

NON-DEPARTMENTAL PUBLIC BODIES (NDPBs) - APPEARANCES BEFORE THE PAC

INTRODUCTION

5.1 A NDPB is a body that has a role in the processes of national government but is not a government department or part of one, and accordingly operates to a greater or lesser extent at arm's length from Ministers. Conferring functions on an NDPB involves recognition that a degree of independence from ministers in carrying out those functions is appropriate.

5.2 The sponsor department's Accounting Officer designates the Chief Executive or another senior staff member of an executive NDPB as its Accounting Officer and the relationship and respective responsibilities of the two organizations is set out in the NDPB's Management Statement and associated Financial Memorandum.

APPEARANCE BEFORE THE COMMITTEE

5.3 An NDPB Accounting Officer may also expect to be called upon to appear before the Committee from time to time, normally with the Accounting Officer from the sponsor department, to give evidence on the reports arising from C&AG's value for money studies or reports following the annual audit of accounts. The guidance given in Chapter 4 applies equally to NDPB Accounting Officers and supporting officials.

SPONSORING DEPARTMENTS' ROLES

5.4 Sponsoring departments have specific accountability responsibilities in relation to their NDPBs and Departments' Accounting Officers can expect to be questioned on these by the Committee. These responsibilities are to ensure that:

- there is a clear strategic control framework for the NDPB;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated Accounting Officer is fit to discharge his or her responsibilities;
- there are suitable internal audit arrangements;
- accounts are prepared in accordance with the relevant legislation and any accounting direction; and
- intervention is made, where necessary, in situations where the NDPB Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the body's Board or its Chairman.

5.5 The Committee takes a close interest in the quality of stewardship exercised by sponsor departments over their NDPBs. Departments need to strike the right balance between sponsorship responsibilities and the NDPB's need to have a degree of independence.

GOOD PRACTICE

- **Sponsors and their NDPBs should foster and maintain a culture of openness and mutual trust between them so that issues can be properly addressed as they arise.**
- **The NDPB and the departmental Accounting Officer should meet in advance to discuss the issues for the Committee hearing.**
- **There should be a common understanding of the issues and the way forward so that there are no contradictions at the hearing.**
- **Both should share each other's briefing so that there are no surprises at the hearing.**
- **The sponsor department should respect the degree of independence NDPBs have and not be overbearing on line to take at the hearing.**
- **Any area of disagreement should be clearly identified. There should be a good understanding of each other's position and the reasons for taking it.**