

**MANAGEMENT STATEMENT FOR DEPARTMENT FOR EDUCATION AND SKILLS
AND CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICES**

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1. INTRODUCTION

1.1 This document

1.1.1 This management statement and its associated financial memorandum have been drawn up by the Department for Education and Skills and the Children and Family Court Advisory and Support Service (CAFCASS).

1.1.2 Subject to the legislation noted below, the management statement sets out the broad framework within which CAFCASS will operate, in particular:

- CAFCASS's overall aims, objectives and targets in support of the sponsoring Department's wider strategic aims ;
- the rules and guidelines relevant to the exercise of the CAFCASS functions, duties and powers;
- the conditions under which any public funds are paid to CAFCASS;
- how CAFCASS is to be held to account for its performance.

However, the management statement and financial memorandum do not convey any legal powers or responsibilities.

1.1.3 The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which CAFCASS shall observe.

1.1.4 The document shall be periodically reviewed by the Department and CAFCASS in accordance with the timetable referred to in 7.2 below.

1.1.5 CAFCASS, or the Secretary of State¹ in consultation with devolved authorities, may propose amendments to this document at any time. Any such proposals by CAFCASS shall be considered in the light of evolving departmental policy aims, operational factors and the track record of CAFCASS itself. The guiding principle shall be that the extent of flexibility and freedom given to CAFCASS shall reflect both the quality of its internal controls and its operational needs. The Secretary of State shall determine what changes, if any, are to be incorporated in the document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with the Treasury or Cabinet Office as appropriate. (The definition of "significant" will be determined by DfES in consultation with the Treasury/Cabinet Office.)

1.1.6 The combined document is signed and dated by the Department and CAFCASS.

1.1.7 Any question regarding the interpretation of the document shall be resolved by the Department after consultation with CAFCASS and, as necessary, with the Treasury and/or the Cabinet Office.

¹ It is intended that CAFCASS Wales will become the legal responsibility of the National Assembly from April 2005. Until this time the Secretary of State should consult with the National Assembly on any proposed changes.

1.1.8 Copies of this document and any subsequent substantive amendments shall be placed in the Libraries of both Houses of Parliament. Copies shall also be made available to members of the public on the CAFCASS website.

1.2 Founding legislation; status

1.2.1 CAFCASS is a body corporate established under section 11(et seq) and Schedule 2 of the Criminal Justice and Court Services Act 2000 (the Act). CAFCASS draws together functions previously carried out by three different services: the Family Court Welfare Service (part of the Probation Service); the work of Guardian ad Litem and Reporting Officers (previously a responsibility of local authorities and the Children’s Divisions of the Official Solicitor.

1.3 The functions, duties and powers of CAFCASS

1.3.1 The Act requires CAFCASS:

to exercise the functions conferred on CAFCASS by the Act and any other enactment (s.11 (1)).

In respect of family proceedings in which the welfare of children is or may be in question, the core functions of the service are to:

- safeguard and promote the welfare of the children in family court proceedings,
- give advice to any court about any application made to it in such proceedings,
- make provision for the children to be represented in such proceedings,
- provide information, advice and other support for the children and their families

(**Annex A** sets out the duties and powers of CAFCASS in full.)

1.4 Classification

1.4.1 For administrative purposes CAFCASS is classified as an executive non-departmental public body.

1.4.2 For national accounts purposes CAFCASS is classified to the central government sector.

1.4.3 References to CAFCASS include all its subsidiaries and joint ventures that are classified to the public sector for national accounts purposes. If such a subsidiary or joint venture is created, there shall be a separate document setting out the arrangements between it and CAFCASS (paragraphs 65-66 of the financial memorandum). For the avoidance of doubt, “joint venture” does not include support funding of cases funded primarily under a conditional fee agreement, nor grant or loan funding under CAFCASS’s Grant and Loan Scheme.

2. AIMS, OBJECTIVES AND TARGETS

2.1 Overall aims

2.1.1. Within the founding legislation the overall aims for CAF/CASS are: to safeguard and promote the welfare of the children before courts dealing with family proceedings; give advice to any court about any application made to it in such proceedings; make provision for the children to be represented in such proceedings; and provide information, advice and other support for the children and their families.

2.2 Objectives and key targets

2.2.1 The sponsor Department determines CAF/CASS's performance framework in the light of the Department's wider strategic aims. CAF/CASS's objectives and key targets shall be agreed within its corporate and business planning process (Section 4 below).

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1 The Secretary of State

3.1.1 The Secretary of State is accountable to Parliament for the activities and performance of CAF/CASS. His responsibilities include:

- approving CAF/CASS's strategic objectives and the policy and performance framework within which CAF/CASS will operate (as set out in this management statement and financial memorandum and associated documents);
- through the approval of CAF/CASS' Corporate and Business Plans and the performance targets included in the plans.

- approving the amount of grant-in-aid to be paid to CAF/CASS, and securing Parliamentary approval;

- carrying out responsibilities specified in the founding legislation, including appointments to the Board, determining the terms and conditions of Board members, approval of the annual pay remit, approval of the general terms and conditions of staff (as at para 40 of the Financial Memorandum), and laying of the annual report and accounts before Parliament [and before the Devolved Assemblies where required].

3.2 The Accounting Officer of the sponsor Department

3.2.1 The Permanent Secretary, as the Department's principal Accounting Officer, is responsible for the overall organisation, management and staffing of the sponsor Department and for ensuring that there is a high standard of financial management in the Department as a whole. The principal Accounting Officer is accountable to Parliament for the issue of any grant-in-aid to CAF/CASS. The principal Accounting Officer designates the Chief Executive of CAF/CASS as its Accounting Officer, and may withdraw the accounting officer designation if he/she believes that the incumbent is no longer suitable for the role.

3.2.2 In particular the principal Accounting Officer of the Department shall ensure that:

- CAFCASS's strategic aims and objectives support the Department's wider strategic aims;
- the financial and other management controls applied by the Department to CAFCASS are appropriate and sufficient to safeguard public funds and for ensuring that CAFCASS's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to CAFCASS by Parliament but also any other funds generated by approved activities or falling within the stewardship of CAFCASS);
- the internal controls applied by CAFCASS conform to the requirements of regularity, propriety and good financial management;
- any grant-in-aid to CAFCASS is within the ambit and the amount of the Request for Resources and that Parliamentary authority has been sought and given
- The responsibilities of a departmental Accounting Officer are set out in more detail in the annex to Chapter 4 of *Government Accounting*.

3.3 The sponsoring team in the Department

Within the Department, the CAFCASS Sponsorship Unit is the sponsoring team for CAFCASS. The Unit, in consultation as necessary with the relevant departmental Accounting Officer, is the primary source of advice to the Secretary of State on the discharge of his/her responsibilities in respect of CAFCASS, and the primary point of contact for CAFCASS in talking to the Department. The sponsoring team shall carry out its duties under a senior officer who shall have primary responsibility for overseeing the activities of CAFCASS. The Sponsorship Unit will work to support CAFCASS in its objectives, and act as an ambassador for CAFCASS across Government Departments, and informing CAFCASS of relevant Government initiatives.

3.3.2 The Sponsorship Unit shall advise the Secretary of State on:

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

3.3.3 In support of the departmental Accounting Officer the Sponsorship Unit shall:

on performance and risk management -

- monitor CAFCASS's activities on a continuing basis through an adequate

and timely flow of information from CAFCASS on performance, budgeting, control and risk management, including early sight of CAFCASS's Statement on Internal Control;

- address in a timely manner any significant problems arising in CAFCASS, whether financial or otherwise through joint working to resolve difficulties as the Department judges necessary;
- periodically carry out a risk assessment of CAFCASS's activities to inform the Department's oversight of CAFCASS; strengthen these arrangements if necessary; and amend the management statement accordingly. The risk assessment shall take into account the nature of CAFCASS's activities; the public monies at stake; the body's corporate governance arrangements; its financial performance; internal and external auditors' reports, the openness of communications between the body and the Department; and any other relevant matters;

on communication with CAFCASS –

- engage with CAFCASS to draw upon the body's expertise and experience to work jointly on both the development of policy for CAFCASS and wider relevant policy development as appropriate.
 - consult CAFCASS on relevant Government policy in a timely manner; advise on the interpretation of that policy; and issue specific guidance to CAFCASS as necessary;
 - bring any concerns about the activities of CAFCASS to the attention of the Chief Executive and Executive Team through day to day communications and regular formal meetings, and require explanations and assurances that appropriate action has been taken.
 - arrange six-weekly Sponsorship Meetings with the CAFCASS Chief Executive and Executive Team to be chaired on a rota basis by the senior officer with primary responsibility for overseeing the activities of CAFCASS Sponsorship (the Divisional Manager) and the CAFCASS Chief Executive. These meetings will include updates on policy.
 - arrange quarterly meetings between the responsible DfES Director and Divisional Manager and the Chair and Chief Executive of CAFCASS to discuss progress and issues.
 - engage with CAFCASS to arrange appropriate briefing meetings on any mutual areas of interest as necessary.
 - Set up arrangements for joint working in the drafting of responses to Parliamentary Questions and Ministerial Correspondence relating to CAFCASS. Ministerial correspondence judged to be directly concerning operational matters is to be acknowledged by Ministers and passed to CAFCASS for a response by the Chief Executive.
 - Make arrangements to ensure information sharing and timely consultation between the Department and CAFCASS in order to keep each other

informed of significant contacts with the media or plans to engage it

3.4 The Chair of CAFCASS

3.4.1 The Chair of CAFCASS is appointed by the Secretary of State in accordance with the Code of Practice issued by the Commissioner for Public Appointments. This ensures that all public appointments are governed by the principles of merit with independent assessment, openness and transparency of process. The Chair will be appointed for a fixed period that does not extend beyond the terms of membership (see 3.5.1 below).

3.4.2 The Chair is responsible to the Secretary of State. The Chair shall ensure that CAFCASS's policies and actions support the wider strategic policies of the Secretary of State; and that CAFCASS's affairs are conducted with probity. The Chair shares with other Board members the corporate responsibilities set out in paragraph 3.5.2, and in particular for ensuring that the CAFCASS fulfils the aims and objectives set by the Secretary of State.

3.4.3 The Chair has a particular leadership responsibility on the following matters:

- formulating the Board's strategy;
- leading the Board in establishing the overall strategic direction of CAFCASS to achieve targets agreed by the Secretary of State and to encourage corporate working and cohesion, for example relating to the use of public funds;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Secretary of State or department
- promoting the efficient and effective use of staff and other resources;
- encouraging high standards of propriety;
- representing the views of the Board to the general public.

3.4.4 The Chair shall also:

ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice;

- advise the Secretary of State of the needs of CAFCASS when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise;
- assess the performance of individual Board members on a regular basis.

3.4.5 The Chair shall also ensure that Board members understand and comply with their corporate role and that a Board Members Code of Practice is in place based on the Cabinet Office model. The Code shall commit the Chairman and other Board Members to the Nolan seven principles of public life, and shall include a requirement

for a comprehensive and publicly available register of Board Members' interests.

3.4.6 Communications between the Board and the Secretary of State shall normally be through the Chair. The Chair shall ensure that the other Board members are kept informed of such communications.

3.5 The CAFCASS Board

3.5.1 The Board Members are appointed by the Secretary of State as described for the Chair in paragraph 3.4.1. Members will be appointed for a fixed term of not more than four years but may be reappointed. No member will serve for periods totaling more than eight years. The terms and conditions of appointment will be determined by the Secretary of State.

3.5.2 The Board has corporate responsibility for ensuring that CAFCASS fulfils the aims and objectives set by the Secretary of State and for promoting the efficient and effective use of staff and other resources by CAFCASS. To this end, and in pursuit of its wider corporate responsibilities, the Board shall:

- establish the overall strategic direction of CAFCASS within the policy and resources framework determined by the Secretary of State;
- ensure that the Secretary of State is kept informed of any changes which are likely to have a significant impact on the strategic direction of CAFCASS or on the attainability of its targets, and determine the steps needed to deal with such changes;
- ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor Department, 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 sponsor Department;
- ensure that the Board receives and reviews regular financial information concerning the management of CAFCASS; is informed in a timely manner about any concerns about the activities of CAFCASS; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
- demonstrate high standards of corporate governance at all times, including by using the independent audit committee (paragraph 4.6.2) to help the Board to address the key financial and other risks facing CAFCASS;
- appoint with the Secretary of State's approval a Chief Executive to CAFCASS 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 of public monies.

3.5.3 Individual Board members shall act in accordance with their wider responsibility as Members of the Board – namely to:

- comply at all times with the CAFCASS Code of Best Practice (paragraph

3.4.5 above) 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 persons or organisations;
- comply with the Board Members Code of Practice
- 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 CAF/CASS.

3.6 The Chief Executive's role as Accounting Officer

3.6.1 The Chief Executive of CAF/CASS is designated as its Accounting Officer by the Departmental Accounting Officer of the Department.

3.6.2 The Accounting Officer of CAF/CASS is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of CAF/CASS.

3.6.3 As Accounting Officer the Chief Executive shall exercise the following responsibilities in particular:

on planning and monitoring –

- establish, in agreement with the Board, CAF/CASS's corporate and business plans for submission to the Department;
- inform the Department of CAF/CASS's progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives, for example through the targets in the Corporate and Business Plans and the accounting in the Annual Report and Accounts;
- ensure that timely forecasts and monitoring information on performance and finance are provided to the Department (see Section X of the Financial Memorandum); that the Department is notified promptly if overspends or underspends 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;

on advising the Board -

- advise the Board on the discharge of its 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;
- advise the Board on CAF/CASS's performance compared with its aims and

objectives;

- ensure that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed as far as this is practical;
- take action as set out in paragraphs 14-18 of the NDPB Accounting Officer Memorandum if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration or efficiency or effectiveness;

on managing risk and resources -

- ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensure that an effective system of programme and project management and contract management is maintained;
- ensure that all public funds made available to CAFCASS including any approved income or other receipts are used for the purpose intended by Parliament, and that such moneys, together with CAFCASS' assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that adequate internal management and financial controls are maintained by the CAFCASS, including effective measures against fraud and theft;
- maintain a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations;
- ensure that effective personnel management policies are maintained;

on accounting for CAFCASS's activities -

- sign the accounts and be responsible for 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 Secretary of State;
- sign a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Statement on Internal Control regarding CAFCASS's system of internal control, for inclusion in the annual report and accounts;
- ensure that effective procedures for handling complaints about CAFCASS are established and made widely known within CAFCASS;
- act in accordance with the terms of this document and with the instructions

and guidance in *Government Accounting* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office - in particular, the Treasury documents *The Responsibilities of an NDPB Accounting Officer* and *Regularity and Propriety*, both of which the Chief Executive shall receive on appointment. Section IX of the attached financial memorandum refers to other key guidance;

- give evidence, normally with the Accounting Officer of the sponsor Department, when summoned before the Committee of Public Accounts on the use and stewardship of public funds by CAF/CASS.

3.7 The Chief Executive's role as Consolidation Officer

3.7.1 For the purposes of Whole of Government Accounts the Chief Executive of the NDPB is normally appointed by the Treasury as the NDPB's Consolidation Officer.

3.7.2 As CAF/CASS's Consolidation Officer the Chief Executive shall be personally responsible for preparing the consolidation information that sets out the financial results and position of CAF/CASS, for arranging for its audit and for sending the information and the audit report to the Principal Consolidation Officer nominated by the Treasury.

3.7.3 As Consolidation Officer the Chief Executive shall comply with the requirements of the Consolidation Officer Memorandum and shall, in particular:

- ensure that CAF/CASS has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process;
- prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions ("Dear Consolidation Officer" (DCO) and "Dear Consolidation Manager" (DCM) letters) issued by the Treasury on the form, manner and timetable for the delivery of such information.

3.8 Delegation of duties

3.8.1 The Chief Executive may delegate the day-to-day administration of his/her Accounting Officer and Consolidation Officer responsibilities to other employees in CAF/CASS. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.

3.9 The Chief Executive's role as Principal Officer for Ombudsman cases

3.9.1 The Chief Executive is the Principal Officer for handling cases involving the Parliamentary Commissioner for Administration. As Principal Officer he/she shall inform the Permanent Secretary of the sponsor Department of any complaints about the NDPB accepted by the Ombudsman for investigation, and about the NDPB's proposed response to any subsequent recommendations from the Parliamentary Ombudsman.

4. PLANNING, BUDGETING AND CONTROL

4.1 The CAFCASS corporate plan

4.1.1 Consistent with the timetable for public spending reviews CAFCASS shall submit annually to the Department a draft of its updated corporate plan covering three years ahead. CAFCASS shall have agreed with the Department the issues to be addressed in the plan and the timetable for its preparation.

4.1.2 The plan shall reflect CAFCASS's statutory duties and, within those duties, the priorities set from time to time by the Secretary of State. In particular, the plan shall demonstrate how CAFCASS contributes to the achievement of the Department's targets.

4.1.3 The CAFCASS corporate plan shall set out:

- CAFCASS's key objectives and associated key performance targets for the three forward years set by the Board and approved by the Secretary Of State, and its strategy for achieving those objectives;
- a review of CAFCASS's performance in the preceding financial year together with comparable outturns for the previous 2-5 years, and an estimate of performance in the current year;
- alternative scenarios to take account of factors which may significantly affect the execution of the plan but which cannot be accurately forecast;
- other matters as agreed between the Department and CAFCASS.

4.1.4 The main elements of the plan - including the key performance targets - shall be agreed between the Department and the CAFCASS in the light of the Department's decisions on policy and resources taken in the context of the Government's wider public expenditure plans and decisions.

4.1.5 In reaching annual decisions on CAFCASS's rolling corporate plan and in monitoring progress, the Department shall **aim** to give CAFCASS greater planning certainty by observing the principles set out in paragraph 15 of PES(2000)25 concerning three year planning and end year flexibility (EYF). These principles are summarised in paragraph 21 of the financial memorandum.

4.2 The business plan

4.2.1 The first year of the corporate plan, amplified as necessary, should form the business plan. The business plan should be updated to include key targets and milestones for the year immediately ahead and should be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department.

4.3 Publication of plans

4.3.1 Subject to any commercial considerations the corporate plan shall be published and the business plan shall also made available on the CAFCASS website.

4.4 Reporting performance to the Department

4.4.1 CAFCASS shall operate management information and accounting systems which enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in its agreed corporate and business plans.

4.4.2 CAFCASS shall take the initiative in informing the Department of changes in external conditions which make the achievement of objectives more or less difficult, or which may require a change to the budget or objectives set out in the corporate or business plans.

4.4.3 CAFCASS's performance in helping to deliver Ministers' policies, including the achievement of key objectives, shall be reported to the Department on a regular basis. Performance will be formally reviewed regularly by officials of the Department. The Secretary of State shall meet the Chair formally each year to discuss CAFCASS's performance, its current and future activities and any policy developments relevant to those activities.

4.4.4 CAFCASS's performance against key targets shall be reported in its annual report and accounts [see Section 5.1 below].

4.5 Budgeting procedures

4.5.1 CAFCASS's budgeting procedures are set out in the financial memorandum.

4.6 Internal audit

4.6.1 CAFCASS shall maintain arrangements for internal audit in accordance with the Treasury's Government Internal Audit Standards. CAFCASS shall consult the Department to ensure that the latter is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointment in accordance with Government Internal Audit Standards (GIAS) 5.2.

4.6.2 CAFCASS shall set up an independent audit committee as a committee of its Board in accordance with the Cabinet Office's Guidance on Codes of Practice for Public Bodies and the Treasury's Audit Committee guidance.

4.6.3 CAFCASS shall arrange for periodic quality reviews of its internal audit in accordance with the GIAS. However, the Department reserves a right of access to carry out independent reviews of internal audit in the body.

4.6.4 The Department's Internal Audit Service shall also have a right of access to all documents prepared by CAFCASS's internal auditor, including where the service is contracted out. The audit strategy, periodic audit plans and annual audit report, including CAFCASS's Head of Internal Audit's opinion on risk management, control and governance shall be forwarded as soon as possible to the sponsoring team who shall consult the Head of Internal Audit as appropriate

4.6.5 In addition, CAFCASS shall forward to the Department an annual report on fraud and theft suffered by CAFCASS; notify any unusual or major incidents as soon as possible; and notify any changes to internal audit's terms of reference, the audit committee's terms of reference or CAFCASS's Fraud Policy and Fraud Response Plan.

4.7 Additional Departmental access to CAFCASS

4.7.1 In addition to the right of access referred to in paragraph 4.6.3 above, the Department shall have, in consultation with CAFCASS, a right of access to all CAFCASS's records and personnel for purposes such as sponsorship audits and operational investigations. In such circumstances, consideration will need to be given to the Data Protection Act, Court Rules and Children Act (section 97) concerning access to case records held by CAFCASS and the Administration of Justice Act 1969 (section 12 – provision on contempt of court).

5. EXTERNAL ACCOUNTABILITY

5.1 The annual report and accounts

5.1.1 After the end of each financial year CAFCASS shall publish an annual report of its activities together with its audited annual accounts. The report shall also cover the activities of any corporate bodies under the control of CAFCASS. A draft of the report shall be submitted to the Department two weeks before the proposed publication date.

5.1.2 The report and accounts shall comply with the Treasury document *Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance*. The accounts shall be prepared in accordance with the relevant statutes and the specific Accounts Direction issued by the Department. [NOTE: A model accounts direction is included at Annex B of the NDPB Annual Reports and Accounts guidance.]

5.1.3 The report and accounts shall outline CAFCASS's main activities and performance during the previous financial year and set out in summary form CAFCASS's forward plans. Information on performance against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit.

5.1.4 The report and accounts shall be laid before Parliament and made available on the CAFCASS website, in accordance with the guidance on the procedures for presenting and laying the combined annual report and accounts as prescribed in Chapter 13 of the NDPB Annual Reports and Accounts Guidance [NOTE: This guidance is updated every year.]

5.2 External audit

5.2.1 [NOTE: The arrangements in paragraphs [5.2.4 - 5.2.6] below will lapse as and when the decisions announced in the Government's response to Lord Sharman's report "Holding to Account" are implemented.]

5.2.2 The Comptroller and Auditor General (C&AG) audits CAFCASS's annual accounts and passes the accounts to the Department who shall lay them before Parliament usually with CAFCASS' Annual Report. For the purpose of audit the C&AG has a statutory right of access to relevant documents as provided for in the Government Resources and Accounts Act 2000, including by virtue of any Order made under section 25(8) of that Act.

5.2.3 The C&AG has agreed to consult the Department and CAFCASS on who - the NAO or a commercial auditor – shall undertake the actual audit on his behalf. The final decision rests with the C&AG.

5.2.4 The C&AG has agreed to share with sponsor Departments information identified during the audit process and the audit report (together with any other outputs) at the end of the audit. This shall apply, in particular, to issues which impact on the Department's responsibilities in relation to financial systems within CAFCASS. 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.

5.3 VFM examinations

5.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which CAFCASS 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 NDPB 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.

6. STAFF MANAGEMENT

6.1 General

6.1.1. Within the arrangements approved by the Secretary of State and the Treasury CAFCASS shall have responsibility for the recruitment, retention and motivation of its staff. To this end CAFCASS shall ensure that:

- its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where 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 gradings and numbers of staff, is appropriate to its functions and the requirements of efficiency, effectiveness and economy;
- the performance of its staff at all levels is satisfactorily appraised

and CAFCASS'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 CAFCASS's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistleblowing 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 document *Model Code for Staff of Executive Non-Departmental Public Bodies*.

7. REVIEWING THE ROLE OF CAFCASS

7.1 CAFCASS shall be reviewed at no more than five year intervals , in accordance with the Cabinet Office guidance on "lighter touch" reviews.

7.2 Reviewing the Framework Document The arrangements set out in this Framework Document are to be reviewed formally at least every three years but it will be reviewed and updated before then if needed.

Annex – The Duties and Powers of CAFCASS

1. The duties of CAFCASS

- 1.1 The principal duties of CAFCASS are set out in sections 12,24 and schedule 2 of the Criminal Justice and Court Services Act 2000 (the Act).
- 1.2 As a body concerned with representing children and assisting the courts with regard to family matters, CAFCASS' principal duties are in the area of court proceedings. The Primary duties of CAFCASS are set out in section 12(1). They are, in respect of family proceedings in which the welfare of a child is or may be in question, to:
 - a) safeguard and promote the welfare of the children.
 - b) give advice to any court about application made to it.
 - c) make provision for children to be represented in the proceedings.
 - d) provide information, advice and support for the children and their families.
- 1.3 Section 12(2) places a further duty on CAFCASS to perform functions that may be conferred on it by any other enactment, i.e. another Act of Parliament or secondary legislation.

- 1.4 Section 24 deals with the Protection of Children Act 1999 (PoCA). The aim of this Act is to prevent unsuitable individuals from working with children by requiring specified organisations to check if proposed employees are kept on any lists kept by the Secretary of State. PoCA further requires organisations to refer to the Secretary of State any unsuitable individuals so they may be added to the list. Section 24 (1) brings CAFCASS within PoCA and thereby places a duty on CAFCASS to ensure that any individual who is to be employed by CAFCASS in a child care position is not on any of the lists kept under PoCA. If the person is on a list then CAFCASS must not employ them. Further, if at any time CAFCASS has the power to refer an individual under PoCA then it is under a duty do so.
- 1.5 Paragraph 9(3), of Schedule 2, requires CAFCASS to provide the Secretary of State, as he may require from time to time, with any information relating to the performance of its functions.
- 1.6 Under paragraph 12, of schedule 2, CAFCASS must make a report to the Secretary of State for CAFCASS' performance of its function in that financial year.
- 1.7 Paragraph 13, of Schedule 2, requires CAFCASS to keep proper accounts and produce a yearly financial statement, which must be sent to the Secretary of State (and to the Comptroller and Auditor General). The financial statement must comply with any directions given by the Secretary of State and contain any additional information required by the Secretary of State for the information of Parliament. Further, the service must appoint an auditor and ensure that the auditor make a report to the Secretary of State.
- 1.8 Under paragraph 15, of Schedule 2, CAFCASS is under a duty to make and publicise a complaints procedure.

2. The powers of CAFCASS

- 2.1 CAFCASS' powers can be found in sections 12,13,14,15 and schedule 2 of the Act.
- 2.2 Section 12(3) allows CAFCASS, subject to regulations, to pay grants for the purpose of furthering the performance of any of its functions.
- 2.3 Section 13 deals with the contracting out of CAFCASS' functions. Section 13(1) enables CAFCASS to make arrangements with other organisation for them to perform any of its functions which (section 13 (2)) may provide for the organisation to designate individuals who may perform functions of CAFCASS officers. However, CAFCASS must be satisfied that any such arrangement represents good value for money and the function will be performed efficiently and effectively (section 13 (3)). Section 13(4) allows CAFCASS to make these arrangements with individuals under which they may perform functions of officers of CAFCASS.
- 2.4 Section 13(5) allows CAFCASS to commission, or assist, research into matters concerned with the exercise of its functions.

- 2.5 Section 14(1) allows CAF/CASS to enter into arrangements in which staff of CAF/CASS are allowed to work for other organisations or individuals. Section 14(2) allows CAF/CASS to enter into arrangements under which services provided to CAF/CASS by its staff are also made available to the organisation or individual. Section 14(3) allows CAF/CASS to charge for these arrangements made under section 14(1) or (2).
- 2.6 Section 15 gives CAF/CASS the power to authorise an officer of the Service of a “prescribed description” to conduct litigation and to have right of audience in proceedings before any court. This will allow CAF/CASS officers, who have been prescribed in regulations, to take on cases and represent children in court.
- 2.7 Under paragraph 3 (1), of Schedule 2, CAF/CASS may make payments to the Chair or other members of the board of remuneration, fees, expenses, pension, allowances or gratuities – but only where these have been determined by the Secretary of State. CAF/CASS may also reimburse any co-opted members for any expenses or loss of earnings, to the extent determined by the Secretary of State (paragraph 3 (2)).
- 2.8 Paragraph 5 of Schedule 2 enables CAF/CASS to appoint staff to perform functions of officers of the Service, and other staff. The Chief Executive cannot be appointed without the approval of the Secretary of State.
- 2.9 Paragraph 7 of Schedule 2 allows CAF/CASS to arrange for the chair or other member of the board to discharge functions of the service on its behalf.
- 2.10 Paragraph 10 of Schedule 2 enables CAF/CASS, subject to directions given by the Secretary of State, to do anything which appears necessary or expedient for the purposes of, or in connection with, the exercise of its functions. In particular this includes holding land and other property, entering into contracts, investing and accepting gifts. CAF/CASS may not borrow money, whether by way of overdraft or otherwise, without the approval of the Secretary of State.