

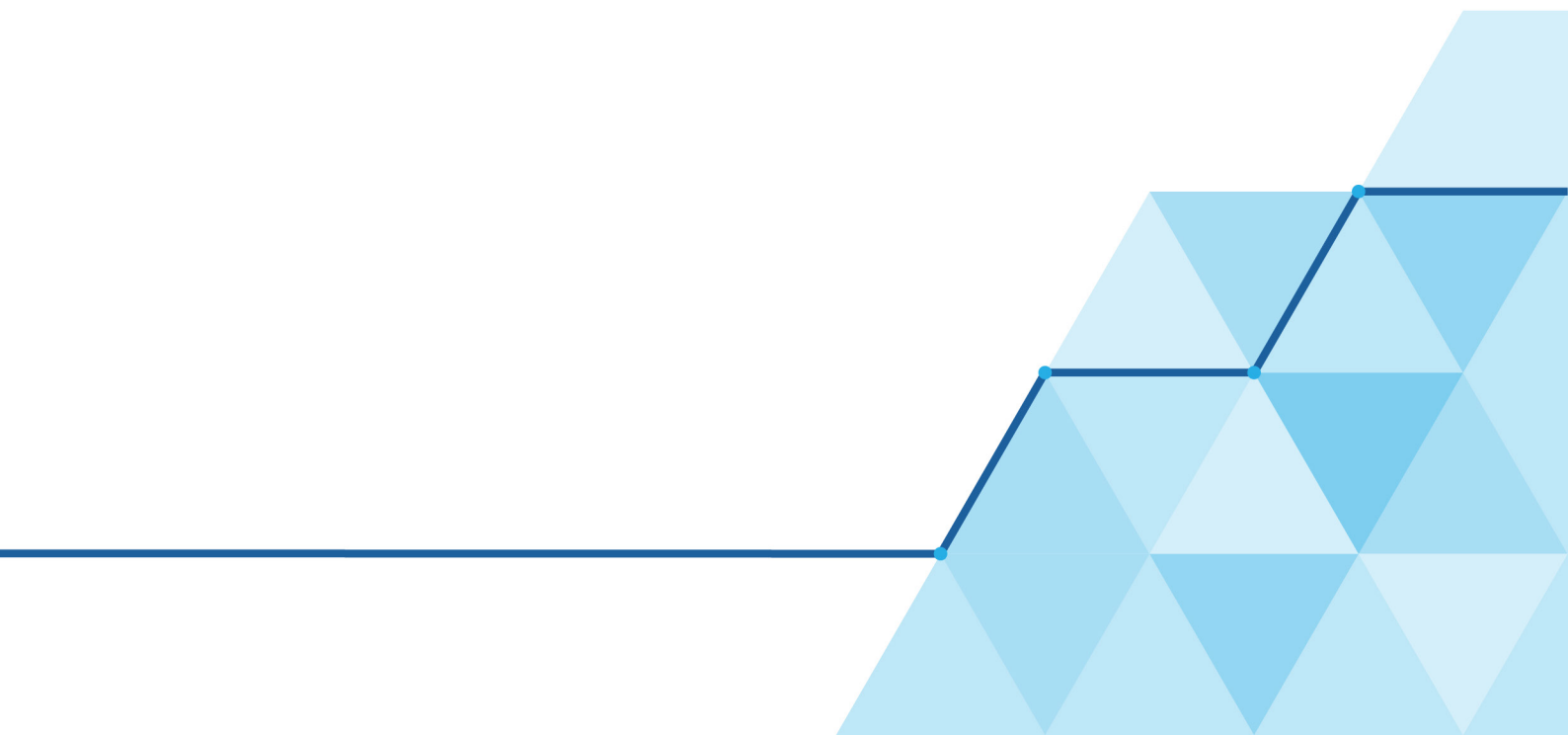


Ministry  
of Justice

the  
Parole  
Board

working with others  
to protect the public

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



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# Introduction and Background

## 1. Purpose of this document

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

## 2. Objectives

- 2.1 The MoJ and the Parole Board share the common objective of protecting the public. To achieve this, the Parole Board and the MoJ will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the Parole Board to achieve its objectives through the promotion of partnership and

trust and ensuring that the Parole Board also supports the strategic aims and objective of the MoJ and wider government as a whole.

### **3. Statement of independence and classification**

- 3.1 The Parole Board is an independent court-like body that carries out risk assessments on prisoners to determine whether they can be safely released into the community. It is an executive non-departmental public body (NDPB) and sponsored by the MoJ.
- 3.2 The decisions which the Parole Board make are made independently of the MoJ by its publicly appointed Members who do so based on the evidence contained in the dossier in the case, and (in some cases) verbal evidence provided at oral hearing.

# Purpose, Aims and Duties

## 4. Purposes

- 4.1 The Parole Board was established in 1968 under the Criminal Justice Act 1967. It became an independent executive non-departmental public body (NDPB) on 1 July 1996 under the Criminal Justice and Public Order Act 1994. It is presently constituted in accordance with Chapter 6 of Part 12 of the Criminal Justice Act 2003 (“the 2003 Act”) with the functions conferred on it by that Chapter, by Schedule 19 of the Act, and by Chapter 2 of Part 2 of the Crime (Sentences) Act 1997. Its procedure is set out in the Parole Board Rules 2019 (as amended) made in accordance with the 2003 Act.
- 4.2 The Parole Board is an independent court-like body that works with its criminal justice partners to protect the public by carrying out risk assessments on prisoners to determine whether they can be safely released into the community on licence.

## 5. Powers and Duties

- 5.1 Under the European Convention on Human Rights, and domestic common law, the Parole Board fulfils the functions of a court, making quasi-judicial decisions regarding the suitability of prisoners for release.
- 5.2 The Parole Board will exercise its functions for prisoners serving the following type of sentences:
- Life sentences once the prisoner’s tariff has expired;
  - Extended Determinate Sentence (EDS) where release is at the Parole Board’s discretion between the two-thirds and end points of the custodial term;
  - Sentences for Offenders of Particular Concern (SOPC) where the prisoner’s release is at the Parole Board’s discretion between the two-thirds and end point of their sentence (if a terrorist offender) and from the half-way point if a sexual offender;
  - Imprisonment/Detention for Public Protection (IPP/DPP) sentences (abolished in 2012 but still apply to those serving sentences imposed before then), once the prisoner’s minimum tariff has expired;
  - recalled Standard Determinate Sentence (SDS) prisoners where initial release from the sentence is automatic but if recalled for breaching licence conditions, the Board considers whether to re-release before the end of the sentence;

- if the Parole Board is not satisfied about an indeterminate sentence prisoner's suitability for release, it may instead make a recommendation to the Secretary of State (SoS) about whether an offender should progress to Category D/open prison conditions. The recommendation is not binding, and the SoS by policy sets out his discretion to reject a recommendation in specified circumstances; and,
- terrorist prisoners: prisoners serving certain determinate sentences for certain terrorist offences or terrorist-connected offences will not be automatically released at the half way point of their sentence but will instead have their case referred to the Parole Board once they have served two thirds of their sentence.

## **6. Aims**

- 6.1 The Parole Board's mission statement is 'working with others to protect the public'.

# Role of the department

## 7. The Responsible Minister

7.1 The SoS will account for the Parole Board's business in Parliament. The SoS' statutory powers in respect of the Parole Board are set out in the 2003 Act.

7.2 The SoS's responsibilities include:

- the appointment of the Parole Board Members in accordance with the minimum statutory requirements set out in Schedule 19 of the 2003 Act
- the setting of tenure of Parole Board Members;
- the remuneration of Parole Board Members;
- the making of Parole Board Rules with respect of the Board's proceedings;
- approving the financial resources and financial control frameworks within which the Parole Board should operate;
- paying the Parole Board such sums, through grant-in-aid grant or other funds, as deemed appropriate for meeting the Parole Board's expenditure and securing Parliamentary approval.

7.3 Through the exercise of their powers of appointment to the Parole Board, the SoS will act in accordance with the Governance Code on Public Appointments, as and where applicable.

## 8. Principal Accounting Officer

8.1 The Permanent Secretary of the MoJ is the PAO. The PAO has designated the Chief Executive of the Parole Board as the Accounting Officer (AO) and ensures that he / she is fully aware of his or her responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authority. The respective responsibilities of the PAO and accounting officers for ALBs are set out in Chapter 3 of Managing Public Money.

8.2 The PAO is accountable to Parliament for the issue of the grant-in-aid to the Parole Board. The PAO may delegate the exercise of their responsibilities to an appropriately senior official within the department to act as Senior Sponsor to the Parole Board. Where these responsibilities are delegated to a Senior Sponsor, the PAO does so based on the continuing assurances provided by the Senior Sponsor, supported by the policy sponsorship team and the Public Bodies Centre of Expertise.



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

## 9. The Role of the Sponsorship Team

- 9.1 The Senior Sponsor, supported by the Public Bodies Centre of Expertise and the policy sponsorship team in the MoJ, is the primary contact within the MoJ for the Parole Board. The responsible Senior Civil Servant for this sponsorship relationship is the Head of the Public Bodies Centre of Expertise. The Senior Sponsor is the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of the Parole Board. They also support the PAO on their responsibilities toward the Parole Board. This sponsorship engagement will be guided by the principles set out in the *Cabinet Office Code of Good Practice; Partnerships between departments and arm's length bodies*.
- 9.2 Officials of the Public Bodies Centre of Expertise team in the MoJ will liaise regularly with Parole Board officials to review performance against plans, achievement against targets and expenditure against its budget allocations.

- 9.3 The Sentencing and Parole Policy Unit of MoJ's Policy Group will provide policy sponsorship. They will support the PAO and the Senior Sponsor in advising the SoS on the desired policy outcomes and monitoring and reporting on performance as to whether these are being delivered. They will also liaise with Parole Board officials to explain wider policy developments that might have an impact on the Parole Board. In particular, they will:
- facilitate the Parole Board's engagement and exchange of information and perspectives across MoJ and Whitehall, where policy development will have an impact on sentencing and release policy;
  - inform the Parole Board of wider Government policy initiatives that may impact on sentencing and release in a timely manner so that the Parole Board can contribute constructively to consultations on the matter;
  - work with the Parole Board and HMPPS to respond to changes in operational demands, including making amendments to the Parole Board Rules where required;
  - conduct, on behalf of Ministers, with the support of the Public Bodies Centre of Expertise the annual performance review of the Chair of the Parole Board; and,
  - maintaining regular contact with the Parole Board to ensure there is ongoing dialogue around policy issues within the Parole Board's remit.

## **10. Resolution of disputes between the Parole Board and the MoJ**

- 10.1 Any disputes between the MoJ and the Parole Board will be resolved in as timely a manner as possible. The MoJ and the Parole Board will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor may then choose to ask the Permanent Secretary, as the PAO, to nominate a non-executive member of the MoJ Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the SoS.
- 10.2 This does not apply to decisions made by the Parole Board in respect of the release of individual prisoners, which must remain independent in nature. Where the SoS believes a parole release decision is flawed they may (in eligible cases only) seek to have it reviewed via the 'reconsideration mechanism' introduced in 2019. Alternatively, they may pursue judicial review proceedings to seek to have individual decisions set aside.

## **11. Freedom of Information requests**

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

## **12. Reporting on legal risk and litigation**

- 12.1 Both parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the MoJ where there are mutual interests in a timely manner.

# Parole Board Governance and Structure

## 13. Governance and Accountability

- 13.1 The Parole Board shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Framework Document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 13.2 In particular (but without limitation), the Parole Board should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice<sup>1</sup> (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report;
  - comply with Managing Public Money;
  - in line with MPM have regard to the relevant Functional Standards<sup>2</sup> as appropriate and in particular those concerning Finance, Commercial, Security and Counter Fraud; and
  - take into account, the codes of good practice and guidance set out in Appendix A of this Framework Document, as they apply to Arms' Length Bodies.
- 13.3 The senior officers accountable for managing each function in the Parole Board are accountable to the Parole Board AO for:
- the delivery of the Parole Board business plan objectives relevant to the function and the direction and control of associated resources;
  - the quality and value for money of the service provision; and
  - ensuring the Parole Board adopts the relevant function's policies, controls and standards, so far as consistent with the other provisions of this framework document.
- 13.4 As an embedded and integral part of the governance and performance management of the Parole Board, the senior officers accountable for managing each function in Parole Board shall agree a proportionate basis for defining the scope of services, service levels, appropriate milestones and performance criteria, with routine reporting on compliance with defined standards and requirements, the resources deployed and costs, and any gaps in capacity and capabilities.

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<sup>1</sup> <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>.

<sup>2</sup> <https://www.gov.uk/government/collections/functional-standards>

- 13.5 The senior officers accountable for managing each function in the Parole Board are accountable to the respective Ministry of Justice function leads for:
- providing assurance over compliance with functional standards, so far as consistent with the other provisions of this framework document;
  - implementing consistent policies, systems, processes and capabilities that support and promote interoperability and efficiency; and
  - supporting the on-going development of the function.
- 13.6 The senior officers accountable for managing each function in the Parole Board shall provide the Ministry of Justice function leads with such information about their operations, performance and capabilities as may reasonably be required. In the event of any significant concerns being identified, the MoJ function lead will draw these to the attention of the Parole Board AO.
- 13.7 The Parole Board AO will consult with and reflect the views of the Ministry of Justice function leads to inform the performance assessment of the function leads in the Parole Board to support their continuing personal and professional development.
- 13.8 The Ministry of Justice may provide functional services to the Parole Board. The PAO may seek to change the precise nature of the delivery model for these functions during the lifetime of the framework document to support better delivery of the Parole Board objectives, more consistency, increased innovation and enhanced efficiency. Where there is proposed to be significant change in the way functions are delivered, the Parole Board AO will be consulted.
- 13.9 In line with Managing Public Money Annex 3.1, the Parole Board shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that the Parole Board does intend to materially depart from the Code, the Senior Sponsor should be notified in advance and their agreement sought to this approach.

## 14. The Chief Executive

### Appointment

- 14.1 The Chief Executive of the Parole Board is appointed by the Parole Board after consultation with the Ministry of Justice.

### Responsibilities of the Parole Board's Chief Executive as Accounting Officer

- 14.2 The Chief Executive as Parole Board AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and

management of the Parole Board. In addition, they should ensure that the Parole Board as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Annex 3.1 to Managing Public Money. These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO of the MoJ.

### **Responsibilities for accounting to Parliament and the Public**

14.3 Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the SoS;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the Parole Board in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the Parole Board and published [on gov.uk and the Parole Board's [website](#)];
- acting in accordance with the terms of Managing Public Money and other instructions and guidance issued from time to time by the Department, HM Treasury and the Cabinet Office;
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
  - any governing legislation;
  - this framework document;
  - any delegation letter issued to the Parole Board;
  - any elements of any settlement letter issued to the MoJ that is relevant to the operation of the Parole Board; and,
  - any separate settlement letter that is issued to the Parole Board from the MoJ.
  - ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance with any conditions arising from the above documents;
  - giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on the Parole Board's stewardship of public funds.

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

14.4 The Chief Executive's particular responsibilities to the MoJ include:

- establishing, in agreement with the MoJ, the Parole Board's corporate and business plans in the light of the MoJ's wider strategic aims and agreed priorities;

- informing the department of progress in helping to achieve its policy objectives and in demonstrating how resources are being used to achieve those objectives;
- cooperating with the MoJ during the development of relevant sentencing and release policy ensuring the Parole Board's voice is heard;
- ensuring the MoJ is provided with timely monthly forecasts and monitoring information on accurate performance and finance reporting, is notified of likely over or under spends (and of corrective action taken). The oversight of expenditure against budget delegation is the responsibility of the MoJ Finance Business Partnering and Management Accounting (FBP) Team who provide support to the Public Bodies CoE in this area;
- ensuring 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;
- providing MoJ when requested with contributions for its annual Security Risk Management Overview return to the Cabinet Office and for its Governance Statement; and
- reporting any of the above to the department in a timely fashion.

### **Responsibilities to the Parole Board Management Committee**

14.5 The Chief Executive is responsible for:

- advising the Management Committee on the discharge of the Parole Board's responsibilities as set out in this document, the founding legislation or in any other relevant instructions and guidance that may be issued from time to time;
- advising the Management Committee on the Parole Board's performance against its aims and objectives;
- advising the Management Committee on issues surrounding the Parole Board's constitution;
- assisting the Management Committee in the development of and oversight of the Parole Board's strategic direction; and
- ensuring that financial considerations are taken fully into account at all stages in reaching and executing decisions, and that financial appraisal techniques are followed.

### **Managing conflicts**

14.6 The Chief Executive should follow the advice and direction of the Management Committee, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

14.7 If the Management Committee, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility or is

unethical, the Chief Executive in their role as AO should reject that course of action and ensure that the Management Committee have a full opportunity to discuss the rationale for that rejection.

- 14.8 Such conflicts should be brought to the attention of the PAO and the Responsible Minister as soon as possible.
- 14.9 Furthermore and if agreed with the responsible Minister, the AO must write a letter of justification to the Chair of the Management Committee setting out the rationale for not following the advice and recommendation of the Management Committee and copy that letter to the Treasury Officer of Accounts.
- 14.10 If the Responsible Minister agrees with the proposed course of action of the Management Committee, it may be appropriate for the Minister to direct the AO in the manner as set out in Managing Public Money paragraph 3.4 onwards.

## 15. The Parole Board Management Committee

### Composition of the Management Committee

- 15.1 The Parole Board will have a Management Committee in line with good standards of Corporate Governance and as set out in its establishing statute and in guidance as set out in Annex 1. The role of the Committee shall be to run the Parole Board, and to deliver its objectives, in accordance with the purposes as set out above, its statutory, regulatory, common law duties and its responsibilities under this Framework Document. Detailed responsibilities of the Committee shall be set out in their terms of reference. Remuneration of the Committee will be disclosed in line with the guidance in the Government Financial Reporting Manual (FRoM).
- 15.2 As reflected in the Parole Board's Constitution, the Parole Board Management Committee is chaired by the Chair of the Parole Board, or in their absence, a member of the Management Committee nominated by the Chair. The Committee will comprise:
- the Chair of the Parole Board;
  - the Vice Chair of the Parole Board;
  - the Chief Executive Officer;
  - up to three current Parole Board Members; and
  - up to three Non-Executive Members
- 15.3 The executive officers on the Management Committee (Chair, Vice Chair, Chief Executive Officer) will be standing members. The Non-Executive Committee Members will be appointed for a three-year term of office. Parole Board Members of the Committee may be appointed for a shorter period commensurate with the end of



their tenure as a Parole Board Member. This can be extended for a maximum of one further three-year term or, in the case of a Parole Board Committee Member, for as long as they remain a Member of the Board (whichever is less).

- 15.4 The Management Committee should have a balance of skills and experience appropriate to directing the ALB's business. This will include as an executive and voting board member an appropriately qualified finance director as described in Annex 4.1 of Managing Public Money. There should be a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.
- 15.5 The Parole Board has a Constitution, approved by its Members and Management Committee in April 2015, which explains its legal status and powers and the roles and responsibilities of its Executive Officers and Committees.<sup>3</sup>
- 15.6 The Management Committee may set up such further committees as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board.
- 15.7 While the Management Committee may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration it retains responsibility for, and endorses, final decisions in all of these areas. The chair should ensure that sufficient time is allowed for committees to report to the Management Committee on the nature and content of discussion, on recommendations, and on actions to be taken.
- 15.8 Where there is disagreement between the relevant committee and the Management Committee, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned, where it is appropriate to do so, should have the right to report the issue to the sponsor team, PAO and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 15.9 The chair should ensure committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Management Committee. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the Chairs and membership of committees.

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<sup>3</sup> [Our governance - Parole Board - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

## **Appointments to the Management Committee**

- 15.10 The Parole Board Chair, and Parole Board members – save for those of judicial Members – are appointed by the SoS under the provisions of the 2003 Act and are statutory office holders. These appointments are subject to the Public Appointments Order in Council and are regulated by the Commissioner for Public Appointments. They must comply with the Cabinet Office Governance Code for Public Appointments.<sup>4</sup>
- 15.11 Non-Executive Directors are appointed by the Parole Board, subject to approval by the SoS.
- 15.12 Paragraph 3 of Schedule 19 of the 2003 Act provides that the Board may pay to each Member such remuneration and allowances as the SoS may determine, subject to HMT agreement. All Members are fee-paid.
- 15.13 All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.

## **Duties of the Management Committee**

- 15.14 The Parole Board Management Committee is specifically responsible for:
- establishing and taking forward the strategic aims and objectives of the Parole Board consistent with its overall strategic direction and within the policy and resources framework determined by the SoS;
  - providing effective leadership of the Parole Board within a framework of prudent and effective controls which enable risk to be assessed and managed;
  - ensuring the financial and human resources are in place for the Parole Board to meet its objectives;
  - reviewing management performance;
  - ensuring that the Management Committee receives and reviews regular financial and management information concerning the management of the Parole Board;
  - ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the Parole Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the Responsible Minister and PAO via the executive team, sponsorship team or directly;
  - ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Parole Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor

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<sup>4</sup> <https://www.gov.uk/government/publications/governance-code-for-public-appointments>

department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Parole Board takes into account guidance issued by the sponsor department;

- ensuring that as part of the above compliance they are familiar with:
  - this framework document;
  - any delegation letter issued to the Parole Board;
  - any elements of any settlement letter issued to the sponsor department that is relevant to the operation of the Parole Board;
  - any separate settlement letter that is issued to the Parole Board from the MoJ; and
  - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and the Parole Board as a whole act in accordance with their obligations under the above documents.
- demonstrating high standards of corporate governance at all times, including by using the Audit and Risk Committee to help the Parole Board to address key financial and other risks;
- appointing a Chief Executive and, in consultation with the department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilization of public resources.
- support the independent appraisal and annual evaluation of the performance of the Chairperson by the MoJ as per paragraph 16.7 below; and
- determining all such other things which the Management Committee considers ancillary or conducive to the attainment or fulfilment by the Parole Board of its objectives.

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

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

and effectiveness of the risk management framework and the operation of internal control.

## 16. The Chair's role and responsibilities

- 16.1 The Chair is appointed by, and accountable to, the SoS. The Chair is responsible for leading the Management Committee in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in the Chairperson's contract of appointments, any appointment letter, the statutory authority governing the Parole Board, this document and the documents and guidance referred to within this document.
- 16.2 Communications between the Parole Board and the responsible minister should normally be through the Chair.
- 16.3 The Chair is bound by the Code of Conduct for Board Members of Public Bodies,<sup>5</sup> which covers conduct in the role and includes the Nolan Principles of Public Life.<sup>6</sup>
- 16.4 In addition, the Chair is responsible for:
- ensuring, including by monitoring and engaging with appropriate governance arrangements, that the Parole Board's affairs are conducted with probity;
  - ensuring that policies and actions support the responsible minister's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout the Parole Board.
- 16.5 The Chair has the following leadership responsibilities:
- formulating the Parole Board's strategy;
  - ensuring that the Parole Board, in reaching decisions, takes proper account of the Parole Board Rules;
  - promoting the efficient and effective use of staff and other resources;
  - promoting the independence of the Board;
  - promoting, raising awareness and improving public confidence in the Parole Board.
  - delivering high standards of regularity and propriety; and
  - representing the views of the Parole Board to the public.
- 16.6 The Chair also has an obligation to ensure that:
- the work of the Management Committee and its members are reviewed and is working effectively, including ongoing assessment of the performance of individual Committee members with a formal annual evaluation and more

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<sup>5</sup> <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

<sup>6</sup> <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

in-depth assessments of the performance of individual members when being considered for re-appointment;

- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered;
- that the Management Committee has a balance of skills appropriate to directing the Parole Board's business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with the Parole Board to fulfil their role on the Management Committee and other committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector.
- Management Committee members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with the other Management Committee members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible minister is advised of the Parole Board's needs when Management Committee vacancies arise;
- there is a Management Committee Operating Framework in place setting out the role and responsibilities of the Management Committee consistent with the Government Code of Good Practice for Corporate Governance; and
- there is a code of practice for Management Committee members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

### **Chair's Appraisal**

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

## **17. Individual Management Committee member's responsibilities**

- 17.1 Individual Management Committee members should:
- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest;

- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate;<sup>7</sup>
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- 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 Parole Board;
- ensure they are familiar with any applicable guidance on the role of Public Sector non-executive directors and Boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government.

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<sup>7</sup> <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-needs>

# Management and financial responsibilities and controls

## 18. Delegated Authority

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

## 19. Spending authority

- 19.1 Once the budget has been approved by the MoJ and subject to any restrictions imposed by the SoS instructions or this document, the Parole Board shall have authority to incur expenditure approved in the budget without further reference to the MoJ, on the following conditions:
- the Parole Board shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the MoJ and as agreed by HM Treasury and Cabinet Office as appropriate;
  - the Parole Board shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;

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

## **20. Banking and Managing Cash**

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

## **21. Procurement**

- 21.1 The Parole Board shall ensure that it operates within the delegated authorities set out in the delegation letter(s), which will include their Delegated Commercial Authority (DCA) as well as their Spending Authority to incur expenditure approved in the budget.
- 21.2 The Parole Board shall ensure that its procurement policies are aligned with and comply with any relevant UK Procurement Regulations, HMG policies and procedures or other international procurement rules.
- 21.3 The Parole Board shall follow the same guidance in relation to procurement as the MoJ, which is available on the MoJ intranet.



- 21.4 In procurement cases where the Parole Board is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Senior Sponsor, via the MoJ's sponsorship team.
- 21.5 Goods, services and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, compliant with the UK Procurement regulations and a quarterly report explaining those exceptions should be sent to the MoJ Chief Commercial Officer.
- 21.6 Procurement by the Parole Board of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).
- 21.7 The Parole Board shall:
- a) engage fully with MoJ and Government wide procurement initiatives that seek to achieve VfM from collaborative projects,
  - b) comply with all relevant Procurement Policy Notes issued by Cabinet Office
  - c) co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM,
  - d) ensure that its staff are fully aware of relevant procurement policies and guidance, its general commercial delegations and financial transaction limits;
  - e) put in place a procurement framework which sets out its procurement structure, organisation, processes and control mechanisms where/if relevant/appropriate;
  - f) provide reports of spend against central contracts and other spend metrics as requested by CCMD for ongoing reporting to the Cabinet Office; and
  - g) periodically and wherever practicable participate in a benchmarking exercise against best practice elsewhere in the MoJ.
- 21.8 The Parole Board shall comply with the Commercial Standards and Grants Standards. These standards apply to the planning, delivery and management of government commercial activity including management of grants in all departments and ALBs regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.<sup>8</sup>

## 22. Risk management

- 22.1 The Parole Board shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in

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<sup>8</sup> <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>  
<https://www.gov.uk/government/publications/grants-standards>

corporate governance, and develop a risk management strategy, in accordance with the HM Treasury guidance Management of Risk: Principles and Concepts.<sup>9</sup>

## 23. Counter Fraud and Theft

- 23.1 The Parole Board should adopt and implement policies and practices to safeguard itself against fraud and theft, bribery and corruption.
- 23.2 The Parole Board should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in Managing Public Money Annex 4.9 and the Counter Fraud Functional Standard.<sup>10</sup> It should also take all reasonable steps to conduct due diligence checks and appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid in order to minimise fraud risks.
- 23.3 The Parole Board should keep records of, and prepare and forward to the department, an annual report on fraud and theft suffered by the Parole Board and notify the MoJ of any unusual or major incidents as soon as possible. The Parole Board should also report, quarterly, detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

## 24. Staff

### Parole Board's broad responsibilities for staff

- 24.1 Subject to the provisions of the 2003 Act and within the arrangements approved by the SoS and HM Treasury the Parole Board is responsible for the recruitment, retention and motivation of its staff. The broad responsibilities towards its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
  - 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;

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<sup>9</sup> <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

<sup>10</sup> <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

- the performance of its staff at all levels is satisfactorily appraised and the Parole Board's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Parole Board's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies.

### **Staff costs**

24.2 Subject to its delegated authorities, the Parole Board shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

### **Pay and conditions of service**

24.3 As a non-departmental public body sponsored by the MoJ, the Parole Board is independent in the exercise of its functions and submits a separate pay case each year to HM Treasury but it is accountable to the MoJ for the way it manages its staff and budgets, including pay. The Parole Board is also subject to Cabinet Office and HMT rules on pay, terms and conditions (including pensions).

24.4 In line with the current policy outlined in the HMT annual Civil Service Pay Remit Guidance (CSPG), the pay remit of the Parole Board is subject to the approval of the Permanent Secretary and Lord Chancellor and must comply with the CSPG. The MoJ will engage with the Parole Board as both the Parole Board and MoJ carry out their annual reviews and develop their pay remits. MoJ will provide constructive feedback to the Parole Board on its draft pay remit submission as part of the submission process. Parole Board has freedom to develop its own proposal within the framework provided by HMT and Cabinet Office rules and the CSPG.

24.5 If Civil Service terms and conditions of service<sup>11</sup> apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the department to vary such rates.

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<sup>11</sup> <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

- 24.6 Staff terms and conditions will be set out in their contract. Policies relating to staff are accessible on the intranet.
- 24.7 The Parole Board shall abide by public sector pay controls, including the relevant approvals process dependent on the organisation's classification as detailed in the Senior Pay Guidance<sup>12</sup> and the public sector pay and terms guidance.<sup>13</sup>

### **Pensions, redundancy and compensation**

- 24.8 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 24.9 Parole Board staff shall normally be eligible for a pension provided by the PCSPS. Staff may opt out of the occupational pension scheme provided by the Parole Board but that employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level. Note that there is an exception for NDPBs covered by the PCSPS partnership arrangement, and for PCSPS by-analogy versions.
- 24.10 Any proposal by the Parole Board to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of MoJ. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

### **Contingent labour**

- 24.11 In recruiting contingent labour, the Parole Board has a responsibility to comply with HMRC requirements and all tax legislation. This includes compliance with off-payroll working (IR35) legislation to ensure any workers (contractors) engaged via a qualifying intermediary who would be classed as an employee for tax purposes if they were engaged directly, pay tax and National Insurance at broadly the same rate as employees.<sup>14</sup>
- 24.12 The Parole Board must have in place and follow a suitable IR35 assessment process when recruiting contingent labour, referring to available guidance and seeking advice from the MoJ's Tax Centre of Excellence (CoE), as required.

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<sup>12</sup> <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

<sup>13</sup> <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

<sup>14</sup> For more information on IR35 rules please visit <https://www.gov.uk/guidance/understanding-off-payroll-working-ir35>

24.13 The Public Bodies Centre of Expertise will also from time to time do assurance sampling of the Parole Board's compliance with the IR35 Rules, reporting findings to the PAO.<sup>15</sup>

24.14 Whilst in many cases it will be obvious that contingent labour is being procured, there could be cases where contingent labour is provided under so called "managed service" or "contracted-out service" arrangements. In these instances, careful consideration must be given to the contractual arrangement and more importantly the working practices of the supplier staff to identify any disguised contingent labour / resource contracts – in these situations, the IR35 rules will need to be considered as per the above paragraphs.<sup>16</sup>

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<sup>15</sup> The Tax CoE has published the following guidance to assist public bodies in complying with the IR35 rules: *IR35 assessment guidance and best practice IR35 process guidance*. Further information can be found on the Tax CoE IR35 webpage. Users will need to sign up to OneFinance to access Tax CoE guidance. ALBs that follow MoJ's commercial procedures when procuring resource / services will be subject to the core MoJ IR35 assurance procedures.

<sup>16</sup> The Tax CoE IR35 guidance provides examples of when a service contract may in fact be a resource contract; the Tax CoE can be contracted for further advice on this topic.

# Business Plans, Financial Reporting and Management Information

## 25. Corporate and Business Plan

- 25.1 The Parole Board shall submit annually to the MoJ a draft business plan covering the year ahead. The plan shall reflect the Parole Board's statutory duties, and within those duties, respecting the independence of the Board, any priorities set from time to time by the responsible minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). Where appropriate, the plan should demonstrate the areas where the Parole Board also supports wider departmental objectives in the MoJ Outcome Delivery Plan.
- 25.2 The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified. Subject to any commercial considerations, the corporate and business plans should be published by the Parole Board on its website and separately be made available to staff.
- 25.3 The following key matters should be included in the plans:
- key objectives and associated key performance targets and the strategy for achieving those objectives;
  - key non-financial performance targets;
  - a review of performance in the preceding financial year, together with comparable outturns for the previous year and an estimate of performance in the current year;
  - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
  - other matters as agreed between the MoJ and the Parole Board.

## 26. Budgeting procedures

- 26.1 Each year, in the light of decisions by the department on the updated draft corporate plan, the department will send to the Parole Board as close to the end of the financial year as possible:
- a formal statement of the annual budgetary provision allocated by the MoJ in the light of competing priorities across the MoJ and of any forecast income approved by the MoJ; and

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

26.2 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.

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

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

27.2 The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The Parole Board 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 grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the Parole Board. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the department 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.

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

## **28. Annual Report and Accounts**

28.1 The Parole Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. The Parole Board shall provide the department its finalised (audited) accounts in line with the timetable set out in MoJ Finance and Commercial Instructions (FCI) on the production of Consolidated Departmental Accounts. A draft of the report should be submitted to the department two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the Treasury's Financial Reporting Manual (FRoM).

28.2 The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the FReM and in particular have regard to the illustrative statements for an NDPB;<sup>17</sup>
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

28.3 Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and made available on the Parole Board's website, in accordance with the guidance in the FReM.

## 29. Reporting performance to MoJ

29.1 The Parole Board shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

29.2 The Parole Board shall inform the sponsor department of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly.

29.3 The Parole Board's performance shall be formally reviewed by the MoJ at Business Assurance Meetings (BAMs), on a frequency determined based on risk and according to their terms of reference. BAMs shall be chaired by the Head of the Public Bodies Centre of Expertise (or in exceptional circumstances by their deputy) and attended by the Chief Executive of the Parole Board.

29.4 The responsible minister will, unless other arrangements have been agreed, meet the Chair and Chief Executive of the Parole Board at least once a year to discuss the Parole Board's performance and current issues. MoJ will also monitor performance outside of the scope of the BAMs through day-to-day assurance partnership and attending quarterly Audit and Risk Assurance Committee (ARAC) meetings.

29.5 The Senior Sponsor will meet the Chief Executive at least once a year.

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<sup>17</sup> <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.



## 30. Information Sharing

- 30.1 Subject to relevant data protection legislation, the department has the right of access to all Parole Board's records and personnel for any purpose including, for example, sponsorship audits and operational investigations.
- 30.2 The Parole Board shall provide the MoJ with such information about its operations, performance, individual projects or other expenditure as the MoJ may reasonably require.
- 30.3 The MoJ and HM Treasury may request the sharing of data held by the Parole Board in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.
- 30.4 As a minimum, the Parole Board shall provide the MoJ with information monthly that will enable the department satisfactorily to monitor:
- the ALB's cash management;
  - its draw-down of grant-in-aid;
  - forecast outturn by resource headings;
  - other data required for the Online System for Central Accounting and Reporting (OSCAR);
  - data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter.

# Audit

## 31. Internal Audit

31.1 The Parole Board shall:

- establish and maintain arrangements for the Government Internal Audit Agency to provide internal audit services in accordance with the HM Treasury's Public Sector Internal Audit Standards (PSIAS)<sup>18</sup>
- set up an Audit and Risk Assurance Committee of its Management Committee in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the Parole Board's Head of Internal Audit opinion on risk management, control and governance as soon as possible to the MoJ via the Public Bodies Centre of Expertise; and
- keep records of, and prepare and forward to the department, an annual report on fraud and theft suffered by the Parole Board and notify the MoJ, via the Public Bodies Centre of Expertise, of any unusual or major incidents as soon as possible;
- share with the MoJ, via the Public Bodies Centre of Expertise, information identified during the audit process and the annual audit opinion report (together with any other outputs) at the end of the audit, in particular on issues impacting on the MoJ's responsibilities in relation to financial systems within the Parole Board

## 32. External Audit

32.1 The Comptroller & Auditor General (C&AG) audits the Parole Board's annual accounts and lays them before parliament, together with his report.

32.2 In the event that the Parole Board has set up and controls subsidiary companies, the Parole Board will ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. The Parole Board shall discuss with the MoJ the procedures for appointing the C&AG as auditor of the companies.

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<sup>18</sup> <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

### 32.3 The C&AG:

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

# Reviews and winding up arrangements

## 33. Review of Parole Board status

- 33.1 The status of the Parole Board will be periodically reviewed in line with Cabinet Office guidance. There may also be the occasional need for this to be considered as part of potential broader policy initiatives.

## 34. Arrangements in the event that the Parole Board is wound up

- 34.1 The MoJ shall put in place arrangements to ensure the orderly winding up of the Parole Board. In particular, it should ensure that the assets and liabilities of the Parole Board are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the MoJ.) To this end, the department shall:
- have regard to Cabinet Office guidance on winding up of ALBs;<sup>19</sup>
  - ensure that procedures are in place in the Parole Board 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 Parole Board'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, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts; and
  - arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the MoJ inherits the role, responsibilities, assets and liabilities, the MoJ's AO should sign.
- 34.2 The Parole Board shall provide the department with full details of all agreements where the Parole Board or its successors have a right to share in the financial gains

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<sup>19</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690952/public\\_bodies\\_a\\_guide\\_for\\_departments\\_-\\_chapter\\_10.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/public_bodies_a_guide_for_departments_-_chapter_10.pdf)

of developers. It should also pass to the department details of any other forms of claw-back due to the Parole Board.

# Appendix A

## Compliance with Government-wide corporate guidance and instructions

The Parole Board shall comply with the following general guidance documents and instructions except in so far as they conflict with the Parole Board's independence in discharging its statutory functions:

- appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>;
- Managing Public Money (MPM)  
<https://www.gov.uk/government/publications/managing-public-money>;
- Public Sector Internal Audit Standards  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/641252/PSAIS\\_1\\_April\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/641252/PSAIS_1_April_2017.pdf);
- Management of Risk: Principles and Concepts:  
<https://www.gov.uk/government/publications/orange-book>;
- A guide to managing fraud for public bodies  
<https://www.gov.uk/government/publications/a-guide-to-managing-fraud-for-public-bodies>;
- Government Financial Reporting Manual (FReM),  
<https://www.gov.uk/government/publications/government-financial-reporting-manual-2019-20>;
- Cabinet Office's Policy on Spending Controls.  
<https://www.gov.uk/government/publications/cabinet-office-controls-version-5/cabinet-office-controls-policy-version-5>;
- Fees and Charges Guide, Chapter 6 of MPM;
- Departmental Banking: A Manual for Government Departments, Annex 5.6 of MPM
- relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money, <https://esrc.ukri.org/files/about-us/governance-and-structure/regularity-propriety-and-value-for-money-hm-treasury-see-annex-21/>;
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <https://www.ombudsman.org.uk/about-us/our-principles/principles-good-administration>;
- Consolidation Officer Memorandum, and relevant DCO letters;

- Model Code for Staff of Executive Non-departmental Public Bodies, Public Bodies: A Guide for Departments, Chapter 5 Annex A [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690948/Public\\_Bodies - a guide for departments - chapter 5.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690948/Public_Bodies_-_a_guide_for_departments_-_chapter_5.pdf) (Cabinet Office); and
- other relevant guidance and instructions issued by HMT in respect of Whole of Government Accounts.

## HM Treasury contacts

This document can be downloaded from [www.gov.uk](http://www.gov.uk)

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