



Ministry
of Justice



Framework Document between the Ministry of Justice and the Children and Family Court Advisory and Support Service (Cafcass)

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Introduction and Background

1. Purpose of document

- 1.1 This Framework Document (the “Framework Document”) has been agreed between the Ministry of Justice (MoJ) and the Children and Family Court Advisory and Support Service (Cafcass) 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 Cafcass and the MoJ operate. It sets out Cafcass' core responsibilities; describes the governance and accountability framework that applies between the roles of the MoJ and Cafcass 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 Cafcass include all its subsidiaries and joint ventures that are classified as public sector and central government for national accounts purposes. If Cafcass establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and Cafcass agreed with the MoJ.
- 1.5 Copies of this document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on gov.uk.
- 1.6 This Framework Document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer (PAO) of the MoJ. The latest date for review and updating of this document is December 2026.

2. Objectives

- 2.1 The MoJ and Cafcass share the common priority of safeguarding and promoting the welfare of children going through the family justice system. To achieve this, Cafcass and the MoJ will work together in recognition of each other's roles and areas of expertise, providing an effective environment for Cafcass to achieve its objectives through the promotion of partnership and trust and ensuring that Cafcass also supports the strategic aims and objectives of the MoJ and wider government as a whole.

3. Classification

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

Purposes Aims and Duties

4. Purposes

- 4.1 Cafcass was established under the Criminal Justice and Court Services Act 2000 (the Act). Its purposes are set out in section 12 and are in relation to family proceedings where the welfare of children who are subject to proceedings, is or may be, in question. Further, The Cafcass Board is made up of non-executive members appointed in accordance with The Children and Family Court Advisory and Support Service (Membership, Committee and Procedure) Regulations 2005.

5. Powers and Duties

- 5.1 In respect of family proceedings in which the welfare of children is, or may be, in question, it is a function of the Cafcass Service to:

- Safeguard and promote the welfare of the children;
- 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 support to such children and their families.

Other powers of Cafcass under the Act

- To make arrangements with organisations under which the organisations perform functions of Cafcass on its behalf. These arrangements may provide for the organisations to designate individuals who may perform functions of officers of Cafcass;
- Cafcass may make arrangements with individuals under which they may perform functions of officers of Cafcass;
- Cafcass may commission or assist the conduct of research by any person into matters concerned with the exercise of its functions;
- Cafcass may make arrangements with an organisation or individual under which Cafcass staff may work for that organisation or individual;
- Cafcass may make arrangements with an organisation or individual under which any services provided to Cafcass by its staff are also made available to the organisation or individual;
- Cafcass may charge for anything done under these arrangements;
- Cafcass may authorise an officer of Cafcass of a prescribed description to conduct litigation in relation to any proceedings in any court and exercise a right of audience in any proceedings before any court, in the exercise of Cafcass functions; and
- Any other powers by virtue of schedule 2 of the Act.

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

6. Aims

6.1 Cafcass' aims are to:

- Provide an independent voice for children in the family courts; and
- Ensure that arrangements proposed to the court by local authorities, parents or other family members are in children's best interests;

6.2 Cafcass' strategic objectives are to:

- Deliver the best quality social work and support services in each case and to improve children's lives wherever they live;
- To give Cafcass staff the support, resources and working environment needed to sustain excellence; and
- To share knowledge, learn from others and use Cafcass' influence to improve the family justice system and wider family policy.

Governance and accountability

7. Governance and accountability

- 7.1 Cafcass shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Framework Document, or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 7.2 In particular (but without limitation), Cafcass should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report;
 - comply with Managing Public Money (MPM);
 - in line with MPM have regard to the relevant Functional Standards as appropriate and in particular those concerning Finance, Commercial and Counter Fraud <https://www.gov.uk/government/collections/functional-standards>; and
 - take into account the guidance set out in Annex A of this Framework Document as they apply to Cafcass.
- 7.3 In line with MPM Annex 3.1, Cafcass 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 Cafcass does intend to materially depart from the Code, the Senior Sponsor should be notified in advance and their agreement sought to this approach.
- 7.4 The senior officers accountable for managing each function in Cafcass are accountable to the Cafcass Accounting Officer (AO) for;
- the delivery of the Cafcass 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 Cafcass adopts the relevant function's policies, controls and standards, so far as consistent with other provisions of this framework document.
- 7.5 As an embedded and integral part of the governance and performance management of Cafcass, the senior officers accountable for managing each function in Cafcass shall agree a proportionate basis for defining the scope of services, service levels, appropriate milestones and performance criteria with

routine reporting on compliance with defined standards and requirements, the resources deployed and costs and any gaps in capacity and capabilities.

- 7.6 The senior officers accountable for managing each function in Cafcass are accountable to the respective MoJ function leads for:
- providing assurance over compliance with functional standards, so far as consistent with the other provisions of this framework document;
 - implementing consistent policies, systems, processes and capabilities that support and promote interoperability and efficiency; and
 - supporting the on-going development of the function.
- 7.7 The senior officers accountable for managing each function in Cafcass shall provide the MoJ 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 Cafcass AO.
- 7.8 The respective MoJ function lead will engage with the Cafcass Accounting Officer and senior officer accountable for managing each function in Cafcass to develop functional plans that set out activities, processes and developments that align to the delivery of MoJ outcome priorities to required standards, meet the collective needs across the organisation, and support an inclusive vision and clear prioritisation for all those operating within and supported by these activities. Cafcass shall work collaboratively with the MoJ's functions to align processes, systems, knowledge and career pathways.
- 7.9 The Cafcass AO will consult with and reflect the views of the MoJ function leads to inform the performance assessment of the function leads in Cafcass to support their continuing personal and professional development.
- 7.10 The Cafcass AO may provide their views on the performance of the MoJ function leads to support their continuing personal and professional development.
- 7.11 The MoJ may provide functional services to Cafcass. The Principal Accounting Office (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 Cafcass' objectives, more consistency, increased innovation and enhanced efficiency. Where it is proposed to be significant change in the way functions are delivered, the Cafcass AO will be consulted.

Role of the department

8. The Responsible Minister

8.1 The Secretary of State (SoS) for Justice is accountable to Parliament for all matters concerning Cafcass. The SoS's statutory powers in respect of Cafcass are set out in the Criminal Justice and Court Services Act 2000.

8.2 The SoS' responsibilities include:

- in exercising their functions, having regard to the need to protect Cafcass' ability to make impartial assessments;
- the appointment of the Chair and nine members of the Board;
- approving the appointment of the Chief Executive;
- approving the policy and resources framework within which Cafcass operates; and
- paying Cafcass such sums, through grant-in-aid or other funds, as they consider appropriate for the purpose of enabling Cafcass to carry out its functions.

8.3 Through the exercise of these powers the Minister:

- is responsible for the policy framework within which Cafcass operates and the appointments of the nine statutory members of the Service within the provisions of the Governance Code on Public Appointments;
- provides guidance and direction to ensure the strategic aims and objectives of Cafcass are consistent with those of the MoJ and government;
- approves the Cafcass corporate and delivery plan;
- has a power of appointment in relation to the appointment of Cafcass' Chair in line with the Governance Code on Public Appointments;

Appointments to the Board

8.4 The Chief Executive of Cafcass is appointed by the Service, with the approval of the Secretary of State, under Schedule 2 of the Criminal Justice and Court Services Act 2000.

8.5 The Minister shall have the following appointment and approval rights in relation to Cafcass' Board:

- the Chair is appointed by the Secretary of State under Schedule 2 of the Criminal Justice and Court Services Act 2000. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments;

- Appointment of nine other members. These appointments are subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments;
- All such appointments will comply with [The Children and Family Court Advisory and Support Service \(Membership, Committee and Procedure\) Regulations 2005 \(legislation.gov.uk\)](#) as and where applicable.
- All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.

Other Ministerial powers and responsibilities

8.6 The Minister is also responsible for:

- the policy framework within which Cafcass operates;
- setting the performance framework within which Cafcass will operate including approving Cafcass' Strategy and Annual Plan;
- matters regarding spending approvals, acquisitions, disposals and joint ventures in line with delegations as set out in the delegation letter; and
- such other matters as may be appropriate and proportionate.

9. The Principal Accounting Officer (PAO)

9.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of MoJ. The PAO of the MoJ designates the Chief Executive as Cafcass' 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 his or her responsibilities and delegated authorities. Cafcass' Accounting Officer is expected to consult the PAO should any issue arise that engages their Accounting Officer responsibilities in a timely fashion. The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of MPM.

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

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

10. The role of the Sponsorship team

- 10.1 The Senior Sponsor, supported by the Public Bodies Centre of Expertise, the policy sponsorship team in the MoJ and the MoJ's functions (where relevant) are the primary contacts within MoJ for Cafcass. 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 Cafcass. They also support the PAO on their responsibilities toward Cafcass. This sponsorship engagement will be guided by the principles set out in the *Cabinet Office Code of Good Practice; Partnerships between departments and arm's length bodies*.
- 10.2 Officials of the Public Bodies Centre of Expertise Team and those from the policy sponsor team in the MoJ will liaise regularly with Cafcass officials to review

performance against plans, achievement against targets and expenditure against its DEL and AME allocations.

- 10.3 Policy sponsorship of Cafcass is led by MoJ's Family Justice Policy Unit in the Court Recovery, Criminal and Family Policy Directorate. They will support the PAO and Senior Sponsor in advising the Responsible Minister on the desired policy outcomes and monitoring and reporting on performance as to whether these are being delivered. The policy sponsorship team will report on the policy performance of Cafcass to senior MoJ officials and Ministers. They will also liaise regularly with Cafcass officials and will take the opportunity to explain wider policy developments that might have an impact on Cafcass. In particular they will;
- facilitate Cafcass' engagement and exchange of information and perspectives across MoJ and Whitehall, where policy development will have an impact on Cafcass policy;
 - inform Cafcass of wider government policy initiatives that might impact the organisation in a timely manner so that Cafcass can contribute constructively to consultations on the matter;
 - work with Cafcass to respond to changes in operational demands;
 - conduct, on behalf of Ministers, with the support of the Public Bodies Centre of Expertise the annual performance review of the Chair of Cafcass; and
 - maintain regular contact with Cafcass to ensure there is ongoing dialogue around policy issues within Cafcass' remit.
- 10.4 The Public Bodies Centre of Expertise and Family Justice Policy Team will work closely together to ensure that Cafcass effectively carries out its functions under the Act and co-operates with the MoJ in doing so.
- 10.5 The MoJ will commission new work, within the definition of statutory functions, through the relevant Cafcass senior manager. Approaches by MoJ policy teams for Cafcass to undertake new work in-year shall be made with the agreement of Cafcass and an agreed process put in place for sign-off of new remits including outcomes and any financial implications.
- 10.6 Cafcass will make every reasonable effort to undertake new work emerging in-year in the spirit of partnership working and delivering changing and emerging policy objectives on behalf of the Responsible Minister.

11. Resolution of disputes between Cafcass and MoJ

- 11.1 Any disputes between the MoJ and Cafcass will be resolved in as timely a manner as possible. The MoJ and Cafcass will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the Permanent Secretary, as PAO, to nominate a non-executive member of the MoJ's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Responsible Minister.

12. Freedom of Information requests

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

13. Reporting on legal risk and litigation

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

Cafcass Governance Structure

14. The Chief Executive

Appointment

14.1 The CEO of Cafcass is appointed by the Service with the approval of the SoS (Cafcass is a body corporate referred to as the Service in the Act. It is made up of the Chair and nine statutory members appointed by the SoS)

Responsibilities of Cafcass' Chief Executive as Accounting Officer

14.2 The CEO as AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds, for the stewardship of funds administered by Cafcass on behalf of other departments (as set out in section 18.1 *Income from Other Sources*) and the day-to-day operations and management of Cafcass. In addition, they should ensure that Cafcass, 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 MPM. 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 Cafcass are in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within Cafcass and are published on Cafcass' [website](#);
- acting in accordance with the terms of this document, MPM and other instructions and guidance issued from time to time by the MoJ, the Treasury and the Cabinet Office;

- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation;
 - this framework document;
 - any delegation letter issued to Cafcass;
 - any elements of any settlement letter issued to the MoJ that is relevant to the operation of Cafcass;
 - any separate settlement letter that is issued to Cafcass from the MoJ;
- ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents.
- giving evidence, normally with the PAO when summoned before the Public Accounts Committee (PAC) and other Parliamentary Select Committees, on Cafcass' stewardship of public funds.

Responsibilities to the Ministry of Justice and Principal Accounting Officer

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

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

Responsibilities to the Cafcass Board

14.5 The Chief Executive is responsible for:

- advising the board on the discharge of Cafcass' responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the board on Cafcass' performance compared with its aims and, strategic objectives; and

- ensuring that financial and commercial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed and Commercial guidance followed.

Managing conflicts

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

The Board

15. Composition of the Board

- 15.1 Cafcass will have a Board in line with good standards of Corporate Governance and as set out in its establishing statute and in guidance as set out in Annex A. The Board will include the Chair and the nine statutory members appointed by the SoS and up to five co-opted members appointed by the Service. The role of the Board shall be to establish and take forward the strategic aims and objectives of Cafcass in accordance with the purposes as set out above, its statutory, regulatory, common law duties and its responsibilities under this Framework Document. Detailed responsibilities of the Board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting Manual (FRoM).
- 15.2 The Board will consist of the statutory members appointed by the SoS and any co-opted members and must have:
- a Chair (who is to be a non-executive);
 - nine members;
- 15.3 The Cafcass Board must have a balance of skills and experience appropriate to directing Cafcass' business. For Cafcass, the SoS, the Chair and the Board must have regard to the desirability of Cafcass' Board members having extensive recent experience of management, business and finance, social conditions relating to children and families and the work of the courts. The financial requirements set out in Annex 4.1 of MPM will be met through delivery of MoJ's Financial Operating Model.
- 15.4 Board membership details, including responsibility for appointment of the Chair and members, are set out in The Children and Family Court Advisory and Support Service (Membership, Committee and Procedure) Regulations 2005. [The Children and Family Court Advisory and Support Service \(Membership, Committee and Procedure\) Regulations 2005 \(legislation.gov.uk\)](#)

Board Committees

- 15.5 The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below, at a minimum this should include an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member of the Board.

- 15.6 While the Board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration it retains responsibility for, and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 15.7 Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the sponsor team, PAO and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 15.8 The Chair should ensure Board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

Duties of the Board

- 15.9 The Board is specifically responsible for:
- establishing and taking forward the strategic aims and objectives of Cafcass consistent with its overall strategic direction and within the policy and resources framework determined by the SoS.
 - providing effective leadership of Cafcass within a framework of prudent and effective controls which enables risk to be assessed and managed;
 - ensuring that Cafcass develops MoUs with the government departments and other Authorities and Administrations of which it provides oversight (as it considers appropriate);
 - to ensure that the Chief Executive, as AO, remains personally accountable for Cafcass' resources. As the Chief Executive will be directly accountable to Parliament in ensuring the requirements of MPM are met, the Board is unable to delegate powers to someone other than the AO;
 - ensuring the financial and human resources are in place for Cafcass to meet its objectives;
 - reviewing management performance;
 - ensuring that the board receives and reviews regular financial, commercial and management information concerning the management of Cafcass; is informed in a timely manner about any concerns about the budget of Cafcass and provides positive assurance to the MoJ that action appropriate to Cafcass has been taken about such concerns;

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

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

15.11 The Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and

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

- 15.12 At least one non-executive member of the Board will have a professional accountancy qualification or experience in a senior finance role to make sure effective scrutiny of the work of the Finance Department. There should also be members who have experience of Cafcass' business, operational delivery and corporate services such as HR, IS, technology, property asset management, estate management, communications and performance management.
- 15.13 Wherever possible a senior Departmental official will attend the Board meetings as an observer.
- 15.14 The Board shall permit observers at Board meetings. An observer's rights are covered in **Annex B**. Observers are entitled to attend and participate in Board discussions like any Board member, but do not have the ability to vote. Cafcass shall provide observers with copies of any documents distributed to members of the Board or committee.
- The Department shall send one observer to all full meetings of the Cafcass Board, wherever possible to represent the views of the Department;
 - The Family Justice Young People Board shall send up to two observers to all full meetings of the Cafcass Board, wherever possible to represent the views and work of the Family Justice Young People's Board;
- 15.15 Departmental observers shall be invited to attend other Cafcass operational and/or programme boards/meetings, as required to discharge their duties.

16. The Chair's role and responsibilities

- 16.1 The Chair is appointed by the SoS and is responsible for leading the Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in the Chair's contract of employment, any appointment letter, the priorities in the Chair's letter issued to them by the MoJ, the statutory authority governing Cafcass, this document and the documents and guidance referred to within this document.

- 16.2 Communications between the Cafcass Board and the Responsible Minister should normally be through the Chair.
- 16.3 The Chair is bound by the [Code of Conduct for Board Members of Public Bodies](#), which covers conduct in the role and includes the [Nolan Principles of Public Life](#).
- 16.4 In addition, the Chair is responsible for:
- ensuring, including by monitoring and engaging with appropriate governance arrangements, that Cafcass' affairs are conducted with probity; and
 - ensuring that policies and actions support the Responsible Minister's (and where relevant other Ministers') wider strategic policies and, where appropriate, these policies and actions should be clearly communicated and disseminated throughout Cafcass.
- 16.5 The Chair has the following leadership responsibilities:
- formulating the Board's strategy;
 - providing leadership to the Board;
 - taking responsibility for Board's composition and development;
 - ensuring proper information for the Board;
 - planning and conducting Board meetings effectively;
 - involving all members in the Board's work;
 - ensuring the Board focuses on its key tasks;
 - engaging the Board in assessing and improving its performance;
 - overseeing the induction and development of Board members;
 - supporting the Chief Executive;
 - holding Cafcass management to account in delivering their strategic, operational and financial objectives;
 - driving Cafcass performance overall and working closely with the Chief Executive to ensure the organisation complies with the principles of good governance and the requirements for the use of public funds;
 - representing the views of Cafcass when advising Ministers on the operation of the wider family justice system
 - ensuring that the board, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the MoJ;
 - promoting the efficient and effective use of staff and other resources;
 - delivering high standards of regularity and propriety; and
 - representing the views of the board to the general public.

16.6 The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation throughout their terms of appointment and more in-depth assessments of the performance of individual board members when being considered for re-appointment;
- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered;
- that the board has a balance of skills appropriate to directing Cafcass' business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with Cafcass to fulfil their role both on the Board and committees. This will include, but not be limited to, skills and training in relation to financial management and reporting requirements, risk management and the requirements of Board membership within the public sector;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with the other Board members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the Responsible Minister is advised of Cafcass' needs when Board vacancies arise;
- there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance;
- there is a code of practice for Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies – [https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies and](https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies-and)

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 Cafcass. The appraisal will be conducted by the senior sponsor (or as delegated). The Public Bodies Centre of Expertise will support the preparation and coordination of the appraisal process.

17. Individual board members' responsibilities

17.1 Individual board members should:

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

Management and financial responsibilities and controls

18. Delegated authorities

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

19. Spending authority

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

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

20. Income from other sources

20.1 Cafcass may receive income from sources other than the Department on the following conditions:

- Cafcass shall only receive income in respect of functions or activities approved by the Department and included in the Business Plan;
- Cafcass shall comply with MPM;
- fees or charges for any services supplied by Cafcass shall be determined in accordance with MPM;
- Cafcass shall adhere to relevant state aid Regulations; and
- Cafcass shall provide the Department with such information on other income as the Department may reasonably require.

In such circumstances Cafcass shall follow the principles, rules, guidance and advice in Consolidated Budget Guidance¹, FReM and Managing Public Money, referring any difficulties or exceptions to the sponsors in the first instance.

21. Banking and Managing Cash

21.1 Cafcass must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking Service – GBS).

21.2 Cafcass should only hold money outside GBS accounts where a good business case can be made for doing so and HM Treasury consent is required for each account being established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

21.3 Commercial Accounts, where approved, should be operated in line with the principles as set out in MPM.

¹ HM Treasury, [Consolidated Budget Guidance](#), February 2017

- 21.4 The AO is responsible for ensuring Cafcass has a Banking Policy as set out in MPM and ensuring that policy is complied with.

Memorandum of Understanding

- 21.5 Cafcass shall notify the sponsor team when it starts negotiating a new MOU. The drafting of an MOU falls to Cafcass which should take any necessary legal advice. The Department is responsible for providing advice and clearance of any MOU with financial implications. Cafcass shall consult with the Department where an MOU will impose any financial responsibilities on any party. Where an MOU is to be established which involves funding from another government Department or public body, the MOU in line with HM Treasury Consolidated Budget guidance shall be between the Department and the other public body and signed by a Departmental official. Cafcass would normally be a co-signatory.

22. Procurement

- 22.1 Cafcass 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.
- 22.2 Cafcass 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.
- 22.3 Cafcass shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.
- 22.4 Cafcass shall issue delegated authority to named individuals and these will be reviewed and re-issued annually in line with audit requirements. Delegation holders may sub-delegate as appropriate within their delegated procurement authority, but they retain full responsibility for all procurement activity carried out on their behalf.
- 22.5 In procurement cases where Cafcass is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Senior Sponsor, via MoJ's sponsor team.
- 22.6 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.

- 22.7 Procurement by Cafcass 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 like costs and quality (fitness for purpose).
- 22.8 Cafcass 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.
- 22.9 Cafcass 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.
- <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>
- <https://www.gov.uk/government/publications/grants-standards>

23. Risk management

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

24. Counter Fraud and Theft

- 24.1 Cafcass should adopt and implement policies and practices to safeguard itself against fraud, bribery and corruption. This includes staff fraud and theft.

- 24.2 Cafcass should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard. It should also take all reasonable steps to conduct due diligence checks and appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid in order to minimise fraud risks.
<https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>.
- 24.3 Cafcass should keep records of, and prepare and forward to the MoJ, an annual report on fraud and theft suffered by Cafcass and notify the MoJ of any unusual or major incidents as soon as possible. Cafcass 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.

25. Staff

Broad responsibilities for staff

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

- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place; and
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for staff of Executive Non-Departmental Bodies.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

Staff costs

- 25.2 Subject to its delegated authorities, Cafcass shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them (this should include all staff costs – the on-costs – not just the headline salary and should take into account costs potentially increasing through pay increases).
- 25.3 Through delegated authority set out in the budget delegation letter, Cafcass has the authority to undertake succession planning and recruit staff into existing frontline and business critical posts including management roles.

Pay and conditions of service

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

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

Pensions, redundancy and compensation

- 25.11 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 25.12 Cafcass staff shall normally be eligible for a pension provided by admittance to the Local Government Pension Scheme (LGPS). The Department accepts the net liability of the scheme as reported in the financial statements of Cafcass and the impact of changes in the employer's contribution rates where Cafcass is unable to meet any increases through efficiency or other savings. The Department will support Cafcass in scrutiny of the investment strategy of the pension scheme provider.
- 25.13 Staff may opt out of the occupational pension scheme provided by Cafcass. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall [normally] be limited to the national insurance rebate level.
- 25.14 Any proposal by Cafcass to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the MoJ. Proposals on severance must comply with the rules in chapter 4 of MPM.

Business Plans, Financial Reporting and Management Information

26. Corporate, strategic and Delivery plans

- 26.1 Cafcass shall submit annually to the MoJ a draft of the Delivery plan and will always have a 3-year strategic plan in place. This will be shared with the MoJ and agreed with Ministers. Cafcass shall agree with the MoJ the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect Cafcass' statutory and other duties and, within those duties, the priorities set from time to time by the Responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how Cafcass contributes to the achievement of the MoJ's medium-term plan and priorities and aligned performance metrics and milestones.
- 26.2 The first year of the strategic plan, amplified as necessary, shall form the delivery plan. The delivery plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the department. Subject to any commercial considerations, the strategic plan, corporate and delivery plans should be published by Cafcass on its website and separately be made available to staff.
- 26.3 The following key matters should be included:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
 - key non-financial performance targets;
 - a review of performance in the preceding financial year, together with comparable outturns for the previous years, and an estimate of performance in the current year;
 - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
 - other matters as agreed between the department and Cafcass.

27. Budgeting procedures

- 27.1 Each year, in the light of decisions by the MoJ on the updated draft strategic plan, the department will send to Cafcass:
- a formal statement of the annual budgetary provision allocated by the MoJ in the light of competing priorities across the MoJ and of any forecast income approved by the MoJ including funding from other Government Departments; and
 - a statement of any planned change in policies affecting Cafcass.
- 27.2 The approved Cafcass Annual Delivery Plan will take account both of approved funding provision (where this applies) and any forecast receipts and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved delivery plan for the year in question.

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

- 28.1 Any grant-in-aid (GiA) provided by the MoJ for the year in question will be voted in the MoJ's Supply Estimate and be subject to Parliamentary control.
- 28.2 The GiA will normally be paid in monthly instalments on the basis of written applications showing evidence of need. Cafcass will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from GiA or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of Cafcass. GiA not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where GiA is delayed to avoid excess cash balances at the year-end, the MoJ will make available in the next financial year any such GiA that is required to meet any liabilities at the year end, such as creditors.

Grants

- 28.3 Cafcass can provide general grants based on a set of criteria to the supported child contact centres. Grant funding should be covered under a specific legislation and provide benefit to the community. The Children and Family Court Advisory and Support Service (Provision of Grants) Regulations 2001 allow the Service to provide grants to any person for the purpose of furthering the performance of any of the Service's functions.
- 28.4 In the event that the department provides Cafcass separate grants for specific (ring-fenced) purposes, it would issue the grant as and when Cafcass needed it on the

basis of a written request. Cafcass would provide evidence that the grant was used for the purposes authorised by the department. Cafcass shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

- 28.5 In the event of Cafcass providing general grants to a third party, it should be covered under a specific legislation and provide benefit to the community. For providing grant funding, Cafcass should follow the standard grants process and minimum requirements under the Cabinet Office's Grants Functional Standard. Cafcass should set out in the grant documentation the proportionate level of control and monitoring measures that should be in place to ensure that the grant recipients achieve the agreed outcomes.
- 28.6 Where 28.3 is appropriate, Cafcass will provide the MoJ Grants Centre of Expertise team (MoJ GCoE) grants data in line with the deadlines set in the MoU between the MoJ and Cabinet Office. The Senior Responsible Owner for the grant will provide a confirmation that the grants data is accurate and complete. MoJ GCoE will upload the grants data on behalf of Cafcass onto the Government Grants Information System (GGIS). The MoJ GCoE will provide support, training and guidance on grants to Cafcass who in turn will also be invited to attend the MoJ Grants Best Practice Network.

29. Capital

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

30. Annual report and accounts

- 30.1 Cafcass must publish an annual report of its activities together with its audited accounts after the end of each financial year. Cafcass shall provide the Public Bodies Centre of Expertise and MoJ Finance its finalised (audited) accounts in line with the timetable set out in MoJ Finance and Commercial Instructions (FCI) on the production of Consolidated Departmental Accounts in order for the accounts to be consolidated within the MoJ's. A draft of the report should be submitted to the MoJ in good time prior to the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the SoS as well as the Treasury's Financial Reporting Manual (FRoM).

- 30.2 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;² and
 - outline main activities and performance during the previous financial year and set out in summary form forward plans.
- 30.3 Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament and made available on Cafcass' website, in accordance with the guidance in FRem.

31. Reporting performance to the MoJ

- 31.1 Cafcass 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.
- 31.2 Cafcass shall inform the MoJ of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly.
- 31.3 Cafcass' performance shall be formally reviewed by the department via quarterly Business Assurance Meetings (BAM). BAMs shall be chaired by the Head of the Public Bodies Centre of Expertise (or in exceptional circumstances by their deputy) and attended by the Chief Executive of Cafcass. These meetings provide a timely formal opportunity for a two-way conversation to discuss Cafcass' performance, risk and finance to assure the PAO, via the Senior Sponsor, that Cafcass is functioning efficiently and effectively.
- 31.4 The Responsible Minister will, unless other arrangements have been agreed, meet the Chair and Chief executive of Cafcass at least twice a year to discuss Cafcass' 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 Committee (ARC) meetings.
- 31.5 The Senior Sponsor will meet the Chief Executive at least once a year.

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

32. Information Sharing

- 32.1 The MoJ has the right of access to all Cafcass records and personnel for any purpose including, for example, sponsorship audits and operational investigations.
- 32.2 Cafcass shall provide the MoJ with such information about its operations, performance, individual projects or other expenditure as the MoJ may reasonably require.
- 32.3 The MoJ and HM Treasury may request the sharing of data held by Cafcass 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.
- 32.4 As a minimum, Cafcass shall provide the MoJ with information monthly that will enable the department satisfactorily to monitor:
- Cafcass' 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

33. Internal audit

33.1 Cafcass shall:

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

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

34. External audit

34.1 The Comptroller & Auditor General (C&AG) audits the Cafcass annual accounts. The C&AG passes the audited accounts to the SoS who will lay the accounts, together with the C&AG's report, before Parliament.

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

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

34.3 The C&AG:

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

35. Review of Cafcass' status

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

36. Arrangements in the event that Cafcass is wound up

- 36.1 The MoJ shall put in place arrangements to ensure the orderly winding up of Cafcass. In particular, the MoJ should ensure that the assets and liabilities of Cafcass are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the MoJ.) To this end, the MoJ shall:
- have regard to Cabinet Office guidance on winding up of ALBs https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/public_bodies_a_guide_for_departments_-_chapter_10.pdf
 - ensure that procedures are in place in Cafcass 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 Cafcass' assets and liabilities;
 - ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts; and
 - arrange for the most appropriate person to sign the closing accounts. In the event that another 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.

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

Annex A – Compliance with Government-wide corporate guidance and instructions

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

Corporate governance

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

Financial management and reporting

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

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

- Public Sector Internal Audit Standards: www.gov.uk/government/publications/public-sector-internal-audit-standards
- HM Treasury approval processes for Major Projects above delegated limits: <https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance: <https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

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

Public appointments

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

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

Staff and remuneration

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

General

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

Annex B – Protocol for the attendance of observer at meetings of the Board

The role of Departmental observers is:

- To advise the Board/committee on the Department's priorities, perspectives and areas of concern;
- As far as possible, to contribute more generally to discussions, including providing challenge where appropriate, to help the Board/committee reach the best possible judgements; and
- To feed back to Departmental colleagues (and, where they judge appropriate, to Ministers) so that any significant issues or risks can be followed up by the Department.

The role of Departmental observers is not:

- To be an automatic escalation route to Ministers. If the Board/committee wishes to draw something formally to the attention of Ministers, it should do so directly (in some cases it may be appropriate to ask the observer to do this, in which case this should be minuted);
- To provide Departmental endorsement of the decisions of the Board/committee;
- To provide the Department's definitive view of issues discussed by the Board/committee; or
- To provide a failsafe check on the consistency, coherence, deliverability or appropriateness of a decision.

Where Departmental observers shall attend operational / executive board meetings, the [terms of reference] or [minutes of the board] shall record agreement on the role and responsibilities of the Departmental official. The document shall be clear on whether the terms on which the observer is attending the board are the same as for the NDPB Board or different.

The role of the Family Justice Young People's Board (FJYPB) observers is:

- To advise the Board/committee on the work of the FJYPB and their priorities, perspectives and areas of concern;
- As far as possible, to contribute more generally to discussions, including providing challenge where appropriate, to help the Board/committee reach the best possible judgements.

The role of the FJYPB observers is not:

- To provide FJYPB endorsement of the decisions of the Board/committee;
- To provide the FJYPB's definitive view of issues discussed by the Board/committee.

HM Treasury contacts

This document can be downloaded from www.gov.uk

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