrusive informal communication:** is important in helping to build confidence and trust, which in turn can engender openness and a willingness to share and resolve problems at an early stage. This should include informal communication between the Chief Executive and members of the Partnership Team or Director General in addition to dialogue between officers. Annual information sharing/networking events should be considered, giving opportunities for policy and delivery colleagues to meet, share best practice and develop working relationships.
- **there is good senior level involvement:** to ensure good strategic direction, and to reflect commitment to the relationship.
- **effective internal communication:** knowing who to contact within the Welsh Government for advice on issues such as budgeting; propriety; procurement and personnel issues: and a willingness to do so.
- **Inclusive policy development:** an appropriate level of involvement in any policy development should be secured for the body, with regular dialogue and communication continuing throughout the process.

Establishing an Authoritative Presence

The Partnership Team should act as the principal access point to the Welsh Government for the body and act as a source of authoritative advice (even if that advice is acquired from elsewhere), recognising the role of Public Bodies Unit in ensuring equity of treatment of bodies across the Welsh Government and its specific responsibilities for matters on pay, pensions appointments and remuneration. A willingness to take ownership of such advice in communication with the body is vital. Understand the communications you are passing on and be prepared to give advice.

- **challenge and scrutiny:** make clear that properly structured and robust questioning of the body is an essential part of the role, in support of public accountability, but this should be at a strategic rather than operational level, to avoid micro-management. Analyse proposals and make informed recommendations to third parties (including, but not limited to, Accounting Officers and Ministers).
- **link with Ministers:** establish agreement with Ministers on what the body is meant to achieve then advocate its position firmly and with integrity.

Skills -

- **effective training:** Effective reciprocal induction training and specific effective partnership training (jointly with the body's personnel where possible). Consideration of the appropriateness of desk training; short-term acclimatisation job-swaps; secondments or work shadowing; to aid understanding of roles and challenges.

Annex B

Delegations

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

1. PBU has agreed with the First Minister transitional arrangements to provide assurance to them and the Permanent Secretary that the removal of the calling-in procedures with arms-length bodies does not pose any risk to the Welsh Government, or to the effective delivery of the Government's Programme. These are arrangements to provide the Welsh Government with baseline data by which it can assess the volume of issues where responsibility is being transferred and to be sighted on the approach each body is taking to the new arrangements.
2. PBU has agreed with the First Minister it will put in place **Approval, Pre-notification, and Notification** arrangements for decisions previously the subject of calling-in arrangements. The intention of the arrangements is to keep the Welsh Government informed of how the new process is working in practice, rather than the continuation of a mechanism for approval by the Welsh Government.
3. All requests for approval, or issuing pre-notifications, must be directed to the Partnership Team in the first instance.
4. Accounting Officers in Public Bodies will be accountable for the decisions requiring notification. The Welsh Government may give advice on issues requiring pre-notification, as set out in Table B, but it is ultimately for the Chief Executive to take the decision. In the event of the body deciding to disregard Welsh Government's advice, the Partnership Team will recommend to the Minister a discussion is held with the Chair, with the Minister reserving the right to overrule a decision falling into this category where the body has chosen for no justifiable reason to disregard Welsh Government advice.
5. The exceptions will be the decisions contained in Table A where the Welsh Government will be responsible for the decision.

Table A Approvals

Decision	Approval
Appointment of Chief Executive	Additional Accounting Officer and Minister
Term of Government Business Plan	Minister
For Public Bodies classified as central Government organisations for accounting purposes: <ul style="list-style-type: none"> a) Cash carry-over in year in excess of 4% of total Grant-In-Aid/ Cash b) Cash carry-over end of year in excess of 2% of total Grant-In-Aid/ Cash c) Establishing new subsidiary companies/joint ventures d) Any borrowing, lending, guarantees, indemnities, or investment related to public money. e) Receipt of income to fund activities in the financial year over and above that set out in funding letter. 	Welsh Government Finance Director
Any decision set out in legislation as requiring consent of Welsh Ministers	Minister
Redundancy arrangements based on the Civil Service Compensation Scheme (bodies with Civil Service Pension)	Head of Pay and Remuneration, Public Bodies Unit who will seek advice of the Minister as appropriate.

Table B Pre-notification Arrangements

CEOs should notify their Partnership Team of any proposed decisions falling under the following categories as and when they arise to allow Welsh Government to provide appropriate advice. Partnership Teams will aim as far as possible to respond within two weeks. Should the body decide to disregard Welsh Government's advice, the Partnership Team may escalate the matter to the Minister, who reserves the right to overrule a decision taken by a public body which, after discussion, is not justifiable.

These decisions should also form part of a 'stocktake' discussion at quarterly monitoring meetings:

Decision	Pre-notification Action	Further Advice
Novel, contentious, or repercussive proposals in line with Managing Welsh Public Money, including, but not restricted to, proposals that: <ul style="list-style-type: none"> • Are non-standard practice. • Are politically sensitive and/or likely to attract 	Partnership Team, in conjunction with the appropriate policy teams, to prepare advice to discuss with Public Bodies Unit, who will seek written advice of the Corporate Governance Centre of Excellence and any other body with expertise in the issue.	Additional Accounting Officer and Minister, as appropriate

Decision	Pre-notification Action	Further Advice
negative media attention. <ul style="list-style-type: none"> • Could result in unwelcome consequences for the organisation and/or for the wider public sector 		
Any course of action considered by the Board that would contravene the principles of regularity, propriety, prudent and economic administration, efficiency, and effectiveness and which the CEO has advised against.	Partnership Team to prepare advice to Additional Accounting Officer	Additional Accounting Officer
Policy or practice change that has wide financial implications.	Partnership Team to prepare advice to Head of Budgetary Control copied to Public Bodies Unit	Minister, as appropriate
Staff remuneration & terms and conditions	Partnership Team to submit proposals to Head of Pay and Remuneration, Public Bodies Unit on: <ul style="list-style-type: none"> • changes falling outside WG public sector pay principles; • organisational design changes likely to lead to severances 	Minister, as appropriate
Anything that might affect the future level of resources required, e.g. potential budget pressures or underspends.	Partnership Team to consider	Welsh Government Finance Director, as appropriate

Other Notification Arrangements

During the transition period, CEOs should notify Partnership Teams at their quarterly monitoring meetings of any other decisions they have made or are likely to make in the next quarter that would previously have been referred to the Welsh Government.

Annex C

Summary of Approval Requirements and Delegation Limits

Subject	Delegation Limit
Appointment of Chief Executive	Ministerial approval
Staff remuneration and terms and conditions	Amendments to overall terms and conditions require Ministerial approval
Pension arrangements and payment of redundancy or compensation (including through Voluntary and Compulsory Schemes)	Ministerial approval (see also additional guidance issued January 2024 by Public Bodies Unit)
Strategic Plan (Required under Section 14 of Tertiary Education and Research (Wales) Act 2022)	Ministerial approval
Subsidiary companies and joint ventures	Approval of Partnership Team
Virement outside of specified limits	Approval of Partnership Team
Novel, contentious, or repercussive proposals	Approval of Partnership Team
Any borrowing, lending, guarantees, indemnities, or investment	Ministerial approval
Capital projects (non-IT)	£100,000 per project
IT projects	£100,000 per project
Consultancy contracts	Per CTER rules and requirements
Single tender departures	£50,000
Gifts, hospitality, prizes etc	Per CTER rules and requirements
Sponsorship	£20,000 per annum
Losses and special payments	£50,000 per annum (unless Novel and Contentious see above)
Retention of receipts over and above limit set out in remit letter	Approval of Partnership Team
Carry-over	In-year – 4% of total annual gross budget End-of-year – 2% of total annual gross budget

Values are inclusive of VAT. Actions above values stated require approval of Partnership Team.

Values and limits will be reviewed during the Commission's first year of operation.

Annex D: Accounting Officer Memorandum

MEMORANDUM FOR THE ACCOUNTING OFFICER FOR CTER

THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER OF A WELSH GOVERNMENT ARM'S LENGTH BODY

Introduction

1. This Memorandum sets out the responsibilities of the senior official (usually the Chief Executive or equivalent) of a Welsh Government Arm's-Length Body (WG ALB) – the "body"- who is designated as the Accounting Officer for that body. Its contents are also applicable to the senior officials of ALBs for which there is no designated Accounting Officer. It does not apply to senior officials of those ALBs (such as Tribunals and Advisory Bodies) which are funded directly by the Welsh Government (as opposed to via grant or grant-in-aid) and for which the Additional Accounting Officer is therefore accountable.
2. ALBs are financed in a variety of ways, for example by grant-in-aid, grant, income from fees and charges, or private sector funds. An Accounting Officer is designated for those ALBs which are financed by a large grant or grant in aid or where the accounts of the body are to be laid before Senedd Cymru/Welsh Parliament. Where it is in the interests of public accountability, the Welsh Government will also designate an Accounting Officer for a body which receives its primary funding from other sources. It is an important principle that, regardless of the source of the funding, Accounting Officers are responsible to Parliament and the Senedd for all the resources under their control.
3. The Principal Accounting Officer (PAO) for the Welsh Ministers, designated in accordance with section 129 (6) of the Government of Wales Act 2006 (the 2006 Act), as amended, is responsible for ensuring the appointment of appropriate Accounting Officers for public bodies funded by the Welsh Government. The PAO has, in turn, delegated to their Additional Accounting Officers, designated under section 133 (2) of the 2006 Act, responsibility for designating as Accounting Officers the senior officials of arm's-lengths bodies for which their Groups have oversight.

The General Responsibilities of the Accounting Officer

4. Your designation as Accounting Officer reflects the fact that under the board (whether or not you are a member of the board) you are responsible for the overall organisation, management and staffing of the body and for its procedures in financial and other matters.
5. You must ensure that there is a high standard of financial management in the ALB as a whole; that financial systems and procedures promote the efficient and economical conduct of business and safeguard financial propriety and regularity throughout the body; and that financial considerations, including feasibility and sustainability are taken fully into account in decisions on policy proposals.

The Specific Responsibilities of the Accounting Officer

6. The essence of the Accounting Officer's role is a personal responsibility for the propriety and regularity of the public finances for which you are answerable; for the

keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources.

7. As Accounting Officer you must:
 - a. sign the accounts assigned to you, and in doing so accept personal responsibility for their proper presentation as prescribed in legislation, the accounts direction and relevant guidance;
 - b. ensure that your organisation conforms with the requirements of the Framework Document, that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts;
 - c. ensure that the resources for which you are responsible are properly and well managed (see paragraph 9 below) and safeguarded, with independent and effective checks of cash balances in the hands of any official;
 - d. ensure that assets for which you are responsible such as land, buildings, or other property, including stores and equipment are controlled and safeguarded with similar care, and with checks as appropriate;
 - e. ensure that, in the consideration of policy proposals relating to the expenditure or income for which you have responsibility, all relevant financial considerations, including feasibility and sustainability, are taken into account, the value for money of the proposal is assessed in accordance with the principles set out in the Treasury guidance "*The Green Book: Appraisal and Evaluation in Central Government*"; full regard is had to any issues of propriety and regularity; and good quality programme and project management techniques are used as appropriate to track progress and, where necessary, adjust progress. Where necessary, such considerations should be brought to the attention of the Board;
 - f. ensure that risks (whether to the achievement of business objectives, regularity and propriety or value for money) are identified, that their significance is assessed, and that appropriate systems are in place to manage them;
 - g. ensure your management of opportunities and risk achieves the right balance commensurate with the business of your organisation and the risk appetite you are prepared to bear;
 - h. have in place arrangements to counter fraud and ensure that procedures for dealing with suspected cases are complied with; and
 - i. sign the Governance Statement
8. You must ensure that a sound system of internal control is maintained in your organisation to support the achievement of its policies, aims and objectives and should regularly review the effectiveness of the system. You must be able to assure the Senedd and the public of the high standards of probity in the management and control of public funds within your organisation. This will be reported on in your annual Governance Statement.
9. You should also ensure that managers at all levels:
 - a. have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;
 - b. are assigned well defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations or individuals outside the ALB) including a critical scrutiny of output and value for money; and

- c. have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.
10. You must make sure that their arrangements for delegation promote good management and that they are supported by the necessary staff with an appropriate balance of skills. Arrangements for internal audit should accord with the objectives, standards and practices set out in HM Treasury's "Government Internal Audit Standards".

Partnership Working

11. Public bodies increasingly work in partnership with other organisations to achieve their strategic aims and objectives. You should ensure that the wider impact of the activities for which you are responsible are properly identified and where appropriate taken into account. Your organisation may contribute to joint activity led by another organisation (whether in the public or private sectors) in the pursuit of its objectives.
12. The contribution may be considered appropriate even though it would not directly contribute to the achievement of your organisation's wider objectives. In such circumstances you will need to show that the participation represents good value for money overall and that appropriate controls are in place to safeguard propriety and to provide proper accountability.
13. Accounting Officers should take joint responsibility for the delivery of a service through joint working. Where you and another Accounting Officer take joint responsibility the lines of responsibility need to be clearly documented to ensure absolute clarity in terms of what each of you is responsible and accountable for.

Regularity and Propriety of Expenditure

14. You have a particular responsibility for ensuring compliance with Parliamentary and Senedd requirements in the control of expenditure and any requirements imposed by the Welsh Government. A fundamental requirement is that the funds should be applied only to the extent and for the purposes authorised by the Senedd. The Senedd's attention must be drawn to losses or special payments, by appropriate notation of the relevant account.
15. You are responsible for ensuring that specific approval for expenditure has been obtained from the Welsh Government in all cases where it is required, including cases involving pay, pensions, and conditions of service. This will include any expenditure not covered by any authorities delegated by the Welsh Government to the ALB. Delegated authority does not remove the obligation to submit to the Welsh Government all proposals which are novel, contentious or repercussive. You are also responsible for ensuring that adequate machinery exists for the collection of and bringing to account in due form all income and receipts of any kind for which you are responsible.

Advice to the Board

16. You must take care to bring to the attention of the board any conflict between their instructions and your Accounting Officer duties. You cannot simply accept the board's aims or policies without examination. There is no set form for registering objections, though you should be specific about their nature. The acid test is whether you could justify the proposed activity if asked to defend it in public.
17. If, despite your advice, the board decides to continue with a course you have advised

against, you should ask the Board for a formal direction to proceed, noting the possibility of a Senedd Public Accounts and Public Administration Committee (PAPAC) investigation. Directions of this kind are rare. Examples of where this procedure is appropriate are set out below:

- **Regularity** - if a proposal is outside the legal powers of your organisation, Parliamentary or Senedd consents, Welsh Government delegations or incompatible with the agreed spending budgets;
- **Propriety** - if a proposal would breach Parliamentary or Senedd control procedures or expectations;
- **Value for Money** – if an alternative proposal, or doing nothing, would deliver better value: for example, a cheaper, higher quality or more effective outcome;
- **Feasibility** – where there is serious doubt about whether the proposal can be implemented accurately, sustainably, or to the intended timetable.

18. When a direction is made, you must:

- Follow the board's direction without further ado;
- Copy the relevant papers to the Auditor General for Wales (AGW) and your Partnership Team. The AGW will normally draw the matter to the attention of the PAPAC. Provided you have followed this procedure the PAPAC can be expected to recognise that you, in your Accounting Officer role, bear no personal responsibility for the transaction. You must arrange for the existence of the direction to be published in the report and accounts, unless the matter must be kept confidential;
- If asked, for example during the course of a PAPAC hearing, explain the board's course of action. This respects the board's rights to frank advice while protecting the quality of internal debate.

Appearance before the PAPAC or the House of Commons Committee on Public Accounts

19. Both the AGW and the Comptroller & Auditor General (C&AG) may carry out examinations into the economy, efficiency, and effectiveness with which your organisation has used its resources in discharging its functions. As Accounting Officer, you may expect to be called upon to appear before the appropriate Committee from time to time, normally with the Additional Accounting Officer or possibly with the Principal Accounting Officer, to give evidence on the reports arising from these examinations, and to answer the questions of the Committees on your annual report and accounts.
20. The House of Commons Committee of Public Accounts may request the PAPAC to take evidence on their behalf and report back to them on the evidence received. As Accounting Officer, you may be supported by other officials, who may join in giving the evidence. In giving evidence, you will be expected to furnish either Committee with explanations of any indications of weakness in the matters covered in paragraphs 4-10 above, to which their attention has been drawn by the AGW or the C&AG or about which they may wish to question you.
21. In practice, an Accounting Officer will normally have delegated authority widely, but cannot on that account disclaim responsibility. Nor, by convention, does the incumbent Accounting Officer decline to answer questions where the events took place before taking up appointment: the Committees may be expected not to press the incumbent's personal responsibility in such circumstances.

22. High importance is attached to accuracy of evidence, and the responsibility of witnesses to ensure this. As Accounting Officer, you should ensure that you are adequately and accurately briefed on matters which are likely to arise at the meeting. The Committees may be asked for leave to supply information not within your immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the Committees has contained errors, these should be made known to the Committees at the earliest possible moment.
23. In general, the rules and conventions governing appearances of officials before Parliamentary Committees apply to these Committees, including the general convention that officials do not disclose the advice given to the board. Nevertheless, in a case where a direction was issued concerning a matter of propriety or regularity, the Accounting Officer's advice, and its overruling by the board, would be disclosed.
24. In a case where the advice of an Accounting Officer has been overruled in a matter of value of money or feasibility (rather than regularity or propriety), the AGW or C&AG will have made clear to the relevant Committee that the Accounting Officer was overruled. You should, however, avoid disclosure of the advice given or disassociation from the decision. Subject, where appropriate, to the board's agreement you should be ready to explain such a decision and may be called on to satisfy the Committee that all relevant financial considerations were brought to the board's attention before the decision was taken. It will then be for the Committee to pursue the matter further with the board if it so wishes.

Absence of an Accounting Officer

25. As Accounting Officer, you should ensure that you are generally available for consultation and that in any temporary period of unavailability due to illness or other cause, or during the normal periods of annual leave, there will be a senior official in the organisation who can act on your behalf if required.
26. If the post of Chief Executive (or equivalent) is vacant or it becomes clear that you as the Accounting Officer are so incapacitated that you will not be able to discharge these responsibilities, the Additional Accounting Officer should be notified so that an acting Accounting Officer can be formally designated, pending the Accounting Officer's return or a new Accounting Officer being appointed.
27. The PAPAC or the House of Commons Committee on Public Accounts may be expected to postpone a hearing if the relevant Accounting Officer is temporarily indisposed. Where you as Accounting Officer are unable by reason of incapacity or absence to sign the accounts in time to submit them to the AGW, unsigned copies may be submitted pending your return. If you are unable to sign the accounts in time for printing, the acting Accounting Officer should sign instead.

Annex E

List of Government-Wide Corporate Guidance and Instructions

- This document;
- the Minister’s Remit Letter to the body;
- “Managing Welsh Public Money”;
<https://www.gov.wales/sites/default/files/publications/2018-10/managing-welsh-public-money.pdf>
- the Welsh Government Memorandum “Accountabilities and Responsibilities of the Chief Executive as Accounting Officer”;
<https://documents.hf.wales.gov.uk/documents/A43919318>
- the body’s Accounts Direction; Finance issue this
- Corporate Governance in Central Government Departments: Code of Good Practice;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609903/PU2077_code_of_practice_2017.pdf and
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609668/PU2076_corporate_governance_guidance.pdf
- HM Treasury’s “Government Internal Audit Standards”;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1120624/GIAA_Government_Functional_Standard.pdf
- HM Treasury’s “Managing the Risk of Fraud”;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1014385/6.7628_CO_Govt-Functional-Std_GovS013-Counter-Fraud_v4.pdf
- HM Treasury’s “Executive NDPBs - Annual Reports and Accounts Guidance”;
<https://www.gov.uk/government/publications/government-financial-reporting-manual-2023-24>
- HM Treasury’s “Departmental Banking: A Manual for Government Departments” (issued as Annex 5.7 of “Managing Public Money”);
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1153523/Managing_Public_Money_-_May_2023_.pdf
- HM Treasury’s “Regularity, Propriety and Value for Money”;
https://www.civilservant.org.uk/library/2004_Regularity_Propriety_VFM.pdf
https://webarchive.nationalarchives.gov.uk/ukgwa/20130102173401mp_/http://www.hm-treasury.gov.uk/d/Reg_Prop_and_VfM-November04.pdf
- HM Treasury’s “Green Book – Appraisal and Evaluation in Central Government”;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063330/Green_Book_2022.pdf
- HM Treasury’s Audit Committee Handbook;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU1934_Audit_committee_handbook.pdf
- Cabinet Office’s “Magenta Book – Guidance Notes on Policy Evaluation”;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879438/HMT_Magenta_Book.pdf

- Cabinet Office’s Code of Practice for Public Bodies;
<https://www.gov.uk/government/publications/arms-length-body-sponsorship-code-of-good-practice/arms-length-body-sponsorship-code-of-good-practice>
- the UK Evaluation Society’s “Guidelines for Good Practice in Evaluation”;
<https://www.evaluation.org.uk/app/uploads/2019/04/UK-Evaluation-Society-Guidelines-for-Good-Practice-in-Evaluation.pdf>
- UK Statistics Authority’s “Code of Practice for Official Statistics” and its associated protocols; <https://code.statisticsauthority.gov.uk/the-code/>
- Health and Safety Commission “Protecting People and Places”;
<https://www.hse.gov.uk/aboutus/the-hse-strategy.htm>
- Well-being of Future Generation (Wales) Act 2015;
<https://www.legislation.gov.uk/anaw/2015/2/contents>
- extant “Chief Executive Officer” letters; not held by PBU – perhaps Corporate Governance Unit?
- extant “Dear Accounting Officer” letters; <https://www.gov.wales/government-finance>
- Management letters from external auditors; Finance Group
- other relevant instructions and guidance issued by the Welsh Ministers;
- those recommendations of the Senedd’s Public Accounts and Public Administration Committee, other Committees of the Senedd; the House of Commons Committee on Public Accounts, other Parliamentary Committees or Parliamentary authority that have been accepted by the Welsh Government which are relevant to the body.

In addition, in the conduct of its business the body shall ensure, amongst its other duties, that:

- it conforms with any Welsh Language Standards imposed upon the body by the Welsh Language Commissioner under the Welsh Language (Wales) Measure 2011, or, where a body is not liable to comply with Standards, in terms of its Welsh Language Scheme where the body has a Welsh Language Scheme. Where no such Scheme exists in a body, the body should conform to the terms of the Welsh Language Standards specified in the compliance notices imposed on Welsh Ministers by the Welsh Language Commissioner from time to time. A copy of the latest version can be seen on the Welsh Language Commissioner’s website;
- its functions are exercised in a manner compatible with the Welsh Ministers’ duty to promote and facilitate the use of the Welsh language as set out in the Welsh Government’s strategy as published from time to time;
- it adopts and maintains a scheme, approved by the Information Commissioner, for the publication of information as required by the Freedom of Information Act;
- its functions support the goals and principles as set out in the Well-being of Future Generations (Wales) Act 2015, which are:

Well-being Goals
A prosperous Wales
A resilient Wales
A healthier Wales
A more equal Wales
A Wales of cohesive communities

A Wales of vibrant culture and thriving Welsh language
A globally responsible Wales

Five Principles of Working	
Long-Term	The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.
Prevention	How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.
Integration	Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.
Collaboration	Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.
Involvement	The importance of involving people with an interest in achieving the well-being goals and ensuring that those people reflect the diversity of the area which the body serves.

- it follows the approach to openness set out in the Welsh Government's Code of Practice on Access to Information;
- it has due regard to the Commissioner for Public Appointment's Code of Practice for Ministerial Appointments to Public Bodies;
- its procurements are effected with due regard to the principles set out in the Welsh Government's Value Wales Procurement Route Planner.
- As regards openness, where practicable and appropriate, the body shall be expected to hold its meetings in public. At least one meeting per year must be an open meeting. Where practicable and appropriate, the body shall release summary reports or make minutes of its meetings publicly available.

As regards health, safety and welfare, the body must:

- comply with all relevant statutory duties in respect of health, safety, and welfare as they relate to all its functions, projects, programmes, and activities;
- require organisations that it funds and any contractors and sub-contractors to those organisations to comply similarly; and
- comply fully with UK Government policy on health, safety, and welfare.

Annex F

CTER Ways of Working

	CTER Ways of Working		
	This Ways of Working protocol should be seen as a statement of aspiration and intention and can be used to help the Welsh Government Minister and their team, the Partnership Team and CTER to build an effective, trusting, and open working relationship. It sets out the roles and responsibilities for the three parties aligned horizontally so that each party can see what is expected of itself and others.		
	Cabinet Secretary for Education	CTER	Partnership Team
Principle 1:	Understand the role of CTER, and the nature of a Welsh Government Sponsored Body		
Clear roles and responsibilities	<ul style="list-style-type: none"> Engages with the CEO, Chair, and Board on priorities, and understands benefits and constraints on Ministerial intervention in CTER's operational decisions. Recognises and respects that CTER is responsible for the relationship with providers. Recognises the value of input from CTER and the Partnership Team to support their role as Minister with accountability to the Senedd 	<ul style="list-style-type: none"> Understands that despite being legally separate from Welsh Government, it is part of the Public Sector and has a role in representing a wider set of sector and system interests (e.g., in the context of better public services), and in commenting on any matter in support of the Minister's role. Recognises Minister's role as accountable to Senedd and provides accurate and timely information to relevant Committees. 	<ul style="list-style-type: none"> Works with CTER to communicate the wider set of interests it represents (e.g., in the context of better public services). Understands the constraints on Ministerial and Partnership Team intervention in CTER's functions whilst also recognising the value of their input. Supports Ministerial engagement with the CEO, Chair and Board on priorities and understands its own role in commenting on any matter in support of the Minister's role.
	Produces meaningful public accountability documents		
	<ul style="list-style-type: none"> Works with the Board and CEO to ensure Statement of Priorities is fit-for-purpose. 	<ul style="list-style-type: none"> Provides meaningful input to the Statement of Priorities. Ensures the strategic plan meets the requirements of the Statement of Priorities and drives performance. 	<ul style="list-style-type: none"> Works with CTER on whether the Statement of Priorities is fit-for-purpose, achievable, and remains so. Provides timely feedback to CTER on the Strategic Plan and other documents and advises the Minister during the process.

Focus on contributing to Welsh Government's goals for provision of Tertiary Education		
<ul style="list-style-type: none"> Highlights the importance of meeting the Welsh Government's goals. 	<ul style="list-style-type: none"> Ensures Welsh Government's goals are included in its strategic and operational plans. 	<ul style="list-style-type: none"> Explains to CTER Welsh Government's goals, including wider goals not directly related to CTER's deliverables. Works with CTER to review its responsiveness to those goals.
Understand the roles of key stakeholders		
<ul style="list-style-type: none"> Actively works to connect their portfolio work to that of Ministerial colleagues. 	<ul style="list-style-type: none"> Recognises the Minister's authority to request information. Recognises the roles and responsibilities of Committees. 	<ul style="list-style-type: none"> Responds in a timely fashion to Minister's requests for information, advising as appropriate. Understands the roles and responsibilities of Committees.
Appoint and maintain effective Boards		
<ul style="list-style-type: none"> Regularly addresses with the Chair issues of Board performance and the balance of the Board's skills, experience, and (where relevant) representativeness. Brings their knowledge of what the Welsh Government is trying to achieve to bear on selection of Board candidates. 	<ul style="list-style-type: none"> Chair raises with the Minister and Partnership Team issues of Board performance and the balance of the Board's skills, knowledge, experience, and (where relevant) representativeness. Chair provides input to the Minister's decisions on new appointments or reappointments, including advice on succession planning. 	<ul style="list-style-type: none"> Ensures the Chair's views are included in considering new appointments or re-appointments.
Build and maintain Board performance		
<ul style="list-style-type: none"> Sets expectations for the Board and challenges the Board's performance. 	<ul style="list-style-type: none"> Chair ensures there is an active programme to develop Board skills and performance. Assesses its capability needs on a regular basis and/or at times of material change to its operating environment. 	<ul style="list-style-type: none"> Provides CTER with ongoing, tailored support on arm's-length body governance. Provides (or facilitates provision of) other support as requested by the Chair or Board members.
Assess Board performance		

	<ul style="list-style-type: none"> • Makes it known that they expect the Chair and Board to run effective self-review and assessment processes. • Makes their own assessment of the Board's performance. 	<ul style="list-style-type: none"> • Regularly considers how the Board meets CTER and ministers' strategic aims, including engagement with and responding to feedback from stakeholders, and management and reporting of risks. • Assesses Board membership in terms of diversity, skills and experience and has plans to address any shortfalls. 	<ul style="list-style-type: none"> • Provides assistance, if requested, to support the Board's self-review and assessment processes. • Uses high level information from Board self-review and assessment to develop its advice to the Minister on Board performance, where appropriate. • Ensures information from Board self-review and assessment is always treated confidentially.
Principle 2: Strategic Alignment	Focus on contributing to Welsh Government's wider policy priorities		
	<ul style="list-style-type: none"> • Ensures CTER and the Partnership Team are well informed about Welsh Government's wider policy priorities and their expected contribution to those priorities. 	<ul style="list-style-type: none"> • Commits to contributing to wider Welsh Government priorities and factors it in to planning. • Uses an evidence-based approach to identify and advise on CTER's contribution to achieving the wider priorities. • Uses an evidence-based approach to identify and advise on CTER's contribution to achieving the Welsh Government's wider priorities. 	<ul style="list-style-type: none"> • Works with CTER to identify how CTER can contribute to WG objectives. • Informs CTER (in a timely manner) of all-of Welsh government policy priorities.
	Connect with work in other portfolios		
<ul style="list-style-type: none"> • Actively engages with other Ministers on sector issues affected by work in other portfolios and shares this with CTER via the Partnership Team. • Actively looks for opportunities to engage with other Ministers on issues affected by their own portfolio. 	<ul style="list-style-type: none"> • Understands Government policies that affect the Tertiary Education & Research sector. • Works with the Partnership Team to provide the Minister with timely advice on relevant cross-portfolio issues. 	<ul style="list-style-type: none"> • Understands Welsh Government policies that affect the Tertiary Education & Research sector. • Works with CTER to provide the Minister with timely advice on relevant cross-portfolio issues. • Looks across boundaries both within Welsh Government and the Public Sector to build partnerships with bodies whose work affects the Minister's portfolio interests. 	

	Engage on strategic aims and priorities		
	<ul style="list-style-type: none"> Engages with CTER in a meaningful and timely manner on strategic aims and priorities and the overall use of CTER's resources to achieve these over the period of the statement of priorities. Confirms that CTER's strategic plan reflects their own expectations. Ensures ongoing review of CTER's strategic plans. 	<ul style="list-style-type: none"> Engages with the Minister in a meaningful and timely manner on the entity's strategic aims and priorities. During the development of the Statement of priorities, advises the Minister on the overall use of its resources to achieve its strategic aims and priorities over the term of the statement. Advises the Minister on any identified capacity and capability risks to policy and/or service delivery. Ensures the strategic plan reflects the Minister's expectations. Puts systems in place to ensure ongoing review of its progress against the strategic priorities and its strategic plan. Understands that the Minister can ask for a new Strategic plan. 	<ul style="list-style-type: none"> Ensures policy intentions are clear and based on evidence about the issue. Advises the Minister on the fit between CTER's strategic aims and priorities and overall use of resources, and the Minister's objectives. Advises the Minister if CTER has concerns about its capacity or capability. Provides CTER with feedback on whether the draft strategic plan reflects the Minister's expectations. Puts systems in place to ensure ongoing review of CTER's progress against the strategic plan.
	Include CTER in relevant policy work		
	<ul style="list-style-type: none"> Ensures CTER is included in policy decisions affecting its areas of work. 	<ul style="list-style-type: none"> Contributes to policy discussions as an expert partner. Takes a 'big sectoral picture' approach to its policy work. Respects confidences when invited to provide input to policy development. Discusses any disagreement about current policy with the Minister in private. 	<ul style="list-style-type: none"> Contributes to policy discussions as an expert partner and acts as an advocate for CTER across Welsh Government and the PCET Sector. Takes a 'big sectoral picture' approach to its policy work. Respects confidences when invited to provide input to policy development. Discusses any disagreement about current policy settings with the Minister in private.

	Involve the sector in designing and implementing policies		
	<ul style="list-style-type: none"> • Recognises the value of engaging the sector in designing and implementing policy goals and delivery programmes. • Seeks feedback from the sector on CTER's performance. 	<ul style="list-style-type: none"> • Recognises the value of engaging the sector in designing and implementing policy goals and delivery programmes • Seeks feedback from the sector on CTER's performance 	<ul style="list-style-type: none"> • Has systems in place to manage productive engagement with sector stakeholders • Informs CTER of its sector engagement intentions
	Build wider relationships to support policy interests		
	<ul style="list-style-type: none"> • Builds critical relationships with the public, private and third sectors to obtain better results for CTER and the sector 	<ul style="list-style-type: none"> • Works effectively with other government agencies, and the public, private and third sectors to advance wider policy interests. 	<ul style="list-style-type: none"> • Assists the Minister and/or CTER in engaging with other parties and sectors to advance wider policy interests.
Principle 3: Efficient and effective monitoring	Ensure effective and customised performance monitoring		
	<ul style="list-style-type: none"> • Provides timely advice to CTER and the Partnership Team on CTER's priorities for the next financial year. • Clarifies the Partnership Team's monitoring priorities. • Clarifies their reporting expectations to CTER and the Partnership Team. • Provides timely feedback to CTER and the Partnership Team on performance reports. • Ensures CTER and the Partnership Team understand the consequences of under- or non-performance. 	<ul style="list-style-type: none"> • Actively involves the Partnership Team in developing the framework for reporting on its annual and longer-term performance. • Builds the Minister's trust in its performance through effective delivery and timely reporting on achievements and issues. 	<ul style="list-style-type: none"> • Ensures its monitoring practice: <ul style="list-style-type: none"> ➤ seeks information that supports progress towards policy results ➤ confirms that performance reporting data is aligned with the entity's internal management data. ➤ sets a reporting timetable with proportional compliance costs that ensures performance is clearly demonstrated. ➤ supports the Minister's relationship with CTER. ➤ ensures the Minister's information needs are met. ➤ builds the Minister's trust in its own performance.
	Identify information critical to good performance assessment		

	<ul style="list-style-type: none"> • Approves the strategic priorities for CTER, with clear parameters and timescales where relevant. 	<ul style="list-style-type: none"> • Before the beginning of each financial year, agrees with the Partnership Team the critical data set to ensure CTER is clear about data collection priorities to measure achievement of policy and operational goals. 	<ul style="list-style-type: none"> • Seeks only performance information that it needs in line with its responsibility to advise Ministers and support CTER and that informs reports to the Minister and other bodies or stakeholders. • Before the beginning of the financial year, agrees with CTER on the critical data set to ensure CTER is clear about data collection priorities.
	Manage information requests		
	<ul style="list-style-type: none"> • Remains aware of cross-government information. • Ensures requests for information directed to CTER and the Partnership Team allow sufficient time for a quality response, subject to urgent requests. • Ensures (when practicable) that requests for additional information directed to CTER and the Partnership Team are reasonable and allow sufficient time for a quality response. 	<ul style="list-style-type: none"> • Provides timely and considered responses to cross-government information requests from the Minister and Partnership Team. • Recognises that additional requests for information may be made and complies with them in a timely manner. 	<ul style="list-style-type: none"> • Provides timely and considered responses to cross government information requests from the Minister. • Ensures its requests for additional information from CTER are reasonable. • Ensures processes linked to requests for additional information are managed well and in a timely manner.
	Assess performance relating information		

	<ul style="list-style-type: none"> • Considers reports provided on the achievement of short- and longer-term objectives. • Regularly seeks independent advice on CTER's progress against strategic goals and performance expectations. 	<ul style="list-style-type: none"> • Ensures the Board receives high quality information on progress against objectives / milestones in the Statement of Priorities. • Assesses the cost effectiveness and cost benefit of its own activities. • Provides the Minister and Partnership Team with appropriate performance reports to an agreed timetable. • Clearly informs the Minister about ongoing progress against strategic goals and performance expectations and reflects it in the annual report. • Regularly reviews data quality to ensure that data is reliable and fit for purpose. 	<ul style="list-style-type: none"> • Works with CTER to ensure performance reports provide sufficient detail on progress against objectives / milestones in the Statement of Priorities. • Works with CTER to develop robust approach to identify strengths and weaknesses in CTER's performance when reporting to Minister. • Provides the Minister with timely and practical advice on CTER's progress against strategic goals and performance expectations. • Gives feedback to CTER on how performance reporting data is used. • Provides CTER with timely signals when it has concerns about performance information. • Works with CTER annually to review targeted aspects of data integrity.
	Assess and manage risks		
	<ul style="list-style-type: none"> • Has a good understanding of the fiscal and reputational risks CTER faces. • If potential risks to CTER's operations are identified, informs CTER as soon as is appropriate. 	<ul style="list-style-type: none"> • Develops a risk assessment and management system appropriate to its business and constituency. • Shares its register of material risks with the Partnership Team. • Focuses on continually assessing and managing the most significant risks to achieve maximum benefit. • Identifies, quantifies, analyses, mitigates and reports project and operational risks. • Identifies potential risks to CTER's and Welsh Government's interests and informs the Minister of them 	<ul style="list-style-type: none"> • Advises the Minister of the contingent risks facing CTER and its sector, where applicable. • Seeks information to identify risks to CTER, to facilitate risk monitoring and response. • Scans for and acts on emerging risks that may require a response.

Apply performance levers			
	<ul style="list-style-type: none"> • Applies appropriate and timely levers to obtain desired performance, including but not restricted to: <ul style="list-style-type: none"> ➤ meetings with the Board Chair and/or chief executive ➤ letters of expectation to the Board Chair ➤ requests for information at any time ➤ directing the Board Chair to a particular action ➤ tightening and/or reprioritising the monitoring regime ➤ commission a review of CTER's performance ➤ appointing new Board members ➤ not reappointing Board members ➤ initiating the removal of Board members 	<ul style="list-style-type: none"> • Chair understands the range of levers available to the Minister to obtain the performance the Minister wants. • Practises risk assessment, including assessing the Minister's likely response to particular actions or results. 	<ul style="list-style-type: none"> • When appropriate, briefs the Minister on available levers to obtain desired performance. • Under the 'no surprises' convention, ensures CTER is aware of its actions or aspect(s) of performance that may trigger the Minister's use of particular levers.

	Manage operating resources responsibly		
	<ul style="list-style-type: none"> • Approves priorities for the year and clarifies their expectations about improving CTER's efficiency and effectiveness. 	<ul style="list-style-type: none"> • Ensures it has data to show that its choices are based on assessment of: <ul style="list-style-type: none"> ➤ the evidence base and needs analysis. ➤ cost effectiveness ➤ relationship of costs to benefits. ➤ opportunity cost • Provides the Partnership Team with up-to-date data on operational costs and uses this data to ensure that resources are maintained for delivery of services. 	<ul style="list-style-type: none"> • Tracks CTER's finances over time and understands its cost drivers. • Collects data that enables it to assess CTER's operational choices about: <ul style="list-style-type: none"> ➤ cost effectiveness ➤ relationship of costs to benefits. ➤ opportunity costs • Tracks CTER's revenue and expenditure patterns and assesses their service performance against expenditure over time.
Principle 4: Trusted engagement	Build and maintain relationships		
	<ul style="list-style-type: none"> • Invests time in building a productive working relationship with CTER's Chair and senior management. • Ensures the Partnership Team is aware of Ministerial communication with CTER. • Ensures CTER is given advance notice of sector stakeholder meetings and invites its advice. 	<ul style="list-style-type: none"> • Offers to induct a new Minister into CTER's work, including meeting the Board. • Recognises the Partnership Team's roles as 'friendly critic' and 'supporter.' • Communicates the focus of the Partnership Team's monitoring priorities to relevant CTER managers. • Fosters trusted working relationships with Partnership Team and • Welsh Government staff to facilitate the full, free, and frank exchange of information on day-to-day and strategic activity. • Actively invests time and effort to strengthen relationships with the Partnership Team. • Briefs the Partnership Team in advance on major new initiatives or changes in priorities and seeks feedback. 	<ul style="list-style-type: none"> • Ensures a new Minister receives an early, accurate and balanced briefing on CTER. • Ensures Partnership Team staff understand and respect the 'arm's-length' principle, and when the Team should be acting as 'friendly critic' or 'supporter.' • Builds its relationship-management capacity to ensure skilled, knowledgeable, and credible staff manage and nurture relationships with CTER. Is open in its dealings with CTER. • Develops and adheres to joint communications protocols with CTER. • Ensures that Welsh Government officials understand and adhere to the principle that CTER is responsible for engagement with PCET providers.
	Ensures there are no surprises		

	<ul style="list-style-type: none"> • Encourages open, constructive dialogue with Chair and CEO to maintain constructive working relationship with CTER, ensuring no surprises. 	<ul style="list-style-type: none"> • Understands and applies the ‘no surprises’ convention in working with the Minister and Partnership Team. 	<ul style="list-style-type: none"> • Encourages open, constructive dialogue with Chair and CEO to maintain constructive working relationship with CTER and its senior team, briefing Minister as appropriate when notified of any issues and adheres to principle of no surprises.
	Ensure effective meetings		
	<ul style="list-style-type: none"> • Establishes and keeps to a realistic and achievable timetable of meetings with CTER and Partnership Team officials • Ensures CTER and the Partnership Team are well informed about the Minister’s views on agenda topics. 	<ul style="list-style-type: none"> • Prepares well for meetings with the Minister, ensuring agendas are concise and focus on a few important (usually strategic) issues. • Before meetings, provides the Minister with concise briefing papers on critical agenda items. • Informs the Partnership Team of agenda items and CTER’s position. 	<ul style="list-style-type: none"> • When required, briefs the Minister’s office with timely advice on agenda items as required. • Confirms with CTER any items on which there may be a differing opinion (in accordance with the ‘no surprises’ convention). • Has a scheduled programme of meetings with the Chair, chief executive, designated liaison staff and topic-specific staff, where appropriate.
	Invest in relationship management skills		
	<ul style="list-style-type: none"> • Encourages open, constructive dialogue with Chair and CEO to maintain constructive working relationship with CTER . 	<ul style="list-style-type: none"> • Ensures staff in critical relationship-management positions have the appropriate skills to ensure productive relationships with the Partnership Team. • Provides staff with professional development opportunities focused on relationship management. • Provides relevant career paths that demonstrate that it values staff with highly developed relationship-management skills. 	<ul style="list-style-type: none"> • Works with colleagues across Government to promote clarity of expectations in working with CTER as a delivery agent. • Ensures staff in critical relationship-management positions have the appropriate skills to ensure productive relationships with CTER. • Provides staff with professional development opportunities focused on relationship management. • Provides relevant career paths that demonstrate that it values staff with highly developed.
Manage escalation where different views exist			

	<ul style="list-style-type: none"> • Makes final decision on action when notified of critical issues, including following up with Chair. 	<ul style="list-style-type: none"> • Agrees with the Partnership Team on 'first points of contact' and an escalation process to respond to differences of opinion in a timely and effective manner. • When critical issues arise, makes personal contact with relevant Partnership Team staff in a timely manner. • Actively works to resolve differences of opinion with the Partnership Team. • Follows the agreed escalation process if a dispute arises. 	<ul style="list-style-type: none"> • Agrees with CTER, and internally, on 'first points of contact' and an escalation process to ensure the Minister's office is kept apprised of any difference of opinion. • When critical issues arise, makes personal contact with relevant CTER staff in a timely manner. • Actively works to resolve differences of opinion with CTER. • Follows the agreed escalation process if a dispute arises and ensures critical issues are escalated to appropriate colleagues.
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