

# CORPORATE GOVERNANCE FRAMEWORK

(incorporating the Trustees' Code of Conduct 2007)

February 2017

(updated February 2018)

# THE NATIONAL LIBRARY OF WALES

## ***Corporate Governance Framework*** (incorporating Trustees' ***Code of Conduct***)

### **1. Introduction to the Governance Framework**

- 1.1 As a public body, the National Library of Wales is committed to following best practice in its governance and to being transparent in how it makes decisions and conducts activities.
- 1.2 The purpose of this Governance Framework is to describe the governance of the Library, its principal governance documents, namely the [Charter and Statutes<sup>1</sup>](#) and Regulations and to signpost the Library's adopted policies that regulate and guide the delivery of its services to the public.
- 1.3 This Framework also amplifies the Regulations in relation to the standards of conduct expected of Trustees and to that extent this document also operates as the Trustees' ***Code of Conduct***.
- 1.4 Where authoritative guidance is required reference should always be made to the relevant governance document.
- 1.5 It is intended to keep this Framework up to date on an annual basis so that it sets out the position as at the start of each Financial Year.

### **2. The Library's status**

- 2.1 The National Library of Wales ('the Library') was established by Royal Charter on the 19th of March 1907. Supplemental Charters which made relatively minor amendments were granted in 1911 and in 1978. On the 19th of July 2006 in anticipation of the Library's centenary a new Supplemental Royal Charter and Statutes was granted. This changed the Library's constitution and governance significantly, in addition to taking account of the constitutional developments flowing from the Government of Wales Act 1998. The principal change was the replacement of a two-tier governance structure – a Court of Governors and a

<sup>1</sup> Charter and Statutes <https://tinyurl.com/y887zp2v>

Council – by a single tier Board of Trustees, the appointments to which are shared between the Welsh Government and the Library. The Statutes of the Library were further amended in 2013.

- 2.2 The Library is a registered charity (registered number: 525775) and as such is subject to the regulatory oversight of the Charity Commission.
- 2.3 The Library receives the bulk of its funding from the Welsh Government and is designated as a Welsh Government Sponsored Body (WGSB).

### 3. Governance documents and authorities

- 3.1 The **Supplemental Royal Charter and Statutes**. These constitute the principal source of authority for the Library’s Charter and charitable object and internal governance, especially the powers and responsibilities of the Library’s Trustees. The Statutes also authorise the Trustees to make Regulations.
- 3.2 which set out more detailed rules for the conduct of business by the Trustees.
- 3.3 **Charity law**, principally the [Charities Act 2011](#)<sup>2</sup> and the [Trustee Act 2000](#)<sup>3</sup>. The Trustees also take account of guidance issued by the Charity Commission from time to time, such as [The Essential Trustee](#)<sup>4</sup>; [The Independence of Charities from the State](#)<sup>5</sup> and [Conflicts of Interest](#)<sup>6</sup>.
- 3.4 A **Framework Document** agreed in 2011 between the Welsh Government Museums Archives and Libraries Division (“MALD”, formerly CyMAL: Museums and Archives Wales) and the Library constitutes the funding agreement for the Welsh Government’s annual grant-in-aid to the Library and brings the financial administration within the ambit of rules regulating public finance. The Welsh Ministers also issue an annual [Remit Letter](#)<sup>7</sup> which guides the expenditure of the

<sup>2</sup> Charities Act 2011 <http://www.legislation.gov.uk/ukpga/2011/25/contents>

<sup>3</sup> Trustee Act 2000 <http://www.legislation.gov.uk/ukpga/2000/29/contents>

<sup>4</sup> The Essential Trustee <https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3>

<sup>5</sup> The Independence of Charities from the State <https://www.gov.uk/government/publications/independence-of-charities-from-the-state-rr7>

<sup>6</sup> Conflicts of Interest <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>

<sup>7</sup> The National Library of Wales Remit Letter 2017 - 2018 <https://tinyurl.com/ycfpc2xy>

public funding received by the Library. The [\*Code on Regularity and Propriety\*](#)<sup>8</sup> issued by HM Treasury in November 2004 is also applied to the Library under the Framework Document.

- 3.5 The Library is a Welsh public body for the purposes of [\*the Well-being of Future Generations \(Wales\) Act\*](#)<sup>9</sup> **2015**
- 3.6 The Library is a 'public authority' for the purpose of [\*the Freedom of Information Act \(2000\)\*](#)<sup>10</sup> and by the nature of its functions must be particularly alert to the requirements of the [\*Data Protection Act \(1998\)\*](#)<sup>11</sup>, which will be superseded by the [\*General Data Protection Regulation\*](#)<sup>12</sup> on 25 May 2018.
- 3.7 As a Welsh Government Sponsored Body, the Board's approach to fulfilling its governance duties and responsibilities adheres to the [\*Seven Principles of Public Life\*](#)<sup>13</sup> sometimes referred to as 'Nolan Principles'.
- 3.8 The Library has also adopted the [\*Charity Governance Code\*](#)<sup>14</sup> issued by the Good Governance Steering Group.

#### **4. The Library's purpose and role**

- 4.1 The Library's purpose is expressed in the 2006 Supplemental Royal Charter as:

*to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research and learning.*

- 4.2 The National Library is Wales's pre-eminent library and archive. It is at once a huge information resource and treasure house on all subjects, and a living store of the recorded cultures of Wales – our 'Documentary Heritage' as defined by UNESCO – which is freely available to everyone. It is also one of the six "legal

<sup>8</sup> <https://esrc.ukri.org/files/about-us/governance-and-structure/regularity-propriety-and-value-for-money-hm-treasury-see-annex-21/>

<sup>9</sup> Well Being of Future Generations (Wales) Act 2015  
<http://www.legislation.gov.uk/anaw/2015/2/contents/enacted>

<sup>10</sup> Freedom of Information Act 2000 <http://www.legislation.gov.uk/ukpga/2000/36/contents>

<sup>11</sup> Data Protection Act 1998 <http://www.legislation.gov.uk/ukpga/1998/29/contents>

<sup>12</sup> General Data Protection Regulation (GDPR) <https://www.eugdpr.org/>

<sup>13</sup> Seven Principles of Public Life <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

<sup>14</sup> Charity Governance Code <https://www.charitygovernancecode.org/en>

deposit” Libraries in the UK and Ireland<sup>15</sup> and has statutory privileges which enable it to collect a high proportion of the entire output of printed publications in the UK and Ireland, including electronic formats. By today, it has three dimensions - a splendid physical building in Aberystwyth housing the print, manuscript, visual and audio-visual collections, an online library and gallery available worldwide through the internet, and is increasing its presence in a variety of locations across Wales.

- 4.3 At the heart of the Library are its rich and diverse collections, some of which have been ‘inscribed’ in UNESCO’s Memory of the World register:
- (a) Printed works: books, periodicals, newspapers and other printed material amounting to about 7m volumes.
  - (b) Manuscripts: 30,000 items, the oldest dating from 113 AD and including the earliest literature of Wales and early British and European texts.
  - (c) Archives: 15km, 2,500 collections, including the Welsh Political Archive, estate records, records of the Court of Great Sessions and the Church in Wales, all wills proved in Welsh dioceses before 1858, modern literary and personal papers and the archives of Welsh organisations and businesses.
  - (d) Maps: over 1.5m, and thousands of atlases.
  - (e) Pictures: 60,000 works documenting Wales, mainly through landscapes and portraits.
  - (f) Photographs: 950,000 prints, negatives and transparencies - the largest collection in Wales.
  - (g) Microforms: e.g. of newspapers, archives and family history sources.
  - (h) Sound and moving images: 7m feet of film, 300,000 hours of video, 250,000 hours of sound recordings, 200,000 items from the ITV Wales Archive, and thousands of records and tapes.
  - (i) Electronic material: millions of digital objects, including CD-ROMs, e-books, e-journals, websites, electronic archives and digitised items.

<sup>15</sup> The others are the Bodleian Library at Oxford, the University Library at Cambridge, the Library of Trinity College, Dublin, the National Library of Scotland and the British Library.

- 4.4 The Library's activities in furthering its object are expressed in five 'core functions', each of which has many aspects and covers multiple activities:
- (a) Collecting
  - (b) Preserving
  - (c) Giving access and information
  - (d) Publicising and interpreting
  - (e) Professional collaboration, especially with other libraries and archives in Wales, National Museum Wales and the Royal Commission on Ancient and Historical Monuments of Wales (which is now located within the Library estate in Aberystwyth)
  - (f) Professional collaboration with other legal deposit libraries in the United Kingdom and Ireland

## 5. Public Engagement

- 5.1 The Statutes of the Library require the Trustees to adopt a scheme prescribing arrangements to consult regularly with the public and with bodies having an interest in the furtherance of the objects of the Library, and to identify persons qualified and willing to provide support and advice to the Library.
- 5.2 The current scheme is the Library's [\*Public Consultation and Engagement Strategy 2017\*](#)<sup>16</sup>, adopted by the Board of Trustees in November 2017.
- 5.3 When planning consultation and engagement for a particular purpose, the Library will use stakeholder analysis to identify relevant groups and appropriate methods, and draw on this Strategy's operational plan. A range of methods will be used for each project, and can include
- (a) observation
  - (b) consultation documents

<sup>16</sup> Public Consultation and Engagement Strategy <https://tinyurl.com/y9udywqk>

- (c) open and public meetings
- (d) expert panels
- (e) workshops
- (f) focus groups
- (g) questionnaires and surveys
- (h) online communication
- (i) traditional methods, such as comments books at exhibitions and feedback forms at events.

## **6. Strategic Planning**

- 6.1 The Library operates on a four-year planning cycle. Each Strategic Plan is prepared with the benefit of consultation and engagement with the public and stakeholder bodies. The current Plan is [\*\*\*The Nation's Memory: Informing the Future, Strategic Plan 2017 – 2021.\*\*\*](#)<sup>17</sup>
- 6.2 As part of its reporting requirements to the Welsh Ministers' the Library also produces an annual [\*\*\*Operational Plan\*\*\*](#)<sup>18</sup>.

## **7. Governance principles and structure**

- 7.1 The governing authority of the Library rests with the Trustees who constitute the Library's Board. As such, the Board is responsible for the governance, strategy, financial and asset management of the Library, and meets on a regular basis to conduct its business, either as a full Board or in its committees.

## **8. The Board of Trustees**

- 8.1 In summary, the role of the Board is to:

<sup>17</sup> The Nation's Memory: Informing the Future, Strategic Plan 2017 – 2021 <https://tinyurl.com/y96u2aoz>

<sup>18</sup> Operational Plan 2017/21 <https://tinyurl.com/y9c8xpqi>

- (a) ensure that the Library fulfils its object under the Royal Charter, together with its statutory and other legal and charitable obligations;
- (b) maintain high standards of governance that command the confidence of the general public, funders and stakeholder and the Library's staff.
- (c) promote and protect the Library's integrity and reputation;
- (d) determine the Library's overall strategic direction within resource limits;
- (e) monitor the performance of the Chief Executive and Librarian and his/her team, holding them to account for the exercise of their delegated functions and delivery against plans and budgets;

8.2 The Board also pays particular attention to:

- (a) safeguarding the Library's independence;
- (b) identifying and managing risks and harnessing opportunities;
- (c) ensuring the prudent use of public funds;
- (d) maximising the Library's impact and effectiveness;
- (e) listening and responding to stakeholders; and
- (f) ensuring fair, responsible, transparent, proportionate and ethical action by the Library.

8.3 In general, the Board expects to:

- (a) act collectively in making decisions;
- (b) seek consensus on major decisions. Where this is not possible, decisions will be taken on a majority vote with the President, as Chair, holding a casting vote. A Trustee may request that the way they voted on a particular matter is recorded in the Minutes of the meeting;
- (c) develop and approve the plans and policies that guide the internal and external operations and set the strategic direction of the Library;
- (d) exercise oversight of the work of the Librarian and senior management while delegating day-to-day operation to the executive team;



- (e) reflect on its own performance on an annual basis, examining its impact and effectiveness and identifying any necessary improvements.

## **9. Appointments to the Board**

- 9.1 The Library's Board consists of fifteen Trustees, eight appointed by Welsh Government in consultation with the Library, and seven by the Library in accordance with Regulations. The Trustees include the President, Vice-President and Treasurer who are collectively referred to as the Officers of the Library. The President and Vice-President are appointed by Welsh Government in consultation with the Trustees, and the Treasurer by the Library in consultation with Welsh Government. All appointments are made in accordance with the Charter and Statutes and by open selection.
- 9.2 Where vacancies arise among the Trustees, appointments by the Ministers are made in accordance with the [\*Cabinet Office Governance Code on Public Appointments\*](#) in relation to public appointments<sup>19</sup>
- 9.3 Where there are number of vacancies among both Ministerial and Trustees' appointments the Board will nominate a Trustee (usually the President) to sit on the interviewing panel and to undertake consultations with the Ministers and report back to the Trustees for approval in relation to Trustees' appointments.
- 9.4 Where vacancies arise only in relation to positions where the right of appointment is vested in the Trustees in consultation with the Welsh Ministers, the Regulations provide for the Trustees to set up a Nominations Panel to conduct an open selection process and make recommendations to the Board of Trustees.

## **10. Board Committees**

- 10.1 From time to time the Board appoints committees with clear terms of reference and membership to fulfil ongoing or time-limited governance functions. The Board may also establish informal working groups from time to time – e.g. to develop the Library's thinking on specific subjects at an early stage.
- 10.2 The Board has currently established the following standing committees:

<sup>19</sup> Cabinet Office Governance Code on Public Appointments  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/578498/governance\\_code\\_on\\_public\\_appointments\\_16\\_12\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf)

- (a) Audit and Risk Committee (which it is required to establish under its Regulations),
- (b) Financial Planning Committee
- (c) Governance and Performance Committee

10.3 The membership and terms of reference of committees are included as appendices to this document.

## **11. Trustees' Code of Conduct**

11.1 It is a basic tenet of Charity law that Trustees must act solely in the best interest of the charity and independently of particular sectors or constituencies, and should not use their position or misuse information gained in this role for personal, professional or private benefit. The "Nolan Principles" are also consistent with this requirement.

11.2 Trustees have an over-arching responsibility for effective management of the Library. Opportunities for Trustees to communicate freely with senior staff on issues relevant to the effectiveness of the Library's management, development and external relationships are therefore essential.

11.3 The role and responsibilities of individual Trustees can be summarised as being to:

- (a) act in good faith and in the best interests of the Library;
- (b) observe the highest standards of propriety;
- (c) give proper time and attention to their duties and development;
- (d) regularly attend Board meetings and any other relevant meetings;
- (e) use their specialist skills, knowledge and experience to inform planning and collective decisions;
- (f) uphold and promote corporate decisions once arrived at;
- (g) respect the distinction between the roles and responsibilities of the Board and Executive Team;
- (h) participate in an annual appraisal of their own performance with the President.

- 11.4 Newly appointed Trustees are expected to follow an induction programme covering their duties as Trustees and their role in the functioning and operation of the Library and are supported by a governance handbook.
- 11.5 Trustees are not remunerated but may claim travelling and subsistence expenses for approved duties in accordance with rates applicable to similar publicly funded bodies.
- 11.6 The Regulations of the Library make provisions for managing Trustees' conflicts of interest including the arrangements for maintaining a Register of Trustees Interests and for making declarations of interest at meetings. The Regulations also deal with the handling of offers of gifts or benefits to Trustees.

## **12. Decision-making**

- 12.1 The Board and the Library as a whole is committed to openness, transparency and accountability in the performance of its role and responsibilities. This means that wherever possible decisions, policies and practices are accessible to, and understood by, the public, through the publication of key papers and decisions, holding meetings in public, undertaking public consultations on significant policy changes and research to understand public and stakeholder perspectives.
- 12.2 While observing its duties under Freedom of Information legislation, the Library's first position (which is consistent with the Charter object) is a presumption that openness and access to information should prevail unless there is clear public interest in non- disclosure or other legal restriction.

## **13. Delegation of authority**

- 13.1 The Board has established a scheme of delegated authority which:
- (a) reserves some key decisions to the Board where this is either required by the Charter and Statutes or is considered necessary for the Trustees' proper oversight of the affairs of the Library;
  - (b) delegates day-to-day operational management to the Chief Executive and Librarian, who is also empowered to make decisions and further delegate authority within the Executive Team, but is required to escalate high risk and/or high impact issues for timely consideration by the Board and/or an appropriate committee of the Board.

## 14. Role of the Officers: President, Vice-President and Treasurer

### 14.1 The President

- (a) The President chairs the Board of Trustees. As the Chair of a Welsh Government Sponsored Body ("WGSB") the President is also the main point of contact with the sponsoring Cabinet Secretary in the Welsh Government.
- (b) The President's duties may be summarised as:
  - (i) Chair all meetings of the Board;
  - (ii) Chairing such other Library Committees (with the exception of the Audit Committee) as may be determined by the Board;
  - (iii) Meeting with the Cabinet Secretary with responsibility for Welsh Government's support of the Library;
  - (iv) Liaising with the other Officers and Trustees as necessary;
  - (v) Liaising with the Chief Executive and Librarian and Governance Manager and Clerk to the Board of Trustees as necessary;
  - (vi) Representing the Library in its dealings with the National Assembly for Wales and Welsh Government, primarily when the Cabinet Secretary or an Assembly Committee is involved; and
  - (vii) Representing the Library externally.
- (c) The President also leads the work of the Board and this involves:
  - (i) **Representing the views of the Board effectively and accurately** in directing the Library's strategic development, policies and plans, and in developing the Library's key relationships with Welsh Government, sector bodies and other major stakeholders;
  - (ii) **Ensuring that the Library** effectively fulfils its Charter object, its general functions and duties and appropriately exercises its legal powers; realises the Board's strategies and plans, and delivers its services in line with agreed targets and performance indicators; and (jointly with the Chief Executive and Librarian), communicates its plans and achievements to stakeholders, including the public, the Welsh Government and Library staff.

**(iii) Overseeing and working with the Board to:**

- ensure that Members operate in accordance with governance best practice appropriate to a WGSB;
- maximise Board effectiveness, individually and collectively; establish, monitor and review governance structures, systems and processes;
- direct, support and manage the Chief Executive and Librarian, including agreeing objectives and undertaking annual appraisal, following consultation with other Board Members;

**(iv) Working with Welsh Government** to secure the appointment of Trustees with the necessary range of skills and competencies to ensure an effective and representative Board capable of serving the best interests of the Library and to ensure their effective induction and support.

#### 14.2 **The Vice-President**

The Library's Charter provides that in the absence of the President, or inability to act through illness, or during a vacancy in the Presidency, the Vice-President will discharge all the functions of the President.

#### 14.3 **The Treasurer**

- (a) The Treasurer is the lead Trustee on all matters relating to the finances and accounts of the Library. This involves regular discussions with senior staff and the Wales Audit Office (who are the Library's statutory auditors) and the Treasurer is responsible for presenting and recommending the Annual Accounts to the Board.
- (b) The Treasurer is assisted by the Financial Planning Committee of the Board which enables greater scrutiny of the details of the Library's finances and the management of its private funds than is possible at full Board meetings.
- (c) The Treasurer is also an ex officio member of the Audit and Risk Committee.

- (d) The Treasurer may be called before the Public Accounts Committee of the National Assembly when they consider the Library's accounts or other matters relating to the finances of the Library.
- (e) The Treasurer's role is not an executive position. The Chief Executive and Librarian is the Library's Accounting Officer appointed by the Welsh Government under the **Framework Agreement** and as such is personally responsible to both the Board and Welsh Government for the propriety and efficient use of the public funds granted to the Library.
- (f) The Treasurer works closely with the Chief Executive and Librarian and the Director of Corporate Resources, offering advice as needs be, clarifying issues which he/she determines require the attention of the Board and being constantly mindful of the collective responsibilities of the Trustees in financial matters.

## **15. Relations with the Welsh Ministers and the National Assembly for Wales**

- 15.1 The Library is accountable to the Welsh Government for the public funds it receives through the **Framework Agreement**, through regular monitoring meetings with MALD, via the annual audit of the Library's accounts by the Wales Audit Office (who are the Library's statutory auditors), preparation of the governance statement; and bi-annual meetings between the President (accompanied by the Chief Executive and Librarian) with the sponsoring Cabinet Secretary on matters relating to performance and priorities.
- 15.2 The Welsh Government as part of the **Framework Agreement** specifies objectives and key performance indicators to be achieved with the funding provided in an annual [Remit Letter](#).

## **16. The Chief Executive and Librarian**

- 16.1 The Chief Executive and Librarian is the Chief Executive Officer of the Library and the Board's principal adviser and has delegated authority for day-to-day management of the Library. As such, the Chief Executive and Librarian is responsible for leading the Executive Team and staff in:
  - (a) fulfilling the Library's statutory objectives, general functions and duties and exercising its legal powers;
  - (b) developing plans, programmes and policies for Board consideration and approval;

- (c) realising the Board's strategies and plans for the future;
- (d) delivering the Library's Strategic and Operational Plans;
- (e) delivering services in line with targets/performance indicators agreed by the Board, and in response to the [Remit Letter](#);
- (f) acting as the Library's Accounting Officer and reporting to Welsh Government on the Library's use of public funds;
- (g) providing timely information to the Board on agreed targets.

16.2 The Chief Executive and Librarian is also more broadly responsible for:

- (a) propriety and regularity;
- (b) prudent and economical administration;
- (c) avoidance of waste and extravagance;
- (d) efficient and effective use of available resources;
- (e) the organisation, staffing and management of the Library;

and also ensuring that the Executive Team:

- (f) acts within the levels of authority delegated by the Board
- (g) escalates high risk and /or high impact issues for timely consideration by the Board;
- (h) maintains an effective interface with the Board Members;
- (i) provides accurate and timely information to enable the Board to fulfil its governance responsibilities effectively;
- (j) supports the Board in fulfilling its role and responsibilities.

16.3 The Chief Executive and Librarian also works with the President to develop the Library's relationships with key stakeholders and communicate plans and achievements as widely as possible.

## **17. Role of the Members of the Executive Team**

17.1 Each member of the Executive Team has specific areas of responsibility which require particular expertise and are also required to:

- (a) ensure that they possess or have access to the skills and knowledge required for delivering the Library's strategy against agreed plans;
- (b) manage the Library within the agreed levels of delegated authority;
- (c) ensure Trustees are provided with accurate and timely information to enable them to fulfil their responsibilities effectively;
- (d) present regularly an analysis of key risk management for Board's approval, and escalate high risk/high impact issues in accordance with the agreed risk management register.
- (e) proactively raise issues/themes that may require debate/consideration for future plans;
- (f) utilise formal and informal mechanisms to enable Board Members to contribute their specialist skills, knowledge and expertise and provide support;
- (g) lead on developing plans, programmes and policies for Board approval;
- (h) seek early input by Board Members in order to identify issues that will need to be addressed to gain Board approval;
- (i) seek opportunities for dialogue to understand Board concerns/perspectives;
- (j) take responsibility for making clear proposals/recommendations; and
- (k) provide appropriate support to facilitate the smooth running of Board and Trustee business.

## **18. Relationship between the Board, the Chief Executive and Librarian and the Executive Team**

18.1 The Trustees are the governing authority of the Library, but as a non-executive Board it relies on the Chief Executive and Librarian and the Executive Team (acting within the scope of their delegated authority and reporting arrangements), for advice to enable the Trustees to formulate the strategic objectives of the Library and for the operational delivery and effectiveness of the Library's services. The Board and the Executive aim at all times to function in a mutually supportive manner to achieve this.



## **19. HR Policies**

- 19.1 The staff of the Library are employed on the Library's own terms and conditions and employment policies. The Library's general policy, wherever practicable and within resource constraints, is to adhere to public sector best practice in relation to its management of the Library's staff.

## **20. Employer and Staff Relations**

- 20.1 The Library recognises the Prospect, PCS and FDA Trades Unions for collective bargaining and consultative purposes.
- 20.2 The Library and the Unions have concluded a Partnership Agreement to guide their relations.

## **21. Pension Scheme**

- 21.1 The Library currently operates a defined benefit final salary pension scheme. Employer contributions are set according to the assessment of the Actuary in the triennial valuation.
- 21.2 The pension scheme is managed under the terms of a Trust Deed by the Trustees. The Trustees are appointed from the Scheme's active membership (2), pensioners (1), and representatives of the Library Board (4). The composition of the Trustee Board will be set in accordance with legislative requirements and guidance issued by the Pensions Regulator.
- 21.3 The fund is subject to periodic actuarial revaluation to ensure that the fund will be able to meet its liabilities over time.
- 21.4 The fund is subject to regulatory oversight by the Pensions Regulator.
- 21.5 The Scheme is exempted from certain aspects of the regulatory regime as it has been granted a Crown Guarantee from the Welsh Government.
- 21.6 The Library may choose to vary the terms of the Scheme, or establish alternative defined contribution arrangements (under trust or contract as appropriate) in response to its business needs.

## **22. Private Funds**

- 22.1 The Trustees are also responsible for the management of private funds which have been generated over many years from donations, bequests and fund

management income and capital growth. The Library is required by the Trustee Act 2000 to adopt an Investment Policy for its private funds.

22.2 The current objectives for the Library's investment portfolio are to supplement the funding provided by the Welsh Government as follows:

- (a) To finance the acquisition of capital assets including equipment, buildings and computer hardware and software;
- (b) The purchase of items to enable the Library to fulfil its collections policy;
- (c) To supplement the revenue costs of providing the Library's services for specific purposes or for specific periods of time;
- (d) For restricted funds, to apply the funds in accordance with the terms of the bequest

22.3 The private funds are managed on behalf of the Library by professional fund managers in accordance with the Library's Investment Policy and overseen by the Financial Planning Committee.

22.4 In accordance with Charity Commission guidance, the Trustees consider there is no particular case to exclude investment in any company on the grounds that their activities would be in conflict with the objectives of the Library and recognise that as a charity the Library has a duty to deliver the best overall return from its investments in order to continue the furtherance of its objects under its Charter.

22.5 Nevertheless, the Trustees Investment Policy states that the Trustees would not wish its funds to be invested directly in any company or class of investments that would pose a significant reputational risk to the Library as a largely publicly funded national institution and accordingly pose a risk to the furtherance of the Library's object under its Charter. Accordingly, in any case of doubt regarding a particular investment the Library's fund manager is under an instruction to consult the Library and seek their express approval.

### **23. Library Policies**

The Board of Trustees from time adopt policies that are intended to guide the operation of various aspects of the finances and operational activities of the Library of the Library. A list of the current policies and the date of their adoption is set out in Appendix 4. The policies can be found on the [Library's website](#).

## **APPENDIX 1**

### **TERMS OF REFERENCE OF THE AUDIT AND RISK COMMITTEE (REVISED NOVEMBER 2016)**

#### **Introduction**

The Audit & Risk Committee's first TOR was adopted by the Board of Trustees at its meeting in Wrexham in November 2010 and the creation of this revised Terms follows the publication of an independent external review, commissioned by the Board of Trustees, and conducted by Pricewaterhouse Coopers, that produced a number of recommendations in making improvements to the Library's governance. As a number of the recommendations related either directly or indirectly to the scope of work of the Audit & Risk Committee, this was seen as an opportunity to revise the Terms of Reference that would also incorporate the agreed recommendations of the review.

#### **The Terms of Reference**

##### **1. Duties of the Committee**

##### **1.1 Financial reporting**

The Committee shall review and challenge where necessary

- 1.1.1 (a) the consistency of, and any changes to, accounting policies on a year by year basis; (b) the methods used to account for significant or unusual transactions where different approaches are possible; (c) whether the Library has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor; (d) the clarity of disclosure in the Library's financial reports and the context in which statements are made; and (e) all material information presented with the financial statements, such as the governance statement (insofar as it relates to the audit and risk management).

##### **1.2 Internal controls and risk management systems**

The Committee shall

- 1.2.1 (a) keep under review the adequacy and effectiveness of the Library's internal financial controls and internal control & risk management systems; and (b) review and approve the statements to be included in the Library's annual report and accounts about internal controls and risk management.

### **1.3 Compliance, whistleblowing and fraud**

The Committee shall

- 1.3.1 (a) ensure that there is an appropriate whistleblowing policy and procedure in place that allows its employees and its contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; (b) ensure that there is an anti-fraud and anti-bribery policy and procedure in place and receives reports on non-compliance of these policies and procedures.

### **1.4 Internal Audit**

The Committee shall

- 1.4.1 (a) review and monitor the internal auditor's independence, objectivity and the effectiveness of the Library's internal audit function; (b) approve the appointment and removal of the internal auditor; (c) satisfying itself that there are no conflicts of interest between the auditor and the Library (other than in the ordinary course of business) (d) discuss, agree, review and assess the annual internal audit plan; (e) review reports from the internal auditor to the committee; (f) review and monitor the executive's reaction to the findings and (g) recommendations of the internal auditor; (h) meet the internal audit partner at least once a year, without the executive being present, to discuss the remit and any issues arising from the internal audits carried out. The audit partner shall be given the right of direct access not only to the to the Chairman of the Audit and Risk Committee but also to the President.

### **1.5 External Audit**

The committee shall

- 1.5.1 (a) review and monitor the external auditor's effectiveness which shall include a report from the external auditor on their own internal quality procedures; (b) oversee the relationship with the external auditor including (but not limited to) (i) recommendations on their fees for audit or non-audit services, and that the level of fees is appropriate to enable an adequate audit to be conducted; (ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit; (iii) satisfying itself that there are no conflicts of interest between the auditor and the Library (other than in the ordinary course of business); (iv) seeking to ensure co-ordination with activities of management and the internal auditor.

The Committee shall also

- 1.5.2 Have access to sufficient resources to carry out its duties, including access to the Library's secretariat for assistance as required
- 1.5.3 Be provided with appropriate and timely training, both in form of an induction programme for new members and on an on-going basis for all members
- 1.5.4 Be responsible for co-ordination of the internal and external auditors
- 1.5.5 Oversee any investigation of activities which are within its terms of reference
- 1.5.6 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and TOR to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval

## **2. Constitution**

- 2.1. The Audit & Risk Committee is constituted as a committee of the Board of Trustees of the National Library of Wales
- 2.2. Its terms of reference may be amended at any time by the Board
- 2.3. It may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board

## **3. Authority**

The committee is authorised

- 3.1. to seek any information it requires from any employees of the Library in order to perform its duties
- 3.2. to call any employee to be questioned at a meeting of the committee as and when required
- 3.3. to have the right to publish in the Governance Statement details of any issues that cannot be resolved between the committee and the Board.

## **4. Membership**

The members of the Audit & Risk Committee will be:

- 4.1 Five members of the committee shall be appointed by the Board of Trustees from amongst its members
- 4.2 Two independent members, appointed through open competition
- 4.3 The chairman of the committee shall be a Library Trustee and appointed by the Board of Trustees
- 4.4. The President of the Library, who is Chair of the Board, shall not be a member of the committee
- 4.5. Appointments to the committee shall be for a period of up to four years, which may be extended for a further period of up to four years
- 4.6 The Library secretary is secretary to the committee

The Audit & Risk Committee may with the Board's approval:

- 4.7 Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- 4.8 Procure specialist ad-hoc advice at the expense of the Library, subject to budgets agreed by the Board.

## **5. Attendance at Meetings**

- 5.1 The quorum necessary for the transaction of the business of the committee shall be at least three committee members (including the Chair)
- 5.2 Only members of the committee have the right to attend committee meetings. However, other individuals such as members of the Executive Team and members of staff may be invited to attend all or part of any meeting as and when appropriate
- 5.3 At the request of the committee representatives of the external and internal auditors shall attend meetings
- 5.4 A representative of the Welsh Government can attend one meeting a year as an observer and arm's length principles will apply
- 5.5 The Chair may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters

## **6. Frequency of meetings**

- 6.1 Meetings shall be held at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required
- 6.2 The Chair of the Audit & Risk Committee may convene additional meetings as deemed necessary
- 6.3 The Board or the Accounting Officer may convene additional meetings as deemed necessary
- 6.4 Additional meetings may also be convened at the request of the external or internal auditors

## **7. Agenda setting**

- 7.1 Prior to each meeting the Chair, in consultation with the Secretary and Head of Governance, should agree the business for the meeting. The Chair should take ownership of, and have final say in, the decisions about what business will be pursued at any particular meeting

## **8. Notice of meetings**

- 8.1 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the committee, any other person required to attend, no later than seven working days before the meeting

## **9. Minutes of meetings**

- 9.1 The secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance
- 9.2 The minutes shall record clearly the nature of a declared interest and a risk assessment of these interests should be undertaken in order to consider how these interests can be managed and mitigated in practice
- 9.3 The minutes of committee meetings shall normally be considered at the Board meeting following the committee meeting

## **10. Communication**

- 10.1 The Chair should ensure that after each meeting relevant reports are prepared from the Audit & Risk Committee to the Board of Trustees if appropriate
- 10.2 The Chair should ensure that the Audit & Risk Committee provides a suitable Annual Report to the Board
- 10.3 The Chair should have bilateral meetings at least annually with the Accounting Officer, the Internal Audit Partner and the External Auditor and with the Chair of the Board. In addition, the Chair should meet any people newly appointed to these positions as soon as practicable after their appointment
- 10.4 The Chair should also ensure that all Committee members have an appropriate programme of interface with the Library and its activities so that they may understand the culture of the organisation
- 10.5 Representatives of Internal and External Audits will have free, direct and confidential access to the Chair of the Audit & Risk Committee

## **11. Performance Appraisal**

- 11.1 **Members' Appraisal:** The Chair should take the lead in ensuring that Committee members are provided with appropriate appraisal of their performance as a Committee member and that training needs are identified and addressed. The Chair should seek appraisal of his/her performance from the Chair of the Board of Trustees
- 11.2 **Internal Audit Appraisal:** The Chair should ensure that appropriate arrangements and performance indicators are in place to monitor the performance of Internal Audit
- 11.3 The Chair should ensure that there is a periodic review of the overall effectiveness of the Audit & Risk Committee and of its Terms of Reference

## **12. Delegation of powers from the Board**

- 12.1 No powers are delegated from the Board save for those necessary to achieve the above.

## **APPENDIX 2**

### **TERMS OF REFERENCE OF THE GOVERNANCE AND PERFORMANCE COMMITTEE (REVISED NOVEMBER 2016)**

#### **Introduction**

The National Library's Board of Trustees resolved to establish a Governance and Performance Committee in September 2015 and its Terms of Reference were adopted by Trustees at their meeting in Aberystwyth in November 2015. The aim of the Committee is to build on the work of the Governance Taskforce, which met in July and August 2015 following the publication of the PwC report and to support the Library in maintaining high service delivery standards, by providing regular ongoing support for improved efficiency and effectiveness. In particular, it will: (1) monitor service delivery and performance; (2) review policies and practices; and (3) facilitate constructive debate between Trustees and the Executive Team and (4) provide the Board with objective reviews of performance.

#### **The Terms of Reference**

##### **1. Duties of the Committee**

The Committee shall:

- 1.1 Support the Executive Team in providing a pro-active role in strategic planning;
- 1.2 Agree, review and scrutinise performance indicators, both Outward Facing Indicators and Key Performance Indicators;
- 1.3 Review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Library's functions;
- 1.4 Make reports and/or recommendations to the Board and/or the Executive in connection with the discharge of any functions;
- 1.5 Monitor and review the policies and practices of services provided by Library, its partners and contractors within the remit of the Committee;
- 1.6 Evaluate the success of Library policies and practices in delivering services by scrutinising their effectiveness and appropriateness, focusing on outcomes, performance, service delivery and the impact on service users. Make recommendations on future policy development.
- 1.7 Monitor and review the implementation of independent external governance reviews



- 1.8 Review or scrutinise decisions made by the Executive, and in respect of decisions made or not implemented to recommend that those decisions be reconsidered.
- 1.9 Review or scrutinise decisions made, or actions taken in connection with functions which are not the responsibility of the Executive.
- 1.10 Undertake specific reviews of services within the Committee's remit as and when requested by the Board of Trustees, and report back on matters affecting those services.
- 1.11 Monitor and evaluate performance and receive reports on matters relevant to the delivery of the Library's Strategic Plan
- 1.12 Agree annual Key Performance Indicators and Service Performance Indicators, and seek the Board's approval

## **2. Constitution**

- 2.1 The Committee is constituted as a committee of the Board of Trustees of the National Library of Wales
- 2.2 Its terms of reference may be amended at any time by the Board
- 2.3 It may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board

## **3. Authority**

The committee is authorised

- 3.1 to seek any information it requires from any employees of the Library in order to perform its duties
- 3.2 to call any employee to participate in discussions at a meeting of the committee as and when required
- 3.3 to have the right to publish in the Governance Statement details of any issues that cannot be resolved between the committee and the Board

## **4. Membership**

The members of the Committee will be:

- 4.1 Four Trustees appointed by the Board from amongst its members and selected to provide an appropriate mix of skills and experience
- 4.2 The Chair shall be a Library Trustee and appointed by the Committee
- 4.3 Appointments to the committee shall be for a period of up to four years, which may be extended for a further period of up to four years

The Committee may with the Board's approval:

- 4.4 Co-opt additional members for a period not exceeding two years to provide specialist skills, knowledge and experience;
- 4.5 Procure specialist ad-hoc advice at the expense of the Library, subject to budgets agreed by the Board.

## **5. Attendance at Meetings**

- 5.1 The quorum necessary for the transaction of the business of the committee shall be at least three committee members (including the Chair)
- 5.2 Members of the Library's Executive Team will be present at all meetings to share in the discussion of issues and to assist in identifying solutions
- 5.3 The Chair may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters

## **6. Frequency of meetings**

- 6.1 Meetings shall be held at least twice a year
- 6.2 The Chair of the Committee may convene additional meetings as deemed necessary
- 6.3 The Board may convene additional meetings of this Committee as deemed necessary

## **7. Agenda setting**

- 7.1 Prior to each meeting the Chair, in consultation with the Secretary and Head of Governance, should agree the business for the meeting. The Chair should take ownership of, and have final say in, the decisions about what business will be pursued at any particular meeting
- 7.2 The agenda will take note of areas of focus previously identified until they are fully resolved, and each meeting will consider which further areas should be noted for consideration alongside existing areas of continuing focus

## **8. Notice of meetings**

- 8.1 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the committee, any other person required to attend, no later than seven working days before the meeting

## **9. Minutes of meetings**

- 9.1 The secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance

9.2 The minutes shall record clearly the nature of a declared interest and a risk assessment of these interests should be undertaken in order to consider how these interests can be managed and mitigated in practice

9.3 The minutes of committee meetings shall normally be considered at the Board meeting following the committee meeting

## **10. Communication**

10.1 The Chair should ensure that after each meeting relevant reports are prepared from the Committee to the Board of Trustees if appropriate

10.2 The Chair should also ensure that all Committee members have an appropriate programme of interface with the Library and its activities so that they may understand the culture of the organisation

## **11. Effectiveness Appraisal**

11.1 The Chair, working closely with the Secretary and Head of Governance, should ensure that there is a periodic review of the overall effectiveness of the Committee and of its Terms of Reference

## **APPENDIX 3**

### **TERMS OF REFERENCE OF THE FINANCIAL PLANNING COMMITTEE (DRAFTED NOVEMBER 2016)**

#### **Introduction**

The National Library of Wales resolved to establish a Financial Planning Committee at the Board meeting in November 2016, and also agreed its Terms of Reference. Its remit is to consider and discuss key financial matters, in particular the Library's investment portfolio and the use of the Library's private funds, and to make recommendations to the Board of Trustees.

#### **The Terms of Reference**

##### **1. Duties of the Committee**

The Committee shall:

- 1.1 Support the Treasurer and Executive Team in providing a pro-active role in forward financial planning
- 1.2 Make recommendations to the Board of Trustees with regard to financial matters
- 1.3 Monitor and review the Library's financial planning
- 1.4 Monitor performance against the Library budget, and provide assurance to the Board of Trustees
- 1.5 Review the financial risks and implications of major projects
- 1.6 Review the performance of the Library's investment portfolio and make recommendations to the Board on investment policy and risks
- 1.7 Monitor performance of the Library's commercial activities and consider any proposals to establish new sources of income
- 1.8 Undertake reviews of the Library's activities as and when requested by the Board of Trustees, and report back to the Board accordingly

##### **2. Constitution**

- 2.1 The Financial Planning Committee is constituted as standing Committee of the Board of Trustees of the National Library of Wales
- 2.2 Its Terms of Reference may be amended at any time by the Board

- 2.3 It may from time to time investigate, discuss or review matters outside its Terms of Reference if required to do so by the Board

### **3. Authority**

The Committee is authorised:

- 3.1 to seek any information it requires from any employees of the Library in order to perform its duties
- 3.2 to call any employee to participate in discussions at meetings of the Committee as and when required
- 3.3 to have the right to publish in the Governance Statement details of any issues that cannot be resolved between the Committee and the Board

### **4. Membership**

The members of the Committee will be:

- 4.1 Four Trustees appointed by the Board from amongst its members and selected to provide an appropriate mix of skills and experience. The Treasurer will be one of the four members
- 4.2 The Treasurer will fulfil the role of the Chair of the Committee
- 4.3 Appointments to the Committee shall be for a period of up to four years, which may be extended for a further period of four years

The Committee may with the Board's approval:

- 4.5 Co-opt additional members for a period not exceeding two years to provide specialist skills, knowledge and experience
- 4.6 Procure specialist ad-hoc advice at the expense of the Library, subject to budgets agreed by the Board

### **5. Attendance at meetings**

- 5.1 The quorum necessary for the transaction of the business of the Committee shall be at least three Committee members (including the Chair)
- 5.2 The Chief Executive and other lead officers will be present at all meetings to provide information, share in the discussion of issues and to assist in identifying solutions

- 5.3 The Chair may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters when it is deemed necessary

## **6.Frequency of meetings**

- 6.1 Meetings shall be held at least three times a year
- 6.2 The Chair of the Committee may convene additional meetings as deemed necessary
- 6.3.1 The Board may also convene additional meetings of this Committee as deemed necessary

## **7.Agenda setting**

- 7.1 Prior to each meeting the Chair, in consultation with the Chief Executive and Librarian and her officers, should agree the business for the meeting. The Chair should take ownership of, and have final say in, the decisions about what business will be pursued at any particular meeting
- 7.2 The agenda will take note of any areas of focus previously identified until they are fully resolved, and each meeting will consider which further areas should be noted for consideration alongside existing areas of continuing focus

## **8. Notice of meetings**

- 8.1 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, any other person required to attend, no later than seven working days before the meeting

## **9. Minutes of meetings**

- 9.1 The Clerk of the Board shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance, and any apologies received
- 9.2 The minutes shall record clearly the nature of a declared interest and a risk assessment of these interests should be undertaken in order to consider how these interests can be managed and mitigated in practice
- 9.3 The minutes of Committee meetings shall normally be considered at the next Board meeting following the Committee meeting

## **10. Communication**

- 10.1 The Chair should ensure that after each meeting relevant reports are prepared from the Committee to the Board of Trustees if appropriate
- 10.2 The Chair should also ensure that all Committee members have an appropriate programme of interface with the Library and its activities so that they may understand the culture of the organisation

## **11. Effectiveness appraisal**

- 11.1 The Chair, with the assistance of the Governance Manager and Clerk to the Board of Trustees, will ensure that there is a periodic review of the overall effectiveness of the Committee and of its Terms of Reference

### **APPENDIX 4**

#### **List of Library Policies Currently in Force**

##### **1 Core Governance Documents**

- 1.1 Supplemental Royal Charter and Statutes 2006
- 1.2 The Statutes of the Library (as amended by the Board of Trustees in July 2013, and approved by the Privy Council in November 2013)
- 1.3 Regulations (adopted by resolution of the Trustees), February 2017, revised February 2018.
- 1.4 Financial Regulations.
- 1.5 Welsh Government Framework Agreement [2011].
- 1.6 Welsh Government Remit Letter 2017 -2018
- 1.7 Private Funds Investment Policy.
- 1.8 Partnership Agreement with Trade Unions

##### **2 Strategic Plan**

- 2.1 The Nation's Memory: Informing the Future, Strategic Plan 2017 - 2021
- 2.2 Operational Plan 2017 - 2021

### **3 Annual Report and Accounts**

3.1 Accounts 2016 - 2017

3.2 Annual Review 2016 - 2017

### **4 Operational Policies in Force (in date order)**

4.1 Collections Development Policy (2016)

4.2 Complaints Policy (2016)

4.3 Standard Conditions of Contract for the Purchase of Goods and/or Services (2016)

4.4 Pay Policy Statement 2016 - 2017

4.5 Volunteering Policy (2015)

4.6 Strategic Equality Plan 2014 - 2018

4.7 Data Protection Policy (2013)

4.8 Public Consultation and Engagement Strategy (2017)

4.9 Marketing Strategy (2017)

4.10 Information Security Policy (2013)

4.11 Policy on the Acceptance and Refusal of Gifts and Donations (2012)

4.12 Our Children (2012) - Child Poverty Strategy

4.13 Digital Preservation Strategy 2012-2015 (2012)

4.14 Policy for Preservation and Collection Care 2017 - 2020

4.15 NLW Digital Media Strategy 2012-2015

4.16 Digitisation Strategy (2011/12 - 2014/15)

4.17 Equality Aims 2014 - 2018



