

# HOME OFFICE – INDEPENDENT OFFICE FOR POLICE CONDUCT (IOPC) FRAMEWORK AGREEMENT

## Introduction

Framework Agreements form an essential part of the relationship between a public body and its sponsor team. They supplement the legislation governing the public body and define further at a high level what function the public body fulfils and the roles and responsibilities of the key individuals involved in running, sponsoring and overseeing the activities of the body.

The document describes the high-level parameters that define how the two organisations will work together. Alongside the formal relationships, in practice the HO will work openly and collaboratively with the IOPC, recognising the IOPC's independence whilst balancing the HO's need for oversight.

This Framework Agreement was jointly written and approved by the IOPC and the Home Office. Final approval on behalf of the Home Office is undertaken by the Permanent Secretary as Principal Accounting Officer. Final approval on behalf of the IOPC is undertaken by the Director General as Accounting Officer. This document remains in place until a new Framework Agreement replaces it. It must be reviewed every three years as a minimum and, where appropriate, revised. An earlier review will be triggered by any one of the following events:

- a. The appointment of a new Director General;
- b. A change in relevant Home Office personnel; or
- c. A significant change in government policy relating to the business of the IOPC.


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

## Date of publication:

## Signatories:



Sir Philip Rutnam, Permanent Secretary



Michael Lockwood, Director General, Independent Office for Police Conduct

**Document owned by:** Home Office and the IOPC

## Purpose and aims

### 1. Purpose

- 1.1. The Independent Office for Police Conduct (IOPC) investigates serious and sensitive matters involving the police, including conduct matters and deaths and serious injuries (DSIs) involving the police. It oversees the police complaints system in England and Wales and sets the standards by which the police should handle complaints. It is operationally independent of the police, government and complainants. Alongside this, in relation to the use of public funding, the IOPC is accountable to the HO, and through HO Ministers to Parliament.
- 1.2. The Police Reform Act 2002 (PRA) established the Independent Police Complaints Commission (which became operational on 1 April 2004) and set out the statutory powers and responsibilities of the IPCC, chief police officers and local policing bodies for the complaints system.
- 1.3. Further functions were conferred on the IOPC by successive Acts amending the PRA and supporting regulations. Specifically, the Police Reform and Social Responsibility (PRSR) Act 2011 introduced significant changes and more recently, the Policing and Crime Act 2017 introduced various changes including to the governance structure of the IPCC. Under these reforms, the corporate body that was the IPCC has been re-designated as the Independent Office for Police Conduct and a single head of investigations, the Director General, replaced the previous Commission structure.
- 1.4. The IOPC Director General's statutory functions include: to secure and maintain public confidence in the police complaints system in England and Wales; to ensure that the system is efficient and effective and manifests an appropriate degree of independence, as well as securing and maintaining public confidence in the police complaints system. The statutory functions of the IOPC (as a unitary board) are separate from the DG's functions and are detailed in paragraph 7.2 below. The Director General's and IOPC's statutory functions are supported by a vision, strategic objectives and values and these can all be found in the IOPC's Strategic and Business Plans.
- 1.5. The 43 police forces in England and Wales and various other UK law enforcement bodies including the National Crime Agency (NCA), Her Majesty's Revenue and Customs (HMRC), the Gangmasters and Labour Abuse Authority (GLAA) and some activities undertaken by Home Office Immigration Enforcement staff come under the IOPC's remit and jurisdiction. It also has a remit over staff working at the College of Policing and it investigates all criminal allegations against Police and Crime Commissioners and their deputies.
- 1.6. For the purposes of public administration, the IOPC is classified as an Non-Departmental Public Body (NDPB). For national accounts, the IOPC is classified as within the central government sector.

## Governance and accountability

### 2. Ministerial responsibilities

- 2.1. The Home Secretary holds overall responsibility for the Home Office and its agencies and will account for the IOPC's business in Parliament.
- 2.2. The Home Secretary's responsibilities regarding the IOPC are as follows:
  - a. Laying the IOPC's annual report and, by agreement with the National Audit Office (NAO), accounts before Parliament;
  - b. Keeping Parliament informed about the IOPC's performance;
  - c. Approving the amount of grant-in-aid / other funds to be paid to the IOPC and securing Parliamentary approval;
  - d. Carrying out responsibilities specified in legislation including Non-Executive Director appointments to the IOPC and approving their terms and conditions; and
  - e. The Director General is appointed by the Crown on the recommendation of the Home Secretary and Prime Minister.

### 3. Permanent Secretary responsibilities

- 3.1. The Permanent Secretary is the HO Principal Accounting Officer and has designated the Director General as the IOPC's Accounting Officer. The respective responsibilities of the HO Principal Accounting Officer and the IOPC Accounting Officer are set out in Chapter 3 of Managing Public Money.
- 3.2. The HO Principal Accounting Officer is accountable to Parliament for the issue of any grant-in-aid funding to the IOPC. He is also responsible for advising the responsible Minister:
  - a. On an appropriate budget for the IOPC set within the wider financial context and spending priorities of the Home Office; and
  - b. How well the IOPC is delivering its corporate objectives and whether it represents value for money.
- 3.3. The HO Principal Accounting Officer should also ensure that:
  - a. Arrangements are in place to oversee IOPC's activities on a regular basis;
  - b. Significant performance issues in the IOPC are addressed;
  - c. Risks to both HO and IOPC objectives and activities are periodically assessed; and

- d. The IOPC is informed of relevant changes in government policy and processes in a timely manner.

#### **4. Home Office Senior Sponsor responsibilities**

4.1. The Permanent Secretary has designated the Director General of Crime, Policing and Fire Group (CPFPG) as Senior Sponsor who will represent the Home Office at the most senior level. The Senior Sponsor will:

- a. Ensure the IOPC has the appropriate delegations and authorities necessary for effective and robust delivery of its role and is updated in a timely fashion on developing HO or Government policy that may impact on its function.
- b. Advise the Home Secretary on the role, performance and resourcing of the IOPC in the context of wider HO or government objectives.
- c. Support the HO Principal Accounting Officer in the discharge of their responsibilities (set out in section 3).
- d. Carry out an annual appraisal of the IOPC Director General and delegate an annual appraisal of the Senior Independent Director (SID) to another HO CPFPG official at Director level, normally the Policing Director.
- e. Have the discretion to delegate part of their role to another HO CPFPG official at Director level, normally the Policing Director.

#### **5. Responsibilities of the Sponsor - Home Office Sponsorship Unit and Police Integrity Unit**

5.1. The Police Integrity Unit (PIU) in CPFPG is the HO policy team with lead policy responsibility for the IOPC and will hold the primary relationship. The HO Sponsorship Unit will lead on corporate and non-policy issues. These teams will be the main source of advice to the Home Secretary on the discharge of his responsibilities in relation to the IOPC. PIU and HO Sponsorship Unit will also support the HO Principal Accounting Officer and the Senior Sponsor in their responsibilities towards the IOPC. They will:

- a. Provide advice to the HO Principal Accounting Officer and the Senior Sponsor to enable them to discharge their functions; and
- b. Where appropriate, discharge responsibilities on behalf of the HO Principal Accounting Officer and the Senior Sponsor.

5.2. PIU and HO Sponsorship Unit will ensure that:

- a. The IOPC is briefed on relevant ministerial priorities, HO initiatives and significant developments in the wider policing or public sector landscape that may be relevant to the IOPC or the delivery of its functions;

- b. Requests for information, answers to Parliamentary Questions, advice or other input are put to the IOPC in a timely fashion in accordance with the Public Body Protocol;
- c. Requests for advice or decisions, or escalation of risks, made from the IOPC to the HO are dealt with expeditiously and in the event of delays provide a revised timeframe and regular updates; and
- d. There is effective planning and delivery of those matters that fall within the HO or Home Secretary's remit upon which the IOPC is reliant.

5.3. PIU and HO Sponsorship Unit will be mindful of the IOPC's independent status.

## **6. Responsibilities of the IOPC Director General as Accounting Officer**

### General

6.1. The IOPC Director General is personally responsible for:

- a. Safeguarding the public funds for which he has charge;
- b. Ensuring propriety and regularity in the handling of those public funds; and
- c. The day-to-day operations and management of the IOPC.

6.2. In addition, he should ensure that the IOPC is run based on the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of Managing Public Money.

### Responsibilities for accounting to Parliament

6.3. The IOPC Director General is accountable to Parliament for:

- a. Signing annual accounts, 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 HO;
- b. Signing the IOPC Annual Report, including the Statement of Accounting Officer's responsibilities and the Annual Governance Statement;
- c. Ensuring that effective procedures for handling complaints about the IOPC are maintained and made widely known within the IOPC<sup>1</sup>;
- d. Acting in accordance with the terms of the HM Treasury document Managing Public Money and other instructions and guidance issued from time to time by the HO, HM Treasury and the Cabinet Office; and

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<sup>1</sup> Separate procedures for managing complaints against the IOPC Director General and Senior Independent Director are being developed.

- e. Giving evidence, normally with the HO Principal Accounting Officer, when summoned before the Public Accounts Committee on the IOPC's stewardship of public funds.

Responsibilities to the Home Office:

6.4. The IOPC Director General is responsible for:

- a. Informing the HO of the IOPC's strategic and business planning and seeking Ministerial approval prior to the publication of such plans, and updating the HO on any significant risks to delivery; and
- b. Ensuring that timely forecasts and information on performance and finance are provided to the HO, including:
  - o That the HO is notified promptly if over or under spends are likely and that corrective action is taken; and
  - o That any significant problems whether financial or otherwise, and whether detected by internal audit or other means, are notified to the Department in a timely fashion.

Responsibilities to the IOPC Board

6.5. The IOPC Director General is responsible for:

- a. As chair and a member of the IOPC Board, assisting the Board to ensure that it has in place appropriate arrangements for good governance and financial management.
- b. Providing sufficient information to the Board to ensure that the Board can:
  - o Provide support and advice to the Director General in relation to the carrying out of the Director General's functions; and
  - o Monitor and review the carrying out of the Director General's functions.
- c. Ensuring that financial considerations are taken fully into account by the IOPC Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.
- d. Taking action as set out in paragraph 3.8.6 of Managing Public Money if the IOPC Board is contemplating a course of action involving a transaction which the Director General considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, has questionable feasibility, or is unethical.

## **7. The Office (i.e. the IOPC body corporate – in governance terms, the IOPC Board)**

### Responsibilities of the Office

- 7.1. The Office consists of a crown-appointed Director General and at least six other members. The other members must consist of Non-Executive members and employee members but there must be a majority of Non-Executives.
- 7.2. The Office is specifically responsible for:
  - a. Ensuring appropriate arrangements are in place for good governance and financial management.
  - b. Determining and promoting the strategic aims and values of the Office.
  - c. Providing support and advice to the Director General in the carrying out of the Director General's functions.
  - d. Monitoring and reviewing the carrying out of such functions.
- 7.3. The Office is to perform its functions for the general purpose of improving the way in which the Director General's functions are carried out (including by encouraging the efficient and effective use of resources when carrying out those functions).

### Director General's personal responsibilities

- 7.4. The Director General will act as the organisation's senior decision maker and must ensure effective delegation of decision-making responsibilities through the organisation.
- 7.5. The Director General is responsible directly to the Home Secretary for the governance and performance of the IOPC. Communications between the Board and the Home Secretary should normally be through the Director General. The Director General should hold regular meetings with the Home Secretary or the Minister of State for Police and the Fire Service so that Ministers remain apprised of significant issues and the work of the IOPC. The Director General is responsible for ensuring affairs are conducted with probity.

### Senior Independent Director responsibilities

- 7.6. One Non-Executive Director will be appointed as the Senior Independent Director (SID). In addition to the duties below, this person will:
  - a. Provide a sounding board for the Director General;
  - b. Meet, as appropriate, other Non-Executive Board members to ensure their views are understood and that the Director General is made aware of any concerns;
  - c. Lead Non-Executive input to ensure legislative requirements for the Director General and the Office to jointly prepare a strategy and code of practice are met (see paragraph 7.9 below);

- d. Occasionally deputise as Chair of the Board; and
  - e. Carry out annual appraisals of Non-Executive Directors.
- 7.7. The Senior Independent Director is directly responsible to the Home Secretary. They are responsible for identifying, from their area of competence, matters which should be drawn to Ministers' attention and ensuring this is then undertaken either by the Director General or themselves.
- 7.8. The Senior Independent Director is responsible to the HO for:
- a. Meeting the HO Policing Director as necessary. The Policing Director will be responsible for the Senior Independent Director's annual appraisal; and
  - b. Meeting with the Minister of State for Police and the Fire Service at least once a year to discuss IOPC governance.

#### Individual Non-Executive Director responsibilities

- 7.9. Non-Executive Directors are responsible for working effectively with the SID and Director General to ensure robust governance and financial management of the IOPC and set and promote the strategic aims and values of the IOPC. They will provide support, advice and constructive challenge to the Director General in the carrying out of their functions and monitor and review organisational performances and contribute to the efficient and effective running of the IOPC. In addition, Non-Executive members will also be expected to:
- a. Be a member of Committees of the Board<sup>2</sup>;
  - b. Attend any other meetings as required; and
  - c. With the other Non-Executive members of the Board, appoint the executive members of the Board.

#### The Director General and the Office's joint responsibilities

- 7.10. The Director General and the Office must jointly prepare a strategy (for publication) for the carrying out of their functions, and must review the strategy (and revise it as appropriate) at least once every 12 months. The strategy must set out how the Director General and the Office propose to carry out their functions in the relevant period and must include a plan for use of resources during the relevant period.
- 7.11. The Director General and the Office must also jointly prepare a code of practice dealing with the relationship between the Director General and the Office. In doing so, they must (in particular) seek to reflect the principle that the Director General is to act independently when making decisions in connection with the carrying out of the Director

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<sup>2</sup> The Chair of the Audit, Risk and Assurance Committee will be responsible for receiving reports from staff who wish to raise concerns under the IOPC's Raising Concerns policy outside of the normal line management chain.



General's functions. Further details on what should be contained within the code are contained within section 10D of the Police Reform Act 2002.

## **8. Annual Report and Accounts**

- 8.1. As soon as practicable after the end of each of the IOPC's financial years, the Director General and the Office must jointly report to the Home Secretary on the carrying out of their functions during that year (the Annual Report). When the Home Secretary has received an Annual Report, they shall lay it before Parliament and ensure that it is published. The IOPC must also prepare, in respect of each financial year, a statement of Accounts in such form as the Home Secretary may direct. The Accounts must be sent to both the Home Secretary and the Comptroller and Auditor General. Upon receipt, the latter must examine, certify and report on the Accounts and lay the Accounts and his report before Parliament. HO Sponsorship Unit has issued guidance on this process.
- 8.2. Draft Annual Report and Accounts (ARA) are prepared by the IOPC, who will work with the National Audit Office (NAO) as appropriate to secure an in-principle view that they will be content to approve the Accounts. The IOPC Audit and Risk Assurance Committee provide advice to the Office and to the Director General on the accounting policies of the organisation, the process for review of the draft ARA prior to submission for audit, levels of error identified by the audit, and management's letter of representation to the external auditors. The ARA will be put to the IOPC Board for approval and the HO formally invited to provide comment on the draft ARA at this stage. The IOPC will consider and either accept or provide a response to points raised.
- 8.3. Upon completion of the above steps, the IOPC will produce a final ARA document. This will be submitted to the HO and HM Treasury for Ministerial approval, following which the ARA can be certified by the Comptroller and Auditor General. A certified copy is then passed to the HO for laying in Parliament.
- 8.4. The Annual Report must:
  - a. Cover any corporate, subsidiary or joint ventures under its control;
  - b. Comply with HM Treasury's Financial Reporting Manual (FReM); and
  - c. Outline main activities and performance during the previous financial year.
- 8.5. Information against performance on key financial targets is outside the scope of the audit and should be included in the Annual Report but not the notes to the Accounts. The ARA shall be laid in Parliament and made available on the IOPC website, in accordance with the guidance in the FReM.

## **9. Internal Audit**

### **9.1. The IOPC shall:**

- a. Establish and maintain arrangements for Internal Audit in accordance with HM Treasury's PSIAS (Public Sector Internal Audit Standards) (<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>);
- b. Ensure the HO is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS section 5.2;
- c. Set up an Audit and Risk Assurance Committee in accordance with the Audit and Risk Assurance Committee Handbook;
- d. Forward relevant audit papers, including the audit strategy, so that the HO can fully understand the audit approach of the IOPC; and
- e. Keep records of, and prepare and report on, fraud and theft suffered by the IOPC and notify the HO of any unusual or major incidents as soon as possible.

9.2. The Government Internal Audit Agency has a right of access to all documents prepared by the IOPC's Internal Auditor, including where the service is contracted out.

## **10. External audit**

10.1. The Comptroller & Auditor General (C&AG) audits the IOPC Annual Accounts.

### **10.2. The C&AG:**

- a. Will consult the HO and the IOPC on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final approval decision rests with the C&AG;
- b. 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 other parties in receipt of payments or grants from the IOPC;
- c. Will share with the HO 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 HO responsibilities in relation to financial systems within the IOPC; and
- d. 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.

10.3. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the IOPC 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 IOPC shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients, 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.

#### Rights of access

10.4. The HO has the right of access to relevant information for the purpose of sponsorship audit, including in relation to propriety or integrity matters whilst taking into account relevant provisions of the Data Protection Act. Where the IOPC identifies that access may compromise the actual or perceived ability to discharge its function independently, further advice will be sought.

### Management and financial responsibilities

#### **11. Managing Public Money and other government-wide corporate guidance and instructions**

- 11.1. Unless agreed by the HO and, as necessary, HM Treasury the IOPC shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to the CPFG Finance Business Partner in the HO via HO Sponsorship Unit in the first instance. A list of guidance and instructions with which the IOPC should comply is attached at Appendix 1. The respective Home Office and IOPC Finance Directors 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.
- 11.2. Once grant-in-aid has been approved by the HO, and subject to any restrictions imposed by statute and the responsible Minister's instructions, the IOPC shall have authority to incur expenditure approved in the budget without further reference to the HO on the following conditions:
- a. The IOPC 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 HO;
  - b. The IOPC shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
  - c. The IOPC shall conform with all HO and Government-wide spending controls;
  - d. Inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval, and other necessary governmental

approvals, where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and

- e. The IOPC shall provide the HO with such information about its operations, performance, individual projects or other expenditure as the HO may reasonably require.

## **12. Corporate governance**

Board appointments – the Director General and Non-Executive Directors

- 12.1. The Director General shall be appointed on the advice of the Home Secretary by HM The Queen in accordance with the terms of his appointment. Such appointments will comply with the Governance Code for Public Appointments (<https://www.gov.uk/government/publications/governance-code-for-public-appointments>).
- 12.2. Non-Executive Directors shall be appointed for a fixed term not exceeding three years by the Home Secretary and shall be eligible for re-appointment at the end of this term. Such appointments will comply with the Governance Code for Public Appointments (<https://www.gov.uk/government/publications/governance-code-for-public-appointments>).
- 12.3. One Non-Executive Director will be appointed as the Senior Independent Director (SID) on the same terms as those set out above.

## **13. Risk Management**

- 13.1. The IOPC shall ensure that the risks that it faces are dealt with in an appropriate manner, taking HO risk management guidance as a minimum standard, and in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy in accordance with HM Treasury's guide 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)).
- 13.2. The IOPC should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury's 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)).
- 13.3. The IOPC 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.
- 13.4. Management of risk will be within the full control of the IOPC however there will be shared risks and issues, identified by either body where engagement of the HO 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 HO and IOPC. Those risks requiring urgent attention can be dealt with outside of the process and with agreement of the IOPC and HO.

## **14. Strategic and business plans**

- 14.1. The Police Reform Act (as amended) places certain duties on the Director General and the Office including the production of a strategy and supporting Business Plan. These must be reviewed and revised as appropriate every twelve months and must:
- a. Set out how the Director General and the Office propose to carry out their functions over the period of the strategy;
  - b. Include a plan for the use of resources for the carrying out of functions; and
  - c. Be published.

Following IOPC Board approval, the strategy and supporting Business Plan will be submitted to the HO as soon as is practicable for approval by the Permanent Secretary and Ministers.

- 14.2. The finalised strategy and any supporting Business Plan will be published on the IOPC website and made available to stakeholders and staff.

## **15. Budgeting procedures**

- 15.1. Before the start of each financial year, the HO will send to the IOPC a letter of financial delegation which will provide details of resource and capital allocations including any ring-fenced allocations e.g. for a major inquiry.
- 15.2. The approved annual Business Plan will take account both of approved funding provision and any forecast income, and will include a budget of estimated expenditure and income 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.

## **16. Grant-in-Aid and any ring-fenced grants**

- 16.1. Grant-In-Aid funding for the year, can be paid to the IOPC under paragraph 14 of Schedule 2 of the Police Reform Act 2002.
- 16.2. The IOPC will request grant-in-aid when needed, on a monthly basis, giving a minimum of 4 weeks advance written notice. The grant-in-aid will be transferred to the IOPC's government bank account on a monthly basis, keeping cash accruals to a prudent level.
- 16.3. In the event that the HO provides the IOPC separate grants for specific (ring fenced) purposes, it should issue the grant as and when the IOPC needs it on the basis of a written request. The IOPC should provide evidence that the grant is used for the purposes authorised by the HO. The IOPC shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

## **17. Reporting performance to the HO**

17.1. The IOPC 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 corporate and business plans. The IOPC shall inform the HO of any significant changes that make achievement of its corporate plan or statutory duties more or less difficult.

17.2. The IOPC shall publish financial and non-financial performance material which will be provided to the sponsorship and policy teams, and CPFG Finance who will ensure that the data is examined and discussed with colleagues in the HO and in the IOPC.

#### Providing information to the HO

17.3. The Code of Corporate Governance requires HO departmental boards to have oversight of the following areas:

- a. Performance;
- b. Strategic clarity;
- c. Efficiency;
- d. Capabilities; and
- e. Risk.

Arrangements shall be made with HO Sponsorship Unit to enable HO boards to oversee each of these areas.

17.4. As a minimum, the IOPC shall provide the HO with regular financial information on:

- a. IOPC cash management;
- b. Draw-down of grant-in-aid;
- c. Forecast outturn by resource headings; and
- d. Other data required for the Online System for Central Accounting and Reporting (OSCAR).

#### IOPC/HO working level liaison arrangements

17.5. Officials of HO Sponsorship Unit will liaise regularly with IOPC staff to review IOPC financial performance against plans, achievement against targets and the expenditure against its Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME) allocations. HO Sponsorship Unit will also take the opportunity to explain, or arrange for policy teams to explain, wider policy developments that might have an impact on the IOPC.

17.6. IOPC staff will be mindful of HO Sponsorship Unit's need to provide advice and information to Ministers regarding the IOPC and its work. Similarly, the HO will be

mindful of the need to make timely requests and share information relevant to the IOPC in a timely manner.

17.7. IOPC staff will take the opportunity to explain changes and updates to IOPC policy, initiatives and developments related to delivery of ministerial priorities, will respond in timely manner to Parliamentary Questions, information requests etc.

## **18. Delegated authorities**

18.1. The IOPC Director General's delegated authorities are set out in the annual letter of delegation, a copy of which is at Annex B of this Framework Agreement. The Director General shall obtain HO prior approval before:

- a. Entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the IOPC annual grant-in-aid as approved by the HO;
- b. Incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- c. Making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the HO;
- d. 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; or
- e. Carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

## **19. IOPC staff**

Responsibilities of the IOPC toward IOPC staff

19.1. Within the arrangements approved by the Home Secretary and HM Treasury the IOPC will have responsibility for the recruitment, retention and performance of its staff. The broad responsibilities toward its staff are to ensure that:

- a. 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: age, disability, gender, gender reassignment, marriage and/or civil partnership, pregnancy and maternity/paternity, race, religion or belief, sex and sexual orientation;
- b. The level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of efficiency and effectiveness;

- c. The performance of its staff at all levels is satisfactorily appraised and the IOPC performance measurement systems are reviewed from time to time;
- d. Its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the IOPC's objectives;
- e. Proper consultation with staff takes place on key issues affecting them;
- f. Adequate grievance and disciplinary procedures are in place;
- g. Suitable support structures are in place for staff, including procedures for raising concerns, consistent with the Public Interest Disclosure Act are in place; and
- h. A code of conduct for staff is in place based on Cabinet Office's Model Code for Staff of Executive Non-Departmental Public Bodies ([http://www.civilservice.gov.uk/Assets/5\\_public\\_body\\_staffv2\\_tcm6-2484.pdf](http://www.civilservice.gov.uk/Assets/5_public_body_staffv2_tcm6-2484.pdf)).

#### Staff costs

19.2. Subject to its delegated authorities, the IOPC 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

19.3. IOPC staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the HO and HM Treasury.

19.4. IOPC will submit a pay remit to the HO on an annual basis to determine the pay envelope for the next financial year.

19.5. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the HO together with subsequent amendments.

19.6. The IOPC shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

#### Pensions, redundancy and compensation

19.7. IOPC staff shall normally be eligible for a pension provided by its own scheme. Staff may opt out of the occupational pension scheme provided by the IOPC but that employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the National Insurance rebate level.

19.8. Any proposal by the IOPC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the HO if it is outside of the IOPC's formal HR policies. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.



## **20 Review of the IOPC's status (and winding-up arrangements)**

- 20.1 The IOPC will be subject to periodic external review either as part of the Government's tailored review process (every five years) or equivalent external scrutiny.

## **21 Arrangements in the event that the IOPC is wound up**

- 21.1 The HO as sponsor department shall put in place arrangements to ensure the orderly winding up of the IOPC. In particular it should ensure that the assets and liabilities of the IOPC 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 HO. To this end, the HO shall:
- a. Ensure that procedures are in place within the IOPC 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 or replacement body;
  - b. Specify the basis for the valuation and accounting treatment of the IOPC's assets and liabilities;
  - c. 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 HO to lay the final Accounts in Parliament, together with his report on the Accounts; and
  - d. 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 HO inherits the role, responsibilities, assets and liabilities, the HO Principal Accounting Officer should sign.
- 21.2 The IOPC shall provide the HO with full details of all agreements where the IOPC or its successors have a right to share in the financial gains of developers. It should also pass to the HO details of any other forms of claw-back due to the IOPC.

## Annex A

### Compliance with government-wide corporate guidance and instructions

The IOPC 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*; [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf)
- Governance Code for Public Appointments;  
<https://www.gov.uk/government/publications/governance-code-for-public-appointments>
- *Code of Practice for Ministerial Appointments to Public Bodies*;  
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>
- *Managing Public Money (MPM)*;  
[http://www.hm-treasury.gov.uk/psr\\_mpm\\_index.htm](http://www.hm-treasury.gov.uk/psr_mpm_index.htm)
- 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;  
<http://webarchive.nationalarchives.gov.uk/20130129110402/>  
[http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf)
- Government Financial Reporting Manual (FRoM);  
<https://www.gov.uk/government/publications/government-financial-reporting-manual>;
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*.
- Departmental Banking: A Manual for Government Departments, annex 5.6 of *Managing Public Money*.
- Relevant "Dear Accounting Officer" 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;  
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples>
- 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 IOPC.

## Annex B

### Appointment of IOPC Accounting Officer

Dear Michael,

#### ACCOUNTING OFFICER OF THE INDEPENDENT OFFICE FOR POLICE CONDUCT (IOPC)

I am writing to appoint you as the Accounting Officer of the IOPC with effect from 8 January 2018.

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 IOPC 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. I am also responsible for advising the Minister on the allocation of departmental resources, on the organisation's Framework Agreement and on the setting, after consultation with you, of appropriate financial and non-financial performance targets for the IOPC.

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 Learning (CSL) training: Introduction to Accounting Officer Responsibilities, which covers these issues.

Further, I know that you are aware of the principles set out in the (MPM) document, but 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 IOPC 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 IOPC 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 IOPC;
- (d) avoid waste and extravagance and seek economy, efficiency and effectiveness in the use of all resources made available to the IOPC. To this end you should ensure that the IOPC 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 IOPC 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 IOPC; 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, such as Office of Government Commerce (OGC) Gateways™, 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. As set out in the Framework Agreement, 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 IOPC 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,

Sir Philip Rutnam Permanent Secretary

