

CORPORATE GOVERNANCE FRAMEWORK

(incorporating the Trustees' Code of Conduct 2007)

October 2020

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 [Charter¹ and Statutes²](#) and [Regulations³](#) 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 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.

¹ Supplemental Royal Charter <https://tinyurl.com/y45o83yb>

² Statutes <https://tinyurl.com/y6psxodo>

³ Regulations <https://tinyurl.com/yyqywlcx>

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](#)⁴ which set out more detailed rules for the conduct of business by the Trustees.

3.2 **Charity law**, principally the [Charities Act 2011](#)⁵ and the [Trustee Act 2000](#)⁶. The Trustees also take account of guidance issued by the Charity Commission from time to time, such as [The Essential Trustee](#)⁷, [The Independence of Charities from the State](#)⁸ and [Conflicts of Interest](#)⁹.

3.3 A **Framework Document** agreed in 2011 between the Welsh Government Museums Archives and Libraries Division 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 a [Remit Letter](#)¹⁰ which guides the expenditure of the public funding received by the Library. The [Code on Regularity and Propriety](#)¹¹ issued by HM Treasury in November 2004 is also applied to the Library under the Framework Document.

3.4 The Library is a Welsh public body for the purposes of [The Well-being of Future Generations \(Wales\) Act](#)¹² 2015

3.5 The Library is a 'public authority' for the purpose of [the Freedom of Information Act \(2000\)](#)¹³ and by the nature of its functions must be particularly alert to the

⁴ Regulations

⁵ Charities Act 2011 <http://www.legislation.gov.uk/ukpga/2011/25/contents>

⁶ Trustee Act 2000 <http://www.legislation.gov.uk/ukpga/2000/29/contents>

⁷ The Essential Trustee <https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3>

⁸ The Independence of Charities from the State <https://www.gov.uk/government/publications/independence-of-charities-from-the-state-rr7>

⁹ Conflicts of Interest <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>

¹⁰ The National Library of Wales Remit Letter 2019 – 2021 <https://tinyurl.com/yyaboqfy>

¹¹ Code on Regularity and Propriety <https://tinyurl.com/y4ak7baq>

¹² Well Being of Future Generations (Wales) Act 2015 <https://tinyurl.com/y47amc89>

¹³ Freedom of Information Act 2000 <http://www.legislation.gov.uk/ukpga/2000/36/contents>

requirements of the [General Data Protection Regulation](#)¹⁴ and the [Data Protection Act \(2018\)](#)¹⁵

- 3.6 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](#)¹⁶ sometimes referred to as 'Nolan Principles'.
- 3.7 The Library has also adopted the [Charity Governance Code](#)¹⁷ published 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 deposit" Libraries in the UK and Ireland¹⁸ 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 6m volumes.
 - (b) Manuscripts: 40,000 items, the oldest dating from 113 AD and including the earliest literature of Wales and early British and European texts.
 - (c) Archives: 1,900 cubic metres of archives, 2,500 collections, including the Welsh Political Archive, estate records, records of the Court of Great

¹⁴ General Data Protection Regulation <https://gdpr-info.eu/>

¹⁵ Data Protection Act 2018 [http: https://www.gov.uk/government/collections/data-protection-act-2018](https://www.gov.uk/government/collections/data-protection-act-2018)

¹⁶ Seven Principles of Public Life <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

¹⁷ Charity Governance Code <https://www.charitygovernancecode.org/en/pdf>

¹⁸ 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.

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) Art work: 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, 250,000 hours of video, 150,000 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.

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*](#)¹⁹ (October 2017)

6. Strategic Planning

6.1 The Library operates on a five-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*](#)²⁰.

6.2 As part of its reporting requirements to the Welsh Ministers' the Library also produces an annual [*Operational Plan*](#)²¹.

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:

- (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;

¹⁹ Public Consultation and Engagement Strategy <https://tinyurl.com/y25gvaow>

²⁰ The Nation's Memory : Informing the Future : Strategic Plan 2017 – 2021 <https://tinyurl.com/y6mlwx8v>

²¹ Operational Plan 2017 - 2021 <https://tinyurl.com/y3xreub3>

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.

The term of office for Trustees is normally four years.

- 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.²²
- 9.3 Where there are a 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:
- (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 document²³.

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

²² Cabinet Office Governance Code on Public Appointments
<https://www.gov.uk/government/publications/governance-code-for-public-appointments>

²³ Committee terms of reference have not been included in the appendices as they need to be revised

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, with the exception of the President²⁴, 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

²⁴ In February 2020, the Board approved that the President be remunerated with effect from April 2021

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 (Appendix 1)

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;
 - support 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 Audit Wales (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 Welsh Parliament 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 Welsh Parliament

- 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 CyMAAL, via the annual audit of the Library's accounts by Audit Wales (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 Deputy Minister 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. Human Resources 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 relations²⁵.

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. The staff's normal contribution rate is 6%.

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

²⁵ National Library of Wales Partnership Agreement

income and capital growth. The Library is required by the Trustee Act 2000 to adopt an [investment policy](#) for its private funds²⁶.

- 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

- 23.1 The Board of Trustees from time to time adopt policies that are intended to guide the operation of various aspects of the finances and operational activities of the Library. A list of the Library's current policies and the date of their adoption is set out at Appendix 5. The policies can be found on the [Library's website](#)²⁷

²⁶ Charitable Reserves Policy 2020 - 2025

²⁷ <https://www.library.wales/> About NLW – Corporate Documentation

APPENDIX 1

Board Delegation and Staff Functions

The Board will determine a strategic framework for the Library's activities, subject to that it expects the Chief Executive and Librarian and staff to undertake the following functional day-to-day activities without reference back prior to initiation of actions in order to ensure that the objects of the Library are achieved as expeditiously as possible. However, it expects regular reports on progress to the Board in relation to significant matters.

1. The letting and control of all contracts necessary to achieve agreed strategies (save for the involvement of a Board member in the formal opening of tenders anticipated to be in excess of £100k).
2. The authorization of all expenditure and necessary transfer of funds and virement within agreed overall Capital and Revenue annual budgets.
3. The creation and implementation of all policies necessary to achieve agreed strategies.
4. Changes to staffing structures necessary to achieve agreed strategies.
5. Matters relating to the commencement and termination of employment of all staff below Director level.
6. Terms and conditions relating to all staff save for the work of the Officers committee in relation to the Chief Executive and Librarian.
7. The making of partnership agreements related to agreed strategies (subject to report to the next Board meeting).
8. Decisions on collection acquisitions within agreed strategies.
9. Commercial and marketing decisions within agreed strategies.
10. Decisions relating to the maintenance of the Library building and its collections.
11. Day-to-day control of Private Funds (subject in this case to the involvement of the Treasurer assisted by the Chief Executive and Librarian and the Director of Corporate Resources,

subject to approved Investment Strategies).

12. Formal responses on behalf of the Library as employer to approaches from the National Library of Wales Staff Superannuation Scheme Trustees.
13. Provision of services.
14. Disposal of non-real property and the obtaining of surveyor's advice in relation to real property (actual disposal of the latter being reserved for Board decision).



**AUDIT, RISK AND ASSURANCE
COMMITTEE**

**TERMS OF REFERENCE
NOVEMBER 2021**

Purpose

The purpose of the Committee is to seek and provide assurances to the Board of Trustees and the Chief Executive, as the Library's Accounting Officer, on the effectiveness of the Library's risk management, internal controls, statutory accounts, the efficiency and effectiveness of internal and external audit procedures and compliance with relevant laws, regulations, policies and procedures.

Accountability

The Committee will report to the Board of Trustees on the effectiveness and robustness of the Library's internal controls, review and monitor its risk management processes, review and monitor the external and internal audit process, and the Library's compliance with relevant legislation and regulations, and will make recommendations to the Board on a suitable course of action as appropriate. The Committee is constituted as a standing Committee of the Board of Trustees of the National Library of Wales.

Membership

The members of the Committee will be:

- Four Trustees appointed by the Board from amongst its members and selected to provide an appropriate mix of skills and experience
- The Chair shall be a Library Trustee and appointed by the Committee
- The Treasurer shall be an ex officio member of the committee, in addition to the above four members
- Two independent members, appointed through open competition
- The Chair of the committee shall not be a member of any other financial committee of the Board
- In the absence of the Chair at any meeting, a Trustee member will be appointed to chair the meeting in his/her absence
- Appointments to the committee shall be for a period of up to four years

The Committee may with the Board's approval:

- Co-opt additional members for a period of two years to provide specialist skills, knowledge and experience, which may be extended for a further two years, but no co-opted member may serve for a period longer than four years
- Co-opted members do not have voting rights, and are not included in the quorum required for the transaction of business
- Procure specialist ad-hoc advice at the expense of the Library, subject to budgets agreed by the Board.

Responsibilities

The Committee shall:

- Assist the Board in its oversight of the integrity of the Library's financial reporting, including supporting the Board in meeting its responsibilities regarding financial statements and the financial reporting systems and internal controls
- Seek assurances on the Library's internal controls and risk management framework in regard to the identification, management, mitigation and reporting of risks
- Assist and advise the Chief Executive, as the Library's Accounting Officer, on the effectiveness and robustness of the Library's risk management and internal controls
- Monitor, on behalf of the Board, the effectiveness and objectivity of internal and external auditors
- Review tenders for the appointment and removal of the internal auditors
- Review reports from the internal auditor to the committee, and monitor the adequacy of the Executive's response to the findings and issues identified by audit activity including external audit's management letter
- Discuss, agree, review and assess the annual internal audit plan
- Reviewing the statutory annual report and accounts before final presentation to the Board
- Reviewing and advising on the Library's whistleblowing, anti-fraud and anti-bribery policies and seeking assurance that correct procedures are followed when any investigations arise
- Review other policies and procedures within the Committee's remit
- Escalate issues of concern pertaining to risk management and internal controls to the Board through the appropriate channels

Meeting Arrangements and Secretariat

- Meetings shall be held four times a year
- The Chair of the Committee may convene additional meetings as deemed necessary
- The Board may also convene additional meetings of this Committee as deemed necessary
- Additional meetings may also be convened at the request of the external or internal auditors, without the Executive being present, if they consider it necessary, either a special meeting or in camera at a scheduled meeting
- The quorum necessary for the transaction of the business of the committee shall be at least three Trustee members (including the Chair)
- The Chief Executive and other lead officers will be present at all meetings
- The President may attend meetings as an observer
- Representatives of the external and internal auditors shall attend all meetings
- 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 in electronic format, and any other person required to attend, no later than seven working days before the meeting
- Late papers will be exceptional and agreed with the Chair in advance
- The Clerk to the Board of Trustees shall act as secretary to the Committee
- Minutes will be presented to the Chair within ten working days of the date of the meeting
- Minutes of committee meetings shall normally be presented for information to Trustees only at the next Board meeting following the committee meeting, pending their approval at the subsequent meeting

Authority

The committee is authorised to:

- Investigate any activity within its terms of reference
- To seek any information it requires from any employee of the Library in order to perform its duties, through the appropriate channels
- To call any employee to participate in discussions at a meeting of the committee as and when required
- Ask any or all of those who attend to withdraw to facilitate open and frank discussion on any matter
- Have access to sufficient resources to carry out its duties, including access to the Library's Clerk to the Board for assistance, as required

Reporting Arrangements

- The Chair should ensure that after each meeting relevant reports are prepared from the Audit & Risk Committee to the Board of Trustees if appropriate
- The Chair should ensure that any recommendations made at meetings are conveyed to the Board of Trustees for approval or otherwise
- The Chair, with the assistance of the Clerk to the Board, will prepare an annual report to inform the Governance Statement

Review of the Terms of Reference

The Terms of Reference will be reviewed at least annually or as and when required, plus an annual review of the Committee's effectiveness



**FINANCE AND RESOURCES
COMMITTEE**

**TERMS OF REFERENCE
NOVEMBER 2021**

Purpose

The purpose of the Committee is to provide assurances to the Board of Trustees on effective and efficient sustainable financial and other resource management by the Library.

Accountability

The Committee will report to the Board of Trustees on issues of finance, resources, and investments and make recommendations on suitable course of action as appropriate. The Committee is constituted as a standing Committee of the Board of Trustees of the National Library of Wales.

Membership

The members of the Committee will be:

- Four Trustees appointed by the Board from amongst its members and selected to provide an appropriate mix of skills and experience, with full voting rights. The Treasurer will be one of the four members
- One co-opted member to serve for a period of two years, which may be extended for a further two years
- The Treasurer will fulfil the role of the Chair of the Committee
- In the absence of the Chair at any meeting, a Trustee member will be appointed to chair the meeting in his/her absence
- Appointments to the Committee shall be for a period of up to four years

The Committee may with the Board's approval:

- Co-opt additional members for a period of two years to provide specialist skills, knowledge and experience, which may be extended for a further two years, but no co-opted member may serve for a period longer than four years
- Co-opted members do not have voting rights, and are not included in the quorum required for the transaction of business
- Procure specialist ad-hoc advice at the expense of the Library, subject to budgets agreed by the Board

Responsibilities

The Committee shall:

- Scrutinise financial reports and use of resources and provide assurances to the Board of Trustees with regard to all financial matters
- Monitor and review the Library's medium term financial plans
- Receive draft annual budgets and monitor performance and delivery against the budget,
- Review business cases which have significant resource implications in line with the scheme of delegation
- Consider strategic planning and policy development matters relating to financial management, and in other areas with major resource implications, namely estates, human resources, ICT
- Review the performance of the Library's investment portfolio and make recommendations to the Board on investment policy and risks
- Maintain an overview of the performance of the Library's commercial activities and consider any proposals to establish new sources of income
- Monitor legacies and donations and the performance of fundraising campaigns
- Review all business cases for the use of the private charitable funds and make recommendations to the Board
- Receive an annual report from the Library's actuaries on the affordability of the Library's pension scheme
- Annual review of the scheme of delegation
- Review policies and procedures within the Committee's remit
- Escalate issues of concern pertaining to finance and resources to the Audit and Risk Committee and/or the Board as appropriate through the appropriate channels

Meeting Arrangements and Secretariat

- Meetings shall be held four times a year
- The Chair of the Committee may convene additional meetings as deemed necessary
- The Board may also convene additional meetings of this Committee as deemed necessary
- The quorum necessary for the transaction of the business of the Committee shall be at least three Trustee members (including the Chair)
- The Chief Executive and other lead officers will be present at all meetings
- The President may attend meetings as an observer
- 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 in electronic format, and any other person required to attend, no later than seven working days before the meeting
- Late papers will be exceptional and agreed with the Chair in advance
- The Clerk to the Board of Trustees shall act as secretary to the committee
- Minutes will be presented to the Chair within ten working days of the date of the meeting

- Minutes of Committee meetings shall be presented for information to Trustees only at the next Board meeting following the committee meeting, pending their approval at the subsequent committee meeting

Authority

The Committee is authorised to:

- Investigate any activity within its terms of reference
- to seek any information it requires from any employee of the Library in order to perform its duties through the appropriate channels
- to call any employee to participate in discussions at meetings of the Committee as and when required
- ask any or all those who attend to withdraw to facilitate open and frank discussion on any matter
- have access to sufficient resources to carry out its duties, including access to the Library's Clerk to the Board for assistance, as required

Reporting Arrangements

- The Chair should ensure that after each meeting relevant reports are prepared from the Committee to the Board of Trustees if appropriate
- The Chair should ensure that any recommendations made at meetings are conveyed to the Board of Trustees for approval or otherwise

Review of the Terms of Reference

The Terms of Reference will be reviewed at least annually or as and when required, plus an annual review of the Committee's effectiveness

APPENDIX 4 – Terms of Reference of Performance and Quality Committee



**PERFORMANCE AND QUALITY
COMMITTEE**

TERMS OF REFERENCE

NOVEMBER 2021

Purpose

The purpose of the Committee is to provide assurances to the Board of Trustees on upholding effective and efficient service delivery standards, monitoring, reviewing and developing the services provided, ensuring accessibility and quality of service for all stakeholders, and ensuring that the requirements of all stakeholders are equitably met.

Accountability

The Committee will report to the Board of Trustees on quality and performance of service delivery, make recommendations on improvement of services, and monitor performance against key performance and service delivery indicators. The Committee is constituted as a standing committee of the Board of Trustees of the National Library of Wales

Membership

The members of the Committee will be:

- Four Trustees appointed by the Board from amongst its members and selected to provide an appropriate mix of skills and experience
- The Chair shall be a Library Trustee and appointed by the Committee
- In the absence of the Chair at any meeting, a Trustee member will be appointed to chair the meeting in his/her absence
- Appointments to the committee shall be for a period of up to four years

The Committee may with the Board's approval:

- Co-opt additional members for a period of two years to provide specialist skills, knowledge and experience, which may be extended for a further two years, but no co-opted member may serve for a period longer than four years
- Co-opted members do not have voting rights, and are not included in the quorum required for the transaction of business
- Procure specialist ad-hoc advice at the expense of the Library, subject to budgets agreed by the Board.

Responsibilities

The Committee shall:

- Oversee and regularly review the Trustees' training programme to ensure it fulfils the requirements of individual Trustees and committees
- Provide recommendations on the number and structure of Board committees
- Monitor and review the implementation of independent external governance reviews
- Monitor the attainment of external accreditations, e.g. Customer Service Accreditation, Archives Accreditation
- Monitor and evaluate performance and assure delivery against outcomes on matters relevant to the delivery of the Library's Strategic Plan
- Monitor and evaluate performance and attainment of Key Performance Indicators and Service Performance Indicators relevant to the Library's Operational Plan

- Review data in relation to the customer journey and customer experience
- Monitor the performance of strategic and project partnerships and collaboration
- Review reports and data with regard to the Library's legal deposit activities
- Evaluate reports on the Library's collections, their condition and preservation
- Evaluate reports on the condition and preservation of the Library's digital assets
- Evaluate reports on the quality and accessibility of the Library's website
- Identify opportunities for improvement in service delivery and performance
- Review policies and procedures within the Committee's remit
- Escalate issues of concern pertaining to performance, and service delivery standards to the Audit, Compliance and Risk Committee and/or Board as appropriate through the appropriate channels

Meeting Arrangements and Secretariat

- Meetings shall be held four times a year
- The Chair of the Committee may convene additional meetings as deemed necessary
- The Board may also convene additional meetings of this Committee as deemed necessary
- The quorum necessary for the transaction of the business of the committee shall be at least three Trustee members (including the Chair)
- The Chief Executive and other lead officers will be present at all meetings
- The President may attend meetings as an observer
- 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 in electronic format, any other person required to attend, no later than seven working days before the meeting
- Late papers will be exceptional and agreed with the Chair in advance
- The Clerk to the Board of Trustees shall act as secretary to the Committee
- Minutes will be presented to the Chair within ten working days of the date of the meeting
- Minutes of committee meetings shall be presented for information to Trustees only at the next Board meeting following the committee meeting, pending their approval at the subsequent committee meeting

Authority

The committee is authorised to:

- Investigate any activity within its terms of reference
- to seek any information it requires from any employee of the Library in order to perform its duties, through the appropriate channels
- to call any employee to participate in discussions at a meeting of the committee as and when required
- ask any or all those who attend to withdraw to facilitate open and frank discussion on any matter
- have access to sufficient resources to carry out its duties, including access to the Library's Clerk to the Board for assistance, as required

Reporting Arrangements

- The Chair should ensure that after each meeting relevant reports are prepared from the Committee to the Board of Trustees if appropriate
- The Chair should ensure that any recommendations made at meetings are conveyed to the Board of Trustees for approval or otherwise

Review of the Terms of Reference

The Terms of Reference will be reviewed at least annually or as and when required, plus an annual review of the Committee's effectiveness.

APPENDIX 5

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 (2020)
- 1.4 Corporate Governance Framework (2020)
- 1.5 Financial Regulations (2016)
- 1.6 Welsh Government Framework Agreement (2011)
- 1.7 Welsh Government Remit Letter 2019 - 2021
- 1.8 Private Funds Investment Policy (2020)

2 Strategic Plan

- 2.1 A Library for Wales and the World; our 2021 – 2026 Strategic Plan
- 2.2 Operational Plan

3 Annual Report and Accounts

- 3.1 Accounts 2020 - 2021
- 3.2 Annual Review 2019 - 2020

4 Operational Policies in Force (in date order)

- 4.1 Volunteering Policy (2015)
- 4.2 Collections Development Policy (2016)
- 4.3 Dealing with Comments and Complaints (2020)
- 4.4 Public Consultation and Engagement Strategy (2017)

- 4.5 Marketing Strategy (2017)
- 4.6 Information Security Policy (2018)
- 4.7 Data Protection Policy (2020)
- 4.8 Strategic Equality Plan 2018 - 2022
- 4.9 Standard Conditions of Contract for the Purchase of Goods and/or Services (2019)
- 4.10 Wellbeing Statement (2019)
- 4.11 Risk Management Policy (2020)
- 4.12 Policy for Preservation and Collection Care 2017 - 2020