



Home Office



Security Industry Authority

# Security Industry Authority (SIA) Framework Document

## Introduction and Background

This Framework Agreement (“the Framework Agreement”) has been agreed between the Home Office and the SIA in accordance with HM Treasury's handbook Managing Public Money (as updated from time to time) and has been approved by HM Treasury.

The Framework Document sets out the broad governance framework within which SIA and the Home Office operate. It sets out the SIA's core responsibilities; describes the governance and accountability framework that applies between the roles of the Home Office and SIA and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.

The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.

Copies of the document and any subsequent amendments are placed in the Libraries of both Houses of Parliament and made available to members of the public on the SIA section of the gov.uk. website.

This Framework document should be reviewed and updated at least every 3 years unless HM Treasury and the Principal Accounting Officer of the sponsor department agree there are exceptional reasons that render this inappropriate. After its signature the next date for review and updating of this document will be February 2025.

The review should be undertaken jointly by the SIA and the Home Office, and any resulting document published to replace this version.

Date of publication:

Signatories:

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08.02.2022

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04.02.2022

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04.02.2022

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## Purposes and Functions of SIA

### 1 Purpose and Functions of the SIA

- 1.1 The Security Industry Authority is a body corporate established under the Private Security Industry Act 2001 (“the Act”), also known as “the Authority” or “SIA”. It operates across the United Kingdom and its functions and powers are set out in the Act.
- 1.2 The SIA has been classified by the Cabinet Office as an Executive Non-Departmental Public Body of the Home Office.
- 1.3 The Home Office and the SIA share the common objective of protecting the public. To achieve this the SIA and the Home Office will work together in recognition of each other’s roles and areas of expertise, providing an effective environment for the SIA to achieve its objectives through the promotion of partnership and trust and ensuring that the SIA also supports the strategic aims and objective of the Home Office and wider government.

The statutory duties of the SIA under the Act are:

- To carry out the functions relating to licensing and approvals that are conferred on it by the Act.
- To keep under review generally the provision of security industry services and other services involving the activities of security operatives.
- For the purpose of protecting the public, to monitor the activities and effectiveness of persons carrying on businesses providing any such services as are mentioned above.
- To ensure the carrying out of such inspections as it considers necessary of the activities and businesses of:
  - i. persons engaged in licensable conduct;
  - ii. persons registered under section 14 of the Act as approved providers of security industry services.
- To set or approve standards of conduct, training and levels of supervision for adoption by:
  - i. those who carry on businesses providing security industry services or other services involving the activities of security operatives;
  - ii. those who are employed for the purposes of such businesses.
- To make recommendations and proposals for the maintenance and improvement of standards in the provision of security industry services and other services involving the activities of security operatives.
- To keep under review the operation of the Act.

- 1.4 The SIA exists to protect the public through effective regulation of the private security industry and to work with partners to raise standards across the sector. This is reflected in the strategic priorities set out in the SIA's Corporate Plan 2020-23, which are to:
- Improve standards in the private security industry.
  - Support government, police and others to work with it and the private security industry to shape and evolve the sector to respond to future challenges and opportunities.
  - Deploy and develop its people and assets to optimise their value.
  - Develop its people so individual, team and corporate performance continually improves in achieving its purpose.
- 1.5 The SIA regulates the industry by the mandatory licensing of individuals working in specified private security roles and by providing the voluntary Approved Contractor Scheme for businesses who attain and maintain certain standards.

## **Role of the Home Office**

### **2 Ministerial Responsibilities**

- 2.1 The Home Secretary holds overall responsibility for the Home Office and its agencies and will account for the SIA's business in Parliament.
- 2.2 The Home Secretary has various statutory powers in respect of the SIA set out in the Act. These include:
- Appointing the Chair and other Authority Members in line with the Governance Code on Public Appointments.
  - Considering, and as appropriate, approving SIA proposals for changes to licensing criteria under section 7 of the PSIA.
  - Laying the SIA's annual report and by agreement with NAO the accounts before Parliament.
  - Approving the amount of grant-in-aid / other funds to be paid to the SIA and securing Parliamentary approval.
- 2.3 The Home Secretary's responsibilities with regard to the SIA also include:
- Setting the policy framework within which the SIA operates.
  - Keeping Parliament informed about the SIA's performance.
  - Providing guidance and direction to ensure the strategic aims and objectives of SIA are consistent with those of the department and government.

- 2.4 The Parliamentary Under Secretary of State for Safeguarding has specific responsibility for the SIA within the HO ministerial team.

### **3 Principal Accounting Officer**

- 3.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of the Home Office. The PAO designates the Chief Executive as the SIA Accounting Officer and ensures that he/she is fully aware of his or her responsibilities. The PAO issues a letter appointing the Chief Executive as Accounting Officer, setting out his or her responsibilities and delegated authorities.
- 3.2 The respective responsibilities of the PAO and the NDPB Accounting Officer are set out in Chapter 3 of Managing Public Money.
- 3.3 The PAO is accountable to Parliament for the issue of any grant-in-aid funding to the SIA.
- 3.4 The PAO is also responsible, usually through the Home Office Sponsorship Unit, for advising the Responsible Minister on:
- An appropriate framework of objectives and targets for SIA in the light of the department's wider strategic aims and priorities.
  - An appropriate budget for the SIA in the light of the sponsor department's overall public expenditure priorities.
  - How well the SIA is achieving its strategic objectives and whether it represents value for money.
  - The exercise of the Ministers' statutory responsibilities concerning the SIA as outlined above.
- 3.5 The PAO through the Sponsorship Unit is also responsible for ensuring arrangements are in place to:
- Monitor the SIA's activities and performance.
  - Address any significant problems in the SIA, making such reasonable interventions as are judged necessary.
  - Periodically, and at such frequency as is proportionate to the level of risk, carry out an assessment of the risks both to the Home Office and the SIA's objectives and activities in line with the wider Departmental risk assessment process.
  - Inform the SIA of relevant government policy in a timely manner.
  - Bring ministerial or departmental concerns about the activities of the SIA to the SIA Board and as appropriate to the Home Office Board requiring explanations and assurances that appropriate action has been taken.

## 4 Senior Sponsor

- 4.1 The Public Protection Unit (PPU) is the Home Office policy team with lead responsibility for the SIA and will hold the primary relationship with SIA. The responsible Senior Civil Servant (Senior Sponsor) for this relationship is the Tackling Exploitation and Abuse Director. They are the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of the SIA. They also support the PAO on his or her responsibilities towards the SIA.

The Senior Sponsor, with support from the PPU and / or Home Office Sponsorship Unit (HOSU) will:

- Ensure the SIA has the appropriate delegations and authorities necessary for effective and robust delivery of its role and is updated in a timely fashion with regard to developing Home Office or Government policy that may impact on its function.
- Advise the Home Secretary on the role, performance and resourcing of the SIA in the context of the wider Home Office or governmental objectives.
- Support the Principal Accounting Officer in the discharge of their responsibilities.
- Hold regular meetings with the Chief Executive to discuss performance against objectives and corporate measures, including financial outturn.
- Ensure that the SIA's Chief Executive is promptly informed about emerging significant policy issues affecting the SIA and its functions and work collaborative with him or her to ensure the shared objectives of the Home Office and SIA are met.
- Ensure that performance data is sufficient to provide a view of the health of the operation of the SIA, and, where necessary, integrated into Home Office performance systems.
- Play an active role in the annual appraisal of the Chair of the SIA as signatory of their appraisal.
- Ensure that consultation with ministers in Scotland and Northern Ireland on the appointment of the Chair, non-executive directors and the Chief Executive is expedited in a timely manner.
- Have the discretion to delegate part of their role to another official at Director or Deputy Director level.
- Ensuring that the SIA has an effective, capable and quorate Authority Board with balanced membership.

## 5. Public Protection Unit and Home Office Sponsorship Unit

- 5.1 The Home Office Sponsorship Unit (HOSU) which sits within the Delivery Group of the Home Office, will act as a signpost for the SIA's contacts with the Home Office and broader government. Officials of HOSU will liaise regularly with SIA officials to review performance against plans, achievement against targets and expenditure against its



DEL and AME allocations. The HOSU will also take the opportunity to explain wider policy developments that might have an impact on the SIA.

- 5.2 The Public Protection Unit (PPU) which is in the Home Office Public Safety Group, is the policy team with responsibility for policy issues as they relate to SIA responsibilities. PPU ensure relevant officials across the Home Office are involved in SIA policy where appropriate.
- 5.3 Both these teams will be the main source of advice to the Home Secretary on the discharge of their responsibilities in relation to the SIA. PPU and HOSU will also support the Home Office's Principal Accounting Officer and the Senior Sponsor in their responsibilities towards the SIA.
- 5.4 PPU and HOSU will ensure that:
- The SIA is briefed on relevant Ministerial priorities, Home Office initiatives and significant developments in the wider policing or public sector landscape that may be relevant to the SIA or the delivery of its functions.
  - There is effective planning and delivery of those matters that fall within the Home Office or Home Secretary's remit on which the SIA is reliant.
  - Home Office or wider government risks raised by the SIA are escalated to the appropriate Home Office risk registers.
  - Proposed changes to licensing criteria as set out in SIA guidance "Get Licensed" are considered in a timely manner and in line with the separate Memorandum of Understanding.
  - Timely arrangements are made for free of charge economist support to enable the SIA to meet its statutory obligations (for example Business Impact Target reporting) and to assess the regulatory impact of proposals and/or reforms.
  - Proposals for changes to the SIA's licence and ACS fees are progressed in a timely manner and to agreed timescales.
  - SIA pay remit approval is expedited in a timely manner.
  - SIA is given the opportunity to contribute to submissions affecting the SIA where appropriate.

## **6. Home Office Finance**

- 6.1 Home Office Finance will ensure that it:
- Notifies the SIA of any impending changes to financial policy as soon as it becomes relevant.
  - Assists the SIA with technical accounting matters when required.
  - Provides the SIA with the relevant accounting delegations in reasonable time after the start of each financial year.

## **7. Resolution of Disputes Between SIA and the Home Office**

- 7.1 Any disputes between the Home Office and SIA will be resolved in as timely a manner as possible. The Home Office and SIA should in the first instance seek to resolve any disputes through an informal process at the appropriate level, with HOSU and SIA (and other HO internal partners) working collaboratively to resolve any issue. Only where a satisfactory resolution is not reached, should an issue be escalated to the Senior Sponsor and SIA Chair / Chief Executive to look to resolve. Further escalation to the Permanent Secretary and Ministers should only occur in exceptional circumstances when it may be appropriate to nominate a non-executive member of the Home Office Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

## **SIA Governance and Structure**

### **8 Governance and Accountability**

- 8.1 The SIA shall operate corporate governance arrangements that, so far as practicable and in the 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.
- 8.2 In particular (but without limitation), the SIA should:
- Comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (as amended and updated from time to time) (the Code) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report.
  - Have regard to the relevant Functional Standards set out in Managing Public Money, as appropriate, and in particular those concerning Finance, Commercial and Counter Fraud.
  - Take into account, the codes of good practice and guidance set out in the Appendix of this Framework Document, as they apply to ALBs.
  - In line with Managing Public Money Annex 3.1, the SIA shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that the SIA does intend to materially depart from the Code, the Home Office as sponsoring Department should be notified in advance and their agreement sought to this approach.

### **9 Responsibilities of the Chief Executive as SIA Accounting Officer**

- 9.1 The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which he or she has 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 the SIA. In addition, he or she should ensure that the SIA is run on the basis of the standards, in terms of governance, decision-making and financial management set out in Box 3.1 of Managing Public Money. <https://www.gov.uk/government/publications/managing-public-money> These responsibilities include the below and those that are set in the Accounting Officer appointment letter issued by the Principal Accounting Officer of the Department.

### ***Responsibilities for Accounting to Parliament***

9.2 The Chief Executive is accountable to Parliament and the public for:

- 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.
- Signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by HM Treasury or the Home Office.
- Signing the SIA Annual Report, including the Statement of Accounting Officer's Responsibilities and the Annual Governance Statement.
- Signing a Statement on Internal Control regarding the system of internal control for inclusion in the annual report and accounts.
- Ensuring that effective procedures for handling complaints about the SIA in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the SIA and published on gov.uk.
- Acting in accordance with the terms of Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office.
- Giving evidence, normally with the Principal Accounting Officer of the Home Office, when summoned before the Public Accounts Committee on the SIA's stewardship of public funds.
- Ensuring that as part of the above compliance they are familiar with and act in accordance with:
  - any governing legislation
  - this framework document
  - any delegation letter issued
  - any elements of any settlement letter issued to the Home Office that is relevant to the operation of the SIA
  - any separate settlement letter that is issued to the SIA from the Home Office.

- Ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance any conditions arising from the above documents.

### ***Responsibilities to the Home Office***

9.3 Particular responsibilities to the Home Office include:

- Establishing, in agreement with the Home Office, the SIA corporate plan and annual business plans (including Key Performance Indicators) in the light of the Home Office's wider strategic aims; providing the responsible Minister the opportunity to review these prior to the publication; and updating the Home Office on any significant risks to delivery.
- Informing the Home Office of progress in helping to achieve its policy objectives and in demonstrating how resources are being used to achieve those objectives;
- Ensuring that timely forecasts and information on performance and finance are provided to the Home Office; that the Home Office 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 other means, are notified to the Home Office in a timely fashion.

### ***Responsibilities to the SIA Board and Authority Members***

9.4 The Chief Executive's responsibilities and priorities are agreed with the Chair and Authority Members. These include responsibility for:

- Advising the Authority Members on the discharge of their responsibilities as set out in this document, the Act and any other relevant instructions and guidance that may be issued.
- Advising the Authority Members on the SIA's performance compared with its objectives and the quality of services delivered to the public.
- Ensuring that financial considerations are taken fully into account by Authority Members at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.

### ***Managing Conflicts***

9.5 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. The Accounting Officer must take care that his or her personal legal responsibilities do not conflict with his or her duties as an executive Board Member. In particular the Accounting Officer should vote against any proposal which appears to cause such a conflict; it is not sufficient to abstain.

- 9.6 If the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical the Chief Executive in their role as Accounting Officer should reject that course of action and ensure that the Board have a full opportunity to discuss the rationale for that rejection. Should the Board still be minded to carry it out, the Accounting Officer should bring such conflicts to the attention of the Principal Accounting Officer and the Responsible Minister as soon as possible.
- 9.7 Furthermore and if agreed with the responsible Minister, the Accounting Officer must write a letter of justification to the Chair of the Board setting out the rationale for not following the advice and recommendation of the Board and copy that letter to the Treasury Officer of Accounts.
- 9.8 If the Responsible Minister agrees with the proposed course of action of the Board it may be appropriate for the Minister to direct the Accounting Officer in the manner as set out in Managing Public Money paragraph 3.4 onwards.

## **10. The SIA Board and Authority Members**

### **Authority Members' Composition and Appointment**

- 10.1 The Authority consists of such number of members as the Home Secretary may determine and no fewer than five Authority Members (also known as non-executive directors) are usually appointed for a term of three years but can be approved for a term not exceeding five years by the Home Secretary and be eligible for re-appointment at the end of their term, in accordance with schedule 2 of the Act.
- 10.2 All Authority appointments will have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.
- 10.3 The Authority Member's role is to establish and take forward the strategic aims and objectives of the SIA, ensuring that any statutory or administrative requirements for the use of public funds are complied with; that it operates within the limits of its statutory authority and any delegated financial authority from and the Framework Agreement with the Home Office.
- 10.4 The Authority must have a Chair and such number of other members (but not lower than five) as the Home Secretary determines. Members of the Authority are office holders rather than employees.
- 10.5 The Home Office should ensure plans are in place for orderly succession to the Authority: HOSU should hold an annual succession planning with the Chair for this purpose. Where there is a risk that a vacant non-executive director role would affect the Authority's composition or the Chair's governance responsibilities (set out at 12.2 and 12.3), the Chair must raise this as an issue with the HOSU as early as possible

so options can be explored. In doing so, it must be noted that, in line with the Governance Code on Public Appointments, all appointments, reappointments and extensions require the agreement of Ministers and sufficient time must be built into the planning should Ministers decide against making a reappointment or extension to hold a process to appoint a successor. There is no automatic presumption of reappointment; each case should be considered on its own merits, taking in to account a number of factors including, but not restricted to, the diversity of the current Board and its balance of skills and experience.

- 10.6 In order that the Chair can fulfil their responsibility at 12.2 to ensure that the Authority has the right balance of skills, experience and diversity, the HOSU will consult with the Chair on all new appointments and re-appointments of non-executive directors. The Chair will provide a rationale for their recommendation on the appointment of new members. The HOSU will ensure that the Chair's views are shared with Ministers prior to any final decision relating to the appointment of new non-executive directors or re-appointment of continuing non-executive directors.
- 10.7 Subject to any statutory provisions relating to the body to which the appointment is being made, it is for Ministers to decide on the length of tenure, however there is a strong presumption that no individual should serve more than two terms or serve in any one post for more than ten years. In exceptional cases, Ministers may decide an individual's skills and expertise is needed beyond such a tenure.
- 10.8 The Authority must have a Chief Executive and appoint staff to carry out the day-to-day work of the SIA. All staff, including the Chief Executive, are public servants.
- 10.9 The Authority, as a public body, and its Authority Members and staff are bound by the principles of better regulation, namely that its work will be transparent, accountable, consistent, proportionate and targeted, as well as other public sector duties, including under equalities legislation and in respect of promoting economic growth.
- 10.10 The Authority Members oversee the discharge of the SIA's functions. Collectively they are specifically responsible for:
- Establishing and taking forward the strategic aims and objectives of the SIA consistent with its overall strategic direction and within the policy and resources framework determined by the Home Secretary.
  - Ensuring that any statutory or administrative requirements for the use of public funds are complied with; that it operates within the limits of its statutory authority and any delegated authority agreed with the Home Office.
  - In accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, take into account guidance issued by the Home Office.
  - Ensuring that they receive and review regular financial information concerning the management of the SIA, is informed in a timely manner about any concerns about the activities of the SIA and provides positive assurance to the Home Office that appropriate action has been taken on such concerns.
  - Ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the SIA or on the attainability of its targets, and determining

the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the Minister for Safeguarding and Principal Accounting Officer via the executive team, sponsorship team or directly.

- Ensuring that as part of the above compliance they are familiar with:
  - this framework document;
  - any delegation letter issued to the SIA;
  - any settlement letter that is issued to the SIA from the Home Office; and
  - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and SIA as a whole act in accordance with their obligations under the above documents.
- Demonstrating high standards of strategic governance at all times, including by using the Audit and Risk Assurance Committee to help it address key financial and other risks.
- Appointing, with the Minister for Safeguarding's consent, a Chief Executive.

10.11 The Authority Members are responsible for ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control.

## **11 SIA Board**

- 11.1 The Authority Members come together, with the Chief Executive, and the senior executives of the SIA, to form the Board. The Board's collective role is to establish and take forward the strategic aims and objectives of the SIA and ensuring that the SIA has in place arrangements to ensure the effective delivery of its statutory responsibilities and obligations.
- 11.2 The Board's role is to establish and take forward the strategic aims and objectives of the SIA, ensuring that any statutory or administrative requirements for the use of public funds are complied with; that it operates within the limits of its statutory authority and any delegated financial authority from and the Framework Agreement with the Home Office.
- 11.3 The Board acts collectively in making decisions and should seek to achieve consensus on decisions. The Chair shall have discretion on whether an issue which cannot be resolved by consensus requires a vote and whether by Authority members only. Where, following a vote, an equal number of members agree and disagree, the Chair shall have a casting vote.
- 11.4 The Board should have a balance of skills and experience appropriate to directing the SIA's business. The Board should include a majority of Authority Members to ensure that executive members are supported and constructively challenged in their role. The responsibilities of the Board are set out in the Board Terms of Reference. Remuneration of the Board must be disclosed in line with the guidance in the Government Financial Reporting manual. (FRoM).

- 11.5 The Board may set up such committees as necessary for it to fulfil its functions. This should include an Audit and Risk Committee chaired by an appropriately qualified non-executive member of the Board, to provide independent advice and review in support of the Board and the Chief Executive as Accounting Officer. The Board should put in place arrangements to assure itself of the effectiveness of its internal control and risk management systems.
- 11.6 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. The Chair should ensure that sufficient time is allowed at the Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 11.7 Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the sponsor team, Principal Accounting Officer and Minister for Safeguarding. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 11.8 The Chair should ensure Board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the board. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.
- 11.9 The individual roles and responsibilities of the Authority Members and its senior executive are set out in the SIA's published Governance Protocols.
- 11.10 The Board may at its discretion also invite:
- A senior representative from the Home Office to attend all or part of Board meetings, or Board Committee meetings, with observer status.
  - A senior representative from the Devolved Administrations to attend all or part of Board meetings held in their jurisdiction, with observer status.

## **12 The Chair's Role and Responsibilities**

- 12.1 The SIA Chair is responsible for leading the Board in carrying out its responsibilities to deliver the ministerial expectations and strategic objectives of the SIA. As such, the SIA Chair is responsible to the Home Secretary for the governance and performance of the SIA.
- 12.2 The SIA Chair has a number of personal leadership responsibilities including:
- Delivering high standards of regularity and propriety.



- Ensuring that the work of the Authority is reviewed and the Authority is working effectively.
- Ensuring Authority Members have a balance of skills appropriate to directing SIA business, as set out in the Corporate governance code for central government departments <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- Keeping the composition of the Board under review and making timely recommendations on the appointment of new members and reappointment of existing members.
- Ensuring Authority Members are fully briefed on terms of appointment, security clearances and associated requirements, duties, rights and responsibilities.
- Conducting an assessment of the performance of individual Authority Members with a formal annual evaluation and ensuring adequate skills, knowledge and familiarity with the SIA to fulfil their role both on the board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector.
- The Home Secretary is advised of SIA needs and when Authority Member vacancies arise.
- The annual self-assessment of Authority effectiveness is completed and in a timely manner.
- The Authority's governance arrangements remain current and compliant with the Government Code of Good Practice for Corporate Governance, the Cabinet Office Code of Conduct for Board Members and guidance issued by the Committee on Standards in Public Life.

## 13 Individual Authority Member Responsibilities

### 13.1 Individual Authority Members must:

- Comply at all times with the Authority Members' Code of Conduct and with the rules relating to the use of public funds and to conflicts of interest.
- Not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations.
- Comply with the SIA rules on the acceptance of gifts and hospitality, and of business appointments.
- Act in good faith and in the best interests of the SIA.

- Ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and Boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government.

## **Management and Financial Responsibilities**

### **14 Managing Public Money and Other Government-wide Corporate Guidance and Instructions**

- 14.1 Unless agreed by the Home Office and, as necessary, HM Treasury, the SIA shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to Home Office Finance, via the HOSU in the first instance. A list of guidance and instructions with which the SIA should comply is attached at Annex 1.
- 14.2 The respective Home Office and SIA Finance officials will ensure that there is strong financial discipline at all levels and will be responsible for approving new investments and giving advice on material business decisions, and as appropriate or where required in consultation with the Home Office.

### **15 Delegated Authority**

- 15.1 The SIA delegated authorities are set out in the annual letter of Accounting Officer delegation. The SIA shall obtain the Home Office's prior approval before:
- Entering into any undertaking, contract or any other legally binding agreement to incur any expenditure that falls outside the delegations or which is not provided for in the SIA annual Grant In Aid (GIA) as approved by the Home Office.
  - Incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications.
  - Making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Home Office.
  - Making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required.
  - Carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.
- 15.2 The ability to write-off amounts up to £50,000 is delegated to the SIA Chief Executive, provided he or she is satisfied that the write-off is neither novel, contentious or repercussive as described by Annex 4.10 of 'Managing Public Money'. If a write-off of any amount could be considered novel, contentious or repercussive or it is for above £50,000 then it must be referred to the Home Office Finance Unit and the HOSU in the first instance.

## 16 Spending Authority

- 16.1 Once the Grant-in-Aid has been approved by the Home Office and subject to any restrictions imposed by statute and the responsible Minister's instructions the SIA shall have authority to incur expenditure approved in the budget without further reference to the Home Office, on the following conditions:
- The SIA shall comply with the delegations set out in financial and procurement delegation letters. These delegations shall not be altered without the prior agreement of the Home Office.
  - The SIA shall comply with Managing Public Money regarding novel, contentious or repercussive proposals.
  - The SIA shall conform with all Home Office and government-wide spending controls.
  - Inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Home Office and other necessary governmental approvals or departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed.
  - The SIA shall provide the Home Office with such information about its operations, performance, individual projects or other expenditure as the Home Office may reasonably require.

## 17 Risk Management, Counter Fraud and Theft

- 17.1 The SIA shall ensure that the risks that it faces are dealt with in an appropriate manner, taking Home Office risk management guidance as a minimum standard. It will also, in accordance with relevant aspects of best practice in strategic governance, develop a risk management strategy, which adheres to the HM Treasury guidance, Management of Risk: Principles and Concepts ([http://www.hm-treasury.gov.uk/psr\\_governance\\_risk\\_riskguidance.htm](http://www.hm-treasury.gov.uk/psr_governance_risk_riskguidance.htm)).
- 17.2 The SIA should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the HM Treasury guide: Managing the Risk of Fraud ([http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf)).
- 17.3 The SIA should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by the SIA and notify the sponsor department of any unusual or major incidents as soon as possible. The SIA should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or give grant-in-aid.
- 17.4 The SIA is not permitted to take out commercial insurance policies except as permitted in Managing Public Money annex 4.5.

- 17.5 Management of risk will be within the full control of the SIA, however there will be shared risks and issues, identified by either body where engagement of the Home Office to support risk mitigation and / or contingencies will be needed. These risks and issues should be escalated according to appropriate protocol and process agreed by the Home Office and SIA. Those risks requiring urgent attention can be dealt with outside of the process and with agreement of the SIA and Home Office.

## **SIA Staff**

### **18 Broad Responsibilities for SIA Staff**

- 18.1 Within the arrangements approved by the Home Secretary and HM Treasury the SIA will have responsibility for the recruitment, retention and performance of its staff. The broad responsibilities toward its staff are to ensure that:
- The rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background, age or any other irrelevant factor.
  - 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.
  - Adequate grievance and disciplinary procedures are in place.
  - Suitable support structures are in place for staff including whistle-blowing procedures consistent with the Public Interest Disclosure Act.
  - Staff are aware of, and adhere to, the 7 Principles of Public Life (the “Nolan Principles”) <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

### **19 Staff Costs**

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

### **20 Pay and Conditions of Service**

- 20.1 SIA staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the Home Office and HM Treasury.
- 20.2 The SIA should have regard to Chapter 5 of the Cabinet Office Guide to Public Bodies that provides guidance on staff issues in public bodies.  
<http://www.civilservice.gov.uk/about/resources/information-on-public-bodies>

- 20.3 The SIA will submit a pay remit to the Home Office on an annual basis to determine the pay envelope for the next financial year. The Home Office will ensure that such a remit is considered and returned promptly and effectively.
- 20.4 The SIA may operate a performance-related pay scheme that shall form part of the general pay structure approved by the Home Office and HM Treasury.
- 20.5 Staff terms and conditions should be set out in policies and procedures, which should be available to the Home Office together with subsequent amendments.
- 20.6 The SIA shall comply with all relevant legislation relating to employees.

## **21 Pensions, Redundancy and Compensation**

- 21.1 SIA staff shall normally be eligible for a pension provided by the PCPS. Staff may opt out of the occupational pension scheme provided by the SIA but that employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.
- 21.2 Any proposal by the SIA to move from the existing pension arrangements or to pay any redundancy or compensation for loss of office requires the prior knowledge of the Home Office and, as appropriate, the approval of the Cabinet Office if it is outside of the SIA formal HR policies. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

## **Business Plans, Financial Reporting and Management Information**

### **22 Corporate and Business Plans**

- 22.1 The SIA shall develop a (usually) three-year corporate plan.
- 22.2 The SIA shall agree with the HOSU the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the SIA's statutory and/or other duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the SIA contributes to the achievement of Home Office priorities.
- 22.3 Following SIA Board approval the strategic corporate plan will be submitted to the HOSU as soon as is practicable for agreement, where necessary, by the Permanent Secretary and/or the responsible Minister.
- 22.4 The SIA is expected to issue an annual business plan as soon as possible after the beginning of each financial year. The business plan should reflect how SIA will deliver against the priorities set out in the corporate plan that year. It should include key targets and milestones for the year immediately ahead and be linked to

budgeting information so that resources allocated to achieve specific objectives can be identified. These should be shared and developed with input from HO.

- 22.5 The business plan should be shared with the Home Office following SIA Board approval so it can be shared with the Minister to assure him/her that the SIA are meeting government priorities. The final plans should be published on the SIA website and made available to stakeholders and staff.

## **23 Budgeting Procedures**

- 23.1 Each year, following agreement on the SIA business plan, the Home Office will send to the SIA's Chief Executive a letter of financial delegation which confirms the SIA's total government funding allocation within which they are expected to deliver their business plan. The total allocation will only include capital totals for the remainder of the spending review.
- 23.2 The approved annual business plan will take account both of approved funding provision and any forecast receipts and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

## **24 Grant-in-aid and any Ring-fenced Grants**

- 24.1 GIA funding for the year, is paid to the SIA under paragraphs 14-16 of Schedule 2 of the Private Security Act 2001.
- 24.2 The SIA will request GIA on an annual basis. Requests should be made when in need, giving ideally at least 8 weeks advance written notice. Planning, timetables, deadlines and steers from Home Office finance, Cabinet Office and HM Treasury, for such requests will be communicated via the Home Office-SIA monthly finance meeting. The GIA will be transferred to the SIA's government bank account on a monthly basis in line with their needs and keeping cash accruals to a prudent level.
- 24.3 In the event that the Home Office provides the SIA separate grants for specific (ring fenced) purposes, it should issue the grant as and when the SIA needs it on the basis of a written request.
- 24.4 The SIA should provide evidence that the grant is used for the purposes authorised by the Home Office. The SIA shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

## **25 Recharge**

- 25.1 The SIA is funded by the licensing of individuals and the Approved Contractor Scheme. On an annual basis, the Home Office charges the SIA for services it

provides in relation to its sponsorship of the SIA, which includes policy support. The Home Office will provide a quarterly invoice detailing those services.

- 25.2 In advance of each financial year, the Home Office and SIA will discuss and agree the services the SIA requires from the Home Office in the next financial year, the necessary level of resources to sustain that service and the amount at which the SIA will be charged for the services provided.
- 25.3 As a means of assurance, on a quarterly basis the HOSU will provide the SIA with a completed assurance template in relation to the services rendered.
- 25.4 The SIA will make payments on a quarterly basis within 10 working days of receipt of a valid invoice.

## **26 Annual Report and Accounts**

- 26.1 The SIA must publish its Annual Report and Accounts (“Annual Report”) after the end of each financial year. The Annual Report is prepared by the SIA, who will work with the National Audit Office (NAO). Once NAO is content in principle, the draft Annual Report is put to the SIA Audit and Risk Assurance Committee for approval. Once approved, the SIA will submit their Annual Report to the Home Office to share with the Minister have sight of prior to agreeing to laying it before Parliament. Subject to any changes requested, the accounts can be certified by the NAO Comptroller and Auditor General. A certified copy is then provided to the Home Office for the Secretary of State to lay before Parliament.
- 26.2 The Annual Report must:
- Cover any corporate, subsidiary or joint ventures under its control.
  - Comply with HM Treasury’s Financial Reporting Manual (FReM).
  - Outline main activities and performance during the previous financial year and set out forward plans in summary form.
- 26.3 Information against performance on key financial targets is outside scope of the audit and should be included in the annual report but not the notes to the accounts. The report and accounts shall be laid in Parliament and made available on the SIA website, in accordance with the guidance in the FReM. A draft of the report should be submitted to the Home Office for approval by Ministers before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Home Office as well as the FReM.

## **27 Reporting Performance to the Home Office**

- 27.1 The SIA will provide the responsible Minister via HOSU a quarterly summary of key performance and commentary and details of other relevant issues and risks in line with the Minister’s requirements.

- 27.2 The SIA 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 set out in the strategic and business plans. The SIA shall inform the Home Office of any significant changes that make achievement of its strategic plan or statutory duties more or less difficult.
- 27.3 The SIA shall report financial and non-financial performance, including performance in helping to deliver ministers' policies and the achievement of key objectives on a monthly basis. This will be provided to HOSU who will ensure that the data is examined and discussed with colleagues in the Home Office and in SIA. Where necessary, performance issues will be escalated to the Senior Policy Sponsor or the Head of HOSU as appropriate, who will decide if further escalation is required.
- 27.4 The Responsible Minister can request and receive specific performance data where there are reasonable grounds to be concerned about performance in a specific area.
- 27.5 The Responsible Minister will meet the Chair at least twice a year.
- 27.6 The Principal Accounting Officer will meet the Chief Executive at least twice a year.

## **28 Providing Information to the Home Office**

- 28.1 The SIA shall provide the Home Office finance team with monthly financial information that will enable the Home Office to satisfactorily monitor:
- SIA cash management
  - Its draw-down of grant-in-aid
  - Forecast outturn by resource headings and
  - Other data required for the Online System for Central Accounting and Reporting (OSCAR)

## **Audit**

### **29 Internal Audit**

- 29.1 The SIA shall:
- Establish and maintain arrangements for internal audit in accordance with HM Treasury's Public Sector Internal Audit Standards (PSIAS) (<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>).
  - Maintain an Audit and Risk Assurance Committee in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook.
  - Forward relevant audit papers, including the audit strategy, so that the Home Office can fully understand the audit approach of the SIA.



- Keep records of, and prepare and report on, fraud and theft suffered by the SIA and notify the Home Office of any unusual or major incidents as soon as possible.
- The Home Office's internal audit service has a right of access to all documents prepared by the SIA's internal auditor, including where the service is contracted out.

### **30 External Audit**

30.1 The Comptroller & Auditor General (C&AG) audits the SIA annual accounts.

30.2 The C&AG:

- Will consult the Home Office and the SIA on whom – the NAO or a commercial auditor – shall undertake the audit(s) on their behalf, though the final decision rests with the C&AG.
- Has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the SIA.
- Will share with the Home Office information identified during the audit process and audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Home Office's responsibilities in relation to financial systems within the SIA.
- Will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

30.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the SIA has used its resources in discharging its functions. For the purpose of these examinations, the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the SIA 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 C&AG which are held by other bodies.

30.4 The Home Office has the right to access relevant information for the purpose of sponsorship audit and operational investigations, including in relation to propriety, integrity or other matters whilst taking into account of the subject to the applicable provisions of the Data Protection Act and any other relevant legislation. Where the SIA identifies that access may compromise the actual or perceived ability to discharge its function independently, further advice will be sought.

## Review of SIA Status and Winding-up Arrangements

### 31 Review of SIA Status

31.1 The SIA will be subject to periodic external review usually, every 3 years.

### 32 Winding-up Arrangements

32.1 Home Office as the sponsor department shall put in place arrangements to ensure the orderly winding up of the SIA. In particular, it should ensure that the assets and liabilities of the SIA are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to the Home Office. To this end, the Home Office shall:

- Ensure that procedures are in place in the SIA to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body.
- Specify the basis for the valuation and accounting treatment of the SIA's assets and liabilities.
- Ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts.
- Arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB Accounting Officer should sign the closing accounts. In the event that the Home Office inherits the role, responsibilities, assets and liabilities, the Home Office's Accounting Officer should sign.

32.2 SIA shall provide the Home Office with full details of all agreements where the SIA or its successors have a right to share in the financial gains of developers. It should also pass to the Home Office details of any other forms of claw-back due to the SIA.

## Annex 1: Compliance with Government-wide Corporate Guidance and Instructions

The SIA shall comply with the following general guidance documents and instructions:

- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice*  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- *Code of Conduct for Board Members of Public Bodies*  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/809093/Code-of-Conduct-for-Board-Members-of-Public-Bodies-2019-WEB.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/809093/Code-of-Conduct-for-Board-Members-of-Public-Bodies-2019-WEB.PDF)
- *Governance Code on Public Appointments*  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/578498/governance\\_code\\_on\\_public\\_appointments\\_16\\_12\\_2016.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf)
- *Managing Public Money (MPM)*,  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/835558/Managing\\_Public\\_Money\\_\\_MPM\\_\\_with\\_annexes\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835558/Managing_Public_Money__MPM__with_annexes_2019.pdf)
- Public Sector Internal Audit Standards,  
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- Management of Risk: Principles and Concepts,  
<https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud\*\*\*\*\*
- Government Financial Reporting Manual (FReM),  
<https://www.gov.uk/government/publications/government-financial-reporting-manual>
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*
- Departmental Banking: annex 5.6 of *Managing Public Money*
- Relevant Dear Accounting Officer letters: [www.gov.uk/government/collections/dao-letters](http://www.gov.uk/government/collections/dao-letters)
- Regularity, Propriety and Value for Money,  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm)
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration;  
<https://www.ombudsman.org.uk/about-us/our-principles>
- HM Treasury letter of 30 November 2012;
- SIA Budget allocations: Notification of control total letters of 17 April 2012 and 21 January 2013
- Consolidation Officer Memorandum, and relevant DCO letters
- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice)

- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf)
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts
- Other relevant instructions and guidance issued by the central Departments as appropriate
- Specific instructions and guidance issued by the Home Office as sponsor Department as appropriate
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the SIA.

## Annex 2: HO / SIA Meetings & Attendance

### Ministerial / Senior Strategic meetings

Meeting	Frequency
Minister & Chair	Bi-annual*
Permanent Secretary & Chief Executive	Bi-annual*
Senior Sponsor & Chief Executive	Quarterly
Senior Sponsorship meeting (chaired by Senior Sponsor)	Quarterly

### Official / tactical meetings

HO Finance Team & SIA: Finance review	Monthly
HO Sponsorship Team & SIA: Performance & Governance review	Monthly
HO Policy Team & SIA: Policy Developments	Bi-monthly

### Other

Senior Sponsor & Chair: Performance review and appraisal	Annual*
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\*at least

These meetings must take place as a minimum to ensure Department Ministers and Principal Accounting Officer are fully sighted on developments relating to the SIA. Other meetings can continue on a topical basis and where individuals make a decision to meet on an adhoc or regular basis.

A HO Senior Official (usually Senior Sponsor) will attend the SIA Board and HO Official will attend the SIA Audit & Risk as an observer.

### Annex 3: Accounting Officer Letter

15 December 2021

#### **ACCOUNTING OFFICER OF THE SECURITY INDUSTRY AUTHORITY (SIA)**

I am writing to appoint you as the Accounting Officer of the Security Industry Authority (SIA) with effect from 14 November 2021.

As principal Accounting Officer of the Home Department, I am responsible for the overall organisation, management and staffing of the Department and for ensuring that there is a high standard of financial management in the Department as a whole.

I therefore have a duty to satisfy myself that the SIA has adequate financial systems and procedures in place to promote the efficient and economical conduct of its business and to safeguard financial propriety and regularity.

Your responsibilities as Accounting Officer flow from mine and are set out in the Treasury's document, "Managing Public Money" (MPM). You should also look at the Treasury handbook on '*Regularity, Propriety and Value for Money*', which contains many learning examples for Accounting Officers.

If you have not already done so, you should attend the Civil Service Leadership Academy which provides a full training package for newly appointed accounting officers, namely, the Accounting Officer's Responsibilities Roundtable which is held in the Treasury and covers the concepts of regularity, propriety, value for money and feasibility as they affect public service delivery. You will need to contact the Leadership Academy to arrange this training: [csleadershipacademy@cabinetoffice.gov.uk](mailto:csleadershipacademy@cabinetoffice.gov.uk)

You should also look at the following Treasury issued handbooks:

- The accounting officer's survival guide which draws out the main accounting officer's responsibilities;
- Accounting officer assessments: guidance which advises accounting officers faced with challenging decisions on policy initiatives;
- Parliamentary scrutiny of public spending which provides practical guidance on engagement with the National Audit office and the Committee of Public Accounts; and
- Regularity, Propriety and Value for Money which contains many learning examples for accounting officers.

Further, as set out in the principles set out in the (MPM) document, I would be grateful if you could ensure that, in particular, you are fully aware of the accounting officer responsibilities set out in Chapter 3.

As Accounting Officer, you are accountable, as set out in the Framework Agreement, for the SIA's use of resources in carrying out its functions. In particular, I expect you to take personal responsibility for the following (as appropriate):

- (a) personally sign the formal accounts of the organisation, its Annual Report and the governance statement;
- (b) ensure that proper financial procedures are followed and that accounting records are maintained in a form which meets the requirements of the organisation's internal management, of the monitoring arrangements agreed with the Department and of the SIA's formal accounts;
- (c) ensure that the public funds for which you are responsible as Accounting Officer are properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official. Similar care, including checks as appropriate, must be taken of other assets including stores, equipment or property of any kind held by the SIA; and
- (d) avoid waste and extravagance and seek economy, efficiency and effectiveness in the use of all resources made available to the SIA.

To this end you should ensure that the SIA is organised and staffed in accordance with the principles set out in MPM and that appropriate arrangements are made to provide specialist skills and services. The arrangements for internal audit will be set out in the Framework Agreement;

- (e) ensure that all payments made by the SIA fall within the Ambit of the vote and the amounts on the lines on which the organisation's expenditure is borne; that adequate machinery exists for the prompt collection and bringing to account of all receipts connected with the activities of the SIA; that the prior approval of the Department is obtained for expenditure outside the organisation's delegated authority as set out in the Framework Agreement; and that any losses or special payments which require notation of the Resource Account are reported to the Department;
- (f) observe the guidance on accounting matters in MPM and the "Government Financial Reporting Manual" (FReM) and all other relevant guidance on propriety, regularity and value for money including Treasury's document, "Consolidated Budgeting Guidance" (MPM);

- (g) provide information and take on requests for any other action necessary to enable me to fulfil the responsibilities which fall to me as principal Accounting Officer. As far as possible the nature of the information required will be agreed in advance between us;
- (h) ensure the management of opportunity and risk to achieve the right balance commensurate with the Home Office's business and risk appetite;
- (i) ensure the selection and appraisal of programmes and projects, using the Treasury's Green Book to evaluate alternatives, and good quality project and programme management techniques to track, and where necessary adjust progress; and
- (j) ensure learning from experience, both using internal feedback, and from right across the public sector.

As Accounting Officer, you must be able to assure Parliament and the public of high standards of probity in the management of public funds. Your judgement as Accounting Officer on matters for which you are responsible may only be overridden by me, or by the Minister. Where the Minister seeks to override your judgement, I should be informed so that, if I wish, I may give my own advice to the Minister. Where a direction is required to proceed with a course of action that you or I have advised against, this direction will be sought by me from the Home Secretary.

You are liable to be summoned to appear before the Public Accounts Committee (PAC) to give evidence on the discharge of your responsibilities as SIA Accounting Officer. In such circumstances the PAC would probably wish to take evidence from Accounting Officers and it will be for me to answer on those matters concerning the organisations which fall within my responsibility. Appearing as a witness before the Committee is not optional. It is only with specific agreement from the Committee Chair that an Accounting Officer may defer their attendance or send a substitute.

I also need to advise you that your designation as Accounting Officer may be withdrawn in the event that I were to conclude that you were no longer a fit person to carry out the responsibilities of an Accounting Officer or that it was otherwise in the public interest that your designation be withdrawn.

I would be grateful if you could acknowledge receipt of this letter and confirm your acceptance of the designation. Copies of your letter will then be sent to the Comptroller and Auditor General, the Clerk to the Public Accounts Committee and the Treasury Officer of Accounts.

Yours sincerely,

**Matthew Rycroft**  
**Permanent Secretary**