

# BÒRD NA GÀIDHLIG FRAMEWORK DOCUMENT

## Introduction

1. This framework document has been drawn up by the Scottish Government (SG) in consultation with Bòrd na Gàidhlig (the NDPB). It sets out the broad framework within which Bòrd na Gàidhlig (BnG) will operate and defines key roles and responsibilities which underpin the relationship between BnG and the SG. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and should be reviewed and updated as necessary, and at least every 2-3 years. Any proposals to amend the framework document either by the SG or Bòrd na Gàidhlig will be taken forward in consultation and in the light of SG priorities and policy aims. Any question regarding the interpretation of the document shall be determined by the SG after consultation with BnG. Legislative provisions shall take precedence over any part of the document.

2. References to Bòrd na Gàidhlig include any subsidiaries and joint ventures owned or controlled by Bòrd na Gàidhlig. Bòrd na Gàidhlig shall not establish subsidiaries or enter into joint ventures without the express approval of the SG.

3. Copies of the document shall be placed in the Scottish Parliament Reference Centre. It shall also be published on the SG and Bòrd na Gàidhlig websites.

## Purpose

4. Bòrd na Gàidhlig is to contribute to the achievement of the SG's primary purpose of increasing sustainable economic growth by aligning its aims and objectives with the SG's published Programme for Government, Scotland's Economic Strategy and National Performance Framework.

5. Bòrd na Gàidhlig has a number of statutory duties as set out in the Gaelic Language (Scotland) Act 2005 and the Education (Scotland) Act 2016. These include:

- (a) promoting, and facilitating the promotion of
  - (i) the use and understanding of the Gaelic language, and
  - (ii) Gaelic education and Gaelic culture,
- (b) advising (either on request or when it thinks fit) the Scottish Ministers, public bodies and other persons exercising functions of a public nature on matters relating to the Gaelic language, Gaelic education and Gaelic culture,
- (c) advising (on request) other persons on matters relating to the Gaelic language, Gaelic education and Gaelic culture,

(d) monitoring, and reporting to the Scottish Ministers on, the implementation of the European Charter for Regional or Minority Languages dated 5 November 1992 in relation to the Gaelic language.

(e) a responsibility to prepare and submit to the Scottish Ministers guidance in relation to the provision of Gaelic education and the development of such provision.

6. Bòrd na Gàidhlig's purpose, strategic aims and objectives, as agreed by the Scottish Ministers, are to:

- to increase the number of persons who are able to use and understand the Gaelic language;
- to encourage the use and understanding of the Gaelic language; and
- to facilitate access, in Scotland and elsewhere, to the Gaelic language and Gaelic culture.

### **Relationship between Scottish Government and Bòrd na Gàidhlig**

7. Effective strategic engagement between the SG and Bòrd na Gàidhlig is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both the SG and Bòrd na Gàidhlig will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in the statement on 'Strategic Engagement between the Scottish Government and Scotland's NDPBs' in [Public Bodies Strategic Engagement: Guidance](#).

8. In addition, both the SG and Bòrd na Gàidhlig will ensure that they operate within the development areas set out in the National Gaelic Language Plan and pursue the priorities set out in it. In relation to Gaelic Plans both the SG and Bòrd na Gàidhlig will operate within the framework set out in the 2005 Gaelic Act and the guidance on Gaelic Language Plans.

### **Governance and accountability**

#### **Legal origins of powers and duties**

9. Bòrd na Gàidhlig is established under the Gaelic Language (Scotland) Act 2005. The constitution of Bòrd na Gàidhlig is set out in Section 1 of the Act. Bòrd na Gàidhlig does not carry out its functions on behalf of the Crown.

#### **Ministerial responsibilities**

10. The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of Bòrd na Gàidhlig and its use of resources. They are not however responsible for day to day operational matters. Their responsibilities include:

- agreeing Bòrd na Gàidhlig's strategic aims and objectives and key targets as part of the corporate planning process including approving the National Gaelic Language Plan;
- agreeing the budget and the associated Grant In Aid requirement to be paid to Bòrd na Gàidhlig, and securing the necessary Parliamentary approval;
- carrying out responsibilities specified in the founding legislation such as appointments to the Bòrd na Gàidhlig Board, approving the terms and conditions of the Cathraiche (Chair) and Board Members and the appointment of the Ceannard (Chief Executive); and
- other matters such as approving the Ceannard (Chief Executive) and staff pay remit (in line with [SG Pay Policy](#)) and laying the accounts (together with the annual report) before the Parliament.

### **Bòrd na Gàidhlig Board Responsibilities**

11. The Bòrd na Gàidhlig board, including the Cathraiche (Chair), normally consists of non-executives appointed by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The role of the Board is to provide leadership, direction, support and guidance to ensure Bòrd na Gàidhlig delivers, and is committed to delivering, its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers. It has corporate responsibility, under the leadership of the Cathraiche (Chair), for the following:

- developing and taking forward Bòrd na Gàidhlig's strategic aims and objectives as agreed by Scottish Ministers;
- determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of Bòrd na Gàidhlig or on the attainability of its operational targets;
- promoting the efficient, economic and effective use of staff and other resources by Bòrd na Gàidhlig consistent with the principles of [Best Value](#), including, where appropriate, participation in [shared services](#) arrangements;
- ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control. (The Board must set up an Audit Committee to provide independent advice, review and provide assurance on the effectiveness of the internal control and risk management systems);
- (in reaching decisions) taking into account relevant guidance issued by Scottish Ministers;
- ensuring that the Board receives and reviews regular financial information concerning the management and performance of Bòrd na Gàidhlig and is informed in a timely manner about any concerns regarding the activities of Bòrd na Gàidhlig;

- appointing, with the approval of the Scottish Ministers, the Bòrd na Gàidhlig Ceannard (Chief Executive) and, in consultation with the SG, setting appropriate performance objectives and remuneration terms linked to these objectives, which give due weight to the proper management and use of resources within the stewardship of Bòrd na Gàidhlig and the delivery of outcomes;
- demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making;
- approving the National Gaelic Language Plan (NGLP) and ensuring this is approved Scottish Ministers;
- carrying out duties in relation to Gaelic Language Plans as set out in the Gaelic Language (Scotland) Act 2005, including approving plans, as required and as necessary; and,
- preparing and submitting guidance, in relation to the provision and development of Gaelic education, to Scottish Ministers.

Further guidance on how the Board should discharge its duties is provided in appointment letters and in [‘On Board- A guide for Board Members of Public Bodies in Scotland’](#).

### **The Responsibilities of the Cathraiche (Chair)**

12. The Cathraiche (Chair) is accountable to Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. Communications between the Bòrd na Gàidhlig Board and Scottish Ministers should normally be through the Cathraiche (Chair). He or she is responsible for ensuring that Bòrd na Gàidhlig’s policies and actions support Scottish Ministers’ wider strategic policies and that its affairs are conducted with transparency.

13. In leading the Board the Cathraiche (Chair) must ensure that:

- the work of the Board is subject to regular self-assessment and that the Board functions effectively;
- the Board contains the necessary balance of skills appropriate for conducting Bòrd na Gàidhlig business, in accordance with recognised good practice in corporate governance;
- the Board promotes and practices openness and transparency by holding Board and Committee meetings in public, ensuring agenda’s and minutes posted in a timely manner, in line with recognised good practice of Public Bodies;
- Board Members are fully briefed on their terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Board Members, receives appropriate induction training, including training relating to financial management and

reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice;

- Scottish Ministers are kept advised of Bòrd na Gàidhlig's ongoing succession planning and needs when Board vacancies arise, working with the SG Sponsor team and Public Appointments unit to ensure they are aware of the Boards needs and skills/experience gaps, ensuring the Board has the right skills within it to support Bòrd na Gàidhlig's strategic direction;
- there is a code of conduct for Board Members in place, approved by the Scottish Ministers, and that each Board Member adheres to this code.

14. The Cathraiche (Chair) is responsible for assessing the performance of individual Board Members on a continuous basis and undertakes a formal appraisal at least annually. The Cathraiche (Chair), in consultation with the Board as a whole, is also responsible for undertaking the Ceannard's (Chief Executive's) annual performance appraisal.

### **Individual Board Members' Responsibilities**

15. Individual Board members should act in accordance with the responsibilities of the Board as a whole and comply with Bòrd na Gàidhlig's code of conduct, and with the rules relating to the use of public funds and to conflicts of interest. (In this context "public funds" means not only any funds provided to Bòrd na Gàidhlig by the Scottish Ministers but also any other funds falling within the stewardship of Bòrd na Gàidhlig, including trading and investment income, gifts, bequests and donations.) General guidance on Board Members' responsibilities is summarised in their appointment letters and is also provided in [On Board: A Guide for Board Members of Public Bodies in Scotland](#).

### **Bòrd na Gàidhlig Ceannard (Chief Executive) responsibilities**

16. The Ceannard (Chief Executive) of Bòrd na Gàidhlig is employed and appointed by the Board with the approval of the Scottish Ministers. He/she is the Board's principal adviser on the discharge of its functions and is accountable to the Board. His/her role is to provide operational leadership to Bòrd na Gàidhlig and ensure that the Board's aims and objectives are met and Bòrd na Gàidhlig's functions are delivered, and targets met through effective and properly controlled, executive action. His/her general responsibilities include the performance, management and staffing of Bòrd na Gàidhlig. General guidance on the role and responsibilities of the Ceannard (Chief Executive) is contained in 'On Board.' Specific responsibilities to the Board include:

- advising the Board on the discharge of its responsibilities - as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by, or on behalf of, Scottish Ministers - and implementing the decisions of the Board;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal and evaluation techniques, consistent with the [Appraisal and Evaluation](#) section of the [Scottish Public Finance Manual](#) (SPFM), are followed;

- ensuring that Bòrd na Gàidhlig adheres, where appropriate, to the SG's [Programme and Project Management Principles](#);
- having robust performance and risk management arrangements - consistent with the [Risk Management](#) section of the SPFM - in place that support the achievement of Bòrd na Gàidhlig's aims and objectives and that facilitate comprehensive reporting to the Board, the SG and the wider public;
- ensuring that adequate systems of internal control are maintained by Bòrd na Gàidhlig, including effective measures against fraud and theft consistent with the [Fraud](#) section of the SPFM;
- establishing appropriate documented internal delegated authority arrangements consistent with the [Delegated Authority](#) section of the SPFM;
- advising the Board on the performance of Bòrd na Gàidhlig in line with its aims and objectives;
- preparing Bòrd na Gàidhlig's corporate and business plans, in light of the strategic aims and objectives agreed by Scottish Ministers;
- ensuring effective relationships and maintaining regular communications with SG officials at all levels; and
- ensuring that timely forecasts and monitoring information on performance, improvement and finance are provided to the SG; that the SG is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the SG in a timely fashion.

### **Bòrd na Gàidhlig Accountable Officer responsibilities**

17. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) will designate the Ceannard (Chief Executive) as the Accountable Officer for Bòrd na Gàidhlig. Accountable Officers are personally answerable to the Scottish Parliament for the exercise of their functions, as set out in the [Memorandum to Accountable Officers for Other Public Bodies](#). These include:

- ensuring the propriety and regularity of Bòrd na Gàidhlig's finances and that there are sound and effective arrangements for internal control and risk management;
- ensuring that the resources of Bòrd na Gàidhlig are used economically, efficiently and effectively and that appropriate arrangements are in place to secure Best Value and deliver Value for Money for the public sector as a whole;
- ensuring compliance with relevant guidance issued by the Scottish Ministers, in particular the SPFM and SG Pay Policy;
- signing the annual accounts and associated governance statements; and

- a statutory duty to obtain written authority from the Board / Cathraiche (Chair) before taking any action which he/she considered would be inconsistent with the proper performance of the Accountable Officer functions.

18. It is incumbent on the Ceannard (Chief Executive) to combine his/her Accountable Officer responsibilities to the Scottish Parliament with his/her wider responsibilities to the Board. The Board/Cathraiche (Chair) should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Ceannard (Chief Executive), including the statutory duties described above.

### **Portfolio Accountable Officer responsibilities**

19. The Principal Accountable Officer for the Scottish Administration will designate the Director-General Education and Justice as the Accountable Officer for the SG portfolio budget for Bòrd na Gàidhlig. Withdrawal of the Accountable Officer designation would also be a matter for the Principal Accountable Officer. The responsibilities of a Portfolio Accountable Officer are set out in detail in the Memorandum to Accountable Officers for Parts of the Scottish Administration. He/she is personally answerable to the Scottish Parliament for ensuring that:

- the financial and other management controls applied by the SG are appropriate and sufficient to safeguard public funds and, more generally that those being applied by Bòrd na Gàidhlig conform to the requirements both of propriety and of good financial management;
- the key roles and responsibilities which underpin the relationship between the SG and Bòrd na Gàidhlig are set out in a framework document - and that this document is regularly reviewed;
- effective relationships are in place at Director and Division Head level between the SG and Bòrd na Gàidhlig in accordance with the strategic engagement principles; and
- there is effective continuous assessment and appraisal of the performance of the Cathraiche (Chair) of Bòrd na Gàidhlig by the Director, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland.

### **Scottish Government Director and Division Head**

20. The Director for Education Reform and the Gaelic and Scots Division Head have responsibility for overseeing and ensuring effective relationships between the SG and Bòrd na Gàidhlig which support alignment of Bòrd na Gàidhlig's business to the SG's Purpose and National Outcomes and high performance by Bòrd na Gàidhlig.

21. They will work closely with the Bòrd na Gàidhlig Ceannard (Chief Executive) and be answerable to the Portfolio Accountable Officer for maintaining and developing

positive relationships with Bòrd na Gàidhlig characterised by openness, trust, respect and mutual support.

22. They will be supported by a sponsor unit in discharging these functions.

- The Director will be responsible for strategic oversight and forward business planning and will meet with the Ceannard (Chief Executive) and Cathraiche (Chair) every 6 months.
- The Director, shall be responsible for assessing the performance of the NDPB Cathraiche (Chair), at least annually through the appraisal process.
- The Division Head will maintain regular engagement through quarterly 1:1 sessions with the Cathraiche (Chair).

### **Sponsor unit responsibilities**

23. The SG sponsor unit for Bòrd na Gàidhlig is Gaelic and Scots Division. It is the normal point of contact for Bòrd na Gàidhlig in dealing with the SG. The division, under the direction of the Division Head, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of Bòrd na Gàidhlig and undertakes the responsibilities of the Portfolio Accountable Officer on his/her behalf. Specific responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in the document 'Strategic Engagement between the Scottish Government and Scotland's NDPBs' and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and Bòrd na Gàidhlig;
- ensuring regular engagement with BnG through, quarterly meetings with BnG SMT, fortnightly communications meetings, SG Gaelic Plan meetings, attendance at Board meetings for discussion of relevant topics and to ensure a good understanding of strategic priorities and issues, occasional observation of Board meetings and through other ad hoc meetings as necessary. Along with other items, both parties will ensure that BnG's KPIs are a fixed agenda item in the quarterly meetings. Notes from all meetings are shared and agreed with both the Sponsor team and BnG.
- ensuring that appointments to the Board of Bòrd na Gàidhlig are made timeously and, where appropriate, in accordance with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland;
- proportionate monitoring of Bòrd na Gàidhlig's activities through an adequate and timely flow of appropriate information, agreed with Bòrd na Gàidhlig, on performance, budgeting, control and risk management;
- addressing in a timely manner any significant problems arising in Bòrd na Gàidhlig, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate;



- ensuring that the objectives of Bòrd na Gàidhlig and the risks to them are properly and appropriately taken into account in the SG's risk assessment and management systems; and
- informing Bòrd na Gàidhlig of relevant SG policy in a timely manner.
- ensuring if/when considering funding support for Gaelic organisations (beyond those that SG provides core support to) and Gaelic specific grant allocations, the sponsor team will, where appropriate, engage with BnG for input to ensure full transparency.

## **Internal audit**

24. Bòrd na Gàidhlig shall:

- establish and maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards and the [Internal Audit](#) section of the SPFM;
- set up an Audit Committee of its Board, in accordance with the [Audit Committees](#) section of the SPFM, to advise both the Board and the Ceannard (Chief Executive) in his/her capacity as Bòrd na Gàidhlig's Accountable Officer;
- forward timeously to the SG the audit charter, strategy, periodic audit plans and annual audit assurance report, including the Bòrd na Gàidhlig Head of Internal Audit opinion on risk management, control and governance and other relevant reports as requested; and
- keep records of, and prepare and forward timeously to the SG an annual report on fraud and theft suffered by Bòrd na Gàidhlig and notify the SG at the earliest opportunity of any unusual or major incidents.

25. The SG's Internal Audit Division has a right of access to all documents held by the Bòrd na Gàidhlig internal auditor, including where the service is contracted out. The SG has a right of access to all Bòrd na Gàidhlig records and personnel for any purpose.

## **External audit**

26. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, Bòrd na Gàidhlig's annual accounts and passes them to the Scottish Ministers who shall lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. For the purpose of audit the auditors have a statutory right of access to documents and information held by relevant persons. Bòrd na Gàidhlig shall instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to the SG.

27. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which Bòrd na Gàidhlig has used its resources in discharging its functions. The AGS may also carry out examinations into the arrangements made by Bòrd na Gàidhlig to secure Best Value. For the purpose of these examinations the examiners have a statutory right of access to documents and

information held by relevant persons. In addition, Bòrd na Gàidhlig shall provide, in contracts and any conditions to grants, for the AGS to exercise such access to documents held by contractors and sub-contractors and grant recipients as may be required for these examinations; and shall use its best endeavours to secure access for the AGS to any other documents required by the AGS which are held by other bodies.

## **Annual report and accounts**

28. Bòrd na Gàidhlig must publish an annual report of its activities together with its audited accounts after the end of each financial year. The annual report must cover the activities of any corporate, subsidiary or joint ventures under the control of Bòrd na Gàidhlig. It should comply with the Government [Financial Reporting Manual](#) (FReM) and outline Bòrd na Gàidhlig's main activities and performance against agreed objectives and targets for the previous financial year.

29. The accounts must be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the FReM) and other relevant guidance issued by the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit. Any subsidiary or joint venture owned or controlled by Bòrd na Gàidhlig shall be consolidated in its accounts in accordance with International Financial Reporting Standards as adapted and interpreted for the public sector context.

30. The draft report should be submitted to the SG for comment, and the draft accounts for information by the end of June. The final version should be available for laying before the Scottish Parliament by the Scottish Ministers. Whilst the statutory date for laying and publishing accounts audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be published before they have been laid. Bòrd na Gàidhlig shall be responsible for the publication of the report and accounts e.g. on Bòrd na Gàidhlig's website.

## **Management responsibilities**

### **Corporate and business plans**

31. Bòrd na Gàidhlig must ensure that a corporate plan, agreed with the Scottish Ministers, is in place and published on Bòrd na Gàidhlig's website. Bòrd na Gàidhlig shall agree with the SG the issues to be addressed in the plan and the timetable for its preparation and review. The finalised plan shall reflect Bòrd na Gàidhlig's strategic aims and objectives as agreed by the Scottish Ministers, indicative budgets and any priorities set by the Scottish Ministers. It shall demonstrate how Bòrd na Gàidhlig contributes to the achievement of the SG's primary purpose of increasing sustainable economic growth and alignment with the SG's [National Performance Framework](#) (NPF). The corporate plan for Bòrd na Gàidhlig should include:

- the purpose and principal aims of Bòrd na Gàidhlig;

- an analysis of the environment in which Bòrd na Gàidhlig operates;
- key objectives and associated key performance targets for the period of the plan, the strategy for achieving those objectives and how these will contribute towards the achievement of the SG's primary purpose and alignment with the NPF;
- indicators against which performance can be judged;
- details of planned efficiencies, describing how Bòrd na Gàidhlig proposes to achieve better value for money, including through collaboration and shared services; and
- other matters as agreed between the SG and Bòrd na Gàidhlig.

32. The corporate plan should inform the development of a separate business plan for each financial year. The business plan for Bòrd na Gàidhlig should include key targets and milestones for the year immediately ahead, aligned to the NPF, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. A copy of Bòrd na Gàidhlig's business plan should be provided to the sponsor unit prior to the start of the relevant financial year.

### **Budget management**

33. Each year, in the light of decisions by the Scottish Ministers on the allocation of budgets for the forthcoming financial year, the SG will send to Bòrd na Gàidhlig by 31 March a formal statement of its budgetary provision, a note of any related matters and details of the budget monitoring information required by the SG. Transfers of budgetary provision between the different summary classifications as advised would require the prior approval of the SG Finance Directorate. Any proposals for such transfers should therefore be submitted to the sponsor unit. Transfers of provision within the summary classifications may be undertaken without reference to the SG, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

34. If the trading and other resource income - or the net book value of disposals of non-current assets - realised is less than included in the most up to date agreed budget Bòrd na Gàidhlig shall, unless otherwise agreed with the SG, ensure a corresponding reduction in its gross expenditure. If income realised is more than included in the most up to date agreed budgets Bòrd na Gàidhlig must obtain the prior approval of the SG before using any excess to fund additional expenditure. (Failure to obtain prior approval for the use of excess income - excluding income resulting from gifts, bequests and donations - to fund additional expenditure may result in corresponding reductions in budgets for the following financial year.)

### **Cash management**

35. Any [grant in aid](#) (i.e. the cash provided to Bòrd na Gàidhlig by the SG to support the allocated budget) for the year in question must be authorised by the Scottish Parliament in the annual Budget Act. Grant in aid will normally be paid in monthly instalments on the basis of updated profiles and information on unrestricted cash reserves. Payment will not be made in advance of need, as determined by the level of

unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of Bòrd na Gàidhlig - and the level of funds required to meet any relevant liabilities at the year-end. Grant in aid not drawn down by the end of the financial year shall lapse. Grant in aid shall not be paid into any restricted reserve held by Bòrd na Gàidhlig.

36. The banking arrangements adopted by Bòrd na Gàidhlig must comply with the [Banking](#) section of the SPFM.

## **Risk management**

37. Bòrd na Gàidhlig shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of generally recognised best practice in corporate governance, and develop a risk management strategy, consistent with the [Risk Management](#) section of the SPFM. Reporting arrangements should ensure that the sponsor unit is made aware of relevant risks and how they are being managed. The Bòrd na Gàidhlig Audit Committee is also required, at the earliest opportunity, to notify the relevant SG Audit and Risk Committee if it considers that it has identified a significant problem which may have wider implications.

## **Organisational security and resilience**

38. As part of risk management arrangements, the NDPB shall ensure that it has a clear understanding at board level of the key risks, threats and hazards it may face in the personnel, physical and cyber domains, and take action to ensure appropriate organisational resilience to those risks/threats/hazards. It should have particular regard to the following key sources of information to help guide its approach:

- Having and Promoting Business Resilience (part of the Preparing Scotland suite of guidance) The Scottish Public Sector Action Plan on Cyber Resilience and associated guidance.

## **Counter fraud arrangements**

39. The NDPB should adopt and implement policies and practices to safeguard itself against fraud and theft, in accordance with the Fraud section of the SPFM. Application of these processes must be monitored actively, supported by a fraud action plan and robust reporting arrangements. This includes the establishment of avenues to report any suspicions of fraud.

## **Performance management**

40. Bòrd na Gàidhlig shall operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic aims, objectives, targets and milestones set out in the corporate and business plans. The results of such reviews should be reported on a regular basis to Board of Bòrd na Gàidhlig and copied to the SG. The

SG shall assess Bòrd na Gàidhlig's performance on a continuous basis and undertake a formal internal review at least twice a year. The responsible Scottish Minister shall meet the Cathraiche (Chair) of Bòrd na Gàidhlig at least once a year.

## **Bòrd na Gàidhlig staff management**

### *Broad responsibilities for Bòrd na Gàidhlig staff*

41. Bòrd na Gàidhlig will have responsibility for the recruitment, retention and morale of its staff. The broad responsibilities toward its staff are to ensure that:

- personnel policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG Pay Policy for Staff Pay Remits);
- the performance of its staff at all levels is satisfactorily appraised and Bòrd na Gàidhlig's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve Bòrd na Gàidhlig's objectives;
- proper and timely consultation with staff takes place on key issues affecting them;
- effective grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place; and
- a code of conduct for staff is in place based on the [model code of conduct for members of devolved public bodies](#) and/or [Civil Service Code](#).

### *Pay and conditions of service*

42. Bòrd na Gàidhlig shall submit to the SG for approval (normally annually unless a multi-year deal has been agreed) a pay remit in line with the SG Pay Policy for Staff Pay Remits and negotiate a pay settlement within the terms of the approved remit. Proposals on non-salary rewards must comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM. Bòrd na Gàidhlig shall comply with employment and equalities legislation. The terms and conditions of the Ceannard (Chief Executive) are subject to a separate approval exercise in line with the SG Pay Policy for Senior Appointments.

## *Pensions, redundancy and compensation*

43. Superannuation arrangements for Bòrd na Gàidhlig staff are subject to the approval of the SG. Bòrd na Gàidhlig staff shall normally be eligible for a pension provided by LGPS. Staff may opt out of the occupational pension scheme provided by Bòrd na Gàidhlig.

44. Any proposal by Bòrd na Gàidhlig to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the SG. Proposals on compensation payments must comply with the- [Settlement Agreements, Severance, Early Retirement and Redundancy Terms](#). This includes referral to the SG of any proposed:

- compensation payment being considered for an individual outwith any existing approved scheme and before the individual is approached and any offer made either orally or in writing; or,
- business case for a settlement agreement being considered for an individual and before the individual is approached and any offer made either orally or in writing.

## **Asset and property management**

45. Bòrd na Gàidhlig shall maintain an accurate and up-to-date record of its current and non-current assets consistent with the [Property: Acquisition, Disposal and Management](#) section of the SPFM. 'Non-current' assets should be disposed of in accordance with the SPFM. The SG's Property Division should be consulted about relevant proposed disposals of property that the NDPB holds for operational purposes (rather than investment) at the earliest opportunity so it may be advertised internally. An Internal Advertisement form must be completed and submitted at least one month prior to property being advertised on the open market. Any proposal to acquire land, buildings or other rights in property for accommodation / operational purposes should comply with the SPFM. The NDPB is also subject to the SG Asset Management Policy, including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation / operational purposes, to be approved in advance by Scottish Ministers. The Property Controls Team should be consulted as early as possible in this process. All assets (property, plant and equipment) are to be properly recorded and updated as necessary by the NDPB on the Cabinet Office electronic Property Information Mapping System (e-PIMS).

## **Delegated authorities**

46. Bòrd na Gàidhlig's specific delegated financial authorities - as agreed in consultation between Bòrd na Gàidhlig and the SG - are set out in the attached **Appendix**. Bòrd na Gàidhlig shall obtain the SG's prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations. Bòrd na Gàidhlig shall also comply with any requirements for prior SG approval included in the SPFM and/or this document. Prior SG approval must always be obtained before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.



## **Income generation**

47. Bòrd na Gàidhlig shall seek to optimise income - grant in aid does not qualify as income - from all sources, including where relevant from the [European Union](#), and ensure that the SG is kept informed. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the SG. Fees or charges for any services supplied by Bòrd na Gàidhlig shall be determined in accordance with the [Fees & Charges](#) section of the SPFM.

48. Gifts, bequests or donations received by Bòrd na Gàidhlig score as income and should be provided for in the agreed resource DEL and capital DEL budgets, updated as necessary in consultation with the SG. However, Bòrd na Gàidhlig should be able to demonstrate that expenditure funded by gifts etc is additional to expenditure normally supported by grant in aid (i.e. SG core funding) or by trading and other income. Before accepting such gifts etc Bòrd na Gàidhlig shall consider if there are any associated costs in doing so or any conflicts of interests arising. Bòrd na Gàidhlig shall keep a written record of any such gifts etc and what happened to them.

## **Financial investments**

49. Unless covered by a specific delegated authority shall not make any financial investments without the prior approval of the SG. That would include equity shares in ventures which further the objectives of Bòrd na Gàidhlig. Bòrd na Gàidhlig shall not invest in any venture of a speculative nature.

## **Borrowing**

50. Borrowing cannot be used to increase Bòrd na Gàidhlig's spending power. Under Schedule 1, Section 12(3) of the Gaelic Language (Scotland) Act 2005 Bòrd na Gàidhlig does not have the power to borrow money.

## **Lease arrangements**

51. Unless covered by a specific delegated authority Bòrd na Gàidhlig shall not enter into any finance, property or accommodation related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant's lease break - without the SG's prior approval. Before entering/ continuing such arrangements Bòrd na Gàidhlig must be able to demonstrate that the lease offers better value for money than purchase and that all options of sharing existing public sector space have been explored. Non-property/ accommodation related operating leases are subject to a specific delegated authority. Bòrd na Gàidhlig must have capital DEL provision for finance leases and other transactions which are in substance borrowing.

## **Tax arrangements**

52. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the SG. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. Bòrd na Gàidhlig must comply with all relevant rules on taxation, including VAT. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source. It is the responsibility of Bòrd na Gàidhlig to observe VAT legislation and recover input tax where it is entitled to do so. Bòrd na Gàidhlig is not VAT registered and therefore cannot charge or recover VAT. The implications of VAT in relation to procurement and shared services should be considered at an early stage to ensure that financial efficiency is achieved. Bòrd na Gàidhlig must also ensure that it accounts properly for any output tax on sales or disposals.

### **Lending and guarantees**

53. Under Schedule 1, Section 12(3) of the Gaelic Language (Scotland) Act 2005, Bòrd na Gàidhlig does not have the power to give guarantees therefore Bòrd na Gàidhlig should neither lend or borrow money.

### **Third party grants**

54. Under Schedule 1, Section 11(f) of the Gaelic Language (Scotland) Act 2005, Bòrd na Gàidhlig has the power to make grants and loans. Such funding would be subject to the guidance in the [State Aid](#) section of the SPFM. Guidance on a framework for the control of third party grants is provided as an [annex](#) to the Grant & Grant in Aid section of the SPFM.

### **Impairments, provisions and write-offs**

55. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the FReM. Where an asset - and that includes investments - suffers impairment it is important that the prospective impairment and background is communicated to the SG at the earliest possible point in the financial year to determine the implications for Bòrd na Gàidhlig's budget. Similarly any significant movement in existing provisions or the creation of new provisions should be discussed in advance with the SG. Write-off of bad debt and/or losses scores against Bòrd na Gàidhlig's resource DEL budget classification and is subject to a specific delegated limit.

### **Insurance**

56. Bòrd na Gàidhlig is subject to the SG policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the [Insurance](#) section of the SPFM - where required with the prior approval of the SG. In the event of uninsured losses being incurred the SG shall consider, on a case by case basis, whether or not it should make any additional resources available to Bòrd na Gàidhlig. The SG will provide Bòrd na Gàidhlig with a Certificate of Exemption for Employer's Liability Insurance.



## **Procurement and payment**

57. Bòrd na Gàidhlig's procurement policies shall reflect relevant guidance in the [Procurement](#) section of the SPFM and relevant guidance issued by the SG's Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving Bòrd na Gàidhlig's objectives consistent with the principles of [Best Value](#), the highest professional standards and any legal requirements. Unless covered by a specific delegated authority any proposal to award a contract without competition (non-competitive action) must be approved in advance by the SG. Any external consultancy contracts with a value of more than £25,000 must be approved in advance by the Deputy First Minister and Cabinet Secretary for Education and Skills and the Cabinet Secretary for Finance.

58. Any major investment programmes or projects undertaken by Bòrd na Gàidhlig shall be subject to the guidance in the [Major Investment Projects](#) section of the SPFM [and is also subject to a specific delegated authority]. The sponsor unit must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the SG's Information Services Investment Board.

59. Bòrd na Gàidhlig shall pay all matured and properly authorised invoices relating to transactions with suppliers in accordance with the [Expenditure and Payments](#) section of the SPFM, and in doing so shall seek wherever possible and appropriate to meet the SG's target for the payment of invoices within 10 working days of their receipt.

## **Gifts made, special payments and losses**

60. Unless covered by a specific delegated authority Bòrd na Gàidhlig shall not, without the SG's prior approval, make gifts or special payments or write-off of losses. Special payments and losses are subject the guidance in the [Losses and Special Payments](#) section of the SPFM. Gifts by management to staff are subject to the guidance in the [Non-Salary Rewards](#) section of the SPFM.

## **Clawback**

61. Where Bòrd na Gàidhlig has financed expenditure on assets by a third party, Bòrd na Gàidhlig shall make appropriate arrangements to ensure that any such assets above an agreed value are not disposed of by the third party without Bòrd na Gàidhlig's prior consent. Bòrd na Gàidhlig shall put in place arrangements sufficient to secure the repayment of its due share of the proceeds - or an appropriate proportion of them if Bòrd na Gàidhlig contributed less than the whole cost of acquisition or improvement. Bòrd na Gàidhlig shall also ensure that if assets financed by Bòrd na Gàidhlig cease to be used by the third party for the intended purpose an appropriate proportion of the value of the asset shall be repaid to Bòrd na Gàidhlig.

## **Board expenses**

62. Remuneration, allowances and expenses paid to board members and any pension arrangements must comply with the SG Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.

## BÒRD NA GÀIDHLIG FRAMEWORK DOCUMENT: APPENDIX

### SPECIFIC DELEGATED FINANCIAL AUTHORITIES

		<b>Delegated Limit</b>
External business and management consultancies		£25,000
Non-competitive action		£10,000
Operating leases – other than property/ accommodation related leases		<b>Nil</b>
Gifts		<b>£250</b>
Special payments		<b>Nil</b>
Claims waived or abandoned		<b>Nil</b>
Write-off of bad debt and/or losses		<b>Nil</b>