



Security Industry Authority

Security Industry Authority

Annual Report
& Accounts 2023-24

SECURITY INDUSTRY AUTHORITY

Annual Report and Accounts 2023-24

Presented to Parliament pursuant to paragraphs 16(4)(b) and 17(2) of Schedule 1 to the Private Security Industry Act 2001

Ordered by the House of Commons to be printed on
26 November 2024

Laid before the Scottish Parliament by the Scottish Ministers
November 2024

Laid before the Northern Ireland Assembly by the
Department of Justice November 2024



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SIA
PO Box 74957
London
E14 1UG

978-1-5286-5120-2
E03162298 11/24

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Global on behalf of
the Controller of His Majesty's Stationery Office

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Foreword from the Chair and Chief Executive

This is the first year of our 2023-26 reporting cycle. We are pleased to have met or exceeded all our key performance indicators, despite increased volumes and stretching targets across the full range of our regulatory activities this year. Demand for SIA licences remained high throughout 2023-24, with record numbers of applications at a time of challenging economic conditions for both individuals and the industry.

This year provided an opportunity for both the industry and the SIA to reflect on achievements 20 years on from the introduction of the licensing regime. In a testament to how the industry has matured, our recent Public Trust and Confidence in the Private Security Industry survey revealed that 60% of respondents trust security professionals. 70% agree that they are necessary to maintain order and improve public safety. Most people feel safer with a private security presence at concerts, sporting events, banks, hospitals, venues within the night-time economy and retail premises.

We continued our drive for efficiency and value for money. We reduced our individual licence fee by £6 (3%) and made cost savings by sharing our office space with two other government agencies.

We embarked on two major three-year change programmes. Our Digital and Data programme focuses on our online services and processes – our internal licensing, approvals processes and compliance work - to ensure we run them more efficiently and smartly for us and our external end users. We also launched our work to fundamentally reset the voluntary business approvals scheme with a public consultation. The new scheme will be grounded in public safety requirements. We will be taking our initial proposals, which tested well in consultation, into the design phase this coming year.

We continue to increase the visibility and demonstrate better the effectiveness of our compliance and enforcement work right across the UK. Our inspection work in the interest of public safety was particularly in evidence during the summer sporting and festival season and the Coronation, as well as in university freshers' week and the busy Christmas and New Year periods.

We supported key government priorities by collaborating with partners on campaigns relating to counter terrorism, violence against women and girls, spiking and other crimes.

We continued to refine the licence-linked qualifications and improve professional standards in the private

security industry this year. We worked with the Health and Safety Executive to take forward recommendations from the Manchester Arena Inquiry relating to enhanced First Aid training for security operatives. These changes to the training syllabus will be implemented in this coming year. We also introduced changes to training content on spiking at the end of the year.

This year saw us support a major industry achievement - the first ever apprenticeship for security operatives. The industry-led Security Industry Skills Board also made significant progress, launching a skills pledge and development of a profession map.

As ever, each year brings fresh challenges. The quality and integrity of licence-linked training is an area of particular focus for the SIA. We responded to public concerns about licence-linked training following media coverage of training malpractice. While we do not lead on the delivery of commercial training for qualifications, poor-quality training undermines the integrity of the SIA licence. We continue to work with Ofqual, other qualifications regulators, government, awarding organisations and other partners to drive improvements in standards.

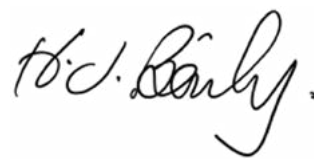
Throughout the year, SIA senior leaders participated in major industry and partner events. In July, we came together with the industry to mark International Security Officers' Day. We held our National Stakeholder Conference in September to ensure we are all embracing the improved and ever-changing public protection role of private security after 20 years of regulation.

This coming year we will focus on changes that will deliver greater

efficiency and effective outcomes for us as a public body. We remain cognisant that we are funded almost entirely by licence holders' fees. Our top priority will continue to be ensuring delivery of all our core statutory functions across all parts of the UK and value for money for all.

Our committed workforce is essential to our ability to deliver and be an effective regulator. Our staff have performed their duties with dedication and professionalism. On behalf of the whole SIA Board, we thank them for all their hard work.

In February 2024 Baroness Ruth Henig, our chair from January 2007 to January 2013, sadly passed away. Ruth Henig was a much-admired pioneer and played a key role in sharpening the SIA's focus on public protection and better regulation. The industry admired her tireless efforts to build trust and confidence between the regulator and the private security sector. Her example continues to inspire us all to discharge our role and responsibilities with vigour in the name of public protection.



Heather Baily QPM

Chair
Security Industry Authority



Michelle Russell

Chief Executive and Accounting Officer
Security Industry Authority

Who we are

The Security Industry Authority (SIA) is a public body reporting to the Home Secretary and sponsored by the Home Office. We were established under the Private Security Industry Act 2001 to contribute to public protection by setting and improving standards in the regulated private security industry.

The Act covers England, Wales, Scotland and Northern Ireland and the following activities:

- Cash and valuables in transit
- Close protection
- Door supervision
- Public space surveillance (CCTV)
- Security guarding
- Key holding
- Vehicle immobilisation
(in Northern Ireland only)

We support the Home Office priorities of reducing terrorism, preventing and tackling crime, and ensuring people feel safe in their homes and communities.

We are responsible for:

- licensing people who carry out certain activities in the private security industry
- approving private security companies who wish to be part of our voluntary Approved Contractor Scheme
- conducting inspections
- monitoring the activities of people operating within the private security industry and taking enforcement action where necessary
- setting and approving standards of conduct and training for the private security industry
- making recommendations on ways to improve standards in the private security industry

What we do

We have a statutory responsibility to license individual security operatives. We do this by applying criteria relating to identity, conduct and criminality. We establish the minimum competency requirements that individuals must meet before applying for a licence.

We work closely with the police, local authorities and other government agencies to ensure that individuals and companies operating within the private security industry comply with the law. Our compliance and enforcement operations are part of this work. We work with training providers, trade associations and industry representatives on standards and the operation of our regime.

We set and approve standards for the entry-level training required to hold an individual licence. We do this by specifying the learning for the qualifications needed. We require qualification-awarding organisations to have robust standards of assessment and appropriate processes for the awarding of qualifications recognised for licensing. While we are not responsible for regulating the awarding and delivery of qualifications, which is the responsibility of UK's regulatory qualifications bodies (Ofqual, the Scottish Qualifications Authority (SQA)), we work with them and the awarding organisations to tackle threats to the quality of the qualifications, including training centre malpractice and fraud.

We have a statutory duty to establish and maintain a register of approved providers of security industry services. We do this by managing the voluntary Approved Contractor Scheme (ACS). We apply eligibility and other 'fit and proper' criteria, and we establish terms and conditions of approval. We appoint independent assessing bodies to conduct assessments against the ACS standard before awarding approved contractor status.

We have compliance and inspection teams based and working across the UK visiting venues that provide and supply licensed security. They work with individuals, businesses and venues both to raise standards and to ensure the licensing requirements are met. They investigate concerns about non-compliance. In cases which are not resolved by advice, guidance or formal warnings, we refer them for enforcement action to our criminal investigation team which, in appropriate cases, leads to prosecution. We have a financial investigation capability which means we can apply to the courts for confiscation orders against the assets of persons or businesses convicted of offences where they have profited from their crimes. We use the money we receive to support public safety and good causes for the benefit of the security industry.

We work closely with local and national police forces, government agencies, local authority licensing partners,

security providers, buyers and venue owners to understand, identify and successfully mitigate a broad range of public protection and safeguarding risks. These include terrorism, violence (including against women and girls), drugs and spiking, serious and organised crime, modern slavery, labour exploitation, and child sexual exploitation and abuse.

Our work is dependent on partnerships not just with the police and other public bodies, but also with security providers. We seek, and continue to benefit from, the support and co-operation of those working in the private security industry and our many partners to provide effective regulation, and pursue robustly those who choose not to comply.

Our purpose

Protecting the public through effective regulation of the private security industry and working with partners to raise standards across the sector.

Our values

Our staff developed these values; they are the guiding force in how we deliver our work. These values direct our behaviour towards our stakeholders, partners and each other. We consider how well we reflect these values through performance reviews and recognition schemes.

Courageous

We are confident in our approach, integrity and independence. We enforce proportionately without fear or favour. We are not afraid to challenge.

Responsive

We listen and we continually strive to improve.

Efficient and Professional

We deliver increasing value for money every year. We recognise and enjoy success; we are brave by recognising poor performance or failure. We put it right, share the learning and move on to the next success.

Together, United

We are one team working with a common purpose. Everyone has value.

Performance report


SIA: A year in numbers

207
SIA formal
warnings issued

5,283
licences
revoked

486,308
active licences*

11
improvement
notices issued
to approved
contractors


86%
of individuals are satisfied
with the process of
applying/renewing their licence**

2,004
licence
applications
refused

93%
of all licensing
applications
processed
within 25
working days

18,383
X followers*
(formerly Twitter)

 **101,593**
LinkedIn followers*

761
approved
contractors*

36,966
Facebook
'likes'*

185,000
views for our new
guidance videos*



1,322

site visits or inspections

94%

Of eligible businesses successfully renewed their ACS accreditation

77

visits to approved contractors

68

cases progressed towards a criminal prosecution

6,802

individual licences checked



We retained the Customer Service Excellence standard with an improved score

432,393

licence holders*

1,238

intervention (compliance related) cases undertaken and completed

76%

of prosecution operations led to a conviction

192,513

customer service requests responded to



177,044

Licences granted

7,124

intelligence and other external reports of concern received

38

non-compliant businesses had ACS accreditation removed

* As of 31 March 2024

** Findings of a customer satisfaction survey conducted in Summer 2023

Key performance indicators

Our performance management approach includes challenging key performance indicators (KPIs) which are designed to measure both the core areas of SIA activity, as well as our performance against areas of our 2023-24 business plan and the core areas of our Strategic Plan:

- Regulating effectively
- Regulating efficiently
- Improving individual standards
- Improving business standards
- Driving strategic partnerships
- Supporting our people

We report on the progress of all KPIs to the executive directors' group monthly, and to the SIA Board quarterly.

The KPIs evidence and encapsulate how the SIA is working to:

- protect the public through operating an efficient and effective licensing function
- protect the public through effective compliance and enforcement activity
- be an efficient and effective customer-focused organisation
- support its people to ensure we perform well as an organisation

These KPIs are designed to both measure and drive performance across the SIA from 2023 to 2026, and were reset to include some new indicators when the Strategic Plan 2023-26 was agreed.

Table 1: KPIs for 2023-24, with data as of 31 March 2024

KPI Reference	KPI	Rate Achieved at 31 Mar 24
Regulating effectively		
1(a)	Increase risk-led inspection activity by 20% each year, across the private security industry.	Met
1(b)	Provide qualitative feedback to individuals or companies in 80% of inspection operations (unless being prosecuted, under criminal investigation or subject to subsequent compliance activity.)	100%

KPI Reference	KPI	Rate Achieved at 31 Mar 24
1(c)	Ensure 90% of businesses or controlling minds, issued with formal warnings, or improvement notices, are re-assessed as compliant.	100%
Regulating efficiently		
2(a)	Make savings of 5% or more against our planned expenditure across the 3-year cycle.	£965k (exceeded target)
2(b)	Make annual efficiencies over a 3-year period to offset the impact of the rebate scheme which ends at the start of FY 2026-27. (Crediting the 3% efficiencies made from the 2023 fee reduction.)	£718k (exceeded target)
Improving Individual Standards		
3	Reduce the average actions raised at unannounced visits to training providers to 4.0 in year 1, 3.5 in year 2 and 3.0 in year 3.	3.3 actions raised on average
Improving business standards		
4	90% of eligible businesses re-register or renew their ACS approval.	96%
5	85% of the businesses on the annual list of top 65 UK security companies are ACS accredited.	91%
Driving strategic partnerships		
6	Increase year-on-year public protection joint activity and outcomes with key partners, to reduce harm across the private security industry.	Met (15% increase in partner-led investigations; 30% increase in delegated powers held by partner organisations)
Supporting our people		
7	Staff retention rates remain 85% or higher.	88%

KPI Reference	KPI	Rate Achieved at 31 Mar 24
Core Activity		
8(a)	85% of all complex individual licence application decisions are made within 25 working days.	90%
8(b)	90% of all simple individual licence applications decisions are made within 5 working days.	99%
9	99% of decisions to suspend a licence are made within 5 working days from receipt of sufficient information to public protection outcome.	100%
10	Obtain a net promoter score of 50+ on our user satisfaction survey.	+73

This year is the first year of our 2023-26 three-year reporting cycle. We have met or exceeded all KPIs, despite increased volumes and stretching targets that encourage and drive performance across the full range of our regulatory activities.

Demand for SIA licences has remained high throughout 2023-24, with record numbers of applications for individual licences. This included high proportions of renewal applications, as well as higher-than-forecast numbers of new applicants. Our insight suggests the current difficult economic climate is playing a part in this as people seek to take on security work to bring in additional income. Demand for licences fluctuates across a three-year cycle, with 2024-25 predicted to be another year of relatively high application numbers, before the quieter third year.

Our performance targets ensure we focus on delivering core statutory functions - high-quality, timely service to our licence applicants, improving standards in Approved Contractor Scheme businesses and protecting the public by taking swift and effective action to address non-compliance. We also use these measures to ensure training providers take action to address poor quality training provision and that we are efficient and effective as an organisation.

We will continue to monitor our performance via this suite of measures over the next financial year. We will adjust both targets and metrics to drive performance and improve standards, ensuring that we achieve the goals set out in our strategic plan.

Performance analysis

Core statutory responsibilities

Overview

This section is a summary of the work of the Security Industry Authority. It sets out our purpose, our work, the key risks to the achievement of our objectives, and how we performed during the 2023-24 operating year.

Licensing and service delivery

In 2023-24, we received 179,000 paid individual licence applications. This was the highest ever since we began licensing in 2005. March 2024 was our second busiest month on record; we received 18,361 paid applications. We made between 11,897 and 16,512 licence decisions per month throughout the year.

We also received 193,000 online service requests and 63,000 phone calls from individual and business customers.

An independent customer satisfaction survey carried out in June 2023 showed that 86% of individual licence applicants and 85% of businesses were satisfied with the application process. We use the results from this survey, as well as the feedback we regularly gather in surveys from our customers during

the application process, to continually improve the service we provide.

In June 2022 we redesigned our Business Support Team so that we could provide more targeted support for businesses, particularly approved contractors. The positive impact of this service can be seen in the survey results. Business satisfaction with the application process improved by 6% in 2023.

There has also been a notable increase in customer satisfaction over the last few years with the timeliness and quality of responses to individual customer queries, and with the ease of contacting us.

We processed 93% of all licence applications within 25 working days of receiving a correct and complete application. This is slightly higher than our 2022-23 performance of 92%, despite the significantly larger volume of licence applications we dealt with.

We categorise and apply our resources to licensing decisions based on their complexity. We have a target to deal with 85% of 'complex' applications within 25 working days and 90% of 'simple' applications within five working days. We achieved 88% against

the target for 'complex' applications and 99% against the target for 'simple' applications. These are extremely strong results, particularly considering the high application volumes involved. They further demonstrate the positive impact that process improvements and our high-performing and dedicated front-line licensing team continue to have on our licensing operations.

Where there is a public safety concern, whether we identify it ourselves or it is brought to our attention, we ensure we act promptly to verify information and take action (as the public and our customers expect). In 2023-24 we processed information relating to public safety concerns within our target of five working days in 100% of cases. For the majority of cases, we took suspension action within two days.

In 2023-24 we suspended 1,067 licences and revoked 5,283 licences. More than 80% of licence revocations were due to the licence holder no longer having the right to work in the UK. These actions are fast-paced, resource-intensive, and often require multiple engagements with the licence holder and police partners. We do not reactivate licences unless we have sufficient evidence and assurance that the licence holder is fit and proper and does not pose a risk to public safety.

The Approved Contractor Scheme (ACS)

Our role is to ensure only fit and proper companies gain entry to the voluntary Approved Contractor Scheme and that approved contractors conform with

the standard for the duration of their approval period. The Business Standards team works with our Compliance and Inspections team and our ACS Decisions team to make robust ACS approval decisions.

At the end of the 2023-24 year there were 761 approved contractors: 662 approved through the standard route and 99 through the passport route.

We expect new applicants to present as eligible and demonstrate that they meet our requirements. Any new applicant must go through several due diligence checks as part of the approval journey.

During 2023-24, we completed fit and proper checks on all new ACS applicants and continued to complete checks on existing approved contractors through the annual return process. We processed 106 new ACS applications, accepted 85 new ACS applications, and rejected 29. We approved 33 new businesses to the ACS. We conducted 46 pre-approval visits. We carried over 72 applications into 2024-25 where the due diligence checks took place across two financial years.

External assessing bodies carry out ACS assessments to check that approved contractors and applicants meet the ACS self-assessment workbook. We assure those bodies under our contract with them. We do this by reviewing key assessment documentation, monitoring key performance indicators, holding quarterly meetings with each of our three assessing bodies, and providing training for lead assessors from

those bodies. We also observe assessors' delivery of assessment services.

We continue to conduct annual audits for all certification bodies contracted to deliver assessment services. We initiated a 'deep dive' audit on the lowest performing certification body and gave them a detailed action plan to improve performance. We continued to deliver a programme of direct SIA assurance visits to approved contractors in addition to their annual assessment to provide additional testing, assurance, and compliance to the standard.

In 2023-24 we reviewed 642 audit reports and 202 revisit cases – those where improvement needs were raised and resolved within six weeks. We returned 92 assessment cases (11%) to our assessing bodies, as these did not present sufficient evidence on which to base our ACS approval decision.

We held 34 contract management meetings with assessing bodies, managing several performance-related concerns during the reporting period. We observed several assessors as part of our on-boarding and annual risk-based witnessing schedule. Where necessary, we set out improvement plans that were successfully completed by all assessors.

Approved contractors must continue to conform to the ACS standard for the duration of their approval period. Where companies do not conform to the standard, we provide support and guidance to highlight the improvement we require. If companies do not meet our requirements, they become subject to our sanctions framework.

In the reporting year we conducted 77 business visits to approved contractors, through which we:

- supported 31 businesses in completing their interactive self-assessment workbook queries
- provided technical advice to 30 approved contractors on matters relating to continued conformance with ACS requirements
- completed 11 visits to support their continued assurance of the scheme
- provided pre-approval advice to 5 businesses

In instances where we were concerned about levels of conformance to ACS standards, we referred cases to our Inspection & Enforcement team for further scrutiny. We take proportionate and necessary action against approved contractors who become subject to our sanctions framework during their approval period. During 2023-24 we withdrew approval from 38 businesses. This can be for a range of reasons such as failure to cooperate with the SIA, failure to submit an annual return, failure in having an annual assessment, or no longer meeting our eligibility requirements.

Licence-linked qualifications

Our Individual Standards function's responsibilities include ensuring we meet our statutory obligations to 'set and/or approve standards of competence' for those who wish to apply for a licence.

We do this by:

- setting the standards used as the basis for the qualifications required to apply for a licence (licence-linked qualifications)
- working with partners such as qualifications regulators and awarding organisations to ensure arrangements are in place for the qualifications to be delivered

During this year, over 80,451 first-time qualifications were awarded and submitted to us as part of the licensing process. Approximately 50,000 top-up qualifications were also completed and submitted in this period. Top-up training ensures that the industry keeps up to date with safety-critical knowledge in areas such as counter-terrorism, first aid, and how to deal with emergencies.

In this year we worked with partners on several initiatives to strengthen the content and delivery of the licence-linked qualifications. This has included more safety-critical content. From 1 March 2024, we have required training providers to include new content for first-time licences in how to prevent, recognise, and deal with incidents of ‘spiking’ as part of the Door Supervision course. We have also made improvements to the assessment stage for other safety-critical areas such as searching.

We have always taken seriously our specific role in detecting and deterring training malpractice. During the year we brought several prosecutions for fraud linked to training. Our success in this area relies on other partners also playing their part. Since October we have

worked closely with Ofqual in particular to ensure that arrangements for quality assurance of the qualifications are tighter. Responsibility for qualifications regulation in England, Wales, and Northern Ireland lies with Ofqual, and we are pleased that it has started a review of awarding arrangements in the sector. We look forward to the implementation of the results in the next year.

We conducted 107 unannounced visits this year to training providers. The visits highlight quality issues that need to be improved. We refer issues to the awarding organisations to resolve. The coming year will see more work with the Ofqual-approved awarding organisations, and the commercial training centres they appoint, to deal with not just individual cases of concern, but how to stop malpractice in the first place and improve standards.

We were also pleased to see the approval of the first funded apprenticeship scheme for operatives in the sector. We are proud to have worked with industry so closely on this fantastic achievement.

Our expert staff in Individual Standards have worked with our legal teams to support several coroner’s inquests and court proceedings this year. The training standards that we set are often used to help courts understand what behaviour can reasonably be expected from a security operative.

We conducted key research including customer satisfaction with our licensing system, and research on the efficacy of the licence-linked training. Our work

in co-ordinating research across the organisation ensures that we share knowledge and reduce duplication of effort. Our engagement with international research organisations has allowed us to consider UK industry issues against a broader perspective.

We have worked closely with stakeholders such as The UK Crowd Management Organisation (UKCMA) and the Sports Grounds Safety Authority (SGSA) to ensure our regulatory arrangements are sensitive to the needs of industry and fellow regulators.

The Individual Standards team continues to lead the development of our response to recommendations that relate to first aid training for security operatives in Volume 2 of the report of the Manchester Arena Inquiry.

Compliance and inspections

Our Compliance and Inspection investigation officers work in six regional teams based across the UK. Their purpose is to ensure that individuals and businesses who are supplying private security industry services under contract comply with the Private Security Industry Act 2001, and by doing so contribute to public safety. We divide the work of the teams between compliance investigations and risk and intelligence-led inspections.

We issue sanctions, including advice, formal warnings, and improvement notices when we identify non-compliance. In more serious cases we collate evidence to support and inform

actions to suspend or revoke individual licences, refer cases for criminal investigation, or review the status of businesses within the Approved Contractor Scheme.

We continue to work closely with statutory partners including police forces, HM Revenue and Customs, and local licensing authorities to achieve our regulatory objectives.

Over the last year we continued to increase our visibility and be proactive in our engagement across the private security industry. This was the core aspiration in our revised compliance, supervision and enforcement strategy. This activity is targeted using incoming reports and developed intelligence to maximise impact. The increase in inspection and enforcement resources has enabled us to deliver on this.

During 2023-24 we conducted 196 separate inspection operations. We based 46 of these operations on specific intelligence and directed 150 towards areas of risk we identified in our strategic assessment process. 58 of our inspections were led by partners, or in direct response to an issue highlighted by partners. In addition, our teams carried out checks on 500 individual licence holders during our case investigations.

UK Government and Scottish Government Ministers accompanied us on inspections to observe our work and better understand the role of security operatives in managing people in vulnerable situations.

Our combined inspection activity resulted in us carrying out checks on 6,802 individuals deployed by 1,124 security providers at 1,322 different sites and venues.

We significantly exceeded our target level of activity in our compliance investigations, which is indicative of the priority that we place on this area of work. In addition to the investigations brought over from the previous year, we opened 1,185 new compliance investigations (against a target of 840) and satisfactorily completed 1,238 investigations (against a target of 820) during the year, having addressed the intelligence and/or risk. We completed 82% of investigations within four months, exceeding our target of 80%.

Our strategic assessment process again identified festivals, large outdoor events and venues with large footfall as being an area of risk. This is founded in the very significant fluctuation of demand for security operatives during the festival season. This can lead to principal contractors having to adopt multi-layered and extended supply chains to meet resource demands. These can result in exploitation, unlicensed operatives being deployed, and abuse of employment status and cash-in-hand payments to circumvent tax and revenue legal obligations. Our teams of investigators collaborated with event organisers, security suppliers, local authorities, safety advisory groups and the police in the planning stages of 34 major festivals and events across the UK (an increase on the 19 festivals/events we inspected during the previous year) to ensure that private security operatives were appropriately licensed. This greatly

enhanced our intelligence picture in respect of these venues and events and will further focus the direction and nature of our planned activity for the coming year.

Intelligence and partner work

We rely on intelligence and information generated from inspections and our other regulatory activity, as well as reports made by members of the public, the private security industry, our partners, and a wide range of other sources. This flow of intelligence and information ensures that we can take swift action where we need to as well as contributing to a relevant, accurate and timely intelligence picture. Our analysis and identification of specific threat, risk, harm, vulnerabilities, and opportunities drives the deployment of our resources and actions.

Our Intelligence function works collaboratively with the rest of the SIA through our tasking and coordination processes. These range from daily meetings regarding the highest risk issues, monthly meetings to coordinate operational responses via the Tactical Tasking and Coordination Group and our bi-annual Strategic Tasking and Coordination Group which determines organisational priorities based on the intelligence picture.

This year, our annual strategic threat assessment determined that our four key strategic threat areas remain the same, with the addition of two cross-cutting themes:

- Protecting the public
- Integrity of individual licensing
- Integrity of the Approved Contractor Scheme
- Serious and organised crime within the private security industry
- Labour exploitation (cross-cutting theme)
- Training malpractice & fraud (cross-cutting theme)

We use the strategic Management of Risk in Law Enforcement (MoRiLE) risk assessment and prioritisation tool as part of this process, aligning our intelligence processes to those of our law enforcement partners.

During 2023-24, we assessed and processed 7,124 pieces of information and intelligence overall. Of these, 5,347 intelligence reports and concerns were related to our strategic priorities or high-risk issues, which is an increase of 10% when compared to last year. We continue to see a year-on-year increase in the proportion of high-risk intelligence which demonstrates that we are collecting valuable information on the issues that present the most risk to the industry. We risk-assess all reports against our strategic intelligence priorities and, where appropriate, allocate them for further exploration and/or action. We classed approximately 75% of all intelligence reports that we received in 2023-24 as high-risk intelligence.

We have worked hard to maximise opportunities and achieve greater impact and effectiveness through partnership working. Our Information Sharing Agreements and Memorandums of Understanding

provide a framework for the timely sharing of information and intelligence and collaborative working opportunities.

This year we received over 1,458 requests for information and disclosures of intelligence from partners. This is an increase of almost 9% compared to the previous year. We shared over 1,876 information and intelligence exchanges with partners, which is an increase of 15% compared to last year.

Criminal investigations

The vast majority of those working within or alongside the private security industry know about the requirements of the Private Security Industry Act 2001. However, there are those who choose not to comply and who abuse the trust and confidence the public rightly expects to have in the industry. Where we need to, we have the will and capability to prosecute offenders, not just for offences under the PSIA but also for other offences where the regulatory regime is undermined and where the public have been put at risk.

At the end of the year, we had 49 live criminal investigations into 73 businesses and 182 individuals.

Last year, 46% of our criminal cases involved offences under the Act. 54% involved wider criminal activity within the industry. This included complex and serious offending under the Fraud Act 2006, the Identity and Documents Act 2010 and the Forgery and Counterfeiting Act 1981.

This year, where we undertook a prosecution, 76% of cases resulted in a successful conviction. We prosecuted 52 individuals and thirteen businesses. Successful prosecutions this year have resulted in over £48,000 of fines, cost orders in excess of £40,000, over 1,000 hours of unpaid work, and 42 weeks of suspended custodial sentences.

Confiscation orders and the Proceeds of Crime Act

We are a 'designated body' under the Proceeds of Crime Act 2002 (POCA). This year, our team of accredited financial investigators exercised a range of powers under POCA to secure the assets of those who benefited financially from criminal activity. This included restraint orders designed to ensure the proceeds of criminal activity are protected prior to a court hearing. It also included production orders served on financial institutions to obtain financial information on those who we suspect have financially benefitted from their criminality.

This year we secured confiscation orders on £8,256 worth of assets gained through criminal activity. Confiscation acts as a deterrent to others and ensures that those who engage in criminal activity within the private security industry do not benefit financially from their crimes. It also limits the ability of individuals to use money gained through criminality to re-enter the private security industry as a new business.

Under the Asset Recovery Incentivisation Scheme (ARIS), over time the SIA receives 37.5% of the value of confiscation orders it secures under POCA. We use the cumulative ARIS funds for good causes connected with the security industry. This year we made awards totalling over £72,000 to seven charities and community groups whose work has an emphasis on public safety and/or violence reduction.

Our strategic themes

This is year one of our three-year strategic plan for 2023-26. In addition to our core activities of licensing, standards and compliance, we measure our progress against the six strategic themes set out in our strategic plan.

Regulating effectively

We will improve our effectiveness by focussing on improved public protection outcomes as we operate a robust, risk-based, licensing and compliance regime.

Regulating efficiently

We will provide value for money by spending well and being efficient in discharging our responsibilities and delivering our purpose.

Improving individual standards

We will ensure entry training and behavioural standards keep pace with public expectations and support the private security industry in taking responsibility for improving training standards further.

Improving business standards

We will work with the industry to improve the standards security businesses work to and promote the value of good standards in security provision.

Driving strategic partnerships

We will use our influence as a respected regulator and work jointly with key partners to secure compliance, drive higher standards and improved public confidence in private security provision.

Supporting our people

We will support our employees to give their best, perform at the highest level, continually improve their skills and fulfil their potential to ensure that we meet our public protection aims and deliver high quality services.

Achievements against strategic themes

Regulating effectively

Improving our effectiveness by focussing on improved public protection outcomes as we operate a robust, risk-based, licensing and compliance regime.

Improving individual licence holder communications

Ensuring our licence holders have access to clear, direct, and easy-to-understand information is a pillar of our external communications strategy. We continue to ensure that the customer journey within our online licensing system is as smooth as possible for applicants.

Our online services team have updated and improved messages on matters ranging from the reasons why an application is held for a risk check, to ensuring people are applying for the right licence. In the reporting period we made more than 280 improvements. The results of this work can be seen in responses to our application feedback survey. In response to the question “How well did we explain things in the messages we sent you?” 94% of respondents answered, “well” or “very well”.

We addressed some of the key reasons for contact from our licence holders via social media posts in our ‘Licensing

Matters’ series. This year we published 36 posts on topics such as finding a training provider, requesting a replacement card, and first aid training requirements.

Early in the year we also launched an updated series of guidance videos on YouTube. The videos take the form of a ‘How to’ guide to the licence application process. We then promoted them on our social media channels throughout the rest of the year. They have proved extremely popular and were watched 185,000 times during the year.

Sports grounds

We undertook to inspect at least 18 relevant sports grounds during 2023-24 to test compliance. This followed several round-table meetings with the Department for Culture, Media and Sport, the Sports Grounds Safety Authority (SGSA), the Home Office, the National Police Chiefs’ Council and the UK Football Policing Unit. These related to concerns over the application of the ‘sports ground exemption’ under Section 4(6) of the

Private Security Industry Act 2001. We carried out these inspections, where possible, in conjunction with SGSA Regional Inspectors. The aim was to ensure that contracted staff who were conducting licensable activity under the PSIA were appropriately licensed; also that contracted safety stewards were carrying out activities commensurate with their role. We met representatives of the English and Welsh Cricket Board, the English Football League and the Premier League ahead of the inspections to brief officials and foster positive relations.

During 2023-24, we carried out 33 inspections (against a target of 18) at designated sports grounds or grounds with certified stands, mostly those used for football. We also inspected live music events held at sports grounds. We engaged with Safety Officers at all the grounds, and Security Managers

where present. SGSA colleagues were invaluable in building the necessary network of contacts to achieve the aim of the programme. Where we identified activities as being non-compliant with the PSIA 2001, we worked with all parties to provide guidance and advice.

The Coronation

Our Compliance and Investigation teams took part in the planning and delivery of the security operation for the Coronation of Their Majesties King Charles III and Queen Camilla in May 2023. Our role was to work with the organisers and security contractors to ensure that they were meeting the requirements of the Private Security Industry Act 2001. Our teams were present at the events in central London and at Windsor checking the validity of licences and thereby contributing to public safety.



Regulating efficiently

Provide value for money by spending well and being efficient in discharging our responsibilities and delivering our purpose.

Data and digital strategy delivery

In June 2023, we concluded a significant competitive procurement exercise to choose a new commercial service partner to deliver and implement the transformation stage of our Data & Digital Strategy. This stage migrates our public-facing digital services to the Microsoft cloud platform, and amalgamates all the SIA's business data about people, organisations and locations on a common data platform. We entered into a new 5-year contract with Version 1 Ltd in December 2023.

In January 2024, we successfully upgraded our STeP licensing system to prolong its life until January 2026, by which time we will have completed the migration of both of our CRM systems to Microsoft Dynamics 365.

These steps are key enablers to unlock future efficiencies and make our licensing services even smarter and easier to use for customers.

We also started the work to simplify our computer network to reduce running costs and make it easier to support and manage the work to re-build our Disaster Recovery capability to increase the availability, reliability and resilience of our primary CRM business applications.

We also laid the foundations for our Common Data Platform and design of our services to improve technology

support for our front line compliance, investigation and enforcement work as well as supporting ACS approvals/accreditation work.

Our digital services have continued to be highly reliable with no significant system down-time this year, as reflected in our key performance indicator results.

We continue to act on user feedback to improve our digital licensing processes. We continue to act on user feedback to improve our digital licensing processes, including working to make our public-facing licensing portals more efficient and accessible in the future. We continued to liaise with the Home Office to plan for future Government initiatives including Digital ID and OneLogin.

Efficiency measures

This year we implemented a 3% efficiency and reduced our statutory licensing fee from £210 to £204. The fee payable by an applicant is now £184 (£20 lower) due to the licence rebate scheme, which is due to end in 2026.

We achieved cost and efficiency savings in line with KPI 2a ("Make savings of 5% or more against our planned expenditure across the 3-year cycle"). We have reduced the expenditure on contingent labour compared to previous years.

We have been able to mitigate against inflationary pressures on new and existing contracts through robust commercial negotiations by our procurement team. We now share our office space with two other agencies having successfully relinquished more than 20% of our space, leading to further cost savings. A review of the annual fee, in line with Managing Public Money, will consider the level of the fee with a view to implementing any changes.

We set a new medium-term efficiency strategy for the three-year period. This aims to counteract the end of the licence fee rebate scheme of £20 in 2026. This includes a range of measures targeting specific areas of expenditure for sustainable cost reductions. We are ensuring this takes into account the feedback and recommendations from the Public Bodies Review, which is due to conclude in the early part of the new financial year.

Improving individual standards

Ensuring entry training and behavioural standards keep pace with public expectations and supporting the private security industry in taking responsibility for improving training standards further.

The Security Industry Skills Board

The industry-led Security Industry Skills Board made significant progress this year.

Our role has been to support and facilitate its creation and development in the early stages. It is rightly now industry-led and focussed on post-entry training and professional development. We are fully supportive of the aims and objectives of the Board and know regulator endorsement is critical to its success and in the early stages of development of the first work streams and projects it has commissioned.

The Board held a successful industry skills launch summit in June 2023. Over 60 leading security businesses and organisations signed the 'skills pledge', recognising the importance of providing development for their staff and committing to improving learning opportunities.

We funded the research for and supported one of the first projects - the development of a profession map for the sector. This product will help businesses and operatives identify the skills, knowledge, and behaviours required for roles across the industry, and feed into clear career pathways for individuals.

The Skills Board has produced a business plan for its future activities. Significantly, it has formed as a separate entity, and has already commissioned and funded research that will identify current and future skills needs across the industry.

Apprenticeships for industry operatives

A major industry achievement, which we supported, was the approval of the first ever apprenticeship for professional operatives in the security sector. The industry 'trailblazer' group that

developed the apprenticeship ensured that a broad range of industry views was represented in the final apprenticeship standard. The apprenticeship is available now and is supported by significant government funding.

Improvements to training requirements

We introduced changes that meant in March 2024 'spiking' was added to the Door Supervision training requirement. The new content will ensure that prospective door supervisors will know more about the prevention and identification of spiking incidents, as well as actions to take as part of their entry training. Other improvements include changes to the assessment of safety-critical areas including searching. We worked collaboratively with awarding body partners to introduce these improvements

Unannounced visits to training providers

We identified 332 issues at the 107 unannounced visits to training providers this year. We followed up these issues with awarding organisations, who closed six training centres. This programme of unannounced visits has enabled us to work with awarding organisations and Ofqual to clamp down on malpractice and ensure improvements to the quality of assessment of qualifications.

Review and renewal of qualifications specifications

We refreshed our approach to the way in which we review qualifications

content. In future we will be making smaller public safety-critical changes to curriculum requirements as needed, annually reviewing them internally, ensuring that the periodic major reviews are supported by more regular ongoing reviews and improvements where possible under the existing specifications.

Enhanced training in line with recommendations in the Manchester Arena Inquiry Volume 2 report

We worked with partners including the Department of Health and Social Care (DHSC) and the Health and Safety Executive (HSE) to implement recommendations from the Manchester Arena Inquiry relating to enhanced First Aid training for security operatives. We are working with the HSE on a sector-specific amendment to the Emergency First Aid at Work certificate that includes some of the additional skills recommended by the Inquiry.

Industry 'We Belong' Equality, Diversity, and Inclusion (EDI) initiative

As part of our commitment to supporting improved inclusivity within the private security industry, which is still male dominated, we have been working closely with representatives from security trade bodies, trade unions, and security businesses. The wider gender-inclusivity aim of the 'We Belong' campaign is to establish a bespoke security industry code of practice. This collaboration is leading the way in ensuring that front line officers in the industry feel a greater

sense of belonging and that their employers do more around their wellbeing in the job.

We intend to support and endorse the principles in the security EDI code of practice along with the leading companies on the forum. It is designed to be available to all companies, large and small, to adopt, actively promote, and embed into their workplace culture alongside their individual commitments to EDI.

Industry demographic data and characteristics

We publish data each month on the number and nature of licence applicants, licence-holders and approved contractors. This includes data on age, gender, nationality, licensing sector, and UK region.

In addition, we have carried out more work on the data we have collected showing the demographic make-up and characteristics of licence-holders. We did this to understand our changing licensed population and serve them better in our services. We completed our discovery phase at the end of the year and will act on and publish our findings in due course.

Effective criminal record checks

We currently require standard Disclosure and Barring Service (DBS) criminal record checks as part of the process for seeking an SIA licence in England and Wales (and the equivalent from Disclosure Scotland and Access NI Northern Ireland).

The independent Bailey Review recommended to the Home Office in 2023 that enhanced DBS checks, together with barred lists checks, are made mandatory for those applying for, or renewing, a Door Supervisor or Close Protection licence.

Since the Review published its report, we have continued to work with the Home Office to explore the implications of this, should the Home Office agree to introducing them. These recommendations would require legislative change to be implemented.

Guidance and welcome pack

SIA licence holders have a vital role to play in keeping the public safe. We continue to publish accessible guidance on the core behaviours we expect and reminders of key areas from the entry-level training.

We recently promoted best practice in preventing spiking and looking out for people in vulnerable situations. We are working closely with industry experts to produce guidance for licence holders on how to properly conduct searches. The guidance is being reviewed and will be published early in the new financial year.

We have been scoping the feasibility of a digital welcome pack for licence holders. We will make a recommendation on how best to deliver this in 2024-25.

Recognising achievement within the private security industry

One way of increasing public confidence in security is by recognising and publicising good practice, high standards of achievement, and individual acts of heroism by security personnel.

We use our social media channels to showcase significant achievements by individuals within the regulated sector. Highlights this year included International Security Officers' Day on 24 July. We ran a campaign - #BehindTheBadge - which told the inspirational stories of four SIA licence holders.

In addition, we launched a series of individual stories to mark 20 years of regulation of the private security industry. The '20 voices for 20 years' stories have performed particularly well on social media with an above-average engagement rate.

Industry-led award schemes also play an important role in recognising the individual and collective achievements of security officers and the role they play in public safety. In the past year, the SIA has supported and spoken at industry award events including the ACS Pace Setters 'Security Officers of Distinction' awards, the British Security Industry Association (BSIA) awards, the Women in Security Awards and the Outstanding Security Performance Awards (OSPAs).

Improving business standards

Working with the industry to improve the standards security businesses work to and promote the value of good standards in security provision.

Business Approval Scheme

We examined, reviewed, and refreshed our strategy for approving businesses, following the news from the Home Office that business licensing would not be moving forward. We decided that we needed to make changes to the existing ACS business approvals scheme to ensure it was fit for purpose 15 years later, and more focussed on public protection outcomes.

The SIA Board approved the refreshed strategy for this in July 2023. We mobilised a team and developed principal areas of change for redesign

for a new business approval scheme for the future.

We shared our ideas for a new scheme at a series of roadshows across the UK including in Manchester, Glasgow, Belfast and London, and in online workshops. We also engaged the industry-led 'Network' and our special interest groups to produce a high-level scheme design for initial public consultation.

The consultation ran from February to April 2024 to test the support for the direction in which we are taking the scheme and offered the opportunity to suggest areas we had not included.

The initial results of the consultation showed positive levels of agreement with our proposed direction. The consultation results were published on our website in July 2024.

The next stage is to develop a scheme design proposal, informed by the public consultation feedback and further industry engagement during 2024-25. We have established an expert advisory group to support this body of work.

Over the next year, we will be developing and testing our scheme design before hosting a second public consultation and seeking the necessary Government permissions to go forward.

Buyers

We continued with our series of 'drop-in' style online events for buyers of security. One of the main benefits of the ACS is the additional assurance it provides to those who buy the services of companies who are part of the scheme and therefore committed to

quality. We carry out events and other educational activities for buyers and other stakeholders about the benefits of using SIA approved contractors.

In addition, we continue to promote the ACS generally to buyers at events and security conferences. We have begun to work more closely with local authority partners who procure security services. We are supporting them in realising the benefits of using approved contractors.

Guidance for businesses

This year we launched and promoted an updated ACS Self-Assessment Workbook. This is an interactive tool to enable SIA approved contractors to assess how they measure up against the ACS criteria.

We also launched SIA Learn to support ACS contractors to manage the learning and development of their staff. These initiatives support an increase in the consistency of quality service delivered by security businesses.



Driving strategic partnerships

Using our influence as a respected regulator and working jointly with key partners to secure compliance, drive higher standards and improved public confidence in private security provision.

Section 19 powers

Section 19(2) of the Private Security Industry Act 2001 enables the SIA to authorise third party organisations to demand the production of an SIA licence from private security operatives undertaking licensable activity. This significantly enhances the overall capability of the SIA and partners to check compliance with the legislation and contribute to the shared aim of improving public safety. Extending this power to authorised third party organisations also assists us in increasing intelligence flow concerning the activities and operations of security businesses, individual licence holders, and venues.

We undertook to increase the number of organisations authorised to exercise this power by 15% during 2023-24. We surpassed that target and achieved an increase of just over 30%, taking the total number to 133 external organisations. We will continue to work in the coming year to encourage a further uptake by local authorities and other partners, and to evaluate the volume and quality of intelligence arising from the use of the powers.

Data sharing with police

In May 2023, we signed a data-sharing agreement (DSA) with the National Police Chiefs' Council (NPCC).

The DSA formalises the arrangements, and the legal basis, for the sharing of information between us and police forces in England and Wales. It presents a significant step forward in enhancing our regulatory capability; in particular the ability to take proactive action against licence holders who no longer meet the fit and proper criteria due to their offending or conduct. We are developing similar data-sharing arrangements with Police Scotland and the Police Service of Northern Ireland.

Inspections with partners

We initiated a significant increase in our partnership engagement and joint activity during 2023-24. Of the 196 large inspections we conducted during the year, 58 were led by partners. Many others were in direct response to requests for joint working from partners. This is the highest number of joint inspections we have ever conducted in a single year.

These partners included police licensing teams, local authority licensing officers, and HM Revenue and Customs officers. We conducted these inspections to ensure public safety by checking compliance with the Private Security Industry Act 2001, the adherence of venues to licensing conditions, and the lawful employment status of security operatives deployed at sites.

Strategic Threat Assessment

We refreshed our strategic threat assessment in March 2024. As in previous years, we collated a range of data from across the organisation, including insights from business leads and risk assessments taken from MoRiLE (Management of Risk in Law Enforcement) scoring.

We identified that our four strategic threat areas remain current, with some slight amendments to sub-threat areas to better reflect the current risk. We adopted two new cross-cutting themes: labour exploitation and training malpractice and fraud. These will both be strategic intelligence requirements for us in the coming year. However, we need to better understand the risk that they pose and the action that we can take to address this within our regulatory remit.

We will be sharing the strategic threat assessment with our partner agencies to increase information sharing with us and opportunities for collaborative working on areas of mutual interest. This increases the effectiveness of our shared actions.

Intelligence feeds

Our ability to exchange information efficiently with other agencies has a direct impact on our ability to act quickly, correctly, and effectively. During 2023, we exchanged information with a wide range of partner organisations including the police, His Majesty's Revenue and Customs, local authorities and Home Office departments. Overall,

we saw a slight increase in the number of exchanges with our partners.

We delivered training across the organisation to improve our internal intelligence feeds and ensure our licensing, approvals, and compliance teams are joined up. This has led to an increase in the number of submissions this year.

We continue our external engagement work with a range of partner agencies to encourage greater intelligence sharing. We see the positive impact of this approach through increased communication, information sharing, and collaborative working extending to partners including the Gangmasters and Labour Abuse Authority (GLAA), Home Office Immigration, and qualification awarding organisations.

Working with partners against terrorism

Our strategic and tactical engagement with Counter Terrorism (CT) Policing across the UK continues to grow through our dedicated Counter Terrorism Intelligence single point of contact (SPoC). This role not only provides the opportunity to demonstrate our functions and capabilities with regard to counter terrorism, but also enhances our capability from an intelligence and operational perspective.

We are building new relationships. This widens our footprint and provides the tactical ability to deliver robust enforcement in support of our role in protecting the public against a terrorist attack.

We have successfully moved the SIA-created ACT (Action Counters Terrorism) security specific eLearning within CT Policing's ProtectUK platform. This has the intended consequence of directing those within the private security industry towards their website and the wider help and assistance that it provides. It also lends wider government credibility to the mandatory ACT training.

We are continuing to develop an information sharing agreement (ISA) with the National Counter Terrorism Intelligence Board. We also have a further police-initiated ISA nearing sign-off with the PSNI. Specific ISAs allow for a more fluid intelligence sharing process, speed up SIA and police response, and remove legal barriers in support of ongoing investigations and operational activity.

Working with partners to fight serious and organised crime

Over the course of the last 12 months, our Serious & Organised Crime (SOC) Intelligence SPoC has brought many benefits regarding our partnership approach to this threat area. These include helping to protect the private security industry from SOC and raising awareness of our SOC role and capabilities, as well as further developing effective working relationships with partner organisations within the area.

This year, we have embedded this role into the Regional Organised Crime Unit (ROCU) network. This has enabled closer cooperation, understanding and collaboration between us and

the network. This regular contact and exposure with relevant police and partner agency colleagues has led to a more effective, joined-up SOC approach that has helped to deliver a broad range of positive outcomes.

Our increased focus in this area this year has aided our abilities, alongside partners, to identify, disrupt and tackle SOC offending in the private security industry. This includes suspected fraud and immigration offences, money laundering and labour exploitation, as well as drugs offences, violence, coercion and intimidation.

Violence against women and girls

We continue inspection activity across the UK to support our strategy to tackle violence against women and girls. This ranges from specific intelligence-led compliance checks through to national operations. We are part of the multi-agency "Reframe the Night" enforcement initiative run by the City of London Police. This involves several partners responsible for safety in the night-time economy. We were delighted that the then Home Office Minister was able to accompany our Chair, Director of Inspections and Enforcement and team on one of these inspections.

We also contribute to the Scottish Government's Equally Safe strategy, the Northern Ireland Executive Office's Ending Violence Against Women and Girls strategy, and the Welsh Government's strategy to tackle violence against women, domestic abuse and sexual violence through local partner work by our regional investigators.

Our regional investigation teams undertook a range of inspections and engagement work across the UK over university freshers' week. Our teams spoke with SIA licence holders, security suppliers, venues, and higher education sites. We are involved in the safety advisory group process for many of the UK's largest festivals and conduct inspections at these events.

We continue to work with Safer Business Network and Highfield Training on the Welfare and Vulnerability Engagement (WAVE) e-learning. This launched in February 2024, and more than 2,000 SIA licence holders have taken part. The WAVE e-learning complements existing content within our licence-linked qualifications. We also support the National Business Crime Centre's (NBCC) Safer Spaces initiative Operation Portum and promote it to the security industry. Through our secondee at the NBCC we have also assisted in delivering Safer Business Action Days across the country. These involve working with police, private security, businesses, Business Improvement Districts, and Business Crime Reduction Partnerships to tackle prolific offenders who cause harm to local town centres.

We support and amplify existing campaigns by partners relating to violence against women and girls, including the Home Office's 'Enough' campaign as well as producing our own bespoke content for public safety campaigns for freshers' week, festivals, and the Christmas and New Year period.

Northern Ireland Safer Socialising steering group

During 2023, we became a permanent member of the Northern Ireland Safer Socialising steering group in the Executive Office, Stormont. Other participants in the meeting include senior police officers, officers from the Executive Office, a member of the Safeguarding Board Northern Ireland, and a representative from Hospitality Ulster.

The objective of the group is to enable closer collaboration between key stakeholders to improve the safety of those socialising or working in the night-time economy in Northern Ireland. It also intends to identify issues of concern, solutions or initiatives that may improve public safety. The original focus of the group was to address violence against women and girls. This has now been widened to take account of other public protection harms.

We welcome the opportunity to contribute to the group as evidence of our continued commitment to extending our reach, influence and contribution to public safety through effective regulation to all parts of the UK.

Research into the efficacy of training

In this business year we conducted research to evaluate how effective the licence-linked training is in equipping operatives for the workplace. This work has been important in verifying the usefulness of key aspects of the training.

The results of this are generally positive, with some pointers for improvement.

Promoting workforce mobility between sectors

We continue working with the Sports Grounds Safety Authority (SGSA) to seek a pathway for qualified stewards to use parts of their accredited training to count towards becoming licensed as door supervisors.

Public safety and compliance campaigns

Throughout the reporting period we have leveraged partner relationships to amplify our messages highlighting the professionalism of the industry and its role in supporting public safety.

In spring 2023 we launched the first of our annual public safety campaigns to mark what would turn out to be a very busy events and festivals season. We ran an extensive social media campaign in the lead-up to the Coronation. We promoted increased vigilance to the public during the celebrations, while thanking SIA licence holders and reminding them to stay alert. We also promoted the extensive work of the SIA Inspections and Enforcement team and our role in the Safety Advisory Groups coordinated by local authorities to ensure safety and welfare at large events.

For International Stamp Out Spiking Day on 14 July 2023 we collaborated with the charity Stamp Out Spiking to promote guidance and training on how to prevent, spot, and respond to incidents of spiking.

In the autumn we kicked off our second seasonal public safety campaign with a focus on university freshers' week. We created and launched an infographic video explaining the ways in which Door Supervisors are trained to help. We posted material to remind operatives and venues of their safeguarding duties, including our 'Protecting Vulnerable People' video.

In the winter we collaborated with Counter Terrorism (CT) Policing communications on their #BeSafeBe Sound campaign. One simple but highly visual post from CT Policing about working with security operatives and the SIA for public safety generated above-average likes and shares across our platforms.

Stakeholder engagement

Open dialogue and trust between the industry and the regulator is important in achieving effective regulatory outcomes.

We maximised opportunities to reach diverse industry audiences, and hear the views of individual licence holders, by speaking at and attending a range of industry events and conferences across the UK. We maintain conversations with individual and business stakeholders through online activities, events, webinars, and using LinkedIn, Facebook, and X (formerly Twitter).

This year's SIA Stakeholder Conference marked 20 years since we were established. The focus was on 'building, learning, and adapting to new challenges in supporting public safety'. The in-person event attracted 200

delegates from across the industry, the SIA's partner organisations, and other stakeholders to discuss public safety and the regulation of private security in the UK. Sarah Dines, MP, the then Minister for Safeguarding, delivered a video address.

Key themes of the conference included: raising standards of professionalism and training; protecting the public from terrorism; and equality, diversity and inclusion in the industry. The benefits of working in collaboration to raise standards in public protection were high on the agenda. We received positive feedback from delegates on the day and on social media.

Approved Contractor Scheme (ACS) uptake

Despite some fluctuation in number in 2023-24, 91% of the top 65 security companies (as listed by industry news site Infologue) are SIA approved contractors.

As part of our ongoing ACS improvement work, we are liaising with companies to understand better how they view being an SIA approved contractor and how the current scheme can best support their business.



Supporting our people

Supporting our employees to give their best, perform at the highest level, continually improve their skills and fulfil their potential to ensure that we meet our public protection aims and deliver high quality services.

Our people

We are a small but growing organisation licensing hundreds of thousands of people, regulating a substantial industry and raising standards in a complex landscape. Everything we do is ultimately delivered through our workforce. By continuing to ensure we have the capacity, skills and culture we need in the SIA, we will be able to continue our work to protect the public.

2023-24 was the first year of our People Strategy supporting our Strategic Plan 2023-26. The People Strategy focuses on six priority themes: the employee journey; supporting employees to realise their potential; developing inspirational managers and leaders; pay, reward and recognition for our employees; one inclusive workforce; and a quality HR service for everyone. Our people must be at the heart of our approach and our people strategy recognises this. We have made good progress against the objectives set in line with our delivery plan, with 8 of 31 objectives now complete and 22 in progress for delivery when reviewed at 31 March 2024.

Recruitment and induction

The SIA needs to be able to attract and retain the right talent to achieve its objectives. We have committed to improving recruitment and induction

for applicants, line managers and onboarding staff to support this outcome. In 2023-24, we brought the majority of our recruitment activity in-house to achieve better value for money.

We continue to work on fully implementing the in-house recruitment model and applicant tracking system, which is not yet optimised. We have put a plan in place for the first quarter of 2024-25 to act on feedback from the first year of the new model and make additional improvements.

We introduced a new induction process in September 2023 with more flexibility to support continuous onboarding of staff and a greater focus on updated e-learning content. We are supporting this with new induction checklists and a resource dedicated to onboarding in the Recruitment and Learning and Development Team.

Strategic workforce planning

It is important that we maintain turnover at a manageable level through effective workforce and succession planning, to ensure that we have the capacity and capability we need to deliver our objectives. Turnover has been stable in 2023-24 and within the retention target we set of 85%. The SIA was subject to a Government Internal Audit Agency (GIAA) consultancy internal audit on our workforce planning

development in 2023-24. In the past, the SIA has taken an annual approach to workforce planning as part of business planning. The audit provided recommendations which will assist us in moving to a longer-term approach in 2024-25.

Performance management

We are keen to ensure consistent performance management to drive increased personal responsibility for self-development. We have modified our staff appraisal process to focus on behaviours and our values, as well as performance against objectives. We introduced a new learning management system to support better development planning for all staff in future.

Leadership and management development

We want to have a good leadership and line management cadre with the requisite knowledge and skills, supported by aspiring, motivated staff. In 2023-24, we have embedded our leadership charter in the performance appraisal process for all senior managers, to ensure our values are upheld at a senior level. We continue to deliver appropriate technical training for specialists in our workforce. The technology products we have introduced as part of our digital tools project help ensure our staff have a range of productivity tools to help them in their work.

This year we have been working on the development of a new leadership and management training programme. We have identified a commercial partner to support us in this work. The programmes “Symphony” and “Chorus” are now in development ready for delivery in 2024-25.

Pay and reward

We want our employees to be, and to feel, fairly rewarded for their knowledge, experience and performance. In 2023-24 we were pleased to be able to give a 5.95% pay award to the lowest paid in the organisation, and an award between 4.5% and 4.95% to other staff. We also revalorised our pay scales for grades C-H (non-Senior Civil Service equivalent staff). We work constructively with the recognised trade union on collective bargaining and have continued to maintain a cost-of-living plan that focuses on pay and reward, wider employee benefits, signposting staff to support, and financial stress as a wellbeing issue. We continue to explore options to improve our pay framework for the future in line with Cabinet Office guidance.

Human Resources (HR) continuous improvement

We recognise that there is work to do to ensure our core in-house HR services meet our needs, and we have a rolling continuous improvement plan in place. Our focus in 2023-24 has been on ensuring we have the right skills and experience within the HR Team, improving how we use management information and data analytics, and

introducing new IT systems. We now have a full team and have improved the capacity for HR Operations to business partner with each of our directorates. This is supported by regular monthly people reporting. We have also recruited a pay and reward expert and an associate non-executive director with HR expertise to support our People Committee.

In 2023-24 we have implemented a new enterprise resource planning system for HR. This has improved functionality to enable higher quality management information to inform management decisions and provided better access to training and development activities in one place. We continue to refine the system based on staff feedback to ensure it is as effective and efficient as possible in the longer term.

It is important to ensure that the policies we use are legislatively compliant, up-to-date, and fit for purpose for our needs. We have invested in additional expert resource in 2024-25 to update critical policies including our pay, organisational design, flexible working, and working arrangements policies.

Staff Code of Conduct

As public servants, funded by the licence payer and acting on behalf of the public, it is essential that our own staff demonstrate the highest levels of personal and professional behaviour. This is critical for maintaining the trust and confidence of the public, our partners and industry stakeholders. Our existing staff Code of Conduct was

over 15 years old. This year we brought the code up to date to incorporate organisational learning from the last ten years and to reflect and complement our current organisational values.

The result is a code which is more engaging, accessible, and easily understood by staff. It also includes more on contemporary issues such as the use of the internet and social media. Importantly, it has also provided an opportunity to ensure that our standards of behaviour reflect the current sentiment of the public in relation to the standards they expect of those who hold public office.

Digital tools

We now have access through new technology products for SIA staff to use a wider range of productivity digital tools to organise and carry out their work.

These include better digital tools for:

- scheduling and managing appointments
- project work
- accessing, sharing, and collaborating on files
- note taking
- task management
- custom chatbots for MS Teams
- intelligent video creation and editing
- creating newsletters and presentations
- audio conferencing for up to 250 phone attendees
- diary management
- creating, editing, sharing, and co-authoring diagrams and flowcharts

Our inclusive culture

We have a strong vision for an inclusive culture at the SIA. We need and want a culture where difference is valued, respected and used positively, and our people are and feel included.

Our commitment is to ensure that we are a great employer that values and welcomes the different backgrounds, ideas, identities, skills, behaviours and experiences of our people. We are outward-looking and understand and appreciate the diversity of the private security sector we regulate. Internally we will have a workforce which is inclusive and diverse, and where employees fully represent and understand the public that we serve. We have several active staff networks supporting this.

In addition to a 52:48 female to male gender split, with over a third of our workforce located outside of London and the South East, 65% declare as white. The SIA is extremely proud to have over 35% of its own workforce identifying as being from all other ethnic groups combined, which is higher than many other parts of government (the civil service average is 15%) and higher than the UK national average of 19.3%. This ratio is however, as in many organisations, lower at senior leadership levels, which is one of the areas we are working on.

We continue to evolve our approach to employee engagement and are partnering with an external organisation to support us in introducing an employee forum in 2024-25.

We continue to use a range of forums - staff survey, staff networks and the EDI Committee - to ensure that employee voices are heard in decision-making within the SIA.

We seek feedback annually from our employees through a survey and are committed to acting on the themes identified to inform our people approaches for the future. The response rate to the survey in 2023-24 was 70% (229 of 327 staff completing).

The overall survey result score (average score against the 11 themes) was 76.9% (76.3% in 2022-23). The highest-scoring theme was empowering and supporting others (84.5%) and the lowest was building capacity (71.8%).

Environmental, social and community performance

Sustainability

We are committed to working to ensure that we take proper account of the impact of our activities on the environment. Performance in relation to greenhouse gas emissions, waste management and finite resource consumption is set out in the following tables. We are dependent on building-wide arrangements under the control of, and provision of this data from, our landlords the Government Property Agency (GPA).

Consumption has increased post COVID-19 due to the increased attendance in the building but still remains below pre-COVID-19 levels. Our workforce consists of office-based and remote workers and currently occupies part of one floor of a shared Government hub building.

The Greening Government Commitments set out the actions UK government departments will take to reduce their impacts on the environment in the period 2021 to 2025.

We have adopted a working arrangements policy, based on our estates strategy, under which individuals should attend the office 1-2 days per week and for engagement activities such as team meetings, inductions and large meetings. Part of our estates strategy means reducing the space we occupy decreasing both energy consumption and waste production.

Sustainable procurement

Our sustainable procurement policy is to ensure we meet our needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis whilst minimising damage to the environment. We use Crown Commercial Services framework contracts for the majority of our procurement. We invite tenders for goods and services through 'Buying Solutions'.

Our future strategy

We are committed to reducing our impact on the environment in line with the Greening Government Commitments and will continue our efforts to reduce our greenhouse gas emissions.

The SIA is working towards Net Zero by 2050 and adapting to climate change by doing the following:

- in line with our data and digital strategy, automate and improve our IT processes where possible in order to further minimise the use of paper.
- procure sustainable technology and digital services with the aim of achieving long term value for money with traceability of ICT at end of life
- climate-resilient design incorporated into relevant projects – support GPA’s project to remove gas from our energy supply and make the building we occupy Net Zero
- with over 30% of our licence holders, ACS companies, and industry

stakeholders concentrated in and around London and the South East, the continued location of the office in Canary Wharf facilitates easy travel by public transport to in-person visits and stakeholder events

- implement measures targeting the reduction of energy consumption and minimising waste including the removal of single-use plastic
- reducing our office space by a further 30% in 2024-25, taking us to a total of 50% reduction. (subject to GPA controls)

Other targets or sub-targets identified by the Greening Government Commitment are not deemed to be relevant to the SIA.

The SIA does not currently own, hire or lease car fleets.

Performance in relation to greenhouse gas emissions, waste management and finite resource consumption is set out in the following tables.



Table 2: Greenhouse Gas Emissions

	2023-24		2022-23	
	Consumption kWh	Cost £	Consumption kWh	Cost £
Direct Emissions	—	—	—	—
Indirect Emissions				
Electricity: Non-renewable*	—	—	—	Not available
Electricity: Renewable*	316,705	Not available	378,370	Not available
Gas*	10,670	Not available	8,418	Not available

* The building occupied by the SIA has moved from a non-renewable tariff to 100% renewable green tariff.

Table 3: Official Business Travel

	2023-24		2022-23	
	Consumption CO2	Cost £	Consumption CO2	Cost £
Private Fleet Business Travel	Not available*	161,767	Not available*	157,890
Rail Business Travel	Not available	155,062	Not available	49,504
Other Business Travel	Not available	62,240	Not available	40,377
Total Business Travel	Not available**	379,069	Not available**	247,771

* Third party supplier unable to provide CO2 data.

** No information to report on air travel.

Table 4: Waste Minimisation and Management

	2023-24		2022-23	
	Consumption Kgs	Cost £	Consumption Kgs	Cost £
Hazardous Waste	—	—	—	—
Non-hazardous Waste:				
Landfill	—	—	—	—
Recycled/Reused*	1,727	Not available	4,100	Not available
Incinerated	—	—	1,900	—
ICT waste recycled, reused and recovered (externally)	Not available	Not available	Not available	Not available
Waste incinerated with energy recovery	1,768	Not available	Not available	Not available
Waste incinerated without energy recovery	Not available	Not available	Not available	Not available
Waste composted/ food waste	244	Not available	Not available	Not available
Total Waste	3,739	Not available	6,000	Not available

* Where information is stated as 'not available' our landlord was unable to provide this information.

Table 5: Finite Resource Consumption

	2023-24		2022-23	
	Consumption M ³	Cost £	Consumption M ³	Cost £
Water Supply*	783.4	Not available	716.6	Not available

* Based upon calculations supplied by the landlord in relation to the proportion of SIA usage against that of the whole building. Average water usage per person remains proportionate to the number of people in the building. The Facilities team at the SIA has outlined measures to employees on methods to reduce our use of water and has made suggestions to our landlord on how to cut water usage across the whole building.

Our landlord has been unable to supply information for the SIA to fully report against requirements in this section. We will continue to seek this data from our landlord in the next financial year to meet the requirements.

Recycling

We continue to maintain a reduced rate of printing. We have managed to reduce our printing paper usage from 597,500 sheets of paper in 2017 (office printing alone - home printing figures were not available during this time period) to 173,750 sheets of paper in 2023 (office and home printing). This decrease in printing paper usage means we currently exceed the 50% reduction requested by the Greening Government Commitments.

Procurement

We invite tenders for goods and services through 'Buying Solutions' provided by the Crown Commercial Service.

Approved Contractor Scheme (ACS)

In seeking ACS status, companies must comply with a set of corporate and social responsibility standards, which are laid out in the accreditation guidance. In this way we actively promote corporate and social responsibility in the regulated sector.

Equality and diversity duties

In September 2023, we agreed our Equality, Diversity and Inclusion Strategy which set out our vision, commitment and objectives and supports our People Strategy. This is complemented by a three-year action plan. We take seriously our duties under the Equality Act 2010.

We are an equal opportunities employer. We give full and fair consideration to all applications for employment, and we welcome applications from everyone, regardless of race, sex, disability, sexual orientation, religion or belief, age, marriage and civil partnership, gender reassignment, pregnancy and maternity.

We pay regard to the particular aptitudes and abilities of people with disabilities. We continued the employment of, and arrange appropriate support for, our employees who have a disability during the period. We support the career development and promotion of disabled persons that we employ.

We have a culture that champions and is based on inclusion. As an employer, the diversity of our employees, including their backgrounds, experiences and locations enriches us and enables us to better carry out our services to licence-holders and our role as a regulator. We value the skills and qualities each employee brings with them into the organisation. We are proud of the diverse nature of our organisation and continue seeking to develop a culture within our organisation that reflects our strong values surrounding the importance of inclusion in our work.

Financial review

Overview

The SIA operates on a three-year licensing cycle, with two high years and one lower year. Financial year 2023-24 is the end of the first year in the cycle which is a higher volume year. The outcome for 2023-24 was an operating deficit of £0.7m (before interest and tax), which is £2.3m less than the forecast deficit, and £2.1m more favourable than the prior year position (where we reported a deficit of £2.8m).

To ensure that we do not hold unnecessary reserves, we applied a reduction to the individual licence fee in April 2020, reducing the price from the statutory fee of £210 to £190. We funded the reduction, which was agreed by HM Treasury, from accumulated reserves from previous cycles. This is referred to as our rebate scheme.

From 6 April 2023 we further reduced the individual statutory licence fee payable from £210 to £204, reducing the price to the individual from £190 to £184 when the rebate was applied. When adjusted for the licence rebate scheme, the outcome for 2023-24 was a surplus of £2.4m.

The rebate scheme started in 2020 and is in place for a maximum of two licensing cycles (six years) with the aim of utilising a historic accumulated reserve balance (circa £18m), as approved by HMT, to ensure that we did not hold any unnecessary reserves. It is due to end by 31 March 2026. The rebate, applied at the point of payment, was established at £20 based on the volume of applications we

expected over the six-year period (circa 800,000). At the end of the third year of this period, the accumulated reserve balance remains on course to be fully diminished by 2026.

Following the end of the previous three-year cycle (financial years 2020-21 to 2022-23), we transferred £4.7m to the Home Office consolidated fund. This amount had been generated through the impact of COVID-19 and the volatile nature of licensing volumes which resulted in higher surpluses generated in years 1 and 2 of the cycle during COVID-19.

Income

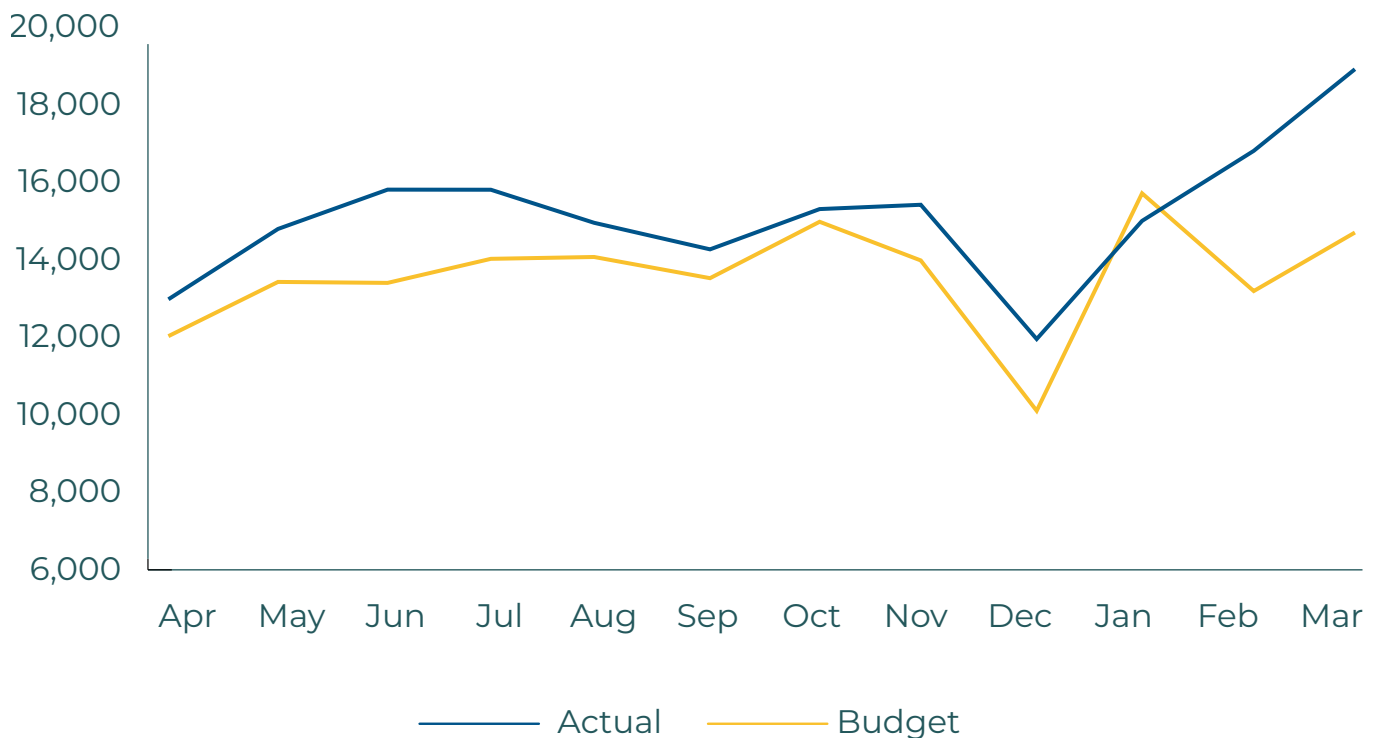
In setting the budget for 2023-24, we considered three forecast models which ranged between prudent and optimistic predicted outcomes in respect of the licence application demand. We adopted the centralised predictive model, which was a change in approach to the previous year, where we used the prudent model.

Following higher volumes than forecast in the first part of the year, however, we refreshed our budget assumptions and adopted the optimistic model in our mid-year reforecast. At the end of financial year 2023-24, licensing income was 3% higher than the optimistic model. ACS income was in line with our original budget.

Figure 1 below shows actual licensing demand performance against the original budgeted prediction and illustrates the volatile nature of demand on a month-on-month basis. There was a significant spike in volume the last two periods of 2023-24.

Whilst we are unable to determine a single causal factor, we note that the spike towards March 2024 corresponds with a spike in student visa holders applying for licences and a growing number of applicants of nationalities other than British.

Figure 1: Licence application volumes in 2023-24



Expenditure

Expenditure for the financial year was £34.2m, which was less than 2% higher than our original budget. The variance against budget was incurred in the following areas:

- **Licensing costs (£0.7m):**
Variable contractual licensing costs increased due to the higher levels of demand than forecast but were also offset by further efficiencies achieved in this category of spend

- **Legal costs (£0.5m):**
Increased legal costs driven by the need for external legal advice on specialist matters
- **IT costs (£0.1m):**
Increased costs due to implementation of our network redesign which was urgent work that needed to be undertaken in year

We offset the increase in costs by achieving savings and efficiencies in the year through the negotiation of existing contract terms, carrying out work

in-house rather than externally, and from the reduction in our office space.

A summary of the last three years' results is shown in Table 6 below.

We conduct a full annual fee review each financial year in line with Managing Public Money, which assesses whether the fees are set at the appropriate level.

Table 6: Summary of financial results: 2021-22 to 2023-24

	2023-24	2022-23	2021-22
Application numbers*	179,211	157,815	158,478
	£'000	£'000	£'000
Licence fees	31,149	28,242	28,450
ACS	2,179	2,093	2,019
Other	75	31	138
Total self-generated income	33,403	30,366	30,607
Staff costs	19,585	17,962	14,441
Licensing costs	7,647	7,407	7,545
Amortisation and depreciation	1,210	2,176	1,006
Other expenditure	5,709	5,625	4,593
Total operating expenditure	34,151	33,170	27,585
Operating surplus/(deficit)**	(748)	(2,804)	3,022

* Paid for application number differs from number of licences issued because not all licence applications are approved.

** Before tax and interest.

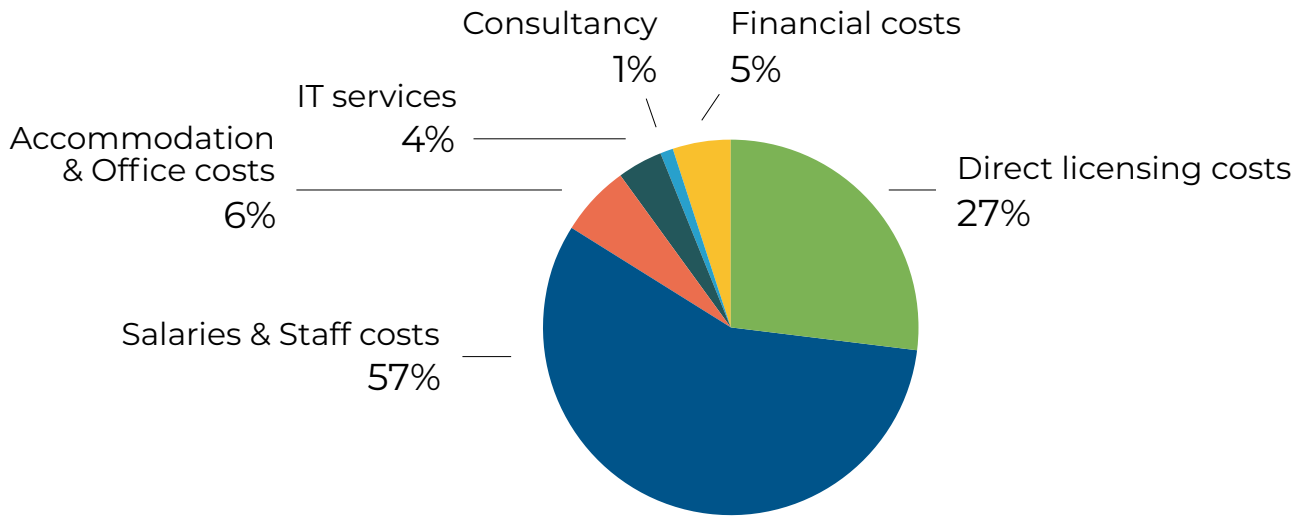
Funding considerations

We fund our operation through licence fees from individuals and Approved Contractor Scheme (ACS) subscriptions. We are required by HM Treasury to operate on a full cost recovery basis. Regarding the setting of fee levels, in accordance with government regulations (Managing Public Money,

section 6.3), we require HM Treasury consent for all proposals to extend or vary charging schemes. The ACS is a voluntary scheme by which companies seek to attain SIA approved contractor status.

All individual licences (excluding vehicle immobilisation) have a three-year lifespan, with the licence application fee paid in full in the first year (applications

Figure 2: Breakdown of the way the licence fee was spent in 2023-24



for an additional licence in another sector are charged at a 50% reduction). Income follows a three-year cycle. In making a decision about fee levels, our Board has to take into account the following factors:

- the fluctuation of income over the three-year licence demand cycle
- the requirement to provide the industry and individuals with cost stability by ensuring that the fees do not fluctuate on an annual basis
- the requirement in Managing Public Money only to recover costs and avoid making a surplus

How we spent the licence fee

From April 2023, we reduced the statutory fee from £210 to £204. Once the rebate scheme is applied, this reduced the fee payable for individuals from £190 to £184 for a three-year licence (except for vehicle immobilising in Northern Ireland, which is a one-year licence). The fee is now at its lowest level since 2004; if adjusted for inflation over

this period using the Consumer Price Index, the licence fee would have been £418 at March 2023.

A breakdown of the way we spent the licence fee in 2023-24 is set out in Figure 2.

Payment practice

We follow the principles of the Better Payment Practice Code, in accordance with HM Treasury guidelines. We aim to pay suppliers within ten days of the receipt of a valid invoice, provided that the relevant invoice is properly presented and is not subject to dispute.

Michelle Russell
 Chief Executive and Accounting Officer
 Security Industry Authority
 20 November 2024

Accountability report

Director's report

Composition of the management Board

Table 7: Executive directors during the year 1 April 2023 to 31 March 2024

Michelle Russell	Chief Executive and Accounting Officer
Stephen McCormick	Director of Licensing and Standards
Dianne Tranmer	Director of Transformation
Paul Fullwood	Director of Inspections and Enforcement
Dr Natalie Benton	Director of Corporate Services

Table 8: Non-executive directors during the year 1 April 2023 to 31 March 2024

Heather Baily QPM	Chair
Alec Wood QPM*	Deputy Chair Member of the People Committee and the Audit, Risk and Assurance Committee
Trevor Reaney CBE**	Deputy Chair Chair, Audit, Risk and Assurance Committee and member of the People Committee
Zoe Billingham CBE	Chair, People Committee
Caroline Corby	Member of the People Committee and the Audit, Risk and Assurance Committee
Simon James	Member of the Audit, Risk and Assurance Committee
Duncan Worsell***	Member of the People Committee and the Audit, Risk and Assurance Committee

* Alec Wood resigned from the Board with effect from Friday 6 October 2023.

** Trevor Reaney became the Deputy Chair on Friday 6 October 2023, following Alec Wood's resignation from the Board.

*** Duncan Worsell became a non-executive director on 15 March 2024; he is a member of the Audit, Risk and Assurance Committee and the People Committee; neither Committee met in 2023-24 following his appointment.

Pension liabilities

Details of the pension schemes of which our staff are members can be found on page 89.

Register of interests

We maintain and refresh a register of other paid and unpaid employments, Board appointments and significant interests held by Board members throughout the year. The register ensures that we identify any perceived or real conflicts of interest. In addition, we ask Board members to declare any conflict of interest at each meeting.

We publish the register of interests on the SIA gov.uk webpages at: [gov.uk/government/organisations/security-industry-authority/about/our-governance](https://www.gov.uk/government/organisations/security-industry-authority/about/our-governance).

Statement of Accounting Officer's responsibilities for the SIA

Under the Private Security Industry Act 2001, the Secretary of State for the Home Department has directed the Security Industry Authority to prepare for each financial year a statement of accounts in the form and on the basis set out in the accounts direction.

The accounts are prepared on an accruals basis, and must give a true and fair view of the state of our affairs and of our income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for the Home Office with the approval of the Treasury, in accordance with Schedule 1, paragraph 16(2) of the Private Security Industry Act 2001, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Permanent Secretary for the Home Office has designated me as Accounting Officer for the SIA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the SIA's assets, are set out in Managing Public Money

published by HM Treasury.
Details may be accessed online at
[hm-treasury.gov.uk](https://www.hm-treasury.gov.uk).

Statement regarding disclosure of information to the auditors

I can confirm that, as far as I am aware,
there is no relevant audit information of
which the SIA's auditors are unaware.

I can confirm that I have taken all the
steps that I ought to have taken to
make myself aware of any relevant
audit information and to establish that
the SIA's auditors are aware of that
information.

I confirm that the Annual Report and
Accounts as a whole is fair, balanced,
and understandable. I take personal
responsibility for the Annual Report and
Accounts and the judgements required
for determining that it is fair, balanced
and understandable.

A handwritten signature in black ink, appearing to read 'MR', with a stylized flourish at the end.

Michelle Russell

Chief Executive and Accounting Officer
Security Industry Authority
20 November 2024

Governance statement

This report covers the operating period from 1 April 2023 to 31 March 2024, to the point of the signing of the Annual Report and Accounts by the Accounting Officer. It describes the composition and organisation of our governance structures and the arrangements we put in place for good corporate governance to support the delivery of our objectives.

As the Chief Executive and Accounting Officer of the Security Industry Authority (SIA), I have personal responsibility for maintaining a sound system of governance, internal control, and risk management to support the SIA's statutory functions and the achievement of the Home Office's policies, aims and objectives, while safeguarding public funds and SIA and departmental assets.

The system of governance, internal control, and risk management is designed to manage the risk of failure to achieve our aims, objectives, and compliance with policies.

I was appointed as permanent Chief Executive and Accounting Officer on 8 November 2021. An overall assessment from me as Chief Executive and Accounting Officer was provided in the annual report for 2023-24.

The SIA Board is updated on material strategic risk issues at its quarterly Board meetings through the Chief Executive's report. The Board has delegated responsibility for routine monitoring of risk management arrangements to the Audit and Risk Assurance Committee, which is presented with the strategic risk

register at each meeting and carries out deep dives into specific risks.

The setting of risk appetite for all strategic risks is the responsibility of the SIA Board and was reviewed in May 2023. Processes are in place for risks to be escalated within the organisation, and to the Home Office where necessary and they are discussed at the quarterly Home Office sponsorship meetings and my meetings with the Home Office Senior Sponsor. The SIA senior executive discusses and reviews risks at executive director and senior leadership team meetings.

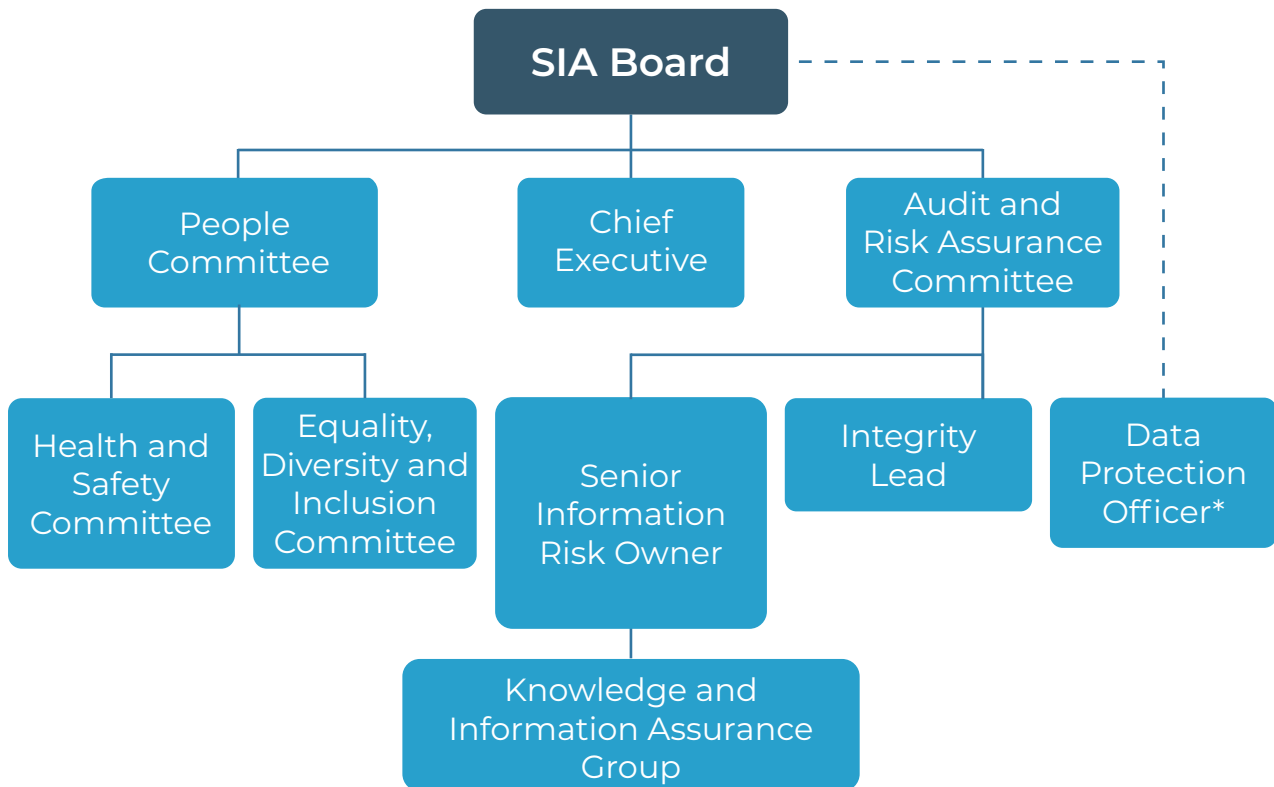
The SIA complies with the main principles for risk management in government, as described in 'The Orange Book – Management of Risk – Principles and Concepts' 2020.

Other than any breaches mentioned in the relevant section of this report, I have not been advised by my executive directors, and confirm that I am not aware, of any issues occurring that have required additional funding, material loss or overspend, or have resulted in any significant loss. I confirm that I have reviewed the governance, internal control, and risk management arrangements in operation within my area of responsibility and am able to provide the following assurances.

The SIA – The Authority

The Security Industry Authority is a body corporate established under the Private Security Industry Act 2001 ("the Act"), also known as "the Authority". It operates across the United Kingdom

Figure 3: High level Governance arrangements



** Because of the nature of the DPO role, this role must report to the highest management level and so they have regular and direct contact with the Chair.*

and its functions and powers are set out in the Act.

The SIA must have a Chair and no fewer than five other members as the Secretary of State for the Home Office (the “Secretary of State”) determines. Members of the Authority are known as non-executive directors and are office holders rather than employees.

The SIA 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, not civil servants.

The SIA, as a public body, its non-executive directors 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 by other public sector duties, including those under equalities legislation and those in respect of promoting economic growth.

The Board

The non-executive directors come together with the Chief Executive, and the executive directors of the SIA, to form the Board. 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; and that it operates within the limits of its statutory authority and any delegated financial authority from the Framework Agreement with the Home Office.

The Board has established two committees, the People Committee and the Audit and Risk Assurance Committee. Both act in an advisory capacity on behalf of the Board to the executive and/or are tasked with making recommendations to the Board on matters requiring Board approval.

Board effectiveness

We received the findings from an independent assessment of Board effectiveness in March 2023. The review followed the principles and content set out by the Cabinet Office in its guidance to arms' length bodies published in April 2022. During 2023-24, we have implemented recommendations relating to the Board constitution, decision-making, meetings and papers, and communications.

Reports and papers prepared for Board meetings are assured by the lead director and the Chief Executive. The Executive Directors' Group meets ahead

of the Board to review all items that will be considered by the Board. This ensures visibility and the opportunity for input on any cross-cutting issues. Prior to and at Board meetings, members have the opportunity to seek clarity on information in papers to support their role in scrutiny and decision-making.

To help improve the diversity of the Board, the SIA became a host board for a boardroom apprentice in the scheme run by the Department of Levelling Up, Housing and Communities. In addition, during the most recent non-executive director recruitment, led by the Home Office, we trialed several new outreach approaches. We also have staff observers at Board meetings.

People Committee

The People Committee (formerly known as the Remuneration Committee) reports to the Board and comprises a minimum of three non-executive directors.

The purpose of the committee is to support the Board and Chief Executive by:

- reviewing the performance and remuneration of the Chief Executive
- considering staff annual pay and reward proposals including for executive directors
- providing advice and appropriate scrutiny and oversight on strategic employment, remuneration and EDI matters

At each meeting the committee considers risks related to the human resources function and on people issues, the Health and Safety Committee report, and the Equality, Diversity and Inclusion Committee report. The committee scrutinised the development of the EDI Strategy, amendments to key HR policies, and proposals related to strategic workforce planning and a proposed employee forum. The committee also received reports on gender and ethnicity pay gaps for 2023, steps to support staff in the cost-of-living crisis, and the staff survey results for 2022.

Audit and Risk Assurance Committee (ARAC)

The Audit and Risk Assurance Committee (ARAC) reports to the Board and comprises at least three non-executive directors.

The committee's main functions are to consider and agree the internal and external audit plans; to review and monitor progress on actions arising from audit reports; to support the Accounting Officer in respect of their responsibilities for ensuring the adequacy of risk management, internal controls (including financial propriety) and governance; and to scrutinise the integrity of the Annual Report and Accounts.

Matters relating to integrity (including fraud, bribery and corruption) are overseen by the Executive Director Integrity Lead (the Director of Inspections and Enforcement) who makes a report to this committee at each meeting.

Matters relating to information management (including security of our data and information assets) are overseen by the Data Protection Officer and the Head of Risk and Information Assurance with reports provided to this committee.

Management assurances for both committees include:

- performance and financial reporting
- risk reporting
- committee reports to SIA Board
- self-assessment of effectiveness reporting

Table 9: Non-executive director (NED) attendance in Financial Year 2023-24*

Name of board member	SIA Board	Audit and Risk Assurance Committee	People Committee
Heather Baily	6/6	1/4	1/4
Zoe Billingham	5/6	Not applicable**	4/4
Caroline Corby	5/6	4/4	3/4
Simon James	4/6	4/4	Not applicable**
Trevor Reaney	5/6	3/4	4/4
Alec Wood (until 5 October 2023)	2/2	2/2	2/2
Duncan Worsell (from 15 March 2024)	1/1	Not applicable***	Not applicable***

* The Chair is not a member of either committee; the Chair attended one People Committee meeting to deal with the annual pay award for the Chief Executive and one Audit and Risk Assurance Committee meeting as an observer.

** This non-executive director is not a member of this Committee.

*** This committee did not meet after 15 March 2024 in the reporting period.

Main elements of internal controls

The Accounting Officer has responsibility for maintaining a sound system of internal control that supports the achievement of our aims, priorities, and objectives, whilst safeguarding public funds and departmental assets for which we are personally responsible, in accordance with the responsibilities assigned to us in Managing Public Money.

We place reliance on the output and work of the Audit and Risk Assurance Committee (ARAC). We receive further assurance from the findings of internal audits provided by the Government Internal Audit Agency (GIAA) and their annual opinion report.

Management of risk

The system of internal control and risk management is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives; it can therefore only provide high and not absolute assurance of effectiveness.

We have reviewed our risk management framework to ensure compliance with the main principles for risk management in government, as described in 'The Orange Book – Management of Risk – Principles and Concepts' 2020.

Our risk appetite statement sets out how we balance risk and opportunity in pursuit of achieving our objectives. It forms a key element of our governance and reporting framework and is set by the Board, which also reviews the statement annually.

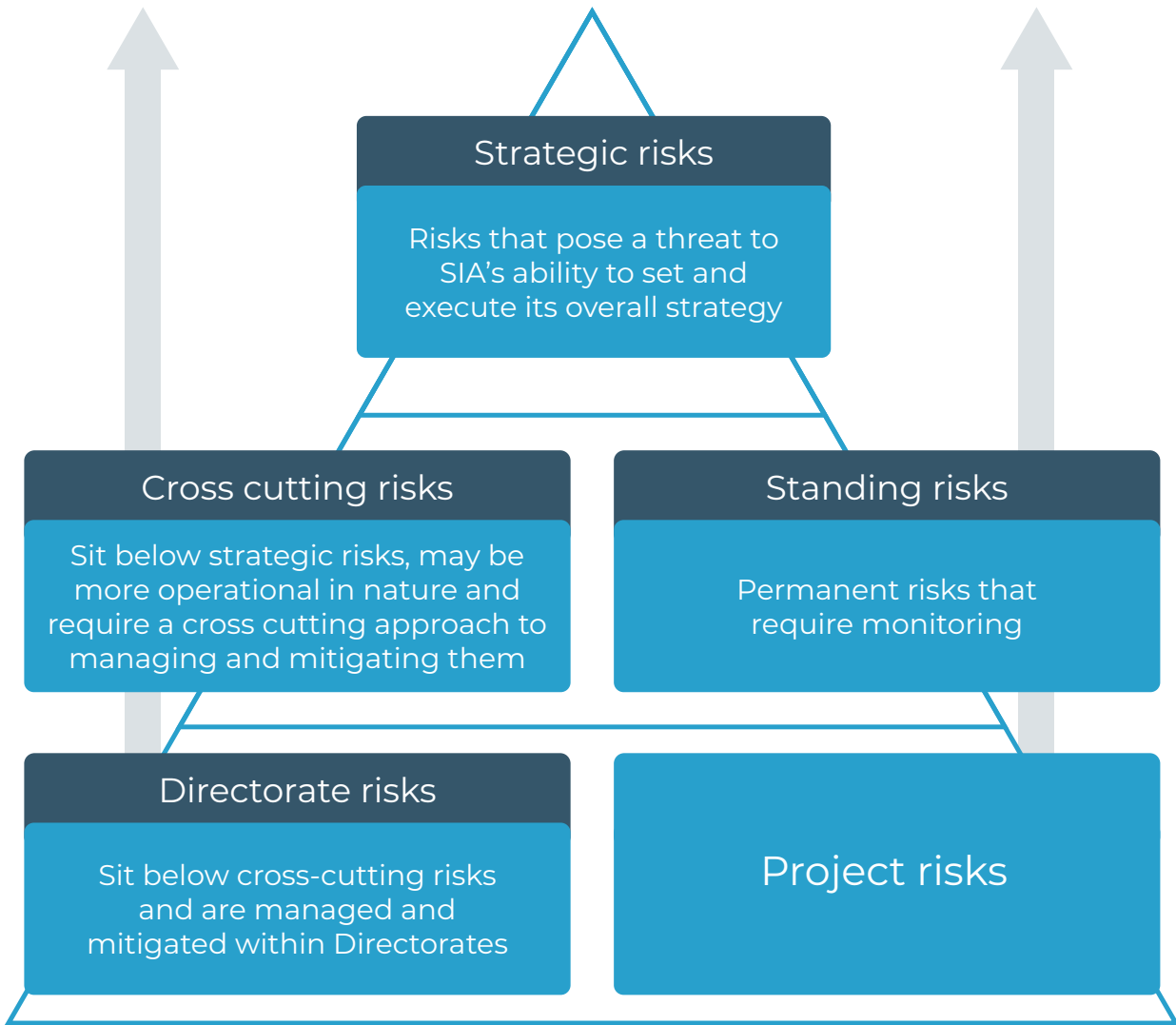
We have developed an approach to defining our risk appetite as a way of expressing our attitude to different types of risk and the nature of the risks we are prepared to take. Our appetite for risk can vary dependent on the nature of the risk and the prevailing operating conditions or circumstances.

This appetite statement is supported by guidance for all our employees for reference.

Risk review, monitoring, and assurance of the management of risk are as follows:

- the Risk and Information Assurance function facilitates and support the management of risk
- we identify risks at directorate level with responsibility held by the individual Head of Function
- we carry out regular (at least quarterly) risk reviews at directorate level with responsibility held by the Executive Director
- we review and discuss key risks monthly and bi-monthly with the senior leaders in the four directorates and escalate as appropriate at the wider Senior Leadership Team meetings
- the Executive Team regularly reviews the strategic level risk register and the actions we are taking to manage risks
- the Audit and Risk Assurance Committee meets four times annually to monitor and discuss strategic risks, carry out deep dives, seek assurances and report their views to the Board

Figure 4: Risk reporting and escalation cycle



Strategic level created and re-defined

- Risks reported to Audit and Risk Assurance Committee and the SIA Board should be strategic in impact.

Corporate level created and re-defined

- There is a need to capture cross cutting risks which require collaboration between directorates to manage effectively to within the Appetite.
- This is a gap in our structure so that introduction and description of this risk level seeks to address this. These risks will be reported to EDM and SLT only).

Standing risks

- There are a number of risk themes that currently have dedicated governance routes: health & safety, information risk, integrity and KPI performance.

Directorate and Function amalgamated

- Risks sit below cross cutting risks and are managed and mitigated within directorates. Head of Functions retain responsibility for the management of these risks.

Risk appetite description

Figure 5: Risk Appetite levels

Open	The SIA is willing to consider all potential options and whilst not reckless, choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward.
Cautious	Preference for safer delivery options that have a low degree of inherent risk.
Minimalist	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have potential for limited reward.
Averse	Avoidance of risk and uncertainty is a key organisational objective.

Risk appetite monitoring and reporting

We will continue to keep our risk appetite under review, fully recognising that this may be subject to change due to various factors both internal and external that could shape the nature and extent of the risks we are prepared to take. The Board carried out a formal and thorough review of the corporate risk appetite in May 2023, at the start of the new three-year strategic plan.

Risk management

As of 31 March 2024, we have ten strategic-level risks. We determine the risk appetite for each of these in line with our risk appetite statement and score it using the SIA’s risk matrix. This considers risk impact and likelihood.

Principal Risks and key mitigating factors

Table 10: Current risks and their mitigations

Risk title	Mitigations	Appetite
Failure to deliver an effective compliance supervision and enforcement strategy	<ul style="list-style-type: none"> – Inspections and tasking framework – Intelligence handling framework – Tactical tasking and co-ordination process 	Minimalist
Failure to effectively manage the changes required to support the delivery of our strategies to achieve compliance	<ul style="list-style-type: none"> – Programme and project governance framework. 	Cautious
Failure to protect SIA systems and information from a cyber attack	<ul style="list-style-type: none"> – Extensive cyber security policies procedures – Vulnerability scanning – External health checks and certifications 	Minimalist
Failure to manage financial resources effectively	<ul style="list-style-type: none"> – Three-year efficiency plan – Licensing volume forecasting modelling 	Cautious
Failure to attract, retain and develop our staff to ensure capability and capacity to deliver our objectives	<ul style="list-style-type: none"> – People Strategy and linked policies and guidance 	Open
Failure to operate the individual licensing regime effectively	<ul style="list-style-type: none"> – Individual licensing framework – Individual standards setting – Decisions Review Group – Independent Review Group 	Averse
Failure to effectively deliver and implement the business approval strategy programme	<ul style="list-style-type: none"> – Programme board – Quarterly review and reporting – Ability to make incremental changes to Approved Contractor Scheme – External advisory group 	Open

Risk title	Mitigations	Appetite
Failure to secure capital funding from the Home Office to meet contractual ICT commitments	<ul style="list-style-type: none"> – Contract protections – Regular liaison on risks and consequences with Home Office 	Cautious
Failure to successfully defend litigation	<ul style="list-style-type: none"> – Robust internal leadership and coordination – Active risk management – Home Office liaison 	Cautious
Failure to effectively prevent SIA training malpractice and criminality undermining public protection standards in the private security industry	<ul style="list-style-type: none"> – Robust internal leadership and coordination – Ofqual formal review of sector – Transparency on limits of powers and remit – Home Office notification and escalation 	Averse

In addition, we have three standing risks, all with controls and mitigations; these are for Health and Safety, Integrity and Information Security.

Assurance framework

We operate a thematic Management Assurance Framework aligned to the Functional Standards requirements which outlines requirements for second lines of assurance and compliance checking activity. This framework provides the assurance information relied on by the Accounting Officer.

Professional standards

In January 2023 we established a centralised Professional Standards Team to promote and encourage cultural awareness of integrity-related risks and professional standards, acting as

a source of best practice, specialist knowledge, advice and guidance.

In 2023 we introduced the SIA Fraud, Bribery and Corruption Risk Assessment (FRA) covering the entire organisation. This is now an established document which we review on a quarterly basis.

The Professional Standards Team maintains the FRA and other areas detailed within Government Functional Standard 13 (GovS 013:Counter Fraud). These areas include integrity awareness training, monitoring of the declarations of interest and the hospitality registers, record keeping in relation to instances/evidence of fraud, corruption and bribery, proactive detection activity and investigation.

During the year we worked on an updated code of conduct, which was formally launched in April 2024.

The purpose of this updated code is to give confidence in our ability to show the highest levels of personal and professional behaviour. There are six standards within the code of conduct that reflect the expectations we believe will provide confidence to our stakeholders, the public and those we regulate. Significantly, they provide clear expectations we have of each other as colleagues. Those standards are:

1. Honesty and integrity
2. Equality, diversity, inclusion and respect
3. Our work and responsibilities
4. Confidentiality
5. Conduct and behaviour
6. Challenging and reporting inappropriate behaviour

Declarations of interest

We have a policy and procedure for the declaration and management of interests in place for all staff. Our employees are subject to our code of conduct. Under the code, employees agree:

You should ensure you declare any actual, potential or perceived conflict of interest as soon as reasonably practicable. Any business interests outside the SIA should be notified to the Professional Standards Team to ensure the appropriate record is made and consideration given to putting mitigations in place.

These requirements apply to all staff, including contingent labour.

All our employees must declare upfront interests which do, or might, give rise to a conflict-of-interest situation in light of their role within the SIA, so we can decide if action needs to be taken to manage them. We provide guidance to all staff about what constitutes a conflict of interest. We require an annual declaration by all staff. We make staff aware that outside of the annual reporting cycle, there is an ongoing requirement for them to declare any actual, potential or perceived conflicts for the duration of their employment.

We also have a similar process in place for staff who are involved in making procurement assessments, whereby we require staff to make a positive declaration in respect of the specific project they are working on. This requirement also extends to external parties such as those bidding for work and their subcontractors.

We publish relevant interests declared by senior officials, including any external employment, in the register of interests on the SIA gov.uk webpages at: [gov.uk/government/organisations/security-industry-authority/about/our-governance](https://www.gov.uk/government/organisations/security-industry-authority/about/our-governance).

We do not publish interests declared by others, including contractors, consultants and other staff, but one of our integrity leads reviews them upon receipt to help identify any action that we may need to take to mitigate the interest. The integrity leads report material conflicts-of-interest issues to the Audit and Risk Assurance Committee.

Business continuity and contingency planning

In addition to keeping our business continuity plans under regular review, we also created and signed off a new critical incidents policy. In support of this we delivered Critical Incident Management training to senior staff in 2023.

Looking ahead, we will be working with an external organisation to review our existing business continuity processes to identify potential areas of improvement. We have scheduled a business continuity scenario exercise engaging all staff across the organisation in 2024.

Fraud and whistleblowing

We have internal controls in place to mitigate risk from fraud, bribery, corruption, and wrongdoing. This includes the introduction of the SIA Fraud Risk Assessment and strong financial and procurement controls.

The Executive Director Integrity Lead oversees governance, investigation, and reporting to the Audit, Risk and Assurance Committee of any allegations or reported incidents. There were no reported instances of fraud in the year 2023-24 (2022-23: Nil).

We received no new whistleblowing complaints during the year. We concluded an external investigation into an open whistleblowing complaint from 2022-23. The complaint was not upheld.

Financial management – resource allocation, budget and asset management

We have an annual budget and accompanying business plan in place that the Board reviews and agrees in March each year. The Finance team holds monthly meetings with budget holders to discuss any material variances and key trends in the budget, and we take corrective action as appropriate.

We produce a comprehensive finance report on a quarterly basis for both senior executive and Board oversight, along with monthly updates at executive director meetings. In addition, we produce a full set of accounts monthly that the Head of Finance and Procurement reviews.

We carry out a review of our licensing fee on an annual basis.

Programme and project management

Key corporate IT projects that we delivered in 2023-24 were as follows:

- STeP CRM 2016 – Microsoft Upgrade to enable continuity of critical services, while reducing cyber risk. Facilitates our next stage to Microsoft Dynamics 365
- CDP Infrastructure – The first phase of the adoption of the common data model will mean we can share data across SIA applications and business processes

- CADI Workshops - To define business process improvement needs in the four key areas, Compliance, ACS, Decisions, and Intelligence to feed into Service Design
- Digital services procurement - New contract delivering value for money and efficiency benefits. To enable continuity of critical service and support to deliver our Digital and Data Strategy and Programme for the next three plus years

Key corporate IT projects that we designed and built in 2023-24 but will deliver in the 2024-25 financial year:

- Disaster Recovery – Improvement to our service to enhance the solution and have a new fully effective disaster recovery facility available should we need to recover from a disaster
- Final Network Migration (CIVET) – Migration of our networks to a third party to reduce risk in cyber space, also delivering efficiency savings

People management – workforce planning and development

We reviewed each area's business and workforce requirements as part of the business planning cycle and budget preparation for 2024-25. This included robust scrutiny and approval by the business planning team, Finance, HR, executive directors and the Chief Executive. This resulted in some efficiencies, enabling diversion of resources to new or otherwise priority areas. The Government Internal Audit Agency (GIAA) reviewed our approach to strategic workforce planning in a

consultancy audit, and we are taking forward their recommendations in 2024-25.

This year was the first year of our People Strategy to support delivery of the Strategic Plan 2023-26. There is a standing 'people matters' item on the agenda at Executive Directors Group meetings, which includes a quarterly update on progress with People Strategy actions. This year, we made further improvements to the presentation and reporting of management information on our workforce, including recruitment, sickness and wellbeing, turnover and employee relations. We also introduced new financial and HR controls on establishment changes, temporary promotions and the use of extra responsibilities allowances.

We report significant workforce issues to the People Committee, through which they are scrutinised quarterly at Board level.

All staff are security cleared as required for their specific role before starting work. All new starters go through an onboarding process, which we have further updated and improved this year.

We provide a full programme of mental health awareness and engagement support for our employees, including the training of mental health first aiders and managers.

Our inclusion work

The cross SIA Equality, Diversity and Inclusion Committee is chaired by the Chief Executive and includes representation from across the organisation including the senior leadership team, staff networks and Human Resources. It also includes a rotating non-executive observer. During 2023, the committee oversaw the development of an Equality, Diversity and Inclusion Strategy, and an associated implementation plan, linking in directly to the People Strategy. The Committee champions and promotes the inclusive culture and vision across the business. All executive directors and members of the senior leadership team have taken specific champion roles including supporting our strong set of staff-led networks, which include:

- Mental Health and Wellbeing
- R.A.C.E (Raising Awareness of Culture and Ethnicity)
- Gender
- Pride – our LGBTQI+ network
- Parents and Carers
- Disability

Project assurance

As part of our continuous improvement on project risk assurance we created a new Project Implementation Framework. This reflects a phased and gated process based on core Prince2 methodology that has supported the SIA in adding further rigour to project implementation. The framework is designed to provide succinct guidance for project managers and project officers. The process will be adapted to reflect Agile project

implementation if required. This ensures a common approach is used and assists in raising standards in the quality of project documentation and reporting. This process is assisted by recording opportunities for improvement as part of every project assurance review.

Information assurance

Over the past year we have been proactively working on improving the information assurance culture within the organisation (including against cyber threats).

One of the key highlights and improvements is the work we have completed as part of Third-Party Supplier Assurance. This enables us to conduct due diligence on all our suppliers to ensure we have visibility of the third party's security postures.

The team is currently working on achieving Cyber Essentials Certification, which will lead us to apply for Cyber Essentials Plus Certification. We are pursuing these as part of our continuous improvement plan to ensure that our security and network systems continue to meet government requirements and work to best practice.

Incidents reported to the Information Commissioner's Office

We reported one incident to the Information Commissioners' Office (ICO) between April 2023 and March 2024. This incident involved a third party who reported that they had

experienced a data breach which was likely to have included SIA information. Without knowing the extent of the breach, we decided as a precaution to report the breach to the ICO at the time of notification. However, subsequent information from the third party clarified that this was unnecessary as it was much smaller in scale than first thought and the breach would not have posed a high risk to the individual concerned.

We were made aware of one referral to the Information Commissioner's Office (ICO) because of an alleged data protection breach by the SIA. The ICO found us not to have complied with our Data Protection obligations due to personal data being disclosed. However, they acknowledged the unusual circumstances that caused the disclosure, and the steps we took subsequently, stating they could not provide any further recommendations for actions we could take to improve practices. This resulted in no further regulatory action.

Information management

Our Data Protection Officer (DPO) provides independent assurance that we process the personal data of our employees, customers, providers, or any other individuals in compliance with the applicable data protection regulations.

The DPO provides a monthly update to the Senior Information Risk Owner (SIRO) within the Knowledge and Information Assurance Group and is responsible for reporting any serious information incidents to the

Information Commissioner's Office as well as to our SIRO, Chair, and Chief Executive where necessary. The DPO also provides an annual assurance report to the Audit and Risk Assurance Committee. The DPO ensures that all staff have completed annual mandatory Data Protection and Information Security training.

Given that the SIA has now been in existence for 20 years, we are now required to report historic information that should be retained for public record to The National Archives (TNA), which we are slightly behind schedule on. We are working with internal colleagues and TNA to design our Appraisal Policy. This will include the relevant selection criteria, allowing us to effectively identify and transfer records of interest to the public over the coming years.

Internal audit

The Government Internal Audit Agency (GIAA) provides an independent audit service to the SIA. The 2023-24 internal audit programme was produced in line with a risk assessment and was agreed by the Audit and Risk Assurance Committee. The GIAA senior audit lead attends ARAC.

The SIA scheduled four GIAA-led audits in 2023-24: SIA Transformation Programme; SIA Qualification Body Assurance Framework; SIA Supplier Relationship Management; SIA Investigation Referrals for Prosecution.

Fieldwork for all four GIAA-led audits was completed in 2023. These all provided moderate assurance.

The recommendations in respect of the Supplier Relationship Management audit and Referrals for Prosecution were received in the current reporting year.

In total the GIAA advisory audits produced fifteen recommendations: nine medium-priority and six low-priority. Completion of these is being managed in line with the agreed completion dates.

An advisory audit on Strategic Workforce Planning was also completed - as an advisory audit no assurance rating is provided.

Four audit recommendations remain outstanding from 2022-23. These relate to the SIA Business Continuity audit. Completion of these has been frustrated due to difficulties in securing an external supplier to complete a full review of our Business Continuity processes. A supplier has now been successfully procured and we will continue to work closely with GIAA to track and report on the progress of these recommendations at each Audit and Risk Assurance Committee (ARAC) meeting.

The GIAA senior audit lead's annual report to ARAC in 2023-24 provided a moderate opinion in respect of the overall adequacy and effectiveness of our framework of governance, risk management and control. The GIAA has observed that SIA management continue to demonstrate a culture of openness towards internal audit and a commitment to continually strengthen internal controls. We openly discuss areas of potential vulnerability or weakness at the audit planning stage.

Overall assessment

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review is informed by the work of the internal auditors and the SIA's senior executive and leadership teams, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports. In my opinion, the overall governance and internal control structures have been appropriate for SIA's business and have worked satisfactorily throughout 2023-24.



Michelle Russell

Chief Executive and Accounting Officer
Security Industry Authority
20 November 2024

Remuneration and staff report

Overview

This section presents disclosures of remuneration to Directors and the Board as well as Staff Report information.

Executive

Although senior executives within non-departmental public bodies (including the Chief Executive) are not members of the Senior Civil Service (SCS) and not in scope of the Senior Salaries Review Body's remit, the SIA follows public sector pay policy and benchmarking in setting pay for senior executives and in any annual pay increase. This is also considered should non-consolidated performance related bonuses be awarded to executive directors.

The Chief Executive makes recommendations for the executive directors' salaries and annual pay award. These are considered by the People Committee who provide advice in line with their terms of reference. The Chair makes recommendations for the Chief Executive's salary and annual pay award, on which People Committee also provide advice.

Remuneration

The role of the People Committee in remuneration is to support the Board and the Chief Executive in discharging their responsibilities. It has a specific responsibility for considering staff annual pay and reward proposals. As part of their terms of reference, the Committee also reviews the ongoing appropriateness and relevance of the organisation's remuneration policy and other employment-related incentives,

and the related trends in strategies and policies in comparable sectors. It also reviews and approves staff redundancy pay and other settlements.

The Committee meets at least three times a year. The People Committee comprised four independent non-executive board members: Zoe Billingham (Chair), Alec Wood (until October 2023), Trevor Reaney, Caroline Corby and Duncan Worsell (from March 2024). The Chief Executive and Executive Director of Corporate Services attend the meeting as executives.

Fair pay disclosures

Salary payments to directors

(Audited information)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the financial year 2023-24 was £145k - £150k (2022-23: £140k - £145k). This was 4.2 times (2022-23, 4.2 times) the median remuneration of the workforce, which was £35,245 (2022-23, £34,000) which is a 3.7% increase on the prior year.

The percentile ratios have remained in line with the prior year with the exception of the salary component of pay and benefits for the upper quartile and lower quartile. This is due to the pay award in 2023-24 being weighted more favourably to those within the lower quartile. No employees were paid more than the highest-paid director.

The highest-paid director (Chief Executive) did not receive a performance bonus in 2023-24.

The remaining directors were paid a performance bonus in line with all other eligible staff.

Table 11: Remuneration of the highest-paid director and the median remuneration of the workforce

Total pay and benefits		2023-24		2022-23	
Workforce remuneration	Multiple	£	Multiple	£	
Median	4.2	35,245	4.2	34,000	
Upper Quartile	3.3	44,079	3.3	43,491	
Lower Quartile	5.1	29,000	5.1	28,000	

Salary component of pay and benefits		2023-24		2022-23	
Workforce remuneration	Multiple	£	Multiple	£	
Median	4.2	34,805	4.2	33,900	
Upper Quartile	3.5	42,193	3.4	41,693	
Lower Quartile	5.4	27,097	5.2	27,322	

The highest paid director (Chief Executive) received a 4.5% consolidated pay award in 2023-24. The SIA made an average award of 4.5% to employees in delegated grades, with an additional 0.5% targeted at the lowest paid grades. As the lowest paid grades make up the majority of our workforce, remuneration for employees as a whole increased by 5.5%.

Average salary and allowances for employees as a whole increased by 2.7%.

Remuneration ranged from £20k-£25k to £145k-£150k (2022-2023, £20k-£25k to £140k-£145k).

Total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Table 12: Remuneration of Executive Directors

	Salary (£'000)		Performance payment (£'000)		Pension benefits (to nearest £'000)		Total (£'000)	
	2023-24	2022-23	2023-24	2022-23	2023-24*	2022-23	2023-24	2022-23
	Michelle Russell Chief Executive	145-150	140-145	—	—	—	40,000	145-150
Stephen McCormick Director of Licensing and Standards	105-110	100-105	0-5	0-5	—	(33,000)**	110-115	65-70
Dianne Tranmer Director of Transformation	105-110	100-105	0-5	0-5	—	11,000	110-115	110-115
Natalie Benton Director of Corporate Services	105-110	75-80 (FYE 100-105)	0-5	0-5	—	31,000	110-115	105-110
Paul Fullwood Director of Inspections & Enforcement	105-110	95-100	0-5	0-5	—	17,000	110-115	110-115
Ronald Megaughin Acting Director of Inspections & Enforcement (to May 22)	—	5-10 (FYE 95-100)	—	0-5	—	2,000	—	5-10
Band of highest-paid Director's total remuneration	145-150	140-145						

* Accrued pension benefits for directors are not included in this table for 2023-24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

** Taking account of inflation, the total pension benefits contributions have fallen against that reported in 2021-22.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights.

Salary

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that they are subject to UK taxation. This report is based on accrued payments made by the organisation and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the organisation and treated by HMRC as a taxable emolument. The SIA meets the tax obligations for the associated costs.

Board Members are reimbursed for travel and accommodation costs associated with attendance at meetings and other duties in their role. Where such costs include travel from home to the SIA's office they are taxable as a benefit in kind. There were no benefits in kind for the executive directors. 'Home to Office' expenses reimbursed to non-executive directors constituted a benefit in kind of £8,689 for the year ending 31 March 2024.

Performance payments

Performance payments are based on performance levels attained and are made following an assessment of organisational achievement of mid- and year-end Key Performance Indicators. They relate to the performance in the year in which they become payable to the individual. The payments reported in 2023-24 relate to performance in 2022-23 and the comparative payments reported for 2022-23 relate to the performance in 2021-22.

The Non-Executive Board

(Audited information)

Table 13: The remuneration of Non-Executive Board Members in the period ending 31 March 2024

	Salary (£'000)		Benefits in Kind* (to nearest £100)	
	2023-24	2022-23	2023-24	2022-23
	£'000	£'000	£	£
Heather Baily (Chair)	50-55	50-55	3,900	2,500
Trevor Reaney	5-10	5-10	4,200	3,200
Alec Wood** (To October 2023)	0-5 (FYE 5-10)	5-10	900	200
Zoe Billingham	5-10	5-10	500	—
Caroline Corby	5-10	0-5 (FYE 5-10)	—	—
Simon James	5-10	5-10	—	—
Duncan Worsell (From March 2024)	0-5 (FYE 5-10)	—	100	—
Katherine Bright*** (To February 2023)	—	5-10	—	100

* The 2023-24 benefits in kind figures relate to all travel and subsistence incurred.

** Alec Wood resigned from the board effective 6 October 2023.

*** Katherine Bright resigned from the board effective 2 February 2023.

Pension benefits

(Audited information)

Table 14: Pension benefits SIA Executive Board Members

	Accrued pension at 31/3/24 and related lump sum	Real increase in pension and related lump sum	CETV at 31/3/24	CETV at 31/3/23	Real increase in CETV	Employer contribution to Partnership Pension Account
	£'000	£'000	£'000	£'000	£'000	£'000
Michelle Russell Chief Executive and Accounting Officer	—	—	—	750	—	—
Stephen McCormick Director of Licensing and Standards	—	—	—	753	—	—
Dianne Tranmer Director of Transformation	—	—	—	658	—	—
Natalie Benton Director of Corporate Services	—	—	—	150	—	—
Paul Fullwood Director of Inspections & Enforcement	—	—	—	13	—	—

The non-executive directors do not receive pension benefits from the SIA.

Accrued pension benefits for directors are not included in this table for 2023-24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy,

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme, or Alpha, which provides benefits on a career-average basis with a normal pension age equal to the member's State

Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined Alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (Classic, Premium or Classic Plus), with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, Nuvos and Alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into Alpha sometime between 1 June 2015 and 1 February 2022.

All members who switch to Alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha. (The pension figures quoted for officials show pension earned in PCSPS or Alpha – as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes). Members joining

from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (Partnership Pension Account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of Classic, Premium, Classic Plus, Nuvos and Alpha. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 worked out as in Premium. In Nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in Alpha build up in a similar way to Nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75%

(depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus, 65 for members of Nuvos, and the over 65 or State Pension Age for members of Alpha. (The pension figures quoted for members show pension earned in PCSPS or Alpha – as appropriate. Where the member has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website civilservicepensionscheme.org.uk.

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension

due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

Table 15: Staff costs comprise (audited information)

	2023-24			2022-23		
	Permanent staff	Other staff	Total	Permanent staff	Other staff	Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	14,129	620	14,749	12,115	1,558	13,673
Social security costs	1,505	6	1,511	1,337	7	1,344
Other pension costs	3,325	—	3,325	2,820	—	2,820
Redundancy costs	—	—	—	—	126	126
Total costs	18,959	626	19,585	16,272	1,690	17,962

Consultancy costs

Expenditure on consultancy in 2023-24 was £322,908 (2022-23: £164,785). External consultants were commissioned in year to provide expertise on various projects.

Contingent labour costs

The SIA engages contingent labour in accordance with a robust control process set by the Home Office. There has been a reduction in contingent labour spend due to the completion of programme activity and

specialist roles filled on a permanent basis on payroll. Expenditure on contingent labour in 2023-24 was £495k (2022-23: £1,455k).

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require certain public sector employers to publish information on facility time used by trade union representatives. This document sets out the relevant trade union facility time data for the SIA covering the period 1 April 2023 to 31 March 2024.

The information below is based on several assumptions for Public and Commercial Services (PCS) Union facility time. Trade union representatives for the period undertake facility time for no more than 50% of their contracted

hours. Three employees, who were relevant trade union officials during 2023-24, spent 240 hours of facility time at a total cost of £5,795 representing 0.03% of the total pay bill.

Table 16: Trade union facility time and costs

Number of employees who were relevant union officials during 2023-24	Full-time equivalent employee number (2023-24)	Number of employees who were relevant union officials during 2022-23	Full-time equivalent employee number (2022-23)
3	3	5	5

Percentage of time spent on facility time	Number of employees 2023-24	Number of employees 2022-23
0%	—	1
1-50%	3	4
51-99%	—	—
100%	—	—

	2023-24	2022-23
Total cost of facility time	£5,795	£4,912
Total pay bill	£19,557,056	£17,961,634
% of pay bill spent on facility time	0.0296%	0.0273%
% of total paid facility time spent on paid trade union activities	0%	0%

Pension

Principal Civil Service Pension Scheme

The PCSPS is an unfunded multi-employer defined benefit scheme but we are unable to identify our share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020.

You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at civilservicepensionscheme.org.uk. The PCSPS is now closed to new members.

Civil Servants and Other Pension Scheme

The Civil Servants and Others Pension Scheme, known as Alpha, is a new unfunded, defined benefit scheme and we are unable to identify our share of the underlying assets and liabilities.

The Alpha scheme started on 1 April 2015. Many PCSPS members transferred into Alpha on that date, while others will transfer into it over the next few years. Those members who were less than ten years from retirement on 1 April 2012 are not required to move to Alpha.

Further information on the PCSPS is included within the remuneration report.

The Public Service Pensions Remedy

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to Alpha. In 2018, the Court of Appeal found that the

transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy (the “McCloud Remedy”) is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of Alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration as of 31 March 2023 and 31 March 2024, reflects that membership has been rolled back into the PCSPS between 1 April 2015 and 31 March 2022. In due course, members will have an option to decide whether this remedy period should count towards PCSPS or Alpha benefits.

Persons employed

(Audited information)

The actual number of whole-time equivalent persons employed (excluding the non-executive board) during the period was as follows.

Table 17: Staff composition (head count) at 31 March 2024*(Audited information)*

	2023-24			2022-23		
	Permanent	Other	Total	Permanent	Other	Total
Directly employed	351	—	351	300	—	300

	2023-24			2022-23		
	Female	Male	Total	Female	Male	Total
Other employees	187	152	339	173	159	332
Senior Civil Servant or equivalent	3	2	5	3	2	5
Board	4	3	7	3	3	6
Total	194	157	351	179	164	343

Off-Payroll engagements

Table 18: All off-payroll engagements as of 31 March 2024, for more than £245 per day

No. of existing engagements as of 31 March 2024	3
Of which	
No. that have existed for less than one year at time of reporting.	3
No. that have existed for between one and two years at time of reporting.	
No. that have existed for between two and three years at time of reporting.	
No. that have existed for between three and four years at time of reporting.	
No. that have existed for four or more years at time of reporting.	

Table 19: All off-payroll engagements between 1 April 2023 and 31 March 2024, for more than £245 per day

No. of temporary off-payroll workers engaged between 1 April 2023 and 31 March 2024	10
Of which	
No. not subject to off-payroll legislation	
No. subject to off-payroll legislation and determined as in-scope of IR35	10
No. subject to off-payroll legislation and determined as out of scope of IR35	
No. of engagements reassessed for compliance or assurance purposes during the year.	
Of which, number of engagements that saw a change to IR35 status following review.	

Table 20: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	—
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure includes both on payroll and off-payroll engagements.	12

Table 21: Reporting of Civil Service and other compensation schemes – exit packages*(Audited information)*

	2023-24			2022-23		
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0-£25,000	—	—	—	—	—	—
£25,001-£50,000	—	—	—	—	1	1
£50,001-£100,000	—	—	—	—	1	1
£100,000-£150,000	—	—	—	—	—	—
£150,000+	—	—	—	—	—	—
Total number of exit packages	—	—	—	—	2	2
Total resource cost (£)	—	—	—	—	£114k	£114k

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service Pension Scheme.

Ill-health retirements costs are met by the pension scheme and are not included in this table.

Payment to auditors

The audit fee for 2023-24 payable to the National Audit Office has been set at £78.0k (2022-23: £45.6k). No other payments were made to the National Audit Office for non-audit services during the year.

Staff sickness and absence

During the financial year we continued to have a low sickness rate. The average absence rate was six days per employee over a rolling 12-month period (2022-23: seven days).

As an organisation, we continue to monitor this closely to ensure staff are not taking annual leave as opposed to being sick or working when they should not be.

Staff retention

During 2023-24 the staff retention percentage was 88% (2022-23: 86%), which is within our target of 85%. The data excludes staff on fixed term contracts and other short-term roles.

Parliamentary accountability disclosures

Overview

This section presents the disclosures to support parliamentary accountability of the Security Industry Authority.

Regularity of expenditure

There are no regularity issues to report.

Losses and special payments

There were no special payments or severance payments made in the year 2023-24 (2022-23: Nil).

Gifts

No gifts were made (2022-23: Nil).

Table 22: Fees and charges 2023-24

Operating segment	Income	Full cost*	Surplus/ (deficit)	Fee recovery actual	Fee recovery target
	£000	£000	£000	%	%
Licensing	31,149	(30,926)	223	100	100
ACS	2,179	(2,650)	(471)	82	100
Total	33,328	(33,576)	(248)		

*Full cost figures purely relate to costs associated with Licensing and ACS Income.

Table 23: Fees and charges 2022-23

Operating segment	Income	Full cost	Surplus/ (deficit)	Fee recovery actual	Fee recovery target
	£000	£000	£000	%	%
Licensing	28,242	(30,077)	(1,835)	94	100
ACS	2,093	(2,937)	(844)	71	100
Total	30,335	(33,014)	(2,679)		

Notes:

Licensing income is derived from the application fee for an individual SIA licence. Individuals working in specific sectors of the private security industry are required by law to hold an SIA licence. The SIA individual licence lasts for three years and therefore the SIA operates with a three-year cycle.

Remote contingent liabilities

The SIA discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, in accordance with the requirements of Managing Public Money.

The SIA had no remote contingent liabilities as at 31 March 2024 (2022-23: Nil).

A handwritten signature in black ink, appearing to read 'MR', with a stylized flourish at the end.

Michelle Russell

Chief Executive and Accounting Officer
Security Industry Authority
20 November 2024

The Certificate and report of the Comptroller and Auditor General to the House of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Security Industry Authority for the year ended 31 March 2024 under the Private Security Industry Act 2001.

The financial statements comprise the Security Industry Authority's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Security Industry Authority's affairs as at 31 March 2024 and its net expenditure after tax and interest for the year then ended; and
- have been properly prepared in accordance with the Private Security Industry Act 2001 and Secretary of State directions issued thereunder

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate and report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Security Industry Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Security Industry Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Security Industry Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Chief Executive and Accounting Officer with respect to going concern are described in the relevant sections of this certificate and report.

The going concern basis of accounting for the Security Industry Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Chief Executive and Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate and report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Private Security Industry Act 2001.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Private Security Industry Act 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements

Matters on which I report by exception

In the light of the knowledge and understanding of the Security Industry Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Security Industry Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury’s Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury’s guidance

Responsibilities of the Chief Executive and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer’s Responsibilities, the Chief Executive and Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the

financial statements such as records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Security Industry Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Private Security Industry Act 2001;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Private Security Industry Act 2001; and
- assessing the Security Industry Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive and Accounting Officer anticipates that the services provided by the Security Industry Authority will not continue to be provided in the future

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Private Security Industry Act 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate and report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Security Industry Authority's accounting policies;
- inquired of management, the Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the Security Industry Authority's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Security Industry Authority's controls relating to the Security Industry Authority's compliance with the Private Security Industry Act 2001 and Managing Public Money;
- inquired of management, the Government Internal Audit Agency and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, I considered the opportunities and incentives that may exist within the Security Industry Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and timings of income recognition. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Security Industry Authority's framework of authority and other legal and regulatory frameworks in which the Security Industry Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Security Industry Authority. The key laws and regulations I considered in this context included the Private Security Industry Act 2001, Managing Public Money, and relevant employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws

and regulations described above as having direct effect on the financial statements;

- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- assessment of the Security Industry Authority's revenue recognition policy against accounting standards and substantive testing of income streams to address the risk of fraud in revenue recognition

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists in the form of IT Auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate and report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

22 November 2024

Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2024

		2023-24	2022-23
	Note	£'000	£'000
Income			
Income from activities	4	33,328	30,335
Other income			
Other income from activities	4	72	18
Court costs recovered	4	3	13
Total operating income		33,403	30,366
Expenditure			
Staff costs	2	(19,585)	(17,962)
Depreciation	5	(755)	(897)
Amortisation	6	(455)	(1,279)
Other expenditure	3	(13,356)	(13,032)
Total operating expenditure		(34,151)	(33,170)
Finance Expense	13	(77)	(59)
Payment to Home Office from Reserves		(4,689)	—
Net income before tax and interest		(5,514)	(2,863)
Interest received	4	665	124
Corporation tax*		(122)	(2)
Net income after tax and interest		(4,971)	(2,741)
Other comprehensive net expenditure			
Net gain on revaluation of intangible assets		19	33
Net income after tax and interest		(4,952)	(2,708)

*£23k in 2023-24 related to 2022-23 as basis of accounting has changed from cash basis to accruals basis.

The notes on pages 110 to 126 form part of these accounts.

There are no other comprehensive income items.

All income and expenditure relates to continuing operations.

Statement of financial position as at 31 March 2024

	Note	2023-24	2022-23
		£'000	£'000
Non-current assets			
Property, plant and equipment	5	490	225
Right-of-use assets	5	4,111	6,077
Intangible assets	6	3,778	3,082
Total non-current assets		8,379	9,384
Current assets			
Trade and other receivables	8	925	1,123
Cash and cash equivalents	9	24,798	30,029
Total current assets		25,723	31,152
Total assets		34,102	40,536
Current liabilities			
Trade and other payables	10	(4,272)	(3,834)
Lease Liability	13	(454)	(637)
Total current liabilities		(4,726)	(4,471)
Non-Current liabilities			
Provisions	11	(913)	(903)
Lease Liability	13	(3,732)	(5,479)
Total Non-Current liabilities		(4,645)	(6,382)
Total liabilities		(9,371)	(10,853)
Total assets less current liabilities		29,376	36,065
Total assets less total liabilities		24,731	29,683

	Note	2023-24	2022-23
		£'000	£'000
Taxpayers' equity			
Revaluation Reserve		262	243
General reserve		24,469	29,440
Total equity		24,731	29,683

The notes on pages 110 to 126 form part of these accounts.

These financial statements were approved by the Board on the below date and were signed on its behalf by:



Michelle Russell

Chief Executive and Accounting Officer
20 November 2024

Statement of cash flows for the year ended 31 March 2024

	Note	2023-24	2022-23
		£'000	£'000
Cash flows from operating activities			
Net operating deficit for the year	SoCNE	(5,514)	(2,863)
Adjustments for non-cash transactions			
Amortisation	6	455	1,279
Depreciation (restated)	5	755	898*
Increase in provisions (restated)	11	10	—
Interest on lease liabilities	13	77	59
Changes in working capital			
Decrease / (increase) in trade and other receivables	8	198	(482)
Increase in trade and other payables	10	438	325
Corporation tax paid		(122)	(2)
Net cash inflow from operating activities		(3,703)	(787)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(394)	(164)
Purchase of intangible assets	6	(1,132)	(1,527)
Interest received	4	665	124
Net cash outflow from investing activities		(861)	(1,566)
Cash flows from financing activities			
Repayments of principal on lease	13	(667)	(683)
Net cash outflow from financing activities		(667)	(683)
Net decrease in cash and cash equivalents in the period		(5,231)	(3,036)
Cash and cash equivalents at the beginning of the year	9	30,029	33,065
Cash and cash equivalents at the end of the year	9	24,798	30,029
	Movement	(5,231)	(3,036)

*Previous year figures have been reclassified and regrouped.

The notes on pages 110 to 126 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2024

	Revaluation Reserve	General Reserve	Taxpayers Equity
	£'000	£'000	£'000
Balance at 31 March 2022	210	32,181	32,391
Changes in Taxpayers' Equity 2022-23			
Comprehensive expenditure for the year	—	(2,741)	(2,741)
Net gain on revaluation of STeP	33	—	33
Balance at 31 March 2023	243	29,440	29,683
Changes in Taxpayers' Equity 2023-24			
Comprehensive expenditure for the year	—	(4,971)	(4,971)
Net gain on revaluation of STeP	19	—	19
Balance at 31 March 2024	262	24,469	24,731

Our licensing system, STeP, is an intangible asset and is reviewed annually for impairment and is revalued on the basis of depreciated replacement cost using published indices. Any revaluation surplus is credited to the Revaluation Reserve.

The General Reserve consists of balances accumulated by the usual operation of the business.

The notes on pages 110 to 126 form part of these accounts.

Notes to the financial statements

1. Accounting policies, key accounting estimates and judgements

1.1. Statement of Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies adopted by the SIA are described below. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the SIA for the purpose of giving a true and fair view has been selected. They have been applied consistently in dealing with items that are considered material to the financial statements.

1.2. Basis of preparation

These financial statements have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, and intangible assets. The accounts have been prepared under the direction issued by the Secretary of State under the Private Security Industry Act 2001.

1.3. Significant estimates and judgements

In prior years, due to the basis of the contract with British Telecommunications PLC, judgement was taken on the valuation of the STeP asset, based on milestone payments, information from BT and the programme team.

1.4. Leases

The Government Financial Reporting Manual (FReM) mandates the practical expedient that an entity should not reassess whether a contract is, or contains, a lease at the date of initial application. The SIA uses the practical expedient detailed in IFRS 16. The lease for our HQ office space, at 10 South

Colonnade, falls under the scope of IFRS 16.

The SIA has adopted IFRS 16, as interpreted and adapted in the FReM, with effect from 1 April 2022. In accordance with the FReM, intra-UK government agreements, including the Memorandum of Terms of Occupancy (MOTO) with the Government Property Agency (GPA), are treated as contracts and therefore within the scope of IFRS 16 where they convey the right to use an asset.

Where a lease has been identified, the SIA recognises a right-of-use asset and a corresponding lease liability, except for short term leases and leases for which the underlying asset is of low value. For such leases, the lease payments are recognised as an expense on a straight line basis over the lease term.

The SIA has not set a specific threshold for identifying assets that are of low value, and applies the guidance in IFRS 16 on a case by case basis. Where the interest rate implicit in a lease cannot be readily determined, the SIA calculates the lease liability using the HM Treasury discount rates promulgated in PES papers as the incremental borrowing rate.

For leases that commence or are remeasured in the 2022 calendar year, this rate is 0.95% (2021: 0.91%). The SIA does not apply IFRS 16 to leases of intangible assets and recognises these in accordance with IAS 38 where appropriate.

For leases that commence or are remeasured in the 2023 calendar year, this rate is 3.51%.

Right-of-Use Assets & Liabilities

At the commencement date of any new lease, we measure the lease liability at the present value of the lease payments.

IFRS 16 requires that we also recognise interest payable on the lease payments, based on a discount rate applied to the Lease Liability outstanding balance

Under IFRS 16, cash repayments of the lease liability are split into a principal portion (which reduces the amount of the balance sheet liability) and a notional interest payable portion (which is chargeable to the Statement of Comprehensive Income).

IFRS 16 requires lessees to separate out rent charges from service charges, where this IFRS 16 requires lessees to separate out rent charges from service charges, where this the service charge element for our property lease and have capitalised only the rent element. Service charges are expensed separately and treated as running costs.

1.5. Going Concern

The directors have a reasonable expectation that the SIA has adequate resources to continue in operational existence for the foreseeable future. The basis of this is the application of future income from activities and our continued sponsorship by the Home Office.

This is supported by our establishment under the Private Security Industry Act 2001 to contribute to public protection by setting and improving standards in the regulated private security industry. Therefore, the SIA's financial statements have been prepared on a going concern basis.

1.6. Financing

The SIA covers its expenditure by charging fees for licensing and ACS registration.

1.7. International Financial Reporting Standards (IFRS) not yet effective

IFRS 17 Insurance Contracts is currently applicable for reporting periods beginning from 1 January 2023. The standard is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2025 (with limited options for early adoptions). We expect the introduction of IFRS 17 to be immaterial.

Accounting policies for expenditure

1.8. Pensions

a) Principal Civil Service Pension Scheme (PCSPS): The Security Industry Authority recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees' services by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

b) Civil Servants and Others Pension Scheme (CSOPS): CSOPS known as Alpha is a new unfunded, defined benefit scheme which started on 1 April 2015. The Security Industry Authority recognises the expected costs on a systematic and rational basis over the period during which it benefits from employees' services by payments to the CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSOPS.

1.9. Value Added Tax on purchases

The SIA is not registered for VAT for its statutory functions. It is registered for VAT in respect of certain ancillary activities, but the amounts are not material. Where VAT is not recoverable, it is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.10. Corporation Tax

The SIA is liable for corporation tax at 25% (19% in 2022-23) on interest received on investment income, this relates to the bank interest.

Accounting policies for income

Income is recognised in accordance with IFRS 15 (Revenue from Contracts with Customers).

1.11. Licence Fee Income

Income is recognised at the point when payment is made for an application. At this point, the fee paid becomes

non-refundable as the SIA is committed to paying third party providers for processing the application.

The SIA is committed to paying third party providers for processing the application (but not renewals). This discount is included in licensing income.

1.12. Approved Contractor Scheme (ACS) Income

The ACS is a voluntary scheme for providers of security services. Companies who satisfactorily meet the agreed standards may be registered as approved and may advertise themselves as such.

Application fee income is recognised at the point when the payment is made for an application and is non-refundable.

Annual registration income is charged to the Statement of Comprehensive Net Income on a straight line basis over the period covered by the registration.

Accounting policies for assets and liabilities

1.13. Property, Plant and Equipment

Items are capitalised as non-current assets where the purchase cost exceeds £1,000, or £5,000 for grouped assets, and the benefit they yield has a life of more than one year. Non-current assets are held at cost less accumulated depreciation.

There was no revaluation of Property, Plant and Equipment assets for 2019-20 because it is deemed immaterial and the depreciated historic cost basis is considered as a proxy for fair value for assets that have short useful lives.

1.14. Intangible Assets

Intangible assets are non-monetary assets without physical substance, which arise from contractual or other legal rights. In line with the recognition criteria in IAS 38, intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the asset will flow to the SIA and the cost of the asset can be measured reliably.

Assets Under Construction (AUC) are 'non-live' assets. During the construction phase they are initially recognised at cost. This comprises the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. When completed, AUC are reclassified, and the value is recognised in the appropriate asset category and depreciated or amortised from the date they are brought into service.

Items are capitalised as non-current assets where the purchase cost exceeds £1,000, or £5,000 for grouped assets, and the benefit they yield has a life of more than one year.

STeP is reviewed annually for impairment and is revalued on the basis of depreciated replacement cost using published indices. This revaluation occurred in March 2024.

Net book value prior to revaluation	£2.74m
Revaluation Amount	£0.02m
Net book value after revaluation	£2.76m

Any revaluation surplus is credited to the Revaluation Reserve.

1.15. Depreciation and Amortisation

Depreciation and amortisation is provided on all non-current assets on a straight-line basis to write off the cost or valuation evenly over the asset's expected useful life as follows:

Leasehold improvements	Fully depreciated in June 2018
Furniture	Five years
IT Hardware	Three to five years
Software Licences	Three years (fully amortised at March 2023)
Approved Contractor Scheme (ACS)	ACS (fully amortised at February 2010)
STeP system	Over contract term
Right of use assets	Lifetime of lease

1.16. Contract Liabilities

The SIA will defer ACS income where:

- annual registration fees have been received prior to the awarding of approved status
- the annual registration fee covers a period extending over the financial year end

1.17. Provision for Bad Debt

The SIA is awarded costs by the courts when appeals are successfully defended. It is not always possible for the SIA to collect all these debts and those that are outstanding and a provision is made for debt which has been outstanding for more than 12 months.

1.18. Provisions

In accordance with IAS 37, provisions are disclosed in the Statement of Financial Position for legal and constructive obligations in existence at the end of the reporting period if the payment amount to settle the obligation is probable and can be reliably estimated.

The amount recognised in provisions takes in to account the resources required to cover future payment obligations. Measurement is based on the settlement amount with the highest probability, rather than applying a discount rate.

2. Staff costs

	2023-24			2022-23		
	Permanently Employed Staff £'000	Others £'000	Total £'000	Permanently Employed Staff £'000	Others £'000	Total £'000
Wages and salaries	14,129	620	14,749	12,115	1,558	13,673
Social security costs	1,505	6	1,511	1,337	7	1,344
Other pension costs	3,325	—	3,325	2,820	—	2,820
Redundancy costs	—	—	—	—	126	126
Total staff Costs	18,959	626	19,585	16,272	1,690	17,962

Further staff disclosures can be found in the Remuneration and Staff Report section of the Annual Report (on page 79).

3. Other Expenditure

	Note	2023-24	2022-23
		£'000	£'000
Running costs			
Licensing costs		7,647	7,407
Accommodation costs		789	872
Travel and subsistence		673	555
Information Technology		2,208	2,100

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	Note	2023-24	2022-23
		£'000	£'000
Office supplies and services		535	500
Legal costs		259	46
Training		175	237
Advertising and publicity		247	239
Recruitment		307	552
Audit fee – internal		—	—
Audit fee – external*		78	46
Catering		1	—
Financial costs		3	2
Consultancy		323	165
Home Office recharge		253	312
Non Cash Items			
Increase in provision for bad debts	8	—	—
Decrease in provision for dilapidations	11	(145)	—
Bad and doubtful debts		3	—
(Gain)/Loss on disposal of Non-Current Assets		—	—
Total other expenditure		13,356	13,032

* External audit fees for 2023-24 do not include any non-audit work undertaken by the NAO (2022-23: Nil).

The following Research & Development aggregate costs have been recognised as an expense and are included in the above:

	2023-24	2022-23
	£'000	£'000
Office supplies and services	125	47

4. Income

	2023-24	2022-23
	£'000	£'000
Operating Income		
Licensing	34,217	31,306
Licence Rebate Scheme	(3,068)	(3,065)
Approved Contractors Scheme (ACS)	2,179	2,093
Income from activities	33,328	30,335
Other income		
Other income from activities	72	18
Court costs recovered	3	13
Total operating income	33,403	30,366
Interest received on bank deposits	665	124

5. Property, plant and equipment

	Furniture and Fittings	Information Technology	Right Of Use Asset – Buildings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2023	—	1,205	6,740	7,944
Revaluations	—	—	—	—
Additions	175	219	—	394
Disposals	—	—	(1,340)	(1,340)
At 31 March 2024	175	1,424	5,400	6,999
Depreciation				
At 1 April 2023	—	980	663	1,643

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	Furniture and Fittings	Information Technology	Right Of Use Asset – Buildings	Total
	£'000	£'000	£'000	£'000
Charged in year	6	122	626	755
Disposals	—	—	—	—
At 31 March 2024	6	1,102	1,289	2,397
Net book value at 31 March 2024	169	322	4,111	4,602
Net book value at 31 March 2023	—	225	6,077	6,302
Asset financing:				
Owned	169	322	—	490
IFRS16 Lease	—	—	4,111	4,111
Net Book Value at 31 March 2024	169	322	4,111	4,602
Cost or valuation				
At 1 April 2022	—	1,041	6,426	7,467
Revaluations	—	—	314	314
Additions	—	164	—	164
Disposals	—	—	—	—
At 31 March 2023	—	1,205	6,740	7,944
Depreciation				
At 1 April 2022	—	745	—	745
Charged in year	—	235	663	898
Disposals	—	—	—	—
At 31 March 2023	—	980	663	1,643

	Furniture and Fittings	Information Technology	Right Of Use Asset – Buildings	Total
	£'000	£'000	£'000	£'000
Net book value at 31 March 2023	—	225	6,077	6,302
Net book value at 31 March 2022	—	296	—	296
Asset financing:				
Owned	—	225	—	225
IFRS16 Lease	—	—	6,077	6,077
Net Book Value at 31 March 2023	—	225	6,077	6,302

6. Intangible assets

	Software Licences	STeP	Assets Under Construction	ACS	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2023	850	10,829	1,863	1,075	14,617
Impairment	—	—	—	—	—
Additions	—	182	950	—	1,132
Transfer	—	1,792	(1,792)	—	—
Disposals	—	—	—	—	—
Revaluation	—	90	—	—	90
At 31 March 2024	850	12,893	1,021	1,075	15,839
Amortisation					
At 1 April 2023	850	9,610	—	1,075	11,535
Charged in year	—	455	—	—	455

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	Software Licences	STeP	Assets Under Construction	ACS	Total
	£'000	£'000	£'000	£'000	£'000
Revaluation	—	71	—	—	71
Disposals	—	—	—	—	—
At 31 March 2024	850	10,136	—	1,075	12,061
Net book value at 31 March 2024	—	2,757	1,021	—	3,778
Asset financing:					
Owned	—	2,757	1,021	—	3,778
Finance leased	—	—	—	—	—
On balance sheet PFI contracts	—	—	—	—	—
Net book value at 31 March 2024	—	2,757	1,021	—	3,778
Cost or valuation					
At 1 April 2022	850	10,495	375	1,075	12,795
Impairment	—	—	—	—	—
Additions	—	39	1,488	—	1,527
Transfer	—	—	—	—	—
Disposals	—	—	—	—	—
Revaluation	—	295	—	—	295
At 31 March 2023	850	10,829	1,863	1,075	14,617
Amortisation					
At 1 April 2022	847	8,072	—	1,075	9,994
Charged in year	2	1,276	—	—	1,279
Revaluation	—	262	—	—	262
Disposals	—	—	—	—	—
At 31 March 2023	850	9,610	—	1,075	11,535
Net book value at 31 March 2023	—	1,219	1,863	—	3,082

	Software Licences	STeP	Assets Under Construction	ACS	Total
	£'000	£'000	£'000	£'000	£'000
Asset financing:					
Owned	—	1,219	1,863	—	3,082
Finance leased	—	—	—	—	—
On balance sheet PFI contracts	—	—	—	—	—
Net book value at 31 March 2023	—	1,219	1,863	—	3,082

7. Financial Instruments

Due to the largely non-trading nature of the activities of the SIA and the way in which it is financed, the organisation is not exposed to the degree of financial risk faced by a non-public sector body. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The SIA has very limited powers to borrow or invest surplus funds, and consequently financial assets and liabilities are generated by day-to-day operational activities and are not deemed to change the risk facing the SIA in undertaking its activities.

Financial instruments only relate to contracts to buy non-financial items in line with the SIA's expected purchase requirements.

Liquidity risk

The SIA's net revenue resource requirements are financed by licence fees and its capital expenditure is largely funded by resources which are granted annually by Parliament. The SIA is not therefore exposed to significant liquidity risk.

Interest rate risk

The SIA is not exposed to significant interest rate risk.

Foreign currency risk

The SIA is not exposed to any foreign exchange risk.

Credit risk

The SIA is not exposed to significant credit risk, other than bad debt provision.

8. Trade receivables and other current assets

	2023-24	2022-23
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	—	—
Other receivables	54	12
Court debts	142	157
Prepayments and accrued income	892	1,116
	1,088	1,285
Less provision for bad debts	(163)	(163)
	925	1,123

9. Cash and cash equivalents

	2023-24	2022-23
	£'000	£'000
Balance at 1 April 2023	30,029	33,065
Net change in cash and cash equivalent balances	(5,231)	(3,037)
Balance at 31 March 2024	24,798	30,029

The following balances at 31 March 2024 were held at:

Bank and cash in hand	24,798	30,029
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With HMT approval, cash reserves are being utilised to subsidise the SIA prescribed licensing fee.

This reduces the amount payable from £204 to £184 until 31 March 2026.

10. Trade payables and other current liabilities

	2023-24	2022-23
	£'000	£'000
Amounts falling due within one year		
Other taxation & social security	367	459
Trade payables	104	535
Other payables	36	33
Accruals	2,600	1,784
Contract Liabilities	1,165	1,023
Total	4,272	3,834

11. Provisions for liabilities and charges

	Provision for dilapidations	Provision for court costs payable	Total
	£'000	£'000	£'000
Balance at 1 April 2023	903	—	903
Provided in the year	—	155	155
Provisions written back as not required	(145)	—	(145)
Balance at 31 March 2024	758	155	913
Balance at 1 April 2022	903		
Provided in the year	—		
Provisions written back as not required	—		
Balance at 31 March 2023	903		

Dilapidation

The SIA makes provision to cover its obligations for the reinstatement of its leasehold buildings to their original state before its occupation.

Some judgement was required for the dilapidations provision which represents the sum required to reinstate the High Holborn premises to a state required under the lease following HQ relocation in June 2018. The provision was based on industry standard and the floor space occupied by the SIA. This estimate remains unchanged for the 2023-24 financial statements at £378,000.

The Government Property Agency has advised that dilapidations will cost £379,500 to reinstate our Canary Wharf premises, a reduction of £145,000. The decrease is due to the reduction of office floor space in this building. The dilapidations provision is in relation to repairs arising from damage to the property. The liability has been recognised over the life of the occupancy agreement.

Provision for Court Costs Payable

This provision is made to cover future anticipated costs relating to legal decisions made in the courts which the SIA are likely to pay.

12. Capital Commitments

The SIA had no capital commitments at 31 March 2024.

The SIA had no capital commitments at 31 March 2023.

13. Commitments under leases

	2023-24	2022-23
	£'000	£'000
IFRS 16 Lease Liability at 1 April 2023	6,116	6,261
Lease Remeasurement	—	314
Disposals during the Year	(1,340)	—
Notional interest expense	77	59
Rent expenditure related to lease	(667)	(518)
IFRS 16 Lease liability at 31 March 2024	4,186	6,116
Lease commitments due in under one year	454	637
Lease commitments due in over one year	3,732	5,479
Total	4,186	6,116

The lease liabilities are measured at the discounted present value of the contractual rent payments.

IFRS 16 requires that we recognise notional interest payable on the lease payments, based on a discount rate applied to the lease liability outstanding balance. The lease liabilities represent the total value of rent payments for the lease, discounted to present value using the approved HM Treasury's discount rate. The current lease liability is based on the 2023 PES (Public Expenditure System) rate of 3.51%. This is due to the relinquishing of office space in 2023.

Our buildings lease, for 10 South Colonnade, is a 14.25 year agreement from March 2018 to June 2032.

The lease liability is based on the whole period, with the lease transitioning to IFRS 16 in April 2022.

The lease agreement included obligations to pay variable service charges, rates and electricity costs.

These costs are also shown in the Expenditure section, under Accommodation Costs.

14. Contingent Liabilities Disclosed Under IAS 37

The SIA had no contingent liabilities as at 31 March 2024.

The SIA had no contingent liabilities as at 31 March 2023.

15. Related-party transactions

The SIA has had transactions during the period with the following government bodies, and all transactions were conducted at arms length:

- Access NI
- Disclosure and Barring Service
- National Crime Agency
- Disclosure Scotland
- Home Office
(includes a recharge)

No board member, key manager or other related parties has undertaken any material transactions with the SIA during the year. The Remuneration report provides information on key management compensation.

16. Events after the reporting period

There have been no events after the reporting date requiring an adjustment to the accounts.

The financial statements were authorised for issue on the same date that the Comptroller and Auditor General certified the Annual Report and Accounts.

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978-1-5286-5120-2