

## ARIA Framework Agreement

### Introduction and Background

#### 1. Purpose of Document

- 1.1. The framework document sets out the broad governance framework within which ARIA and DSIT operate. It has been agreed between the Department for Science, Innovation and Technology (DSIT) and the Advanced Research and Invention Agency (ARIA) and has been approved by HM Treasury.
- 1.2. This framework document is subject to and complements:
  - Legal and regulatory requirements, in particular the ARIA Act 2022;
  - Government-wide guidance listed in Annex A;
  - ARIA's delegation and accounting officer letters; and
  - Other instructions issued by DSIT, the Cabinet Office and HM Treasury, where appropriate.
- 1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4. References to ARIA include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes.
- 1.5. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on ARIA's website.
- 1.6. This framework document will be reviewed and updated at least every 3 years. The latest date for review and updating of this document is January 2026.

#### 2. Classification

- 2.1. ARIA is likely to be classified as a central government organisation by the ONS/HM Treasury Classifications team. It has been administratively classified by the Cabinet Office as a Non-Departmental Public Body.

#### 3. Purpose, functions and duties of ARIA

- 3.1. DSIT and ARIA share the common objective of funding transformational scientific and technological research. To achieve this, ARIA and DSIT will work together in recognition of each other's roles and areas of expertise, providing an effective environment for ARIA to achieve its objectives through the promotion of partnership and trust.
- 3.2. To support its success, ARIA will have maximum autonomy over its research and project choice; its procedures; and its institutional culture. Decisions on the programme portfolio will be set by ARIA, not ministers, and allocation of funding to research projects will be decided by those with relevant technical expertise. ARIA will be a flagship of the Government's agenda to cut bureaucracy and nothing in this framework document should be interpreted as undermining ARIA's financial and operational freedoms.
- 3.3. ARIA's statutory functions, powers and duties are set out in the ARIA Act 2022. A summary is included in Annex B.

## Role of the Department

### 4. The responsible Minister

- 4.1. The Secretary of State's statutory powers in respect of ARIA are set out in the ARIA Act 2022 and summarised in Annex B.

### 5. The Principal Accounting Officer and Accounting Officer

- 5.1. The Principal Accounting Officer (PAO) is the Permanent Secretary of DSIT.
- 5.2. The PAO designates the Chief Executive of ARIA as ARIA's Accounting Officer. The PAO will issue a letter appointing the Accounting Officer (AO), setting out their responsibilities and delegated authorities.
- 5.3. If deemed appropriate, the PAO may designate another employee of the company as AO.
- 5.4. The responsibilities of the PAO and AO are set out in *Managing Public Money (MPM)*.<sup>1</sup>
- 5.5. The PAO is accountable to Parliament for the issue of any grant-in-aid to ARIA.
- 5.6. The PAO, via the sponsorship team, is also responsible for ensuring arrangements are in place in order to:
  - Support ARIA in proactively reporting its performance and highlighting any significant problems within the organisation, allowing the department to make such interventions as are judged necessary;
  - Inform ARIA of relevant government policy in a timely manner;
  - Bring Ministerial or departmental concerns about the activities of ARIA to the Board's attention, and as appropriate, to the departmental board, requiring explanations and assurances that appropriate action has been taken; and
  - Advise Ministers on the exercise of their statutory responsibilities concerning ARIA.

### 6. The role of the sponsorship team

- 6.1. The ARIA sponsorship team in DSIT is the primary contact for ARIA and will support the PAO and DSIT Ministers on ARIA matters. The responsible Senior Civil Servant, supporting the PAO, is the Director General for Science, Innovation and Growth. ARIA and the sponsorship team will establish cooperative working practices allowing both to exercise their duties effectively.

### 7. Resolution of disputes between ARIA and DSIT

- 7.1. Any disputes between DSIT and ARIA will be resolved in as timely a manner as possible. DSIT and ARIA will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Civil Servant with responsibility for ARIA's sponsorship, will be used to resolve the issue, escalating to the Director General for Science, Innovation and Growth, and the PAO. Within ARIA, any issue should be escalated at working level, ultimately to the Chief Executive as AO, or the Chair (as appropriate).

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<sup>1</sup> [Managing Public Money](#), Chapter 3

## 8. Transparency arrangements

8.1. In line with the Government's aspirations for transparency in all public bodies,<sup>2</sup> ARIA will:

- Publish information on all recipients of its programme funding, except for those that are sensitive on the grounds of national security;
- Publish transactional information on its operational costs to a reasonable threshold to be determined by the ARIA Board;
- Publish data on the regional distribution of its programme funding; and
- Comply with the Environmental Information Regulations 2004.

8.2. ARIA is exempt from the Freedom of Information Act 2000. Where a request for information is received by DSIT concerning ARIA, DSIT may disclose any information it holds on ARIA in accordance with the Act. ARIA is not expected to provide information to DSIT for the purposes of satisfying an FOI request received by DSIT. DSIT should consult with ARIA where the disclosure of information will affect ARIA in the delivery of its responsibilities.

## 9. Communications and announcements

9.1. ARIA will maintain an independent communications function and implement an effective communications strategy on the work it funds. Working closely with DSIT as is appropriate, ARIA will endeavour to:

- Provide DSIT with advance sight of announcements involving significant programme funding, or appointments to ARIA's Board, to enable effective joint planning and to give Ministers the opportunity to be involved, if they wish; and
- Work with DSIT on communications materials related to future allocation of ARIA's funding.

9.2. It is an important principle, supported by both ARIA and DSIT, that the direction of and conclusion of ARIA's funding will always be communicated independently, freely and objectively, without political restriction or interference. ARIA will retain control over the timing and content of communications.

## 10. Reporting on legal risk and litigation

10.1. ARIA shall notify DSIT's ARIA sponsorship team in a timely manner on the existence of any active litigation and any threatened or reasonably anticipated litigation. In the event of a substantial piece of litigation, DSIT and ARIA should agree a litigation protocol for appropriate handling and information sharing.

10.2. Until such a protocol is in place, the parties will ensure that legally privileged documents and information are clearly marked as such, handled appropriately by individual employees, and circulated only as necessary.

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<sup>2</sup> [Managing Public Money](#), 1.1 Principles

## Governance and Structure

### 11. Governance and accountability

11.1. ARIA shall operate corporate governance arrangements that, so far as practicable, and in light of the other provisions of this framework document, or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations. Particularising the requirements outlined in Annex A, ARIA will:

- Comply with the Corporate Governance in Central Government Departments Code of Good Practice<sup>3</sup> (to the extent appropriate with its statutory duties), explain any non-compliance in its annual report and notify DSIT of any material deviations in advance;
- Comply with *MPM*, including Annex 3.1<sup>4</sup> which sets requirements on the annual governance statement; and
- Have regard to the Functional Standards<sup>5</sup> as appropriate.

### 12. The Chief Executive

#### Appointment

12.1. The first Chief Executive of ARIA is appointed by the Secretary of State under Schedule 1 of the ARIA Act 2022. Thereafter, executive members including the Chief Executive are to be appointed by the Chair after consultation with the other non-executive members of the ARIA Board.

#### Responsibilities of ARIA's Chief Executive as Accounting Officer

12.2. The Chief Executive as Accounting Officer is responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of ARIA, while noting ARIA's statutory responsibility to tolerate a significant risk appetite in its project and programme funding.

12.3. The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so. If instructed to carry out a course of action by the Board, that the CEO considers would be inconsistent with their duties as AO, the CEO should reject the course of action, and inform the ARIA sponsorship team in DSIT, the PAO and the Secretary of State. Furthermore, and if agreed with the Secretary of State, the AO must write a letter of justification to the Chair of the Board setting out their rationale for not following the advice and recommendation of the Board and copy that letter to the Treasury Officer of Accounts.

12.4. If the Secretary of State agrees with the Board's proposed course of action, it may be appropriate for the Secretary of State to direct the AO in the manner set out in *MPM* paragraph 3.6.6. onwards.

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<sup>3</sup> [Corporate Governance Code for Central Government Departments 2017](#)

<sup>4</sup> [Managing Public Money](#), Annex 3.1

<sup>5</sup> [Cabinet Office, Functional Standards](#)

## Responsibilities for accounting to Parliament and to the Public

12.5. ARIA's Chief Executive is responsible to Parliament. The accountabilities include:

- Signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented;
- Preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- Ensuring that effective procedures for handling complaints about ARIA are established and made widely known within ARIA;
- Acting in accordance with the terms of *MPM* and other instructions and guidance issued from time to time by DSIT, HM Treasury, and the Cabinet Office, insofar that those terms do not conflict with ARIA's agreed controls arrangements;
- Ensuring that as part of the above compliance, they are familiar with, and act in accordance with, the ARIA Act 2022, this framework document, any delegation and allocation letter issued to ARIA by DSIT, and other relevant instructions;
- Ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting non-compliance with any conditions arising from the above documents; and
- Giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on ARIA's stewardship of public funds.

## Responsibilities to DSIT

12.6. ARIA's Chief Executive also holds responsibilities to DSIT. These include:

- Presenting ARIA's 3-year strategy and annual Corporate Plan; and
- Informing the department of progress in ARIA's delivery of its strategic objectives, and in demonstrating how resources are being used to achieve those objectives.

## Responsibilities to the ARIA Board

12.7. The ARIA Board is the main channel for accountability and control within ARIA.

The Chief Executive's responsibilities include:

- Advising the Board on the discharge of their responsibilities as set out in *MPM*, in the ARIA Act 2022, and in any other relevant instructions and guidance pursuant to ARIA;
- Advising the Board on ARIA's performance compared with its aims and objectives; and
- Ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.

## 13. The Chair and the Board

### Composition of the Board

13.1. ARIA will have a Board in line with good standards of Corporate Governance and as set out in the ARIA Act 2022 and in guidance as set out in Annex A. Detailed responsibilities will be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting Manual (FRoM).

13.2. As detailed in the ARIA Act 2022 and Annex B, the Board will consist of executive and non-executive members. The non-executive members are: a Chair, the Government Chief

Scientific Advisor (ex officio) and such other members appointed by the Secretary of State. The executive members are the Chief Executive, the Chief Financial Officer, and at least two, but no more than five, other members that have a balance of skills and experience appropriate to directing ARIA's business. This will include as an executive and voting Board member, an appropriately qualified finance director, as per Annex 4.1 of *MPM*.<sup>6</sup>

- 13.3. The total membership of the Board should not exceed 12 members and the Board must have a majority of non-executive members to ensure that executive members are supported and constructively challenged in their role. A majority non-executive presence should be ensured at Board meetings, as far as practicable.

#### Board committees

- 13.4. The Board may set up committees, and sub-committees as in the ARIA Act 2022 and as necessary for it to fulfil its functions. This must include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board, and a Remuneration Committee.
- 13.5. While the Board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration, it retains responsibility for, and endorses, final decisions in all of these areas.
- 13.6. Beyond these requirements, ARIA may determine its own procedure and the procedure for any committee or sub-committee.

#### Appointments to the Board

- 13.7. The responsibilities for appointments to the Board are detailed in Schedule 1 subparagraph 3 of the ARIA Act 2022 and summarised in Annex B.

#### Duties of the Board

- 13.8. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the ARIA Act 2022, The Orange Book (in particular, *Management of Risk – Principles and Concepts*), and other guidelines in Annex A.
- 13.9. The Chair will determine the priorities and duties of the Board and ensure that the Secretary of State is informed of the Board's priorities.

#### 14. The Chair's role and responsibilities

- 14.1. The Chair is responsible for leading the Board in the delivery of its responsibilities as set out in the ARIA Act 2022, the Chair's terms and conditions, this document and the documents and guidance referred to within this document.
- 14.2. Communications between ARIA's Board and the Secretary of State should normally be through the Chair.
- 14.3. The Chair is bound by the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life.
- 14.4. In addition, the Chair is responsible for:
- Promoting the efficient and effective use of staff and other resources;
  - Delivering high standards of regularity and propriety; and
  - Representing the views of the Board to the general public.

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<sup>6</sup> [Managing Public Money](#), 4.1

- 14.5. The Chair also has an obligation to ensure that:
- The Non-Executives are appointed and understand their roles and responsibilities;
  - The responsible minister is advised of ARIA's needs when Board vacancies arise;
  - There is a Board Operating Framework in place, setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance;
  - There is a code of practice for Board members in place, consistent with the Cabinet Office's Code of Conduct for Board Members of Public Bodies;
  - There are appropriate and regular communication channels to DSIT's responsible Ministers and Permanent Secretary, and that the Minister and Permanent Secretary have the information they need to discharge their responsibilities to ARIA;
  - ARIA has a robust conflict of interest policy;
  - Any significant breaches of the Board's or Chief Executive's responsibilities be dealt with in a timely and proportionate manner;
  - The work of the Board and its members are reviewed, including ongoing assessment of the performance of individual Board members with a formal annual evaluation and more in-depth assessments of the performance of individual Board members when being considered for re-appointment.
- 14.6. The performance of the Chair is evaluated annually by the Director General for Science, Innovation and Growth, in consultation with the independent Non-Executives, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the Secretary of State.

## 15. Individual Board members' responsibilities

- 15.1. Individual Board members should:
- Comply at all times with the Code of Conduct for Board Members of Public Bodies, which includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflict of interest;<sup>7</sup>
  - Demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors<sup>8</sup> as appropriate;
  - Not misuse information gained in the course of their public service for personal gain or for political profit, not seek to use the opportunity of public service to promote private interests or those of connected persons or organisations;
  - Comply with the Board's rules on the acceptance of gifts and hospitality, and business appointments;
  - Act in good faith and in the best interests of ARIA;
  - Ensure they are familiar with any applicable guidance on the role of the public sector Non-Executive Directors and Boards that may be issued by Cabinet Office, HM Treasury or wider government.

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<sup>7</sup> [Code of conduct for board members of public bodies](#)

<sup>8</sup> [12 Principles of Governance for all Public Body NEDs](#)

## Management and Financial Responsibilities and Controls

### 16. Business cases and spend control

- 16.1. ARIA is following a single business case approach, whereby for the duration of ARIA's multi-year settlement announced at the 2020 Spending Review, only one business case for ARIA must be cleared with HM Treasury, and ARIA does not need to clear additional business cases with either DSIT or HM Treasury.
- 16.2. ARIA's financial freedoms and delegated authorities are set out in the delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by DSIT in agreement with HM Treasury. In line with *MPM Annex 2.2*, these delegations will be reviewed on an annual basis.
- 16.3. ARIA must seek DSIT and, where appropriate, HM Treasury's, prior approval before undertaking to incur any expenditure that: falls outside the delegations or which is not provided for in ARIA's annual budget; or might be considered novel, contentious or repercussive; or is otherwise contrary to *MPM*.
- 16.4. It should be noted that ARIA's objective is to pursue high-risk, long-term R&D and is therefore expected to have a significant risk appetite. Investing in novel or contentious research should therefore not constitute novel, contentious or repercussive spending for ARIA.

### 17. Banking and managing cash

- 17.1. ARIA should only hold money in Government Banking Service accounts.
- 17.2. The Accounting Officer is responsible for ensuring ARIA's banking policy is in line with *MPM* and is responsible for ensuring that policy is complied with.

### 18. Risk management

- 18.1. ARIA shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with the HM Treasury guidance: *Management of Risk: Principles and Concepts*.
- 18.2. In exercising its functions, ARIA may invest in research that carries a high risk of failure, but that has the potential for significant benefits to be achieved or facilitated. However, other risks such as (but not limited to) legal, operational and information management should assume a more conventional risk profile.

### 19. Counter fraud

- 19.1. ARIA should adopt and implement policies and practices to safeguard itself against fraud and theft, both internally and externally.
- 19.2. ARIA should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set out in *MPM Annex 4.9* and the Counter Fraud Functional Standard.<sup>9</sup> ARIA should keep records of, and prepare and forward to DSIT, an annual report on fraud and theft suffered by ARIA and notify DSIT of any unusual or major incidents as soon as possible. ARIA should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the Counter Fraud Centre of Expertise.

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<sup>9</sup> [Government Functional Standard GovS 013: Counter Fraud](#)



## 20. Staff

### Broad responsibilities for staff

20.1. ARIA will have responsibility for the recruitment, retention, and motivation of its staff, ensuring:

- The rules for recruitment and management of staff are clearly laid out in robust HR policies, which will be fully compliant with the public sector equality duty under the Equality Act 2010;
- 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;
- The performance of its staff at all levels is satisfactorily appraised;
- Its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve ARIA's objectives;
- Proper consultation with staff takes place on key issues affecting them;
- Adequate grievance and disciplinary procedures are in place;
- Whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- A code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-Departmental Public Bodies; and
- There is an effective and widely communicated policy on conflicts of interest.

### Staff costs

20.2. Subject to its delegated authorities, ARIA shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

### Pay and conditions of service

20.3. ARIA's staff shall be subject to levels of remuneration and terms and conditions of service (including pensions) within an ARIA pay policy initially approved by DSIT as sponsor department. ARIA may amend these terms and conditions from time to time, subject to the necessary approvals and consultation with ARIA staff.

20.4. ARIA will aim to follow the general principles of public sector pay including the annual pay remit guidance issued by the Cabinet Office.

20.5. Senior Civil Servant equivalents within ARIA are not covered by the Cabinet Office Senior Civil Service Practitioner Guidance, but organisations are encouraged to align their awards to those in the wider organisation.

20.6. All senior remuneration must comply with HM Treasury's guidance for approval of senior pay,<sup>10</sup> unless exempt – see 20.7.

20.7. In September 2022, the Chancellor agreed to grant ARIA delegation for 24 senior roles to exceed HMT senior pay approval thresholds for a period of 10 years. This includes four executive posts (including the position of CEO) and twenty senior roles – programme managers, scientific staff or unit heads.

20.8. ARIA shall provide DSIT with a copy of its HR policies and procedures upon request. The travel expenses of Board members shall be commensurate with the rates allowed to staff. Reasonable actual costs shall be reimbursed.

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<sup>10</sup> [Guidance for approval of senior pay](#)

## Pensions, redundancy, and compensation

- 20.9. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 20.10. ARIA staff shall normally be eligible for a pension provided by its own scheme. Staff may opt out of the occupational pension scheme provided by ARIA, but that employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.
- 20.11. Any proposal by ARIA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the department. Proposals on severance must comply with the rules in chapter 4 of *MPM*.

## 21. Business plans, financial reporting, and management information

### Corporate plans

- 21.1. As set out in CEO responsibilities, ARIA will publish a 3-year strategy and annual corporate plan. ARIA will have discretion to determine the content and how it is expressed.

### Budgeting procedures and grant-in-aid

- 21.2. Each year, DSIT will send to ARIA a formal statement of the annual budgetary provision allocated by the department; and of any planned change in policies affecting ARIA.
- 21.3. Any grant-in-aid provided by DSIT for the year in question will be voted in DSIT's Supply Estimate and be subject to Parliamentary control. Grant-in-aid will be paid in instalments following written applications from ARIA. Cash balances accumulated from Exchequer funds shall be kept to a minimum level consistent with the efficient operation of ARIA. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess year-end cash balances, DSIT will make available in the next financial year any such grant-in-aid that is required to meet year-end liabilities.

### Annual Report and Accounts

- 21.4. As required in the ARIA Act 2022, ARIA must publish an annual report of its activities together with its audited accounts after the end of each financial year, covering any entities under its control. ARIA shall provide the department its finalised (audited) accounts by a date notified by DSIT to ARIA each year in order for the accounts to be consolidated within DSIT's. A draft of the report should be submitted to the department two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the *Financial Reporting Manual*.
- 21.5. ARIA's first Annual Report and Accounts should be published for the 2023-24 financial year. The Annual Report and Accounts must comply with the Treasury's Financial Reporting Manual and, in particular, have regard to the illustrative statements for an NDPB.<sup>11</sup>
- 21.6. The report and accounts shall be laid by the Secretary of State in Parliament in accordance with the ARIA Act 2022. ARIA must also make these available on their website.
- 21.7. In accordance with the Agreement on the Independence of ARIA, the completed annual report will be shared with the Devolved Administrations in parallel each year for their information.

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<sup>11</sup> [Government Finance Reporting Manual: 2022-23](#)

21.8. As part of its reporting and evaluation, ARIA will evaluate itself against pillar A of the 2021-25 Greening Government Commitments – Mitigating climate change: working towards net zero by 2050. ARIA will have regard to its projects contributing to the UK’s climate change targets and environmental goals, without prejudice to ARIA’s freedoms set out in section 3 of this document.

#### Reporting performance to the department

21.9. ARIA 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 budgets and targets agreed by its Board.

21.10. ARIA shall record financial and non-financial performance, and the achievement of key objectives.

21.11. ARIA’s performance shall be formally reviewed, after 10 years of operations. DSIT may choose to initiate periodic reviews, with agreement from ARIA, during this time. In such instances, DSIT’s rationale for the review, should be justified in the context of ARIA’s intended operational independence.

21.12. The DSIT Secretary of State, and separately, the Director General, Science, Innovation and Growth, will meet the Chair at least twice a year to discuss performance.

#### 22. Protecting research

22.1. Noting Section 2(6) of the ARIA Act 2022, which states that ARIA must have regard for how its research will benefit the UK, ARIA should have particular regard for how intellectual property (IP) assets generated from its research will be of benefit to the UK’s prosperity and security.

22.2. ARIA must, in accordance with the ARIA Act 2022, comply with any national security directions issued by the DSIT Secretary of State and provide the DSIT Secretary of State with any information requested on matters of national security. ARIA must comply, and take steps to ensure its partners comply, with the National Security and Investment Act 2021.

22.3. ARIA should also:

- Ensure one executive Board member has responsibility for oversight on matters of security. The Government Chief Scientific Advisor may also identify and explore matters of security;
- Have regard to GovS 007: Security, the Government Functional Standard on Security;<sup>12</sup>
- Employ or contract services from an appropriately qualified and vetted National Security Advisor;
- Engage regularly with government national security networks;
- Promote a high standard of physical, personnel, and cyber security internally and across its collaborators.

22.4. In accordance with Cabinet Office’s Guidance for General Grants,<sup>13</sup> and The Centre for the Protection of National Infrastructure’s Trusted Research Checklist,<sup>14</sup> ARIA will take steps to ensure:

- National security is considered in the award of research funding; and

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<sup>12</sup> [Government Functional Standard GovS 007: Security](#)

<sup>13</sup> [Guidance for General Grants](#)

<sup>14</sup> [The Centre for the Protection of National Infrastructure, Trusted Research checklist](#)

- Proportionate due diligence into collaborators, in particular, noting the risk of sensitive technology being transferred to and misused by a hostile foreign state.

## 23. Information sharing

23.1. DSIT has the right of access to all records and personnel, as per Section 6 of the ARIA Act 2022.

23.2. ARIA shall provide the department with information monthly enabling the department to monitor:

- ARIA's cash management and forecasts;
- Its draw-down of grant-in-aid;
- Forecast outturn and year-to-date actual expenditure by resource headings; and
- Other areas of required monthly reporting on a schedule agreed with the DSIT sponsors.

## 24. Audit

### Internal audit

24.1. ARIA shall:

- Establish and maintain arrangements for internal audit in accordance with the Public Sector Internal Audit Standards;<sup>15</sup>
- Set up an audit committee of its Board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook;<sup>16</sup>
- Share with DSIT relevant information identified during internal audits and the Annual Audit Opinion Report (together with any other outputs where the ARIA Chief Executive, Board or Audit Committee believe it impacts on DSIT's responsibilities).

### External audit

24.2. ARIA must prepare a statement of accounts in respect of each financial year. These must comply with any directions given by the Secretary of State as to their content and form and the methods and principles to be applied in preparing them.

24.3. The Comptroller & Auditor General (C&AG) will examine, certify, and report on the statement of accounts, and pass the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before Parliament.

24.4. ARIA will ensure that the C&AG is appointed auditor of any company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts.

24.5. The C&AG:

- Will consult DSIT and ARIA on whom – the NAO or a commercial auditor – shall undertake the audits on his behalf, though the final decision rests with the C&AG;
- Has a statutory right of access to relevant documents held by another party in receipt of payments or grants from ARIA; and
- Will share with DSIT, information reported in the audit report and other outputs, where issues impact on DSIT's responsibilities in relation to financial systems within ARIA.

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<sup>15</sup> [Public Sector Internal Audit Standards](#)

<sup>16</sup> [Audit and risk assurance committee handbook](#)

24.6. The C&AG may carry out examinations into the value for money with which ARIA has used its resources in discharging its functions. For these examinations, the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, ARIA shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

## 25. [Devolution and the Devolved Administrations](#)

25.1. ARIA has a UK-wide remit. Engagement between DSIT, ARIA and the Devolved Administrations (DAs) will be guided by the 'Agreement on the Independence of the Advanced Research and Invention Agency', which commits the four administrations of the UK to protecting the principles of strategic autonomy, operational autonomy, and minimal bureaucracy in interactions with ARIA.

25.2. The 'ARIA DA CSA Forum' will meet twice annually to allow the policy priorities of the four administrations to be translated into scientific challenges and communicated directly to ARIA's executive leadership.

25.3. In addition to this, ARIA may engage, via DSIT or independently, with the Devolved Administrations or devolved funding bodies to support collaboration across the UK funding system.

25.4. ARIA will share its completed annual report with the Devolved Administrations in parallel each year for their information.

## 26. [Collaboration and agreements with other organisations](#)

### [Joint-working between ARIA and UK Research and Innovation \(UKRI\)](#)

26.1. ARIA will build a mutually beneficial relationship with UKRI (including the research councils and Innovate UK), underpinned by the recognition that:

- UKRI is the predominant UK arms-length body whose purpose is to invest in and facilitate research and innovation activities across the UK;
- ARIA has strategic and operational independence from government;
- ARIA is a smaller and leaner organisation, for whom formalised structures and agreements may prove unduly onerous;
- It is mutually beneficial for ARIA and UKRI to be aware of each other's priorities and major research programmes;
- Working closely and collaboratively with other bodies in the wider research and innovation landscape on areas of shared interest to maximise the benefit to research and innovation is beneficial to both ARIA and UKRI.

26.2. ARIA and UKRI can enter into agreements where necessary to better support their objectives. This includes agreements on shared projects and joint funding.

## 27. [Working with other bodies](#)

27.1. ARIA should work closely and collaboratively with other bodies in the wider research and innovation landscape on areas of shared interest to maximise benefits. ARIA has the authority to make agreements with other such bodies as it sees fit.

## 28. Reviews and dissolution arrangements

### Review of ARIA's status

28.1. ARIA will be formally reviewed every 10 years. The date of the next review will be in 2032. ARIA may be informally reviewed within that time by DSIT as per section 21 of this document.

### 29. Arrangements if ARIA is dissolved

29.1. As per the provisions in Section 8 of the ARIA Act 2022, regulations to dissolve ARIA may not be made within its first 10 years after the Act is passed. Should these regulations be introduced, DSIT shall put in place arrangements to ensure the orderly winding up of ARIA, ensuring that the assets and liabilities of ARIA are passed to any successor organisation and accounted for properly. If there is no successor organisation, the assets and liabilities should revert to DSIT. DSIT shall have regard to Cabinet Office guidance on winding up of ALBs.<sup>17</sup>

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<sup>17</sup> [Public Bodies: Guide for Departments, Chapter 10: Dissolving a Public Body](#)

## Annex A: Compliance with Government-wide corporate guidance and instructions

ARIA shall comply with the following general guidance documents and instructions, except for where adaptations have been approved:

- [Managing Public Money \(MPM\)](#) and [Cabinet Office Controls](#), other instructions and guidance issued from time to time by DSIT, HM Treasury, and the Cabinet Office insofar that those terms do not conflict with ARIA's agreed controls arrangements;
- [Corporate Governance in Central Government Departments: Code of Good Practice](#)
- [Code of Conduct for Board Members of Public Bodies](#)
- [Code of Practice for Partnerships between Department's and Arm's Length Bodies](#)
- [Guidance from the Public Bodies team in Cabinet Office](#)
- [Code of Practice for Ministerial Appointments to Public Bodies](#)
- [The Nolan Seven Principles of Public Life](#)
- [Public Sector Internal Audit Standards](#)
- [Orange Book: Management of Risk: Principles and Concepts](#)
- [Government Financial Reporting Manual \(FReM\)](#)
- [Relevant 'Dear Accounting Officer' letters](#)
- [The Parliamentary and Health Service Ombudsman's Principles of Good Administration](#)
- Consolidation Officer Memorandum, and relevant DCO letters
- Delegation and Allocation letter issued by DSIT (and previously BEIS, in January 2023)
- [Transparency in Supply Chains – a Practical Guide](#)
- [HM Treasury Guidance on Tackling Fraud](#)
- [The Government Fraud, Error and Grant Efficiency Function](#)
- [Government Functional Standard GovS 015: Grants](#)
- [Government Functional Standard GovS 013: Counter Fraud](#)
- [Government Functional Standard GovS 007: Security](#)
- [National Cyber Strategy 2022](#) and [Cyber Security Guidance for Business](#)
- [Guidance on Senior Pay and Reward](#)
- [Public Sector Pay and Terms](#)
- [Whistleblowing Guidance and Code of Practice](#)
- [The Equalities Act 2010](#)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to ARIA

## Annex B: Summary of ARIA Act 2022

ARIA's functions and duties:

- ARIA may carry out, commission or support others to conduct scientific research; develop and exploit scientific knowledge; collect, share, publish and advance scientific knowledge.
- In exercising its functions, ARIA must have regard to the desirability of doing so for the benefit of the UK, through contributing to economic growth or benefit, promoting scientific innovation and invention, or improving quality of life in the UK.
- In exercising these powers, ARIA has the discretion to take into account the significant benefits that can be achieved through tolerating a high risk of failure. That failure may be a failure of scientific research, or a failure of the development or exploitation of scientific knowledge.

The Secretary of State's statutory powers in respect of ARIA are set out in the ARIA Act 2022. These are:

- To make grants to ARIA, which may be subject to conditions;
- To give ARIA directions as to the exercise of its functions if considered necessary in the interests of national security;
- To make regulations dissolving ARIA, after consulting ARIA and any other persons considered appropriate;
- To appoint the first CEO, and determine their remuneration, pension, and allowances and expenses;
- To refuse consent to the appointment of executive members, or remove an executive member from office, if it is considered necessary or expedient in the interests of national security;
- To appoint the Chair;
- To appoint the other non-executive members, with the exception of the Government Chief Scientific Advisor (GCSA);
- To remove a non-executive member, except the GCSA, from office on grounds considered appropriate;
- To determine remuneration, allowances and expenses for non-executive members (except the GCSA), which ARIA must pay;
- To determine, in special circumstances, compensation that should be paid when a person ceases to be a non-executive member of ARIA;
- To make regulations about procedures to be adopted for dealing with conflicts of interest;
- To give directions as to the content and form of, and the methods and principles applied in, preparing ARIA's statement of accounts;
- To lay before Parliament a report on ARIA's statement of accounts and certified statement from the Comptroller and Auditor General;
- To lay before Parliament ARIA's annual report;



- To make regulations providing for the references to the Government Chief Scientific Advisor on the ARIA Act 2022 to be references to another person; and
- To make property or staff transfer schemes to ARIA.

Appointments to the Board:

The responsibilities for appointments to the ARIA Board are detailed in Schedule 1 of the ARIA Act 2022:

- The Chair is appointed by the Secretary of State under Schedule 1, sub-paragraph 2(3)(a) of the ARIA Act 2022;
- Non-executive members are appointed by the Secretary of State under Schedule 1, sub-paragraph 2(3)(c) of the ARIA Act 2022, with the exception of the Government Chief Scientific Advisor's ex-officio position; and
- The Secretary of State has the statutory duty to exercise their power of appointment, so as to secure that the majority of members are non-executive.