

RT HON DOMINIC GRIEVE QC MP



AGO

Attorney General's Office

Attorney General

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The Rt Hon Margaret Hodge MBE MP
Public Committee of Accounts
House of Commons
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23rd July 2013

Dear Margaret,

SERIOUS FRAUD OFFICE

I have seen the report of your committee into the Serious Fraud Office redundancy and severance arrangements. I thought it would be helpful if I provided your Committee with a narrative of the steps taken by me and my officials when concerns about the consultancy payments and also about the renewal of the SFO's IT contract came to AGO notice, and subsequently when the severance payments were brought to my attention. There has been considerable parliamentary and press interest in these matters, and I am keen that the role of this office in addressing these matters is understood.

The relationship between an Attorney General and a Director of the Serious Fraud Office, and between their teams, is one which is necessitated by their respective public functions. The Attorney General's formal powers with respect to the SFO are deliberately limited to rightly protect the independence of prosecutorial decisions. The Director is Accounting Officer and takes personal responsibility for regularity and propriety of expenditure and value for money. The effective conduct of their respective functions requires their relationship to be professional, open, and founded on mutual trust and understanding. In particular, it requires mutual respect for each other's contributory roles in accounting publicly for the work of the SFO, including for its proper stewardship of public money, and a recognition of the fundamental importance of ensuring that the necessary flows of information are maintained to support those roles.

It is impossible to avoid the conclusion in this case that Mr Alderman's approach to this aspect of his role as Director did not meet the very high standards required of it. In these circumstances, I regretfully share the disappointment expressed in your committee's report. I am most grateful to the current Director of the SFO, David Green, for the energy and thoroughness with which he has investigated these matters since taking up office, and for his unconditional resolve to address any wider failures or damage in the organisation

suggested by this narrative as a matter of the very highest priority. I am looking forward to continuing an excellent working relationship with Mr Green and to seeing the SFO continue to progress confidently under his leadership and guidance.

My office will shortly be responding to two requests under the Freedom of Information Act in relation to these matters, and will be publishing a number of relevant documents on the AGO website, including this letter, and the enclosed narrative. In considering the approach to the disclosure of this material I have carried out a careful balancing exercise between the clear public interest in these matters, and the need to protect personal data and to avoid prejudice to the effective conduct of public affairs.

I am copying this letter to the Director of the Serious Fraud Office.

Yours ever

A handwritten signature in black ink, appearing to read "Dominic", with a long, sweeping underline that extends to the left and then curves back to the right.

RT HON DOMINIC GRIEVE QC MP