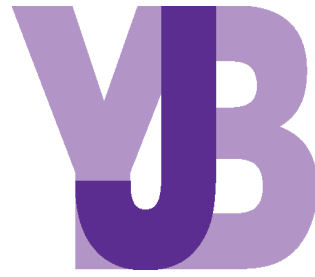




Ministry  
of Justice



# Framework Document

Ministry of Justice  
&  
Youth Justice Board for England and Wales

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## **APPENDIX**

### **1. Government wide corporate guidance and instructions**

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This framework document has been drawn up by the Ministry of Justice (MoJ) in consultation with the Youth Justice Board (YJB). The document sets out the broad framework within which the YJB will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the MoJ and YJB. Copies of the document and any subsequent amendments are placed in the Libraries of both Houses of Parliament and made available to members of the public on the Justice website.

## **1.0 Purpose of the Youth Justice Board**

- 1.1 The YJB is a non-departmental public body created by the Crime and Disorder Act 1998 (the 1998 Act) to oversee the youth justice system for England and Wales and to support the strategic aims of the government.
- 1.2 Its statutory duties, which stem from section 41 (5) of the 1998 Act and article 4 (2) of the YJB for England and Wales Order 2000 (the YJB Order) are to:
- Monitor the operation of the youth justice system and the provision of youth justice services
  - To advise the Secretary of State for Justice on:
    - the operation of the youth justice system and the provision of youth justice services
    - how the principal aims of the youth justice system might most effectively be pursued
    - the content of any national standards the Secretary of State may see fit to set with respect to the provision of youth justice services or the accommodation in which children and young people are kept in custody
    - the steps that might be taken to prevent offending by children and young people
  - to identify, make known and promote good practice
  - to make grant payments, with the approval of the Secretary of State, to local authorities or other bodies for them to develop good practice or to commission research in connection with such practice
  - to commission research and publish information in connection with good practice
  - to enter in to agreements for the provision of secure accommodation for children and young people.
- 1.3 The YJB's strategic objectives are to:
- prevent offending
  - reduce reoffending
  - protect the public and support victims
  - promote the safety and welfare of children and young people in the criminal justice system.
- 1.4 These strategic objectives will be delivered by working in partnership across the community and commissioning the secure estate.
- 1.5 The YJB's vision is to achieve, a youth justice system where:
- young people receive the support they need to lead crime-free lives and contribute positively to society
  - more offenders are held to account for their actions and stop offending
  - victims are better supported
  - the public are protected.

## **Governance and accountability**

### **2.0 Ministerial responsibility**

2.1 The Secretary of State for Justice will account for business in Parliament.

### **3.0 Sponsor department's accounting officer's specific accountabilities and responsibilities as Principal Accounting Officer (PAO)**

3.1 The Principal Accounting Officer (PAO) of the Ministry of Justice has designated the chief executive as the YJB's accounting officer.

3.2 The PAO is accountable to parliament for the issue of any grant-in-aid to the YJB. The PAO is also responsible for advising the responsible minister:

- on an appropriate framework of objectives and targets for the YJB in the light of the department's wider strategic aims and priorities
- on an appropriate budget for the YJB in the light of the MoJ's overall public expenditure priorities
- how well the YJB is achieving its strategic objective and whether it is delivering value for money.

3.3 The PAO is also responsible for ensuring arrangements are in place to:

- monitor, assess and understand the YJB's strategy, delivery and performance
- address significant problems, making such interventions as are judged necessary
- periodically carry out an assessment of the risks both to the department and the YJB's objectives and activities
- inform the YJB of relevant government policy in a timely manner; and
- bring concerns about the activities of the YJB to the full board, and, as appropriate to the departmental board requiring explanations and assurances that appropriate action has been taken

### **4.0 Responsibilities of the YJB's chief executive as accounting officer**

#### *General*

4.1 The chief executive as accounting officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and, for the day-to-day operations and management of the YJB. In addition, he or she should ensure that the YJB as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of *Managing Public Money*.

#### *Responsibilities for accounting to parliament*

4.2 The accountabilities include:

- signing the accounts and ensuring that the proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State

- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about the YJB are established and made widely known within the YJB
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and Cabinet Office
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee (PAC) on the YJB's stewardship of public funds.

#### *Responsibilities to the Ministry of Justice*

##### 4.3 Particular responsibilities to the MoJ include:

- consulting with the department on the YJB's corporate and business plans in the light of the department's wider strategic aims and agreed priorities
- informing the department of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the department; that the department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion.

#### *Responsibilities to the board*

##### 4.4 The chief executive is responsible for:

- advising the board on the discharge of the YJB's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the board on the YJB's performance compared with its strategic objectives, priorities and outcomes
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed
- taking action as set out in paragraph 3.8.6 of *Managing Public Money* if the board, or its chairman, is contemplating a course of action involving a transaction which the chief executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical

## 5.0 **The Youth Justice Board**

5.1 In accordance with the 1998 Act, the Board consists of 10, 11 or 12 members appointed by the Secretary of State for Justice. A Board member's initial appointment would usually be for a period of three years. The appointment process is regulated by the Commissioner for Public Appointments (OCPA).

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

must have in place an Audit & Risk Committee, chaired by a non-executive board member, to provide independent advice and a Remuneration Committee to ensure appropriate remuneration arrangements are in place. The board is expected to assure itself of the effectiveness of the internal control and risk management systems.

5.2 The board is specifically responsible for:

- establishing and taking forward the strategic objectives, priorities and outcomes of the YJB, set out in the Corporate and Business plans, within the policy and resources framework determined by the Secretary of State for Justice
- ensuring that the responsible Minister is kept informed of any changes which are likely to impact on the strategic direction of the YJB, and/or the MoJ, or on the attainability of the YJB's priorities and outcomes
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the board operates within its limits of its statutory authority and any delegated authority agreed with the MoJ, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the MoJ
- ensuring that it receives and reviews regular financial information concerning the management of the YJB; is informed in a timely manner about any concerns about the budget of the YJB; and providing positive assurance to the department that and action appropriate to the YJB has been taken on such concerns
- demonstrating high standards of corporate governance at all times, including, compliance with the requirements of the security policy framework and information assurance standards, and using the independent audit committee to help the board to address key financial risks
- annually review the number and terms of reference, of all sub-committees to assess the continued relevance of the additional committees, as ministerial priorities for the youth justice system develop.

#### *The Chair's personal responsibilities*

5.3 The Chair is responsible to the Secretary of State for Justice. Communications between the YJB and the responsible Minister, usually the Minister for Youth Justice, should normally be through the Chair and/or the Chief Executive. However, YJB Board members will also be given regular opportunities to raise issues and contribute to the wider youth justice business across MoJ, with Ministers. The Chair is also responsible for ensuring activities support the Minister for Youth Justice, and the MoJ's wider strategic policies and that the YJB's affairs are conducted with probity.

5.4 In addition, the Chair has the following leadership responsibilities:

- formulating the board's strategy
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the MoJ
- holding YJB management to account in delivering their strategic, operational and financial objectives

- driving YJB performance overall, and working closely with the Chief Executive to ensure the organisation complies with the principles of good governance and the requirements for the use of public funds
- representing the views of the YJB when advising Ministers on the operation of the wider youth justice system
- promoting the efficient and effective use of staff and other resources
- delivering high standards of regularity and propriety
- representing the views of the Board to the general public.

5.5 The Chair also has an obligation to ensure that:

- the work of the Board and its members is reviewed and is working effectively
- board members are fully briefed on terms of appointment, duties, rights and responsibilities; that they receive the MoJ's induction pack for public appointees, as provided by the MoJ Arm's Length Body (ALB) Governance Division, and receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the MoJ is advised of the YJB's requirements in terms of skills needed when Board vacancies arise
- assessments of individual Board members are carried out at least once a year throughout the term of appointment, not just prior to a possible reappointment, to ensure an individual continues to develop and add value to the organisation
- an appraisal (seeking feedback from the PAO as deemed necessary) of the Chief Executive is carried out, and assessments linked to objectives and performance of the YJB
- there is a code of practice for Board members in place consistent with the Cabinet Office *Code of Conduct for Board Members of Public Bodies*.

5.6 The Chair is responsible for appointing a Chief Executive in consultation with the MoJ's assurance sponsor (see below). Job objectives should be linked to those of the YJB, and remuneration should be consistent with that of similar appointees across central Government, demonstrably provide value for money and be no more than is necessary to attract, retain and motivate able staff, on a sustainable basis, to deliver public functions.

5.7 In line with departmental policy, the Secretary of State for Justice may agree a number of additional days per month for Board members to work. Board members' Terms of Appointment will include the possibility of working additional days. Any additional days agreed to be allocated by the Chair and monitored and approved for payment by the Chief Executive.

*Individual Board members' responsibilities*

5.8 The Crime and Disorder Act 1998 requires members of the Board to include persons who have extensive recent experience of the youth justice system and members are appointed by the Secretary of State for Justice to deliver the functions set out in the founding legislation, in addition to their governing role.

5.9 Individual Board members should:



- comply at all times with their terms of appointment, the ‘Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected person’s or organisations
- comply with the board’s rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of the YJB.

## 6.0 **MoJ Sponsor Responsibilities**

6.1 The sponsorship of the YJB uses the MoJ ‘joint sponsorship model’, whereby there is a ‘Policy’ and ‘Assurance’ sponsor. The two Sponsors work together, to ensure a joined up approach to Sponsorship.

6.2 The assurance sponsor role is provided by the *Arm’s Length Bodies Governance Division (ALBGD)*, and is the primary contact for the YJB. This assurance interface, undertaken on behalf of the PAO, provides a ‘critical friend’ relationship in respect of governance, assurance, risk management, budget management and performance. The policy sponsor role is provided by the Youth Justice Policy Unit (YJPU). The Policy Sponsor provides the policy interface between the MoJ and YJB and is responsible for formulating the overall strategic youth justice policy framework within which the YJB works and updating Ministers on policy related issues relating to the YJB’s activities.

### *Assurance Sponsor*

6.3 The Assurance Sponsor responsibilities are to:

- monitor the YJB’s performance on a continuing basis, ensuring that such monitoring is relevant and proportionate and that risks to both the YJB and MoJ are assessed periodically – risk assessments must take into account the public money at stake; the YJB’s corporate governance arrangements; its financial performance; internal and external auditors’ reports; the openness of communication between the MoJ and the YJB and any other relevant matters
- where appropriate, act as champion of the YJB in pursuing agreed issues of concern with the MoJ and, where necessary, other departments
- provide assurance to the MoJ Board that robust governance arrangements are in place
- address significant problems in the governance or management of the YJB by raising them with the YJB Chief Executive in the first instance, and if necessary draw them to the attention of the PAO and/or YJB Board
- support the development of positive and effective working relationships between the YJB and all parts of MoJ, ensuring that the sponsorship relationship is tailored and proportionate to the needs of both organisations.

### *Policy Sponsor*

6.4 The role of the policy sponsor is to coordinate strategic policy advice to the Minister for Youth Justice, consulting closely with the YJB on this advice and

relying in particular to the YJB's operational expertise. The specific responsibilities of the Policy Sponsor are to:

- advise and inform the development of the YJB's corporate plan from a strategic policy perspective, to ensure appropriate alignment with Ministerial objectives and strategic policy direction for the coming year
- discuss with the YJB which objectives and priorities should be incorporated into the Criminal Justice Group's business plan, such that they complement the YJB's plans
- advise the assurance sponsor on the YJB budget negotiations and 'own' allocation with group budget
- facilitate the YJB's voice being heard across MoJ and Whitehall, where policy development will have an impact on the youth justice system, to include in cases where the sponsor unit may disagree with the advice of the YJB
- inform the YJB of wider Government policy initiatives which may impact on the youth justice system in a timely manner, so that the YJB can contribute constructively to consultations on the matter.

#### *Accountability Meetings*

6.5 Accountability meetings will take place quarterly between the MoJ (assurance sponsor) and YJB. Any potential conflicts around matters that cannot be resolved at these meetings should, as relevant, be brought to the attention of the PAO via the assurance sponsor. The YJPU will also maintain regular contact with the YJB to ensure there is ongoing dialogue over delivery of youth justice policy.

#### *Escalation of issues and non-compliance*

6.6 In circumstances where issues need to be escalated, the routine quarterly performance meetings between the YJB and the MoJ are the means by which such issues should be considered. There may, however, be a need for intervention outside of this monitoring framework, in circumstances where:

- there are early indications that a risk of material failure may occur in the YJB and the judgement of the YJB or MoJ is that additional input is needed to prevent the risk materialising
- the financial performance of the YJB is deteriorating and there are significant concerns within MoJ Corporate Finance over financial control;
- either party does not comply with this Framework Document; and
- broadly, an adverse situation arises which the National Audit Office, on behalf of Parliament, may in the public interest be asked to investigate – this could include a situation beyond poor financial control, poor performance or issues relating to regularity or propriety.

6.7 In such circumstances, the assurance sponsor and Corporate Finance teams will discuss with the YJB to reach consensus, escalating to the Director General levels within MoJ and to the Chair and Chief Executive of the YJB as appropriate.

#### *Advice to Ministers*

6.8 A statutory function of the YJB is to provide advice to the Secretary of State for Justice. It is therefore the case that the YJB has direct access to Ministers and is able to provide advice on any aspect of the youth justice system. However, all parties are committed to providing joint advice wherever possible and appropriate.

- 6.9 Where advice to Ministers is 'joint', agreement will be made at the outset as to who will lead on drafting. Draft submissions will be shared at the earliest opportunity, and with at least two days notice, for the relevant party to provide comment. If circumstances occur where an urgent/unforeseen submission is required, the YJB or relevant sponsor will make the other party aware as soon as the situation arises and before the submission is sent.
- 6.10 Where advice to Ministers is not 'joint' it will be submitted by the party leading the area covered by the advice. Advice on delivery and operational issues is likely to be submitted by the YJB, but shared in draft form with the policy sponsor for comment and input in relation to the broader policy and Departmental context. Where advice is not submitted jointly, the author will acknowledge where contributions have been provided from elsewhere.
- 6.11 In the event that parties cannot agree on the advice to be provided, this should be clearly referenced, so that Ministers are aware of the two points of view.

## **Financial planning and reporting**

### **7.0 MoJ requirements**

- 7.1 Unless otherwise agreed by the MoJ and, as necessary, the Treasury, the YJB shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to Corporate Finance in the MoJ in the first instance. A list of guidance and instructions which supports good governance is attached at Appendix 1. The YJB should also ensure that it adheres to the MoJ's Finance Guide and complies with the requirements of the Financial Memorandum.

### **8.0 Business and Corporate plans**

- 8.1 The YJB shall start to engage with the MoJ by the autumn of the preceding year on the Corporate Plan covering three years ahead. The aim should be that this is agreed annually with Ministers by the beginning of the Financial Year. The YJB shall agree with the MoJ the issues to be addressed in the plan and the timetable for its preparation.
- 8.2 The plan shall reflect:
- the YJB's statutory duties; and
  - within those duties, the priorities set by the YJB and by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions).
- 8.3 The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the MoJ. Subject to any commercial considerations, the corporate and business plans should be published by the YJB on the Justice website and separately made available to staff.
- 8.4 The following key matters should be included in the plans:

- key objectives and the strategy for achieving those objectives
- key (financial and non-financial) performance targets
- a review of performance in the preceding financial year, together with comparable outturns for the previous year
- an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
- other matters as agreed between the MoJ and the YJB.

## 9.0 **Budgeting procedures and reporting**

- 9.1 Each year, in the light of the updated draft corporate plan, the MoJ will send to the YJB as early as is practicable a:
- formal statement of the annual budgetary provision allocated by the MoJ in the light of competing priorities across the MoJ and of any forecast income approved by MoJ, including funding from other Government Departments. This budget allocation will set out the YJB's net expenditure limits within Resource Departmental Expenditure Limits (DEL) (split by administration and programme spend), Capital DEL, Resource Annually Managed Expenditure (AME) and (if relevant) Capital AME. A limit will also be set on cash spend. This cash payment will be made in the form of grant-in-aid. The MoJ's annual planning process aims to inform the YJB of allocations by the end of the calendar year
  - statement of any planned change in policies affecting the YJB.
- 9.2 The MoJ will retain an element of Youth Justice related funding. This funding will be used to meet the costs of contracts held in the Secretary of State for Justices' name and the accounting treatment for these contracts is set out in the YJB's Budget Variation (BV) letter which is updated up to three times a year.
- 9.3 The approved annual business plan will take account both of approved funding provision and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.
- 9.4 The YJB shall operate relevant systems that enable timely and effective reviews of financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The reporting information required will be proportionate to the YJB's activities and the risks posed to the MoJ. As a minimum, however, the YJB shall provide MoJ with information monthly that will enable the MoJ satisfactorily to monitor:
- the YJB's cash management
  - its draw-down of grant-in-aid
  - forecast outturn by resource headings
  - data required for the On-line System for Central Accounting and Reporting (OSCAR)
  - the YJB's headcount
  - YJB's data in relation to the Transparency Agenda.

### *Delegated authorities*

9.5 The YJB's delegated thresholds and Financial Transaction Limits are set out in the Budget Variation letter and its annexes. The YJB shall obtain the MoJ's written approval before:

- entering into any undertaking to incur expenditure that falls outside the delegations or which is not provided for in their annual budget as approved by the department
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the MoJ
- making any change of practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required.

#### 10.0 **Grant-in-aid**

10.1 The MoJ Estimate will include the resource and capital provision of the YJB within its voted budgetary limits. For the purposes of the YJB cash requirement, the Estimate will remove this provision and replace it with a cash grant-in-aid (GiA) requirement within the Estimate and be subject to Parliamentary control.

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

10.3 The conditions under which the YJB may spend their GiA are set out in the YJB's BV letter. If the YJB is in any doubt as to how best to apply the conditions, they should, without delay, contact their assurance sponsor to identify an appropriate way forward.

#### 11.0 **Capital**

11.1 Capital requirements must be agreed in advance, included as part of the MoJ's capital allocation included in its Supply Estimate and delegated to YJB as part of its budget allocation. The approval of the MoJ Finance Management Committee will be sought for any requests for capital spend above the YJB's financial transaction limit based on a submitted.

#### 12.0 **Cash holding**

12.1 The YJB will use the services of the Government Banking Service (GBS). No more than one month's cash should be held in reserve or be available at year end. Provided that GiA pay into a GBS account which is not then swept into a commercial bank account to earn interest, it will not be considered as

payment in advance for the purposes of the YJB's cash management performance, even if it is received and held in advance of when it is required. The MoJ will carry out a check of the YJB's cash holding at the end of each financial year.

### 13.0 **Procurement**

13.1 YJB shall ensure that its procurement policies are aligned with those of the MoJ, unless there are good reasons not to do so, Cabinet Office (Crown Commercial Service) and comply with any relevant EU or other international procurement rules, in particular the Public Contracts Regulations 2006.

13.2 In particular the YJB shall:

- ensure that its staff are fully aware of relevant procurement policies and guidance, its general procurement delegation and financial transaction limits
- put in place a procurement framework which sets out its procurement structure, organisation, processes and control mechanisms
- provide reports of spend against central contracts and other spend metrics as requested by MoJ Procurement Directorate for ongoing reporting to the Cabinet Office
- periodically and wherever practicable participate in a benchmarking exercise against best practice elsewhere in the MoJ.

### 14.0 **Risk management**

14.1 The YJB shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance. The YJB shall also develop a risk management strategy, in accordance with the Treasury guidance, Management of Risk: Principles and Concepts ([http://www.hm-treasury.gov.uk/d/orange\\_book.pdf](http://www.hm-treasury.gov.uk/d/orange_book.pdf)). For security and information risk, ensuring the strategy meets the requirements of the Government's Security Policy Framework, Information Standard 6 (IS6). These standards apply where the YJB exchanges information with MoJ (or other Departments) in order to carry out a business role or in delivering services on behalf of Government. A specific reference to the management of security and information risks should be included in the Governance Statement. The YJB will also be responsible for its management of health and safety. Risks should be subject to regular review at quarterly performance meetings and, where the risk is capable of impacting on the MoJ itself, escalated to MoJ business group or departmental risk registers as appropriate.

14.2 The YJB should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or give grant or grant-in-aid.

14.3 The YJB should maintain an effective business continuity plan, to MoJ standards, which should be reviewed in relation to threats and vulnerabilities at least quarterly, and regularly tested. The YJB may, by agreement, make use of MoJ command and control structures and service solutions (for

property and IT), and shall report on impact and any risks to MoJ during emergencies, via their sponsor team.

#### 15.0 **Annual report and accounts**

15.1 The YJB must publish an annual report of its activities together with its audited accounts after the end of each financial year. The YJB shall provide the Assurance sponsor and Corporate Finance teams with its finalised (audited) accounts in accordance with the timetable set by MoJ Corporate Finance each year and submit a draft of the report to MoJ at a suitable period of time before the proposed publication date.

15.2 The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- be delivered against Finance and Commercial Instruction requirements
- comply with the Treasury's Financial Reporting Manual (FReM)
- set out any major control risks
- outline main activities and performance during the previous financial year.

15.3 The report and accounts shall be laid in Parliament and made available on the Justice website, in accordance with the guidance in the FReM. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the MoJ as well as the FReM.

#### 16.0 **Audit**

##### *Internal audit*

16.1 The Chief Executive is responsible for making arrangements for the provision of internal audit services for the YJB in accordance with Public Sector Internal Audit standards and best practice set by HMTreasury (HMT). Under the MOJ Operating Model this will be carried out by MoJ Internal Audit, under a service level agreement, as a shared service.

##### *YJB Audit and Risk Committee*

16.2 The Board of the YJB will appoint an Audit and Risk Committee as a sub-committee of the Board, in accordance with standards and best practice set by HMT, to support the Accounting Officer. The committee will advise on the YJB's corporate governance and risk and control systems.

16.3 The Audit and Risk Committee will be chaired by a non-executive Board member, who will ensure that effective arrangements for communication with the MoJ's Audit and Risk Committee are maintained.

##### *External Audit*

16.4 Comptroller & Auditor General (C&AG) audits the YJB annual accounts.

16.5 The C&AG will:

- consult the MoJ and the YJB on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG. For audit purposes, the C&AG has a statutory right of access to relevant documents, including by virtue of section 25(8) of the

Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from the YJB

- share with MoJ at the end of the audit, information identified during the audit process and the audit report (together with any other outputs), in particular on issues impacting on the MoJ's responsibilities in relation to financial systems within the YJB. The C&AG has also agreed, where asked, to provide Departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which Departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

- 16.6 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the YJB has used its resources in discharging its functions. For the purpose of these examinations, the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the YJB shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

## **Organisation management**

### **17.0 Broad responsibilities for Youth Justice Board staff**

- 17.1 Within the arrangements approved by the responsible Minister the YJB is responsible for the recruitment, retention and motivation of its staff. The YJB will consult with and provide information to the MoJ (via ExCo Workforce) on their organisational design and structure changes.

- 17.2 The YJB will ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender or sexual orientation
- there is an effective equality and diversity policy and statement in place, equality is embedded into business planning processes and can demonstrate how the YJB is meeting the legal duty to pay due regard to the public sector equality duty including carrying out proportionate equality impact assessments where appropriate
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the YJB's objectives
- proper consultation with staff takes place on key issues affecting them
- adequate grievance and disciplinary procedures are in place
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place



- A code of conduct for staff is in place and can be found as Annex A to Chapter 5 of 'Public Bodies: A Guide for Departments,' the code is for Staff of Executive Non-departmental Public Bodies and all new members of staff are provided with copies.  
<https://www.gov.uk/government/publications/public-bodies-information-and-guidance>

#### *Staff costs*

- 17.3 Subject to its delegated authorities, the YJB shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.
- 17.4 The YJB will follow the principles of the Civil Service Reform Plan and must take account of any opportunities to reduce cost by making use of MoJ and/or Government shared services.

#### *Pay and conditions of service*

- 17.5 The YJB's pay strategy should be submitted for approval by MoJ.
- 17.6 In line with the current policy outlined in the Treasury's Civil Service pay remit guidance, the pay remit of the YJB will be subject to the approval of the Lord Chancellor and Secretary of State for Justice and determined in line with the current year Treasury pay remit guidance.
- 17.7 Staff terms and conditions should be provided to the MoJ for reference purposes. Following the Triennial Review the YJB will work with the MoJ to carry out an options exercise to assess the costs and benefits of appointing new staff to terms and conditions which mirror those of MoJ's and give existing staff the opportunity to opt into MoJ Terms and Conditions.

#### *Pensions, redundancy and compensation*

- 17.8 YJB staff shall normally be eligible for a pension provided by Principal Civil Service Pension Scheme (PCSPS). Staff may opt out of the occupational pension scheme provided by the YJB but that employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.
- 17.9 Any proposal by the YJB to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of MoJ before seeking approval from the Cabinet Office. Proposals on severance must comply with the rules in chapter 4 of *Managing Public Money*.

#### **18.0 Corporate service provision**

- 18.1 A number of support functions may be provided to the YJB by the MoJ. Such functions may include:
- Legal services
  - Information and Communications Technology
  - Human Resources
  - Finance
  - Facilities
  - Procurement
  - Communications

- Digital Services
- Estates
- Information Assurance
- Data incident handling (for significant incidents involving personal data)

18.2 Some of these support functions, for example, facilities, estates and ICT, will include the management of aspects of risk on behalf of the YJB, notably elements of health and safety, fire safety and security risk management. The sharing of risk will depend on the particular mix of support provided although the YJB will ultimately remain responsible for the risks to which it is exposed. The YJB will remain responsible for its operational and people related risks but may obtain specialist advice from MoJ where it lacks technical competence.

18.3 The MoJ and YJB will discuss provision and management of the service as appropriate. In doing so, the functions of the YJB and the need for services to be fit for purpose and cost effective will be taken in to account in determining the extent of the take-up of services.

#### 19.0 **Complaints and litigation**

19.1 Where complaints are received about the YJB or matters within the YJB's remit, the MoJ will refer these to the YJB to deal with. MoJ retains the authority, however, to manage a complaints process directly in the most serious cases. Complaints about the personal conduct of the Chair will be considered by the responsible Minister. If the responsible Minister decides the complaint should be investigated, he will appoint an independent person to investigate the issues and make recommendations to him about the complaint resolution.

19.2 The YJB is subject to the jurisdiction of the Parliamentary and Health Service Ombudsman. Responsibility for handling any matters concerning the YJB's services will fall to the YJB Chief Executive. The Chief Executive of the YJB should ensure appropriate learning and feedback mechanisms are in place and that difficult or contentious cases are brought to the attention of the MoJ at an appropriate stage.

19.3 The YJB will manage any litigation arising from its operational activities, involving MoJ lawyers and other officials at the earliest appropriate stage. Where the YJB chooses to seek legal advice independent of MoJ, this will normally be sought from Treasury Solicitors.

#### *Access*

19.4 The MoJ will have a right of access to all the YJB's records and personnel as required to discharge the obligations of the MoJ and the PAO.

#### 20.0 **Security and information assurance**

20.1 The YJB is required to comply with Government standards for the management of security and information risk as set out in the Government Information Standards where they exchange information with the MoJ or other Departments or other third parties in carrying out a business role, or in delivering a service on behalf of Government.

20.2 If requested by the MoJ, information relating to any significant weakness in meeting these standards will be provided for inclusion in the MoJ's annual Security Risk Management Overview return to the Cabinet Office and if particularly serious in the MoJ's Governance Statement. MoJ's Departmental Security Officer and Senior Information Risk Owner will commission supporting details from the YJB having regard to the assessed level of risk.

## 21.0 **Sustainable Development and Greenhouse Gas Reduction**

21.1 The Government wants to mainstream sustainable development so that it is central to policy making and delivery, estate management and the purchasing of goods and services. The YJB will comply with policies and guidance issued by the MoJ, the Treasury or other relevant bodies in relation to sustainable development, contributing to the Government's vision for Mainstreaming Sustainable Development and to MoJ's results under Greening Government Commitments Operations and Procurement.

21.2 The YJB holds responsibility for assisting the MoJ in meeting its greenhouse gas reduction targets and for enabling the MoJ to stay within its corresponding carbon budgets.

## 22.0 **Occupational Health and Safety**

22.1 The YJB should determine and operate its own Occupational Health and Safety (OHS) policies and documentation, ensuring the proportionate management of OHS risks across the YJB.

22.2 The YJB's overarching governance arrangements should include:

- determining documentation and operating its own OHS policies (local delivery plans) and arrangements for the proportionate management of OHS risks across their own organisation in order to meet its legal duties (using the MoJ corporate Health and Safety policy as the overarching policy)
- appointing and/or having access to a competent person with the YJB (to assist duty holders) and to advise on health and safety management. This person may obtain specialist advice from MoJ, as necessary
- nominating and training local Health and Safety co-ordinators or equivalent (within management structures) to assist in/undertake local activity based risk assessments, provide scheduled updates on OHS Risk Registers to MoJ Corporate Health and Safety (in line with approved MoJ assurance processes), and establishing/maintaining arrangements for appointment of local floor wardens for fire and evacuation purposes, and ensuring that there are adequate arrangements for first aid
- developing procedures for addressing specific health and safety concerns affecting the YJB's business and the health and safety of all its service users and visitors undertaking self regulatory health and safety audits and providing annual assurance on compliance to the YJB Accounting Officer, copied to MoJ Corporate Health and Safety for inclusion in the assurance reports to the Permanent Secretary
- collecting and maintaining a system of incident reporting relating to health and safety accident/incident/near miss reports, investigating and ensuring

RIDDOR reporting as appropriate and managing the impact of work related lost time absences.

### **23.0 Freedom of Information and Data Protection**

23.1 The YJB will carry out its obligations under the Freedom of Information (FOI) Act, the Data Protection Act (DPA) and the Environmental Information Regulations, including ensuring requests are answered in a timely way, are compliant with the relevant legislation and, where applicable, are provided in line with agreed MoJ internal processes for request handling.

23.2 Additionally, the YJB will maintain a central monitoring record of FOI and DPA requests received and dealt with. The MoJ may require this information for inclusion in the departmental statistics.

#### *The YJB Welsh Language Scheme*

23.3 The YJB is committed to the principle of treating the English and Welsh languages on a basis of equality when conducting public business in Wales. The YJB has a Welsh Language Scheme that complies with the Welsh Language Act 1993 explaining how the YJB will put this principle into effect.

### **24.0 Parliamentary Business**

#### *Parliamentary Questions*

24.1 MoJ Ministers are responsible for answering Parliamentary Questions about the Youth Justice system and the YJB. In discharging this responsibility, the relevant Minister or MoJ officials may seek advice and information from the YJB on its administration and/or activities.

24.2 All requests for advice shall be sent to YJB Parliamentary Request email address. When replying to a Parliamentary Question or speaking in a Parliamentary debate on an issue that falls within the remit of the YJB, the YJB should provide such information via the Policy Sponsor in line with the respective protocols and deadlines for dealing with Parliamentary Questions.

#### *Ministerial correspondence*

24.3 Members of Parliament shall be encouraged to write directly to the Chair or Chief Executive about specific activities and the administration of the YJB. When Ministers receive correspondence from Members of Parliament on these matters, they shall normally ask the Chair or Chief Executive to reply (sending a copy of the reply to the relevant sponsorship team). Where a Minister decides to reply personally, for example, where the correspondence involves wider policy considerations, advice may be sought from the Chair or Chief Executive, or other YJB staff allocated by the Chief Executive on aspects relating to the activities or administration of the YJB.

#### *Parliamentary Select Committees*

24.4 Where a Select Committee decides to take evidence on the specific activities of the YJB, the MoJ may decide to nominate the Chair or Chief Executive or (with the Chief Executive's agreement) a representative of the YJB to attend the hearings. Where a representative of the YJB has been called to give evidence, Ministers may also wish to attend or ask MoJ officials to do so. It is entirely at the discretion of the Select Committee to decide from whom they shall hear evidence. The YJB may also be invited to submit written evidence directly to the Select Committee. The Chief Executive may be required to

give evidence to the PAC, normally with the Principal Accounting Officer, on the stewardship and use of public funds by the YJB.

**25.0 Review of Youth Justice Board status**


25.1 The status of the YJB will be reviewed every three years in line with the Cabinet Office's Triennial Review Guidance or as per Cabinet Office requirements.

*Arrangements in the event that the Youth Justice Board is wound up*

25.2 The MoJ shall put in place arrangements to ensure the orderly winding up of the YJB should Parliament so decide. In particular it should ensure that the assets and liabilities of the YJB are passed to any successor organisation and accounted for properly. (In the event that there is not successor organisation, the assets and liabilities should revert to the MoJ). The MoJ shall:


- ensure that procedures are in place in the YJB to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
- specify the basis for the valuation and accounting treatment of the YJB's assets and liabilities
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts
- in the event that another YJB takes on the role, responsibilities, assets and liabilities, the MoJ's PAO should sign the closing accounts and make arrangements for the appropriate transfer or retention of cases, records and other information relevant to the YJB's activities.

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

Signed 

Date ...15/7/14...

(Director General of Criminal Justice Group on behalf of MoJ)

Signed 

Date ...18/7/14...

(Chief Executive on behalf of the Youth Justice Board)

## Appendix 1

### Government-wide corporate guidance and instructions

There is a wide range of guidance for Departments and Executive NDPBs which support high standards of governance. Key documents include:

- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice: [http://www.hm-treasury.gov.uk/d/corporate\\_governance\\_good\\_practice\\_july2011.pdf](http://www.hm-treasury.gov.uk/d/corporate_governance_good_practice_july2011.pdf)
- Managing Public Money (MPM):  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/212123/Managing\\_Public\\_Money\\_AA\\_v2\\_-\\_chapters\\_annex\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf)
- Public Sector Internal Audit Standards:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/207064/public\\_sector\\_internal\\_audit\\_standards\\_december2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207064/public_sector_internal_audit_standards_december2012.pdf)
- Management of Risk: Principles and Concepts:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220647/orange\\_book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf)
- Tackling Fraud:  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_managing\\_risk\\_of\\_fraud.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm)
- Government Financial Reporting Manual (FReM):  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/283206/2014-15\\_FReM.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283206/2014-15_FReM.pdf)
- Fees and Charges Guide, Chapter 6 of MPM:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/212123/Managing\\_Public\\_Money\\_AA\\_v2\\_-\\_chapters\\_annex\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf)
- Departmental Banking: A Manual for Government Departments, Annex 5.6 of MPM:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/212123/Managing\\_Public\\_Money\\_AA\\_v2\\_-\\_chapters\\_annex\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf)
- relevant Dear Accounting Officer letters:  
<https://www.gov.uk/government/collections/dao-letters>
- Regularity, Propriety and Value for Money:  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm)
- Public Bodies: A Guide for Departments:  
<https://www.gov.uk/government/publications/public-bodies-information-and-guidance>

This is not an exhaustive list. Further advice on relevant guidance can be provided by Corporate Finance, MoJ.