

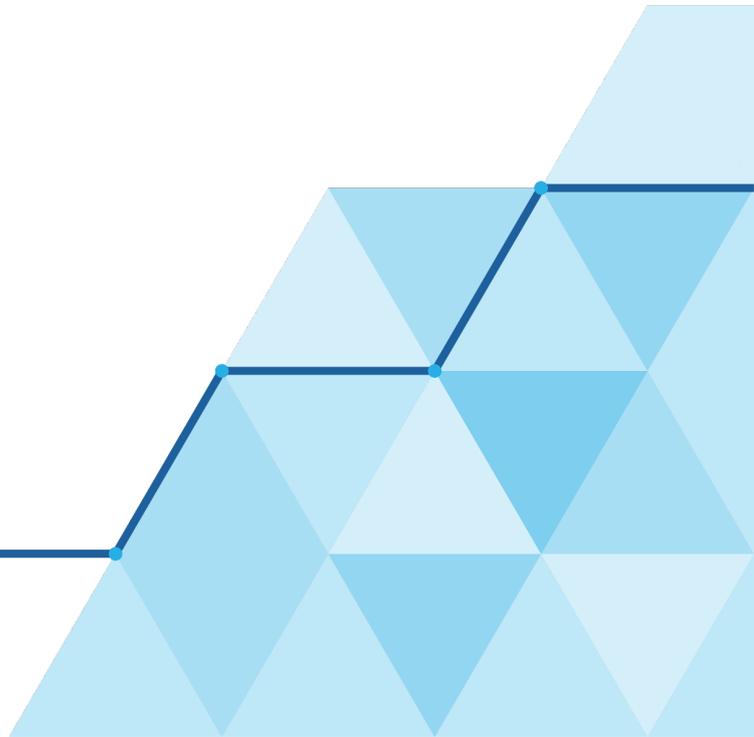


Ministry
of Justice

Prisons &
Probation
Ombudsman
Independent Investigations

Framework Document between the Ministry of Justice and the Prisons and Probation Ombudsman

December 2025



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Introduction and background

1. Purpose of document

- 1.1 This Framework Document has been agreed by the Ministry of Justice (MOJ) and the Prisons and Probation Ombudsman (PPO) in accordance with HM Treasury's handbook Managing Public Money (MPM) (as updated from time to time) and has been approved by HM Treasury.¹
- 1.2 The Framework Document sets out the broad governance framework within which the PPO and MOJ operate. It sets out the PPO's core responsibilities, describes the governance and accountability framework that applies between the roles of MOJ and the PPO, and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3 The Framework Document does not confer any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4 References to the PPO include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If the PPO establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the PPO agreed with MOJ.
- 1.5 Copies of the Framework Document and any subsequent amendments have been placed in the libraries of both Houses of Parliament and made available to members of the public on the PPO's website and GOV.UK.
- 1.6 This Framework Document should be reviewed and updated at least every three years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer (PAO) of MOJ. The latest date for review and updating of this document is three years from the date of publication.
- 1.7 Both the PPO and members of the PPO's office have responsibilities as set out in its terms of reference.² However, for simplicity, this Framework Document refers to responsibilities as belonging to the PPO (unless otherwise indicated). It does not

¹ https://assets.publishing.service.gov.uk/media/684ae4c6f7c9feb9b0413804/Managing_Public_Money.pdf

² <https://ppo.gov.uk/about/vision-and-values/terms-of-reference>

detail the criteria and extent of the investigations of the PPO, which is documented in the terms of reference.

2. Statement of independence

- 2.1 The PPO is operationally independent. It is sponsored by MOJ.
- 2.2 The PPO and its staff work wholly independently of the services in its remit and its departmental sponsors.
- 2.3 This includes independence from ministers and officials of MOJ, the Home Office, His Majesty's Prison and Probation Service, His Majesty's Courts and Tribunals Service, the Parole Board, coroners, any individual local authority, the Youth Justice Board, providers of youth secure accommodation, the Department for Education, the Welsh Government, the Department of Health and Social Care, NHS England or other government departments.
- 2.4 This independence enables the PPO to conduct fair and impartial investigations, making recommendations for change where necessary, without fear or favour. The real, perceived and visible independence of the PPO from MOJ and authorities in its remit is fundamental to the purpose and function of the PPO. The content of PPO reports and publications is solely at the discretion of the PPO. The PPO will consider responses to factual accuracy checks, but will exercise its own discretion on what, if any, changes to make.
- 2.5 The PPO will produce and publish an annual report after the end of each financial year, which the Secretary of State (SoS) will lay before Parliament.
- 2.6 The PPO reports in the PPO's own name, and has complete discretion on the publication and timing of reports that identify lessons to be learned from collective analysis of investigations. Written reports are not cleared with any external person or external body, although drafts are shared with investigated bodies to allow factual inaccuracies to be corrected.
- 2.7 The PPO will use its judgement and expertise in deciding what issues to report on in other publications, such as themed learning lessons reports.
- 2.8 The PPO will reply to any consultations on policy proposals, draft guidance, Prison Service Instructions, Probation Instructions, policy frameworks, detention services orders, and parliamentary proposals (such as the Justice Select Committee) at the PPO's discretion.

- 2.9 Funding for the PPO comes from MOJ (the majority funder) and the Home Office. The Department for Education or the Welsh Government fund fatal incident investigations at secure children's homes as and when they occur.
- 2.10 In making decisions in relation to the PPO, the Permanent Secretary, as PAO, will take into account the PPO's operational independence.
- 2.11 The PPO issues press notices to the media under its own name. As an independent organisation, the PPO is free to speak publicly and participate in debates and events. The PPO's press officer engages with the media at the discretion of the PPO and will liaise with the MOJ Press Office on issues where appropriate, for example, by routinely providing embargoed publications and press notices. Any liaison with MOJ will not be intended to undermine the PPO's independence. The PPO will maintain a website, separate from any presence on GOV.UK.

3. Objectives

- 3.1 The purpose of the PPO is to carry out independent investigations into complaints and deaths in custody.

4. Classification

- 4.1 The PPO is a non-statutory office holder with no legal or statutory basis.

Purpose, aims and duties

5. Purpose

- 5.1 The PPO has no statutory status and its remit is set out in its terms of reference agreed with the Lord Chancellor.

6. Duties

- 6.1 The PPO carries out independent investigations into complaints and deaths in custody. The PPO currently has three main duties:
- to **investigate complaints** made by prisoners, young people in detention (prisons and secure training centres), offenders under probation supervision and individuals detained under immigration powers (detained individuals)
 - to **investigate deaths** of prisoners, young people in detention, approved premises residents and detained individuals due to any cause
 - to **investigate deaths of recently released prisoners** that occur within 14 days of release from prison (except homicide)
- The PPO extracts the learning from these investigations to share with relevant stakeholders.
- 6.2 The state has a procedural duty to bring about an effective and independent investigation when it is arguable that there has been a breach of certain substantive rights of the European Convention on Human Rights, including both Article 2 (read with Article 1) and Article 3 rights. The PPO's investigations will support the government to fulfil these obligations.
- 6.3 The PPO:
- may co-operate with other bodies, where it is appropriate to do so, for the efficient and effective discharge of the PPO's functions
 - may act jointly with other public authorities, where it is appropriate to do so, for the efficient and effective discharge of the PPO's functions
 - may provide assistance to any other public authority for the purpose of the exercise by that authority of its functions
- 6.4 The PPO's geographical remit covers England and Wales, except in the case of immigration detainees where it extends to the UK and international transfer of detainees, such as for the purposes of immigration escorts.

Governance and accountability

7. Governance and accountability

- 7.1 The PPO shall operate corporate governance arrangements that, in so far as practicable and in light of the other provisions of the Framework Document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 7.2 In particular (but without limitation) the PPO should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (as amended and updated from time to time) to the extent appropriate³
 - comply with MPM
 - in line with MPM, have regard to the relevant functional standards as appropriate and in particular those concerning finance, commercial, security and counter fraud⁴
 - take into account the codes of good practice and guidance set out in Annex A of this Framework Document as they apply to the PPO
- 7.3 The PPO shall comply with the corporate governance principles in MPM and the sponsor should be notified in advance if the PPO intends to deviate from them.
- 7.4 The senior team in the PPO's office, who are accountable for managing functions in the organisation, are accountable to the Ombudsman for:
- the delivery of the PPO's business plan objectives relevant to the function and the direction and control of associated resources
 - the quality and value for money of the service provision
 - ensuring the PPO adopts the relevant function's policies, controls and standards, in so far as is consistent with the other provisions of this Framework Document
- 7.5 As an embedded and integral part of the governance and performance management of the organisation, the senior officers accountable for managing each function in the organisation shall agree a proportionate basis for defining the scope of services, service levels, appropriate milestones and performance criteria, with

³ <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

⁴ <https://www.gov.uk/government/collections/functional-standards>

routine reporting on compliance with defined standards and requirements, the resources deployed and costs, and any gaps in capacity and capabilities.

- 7.6 The senior officers accountable for managing each function in the PPO are accountable to the respective MOJ function leads for:
- providing assurance over compliance with functional standards, in so far as is consistent with the other provisions of this Framework Document
 - implementing consistent policies, systems, processes and capabilities that support and promote interoperability and efficiency
 - supporting the ongoing development of the function
- 7.7 The senior officers accountable for managing each function in the PPO's office shall provide the MOJ function leads with such information about their operations, performance and capabilities as may reasonably be required. In the event of any significant concerns being identified, the MOJ function lead will draw these to the attention of the Ombudsman.
- 7.8 The respective MOJ function lead will engage with the budget holder and senior officer accountable for managing each function in the PPO to develop functional plans that set out activities, processes and developments that align to the delivery of MOJ outcome priorities to required standards, meet the collective needs across the organisation, and support an inclusive vision and clear prioritisation for all those operating within these activities. The PPO shall work collaboratively with MOJ's functions to align processes, systems, knowledge and career pathways.
- 7.9 The Ombudsman will consult with and reflect the views of the MOJ function leads to inform the performance assessment of the function leads in the PPO to support their continuing personal and professional development. This is a cross-government requirement aimed at ensuring standards are met in the different functions and should not impact on the PPO's operational independence.
- 7.10 The Ombudsman as budget holder may provide feedback on the performance and engagement of the MOJ function leads to support their continuing personal and professional development, and improve effective collaboration between the bodies.
- 7.11 MOJ may provide functional services to the PPO. The PAO may seek to change the precise nature of the delivery model for these functions during the lifetime of this Framework Document to support better delivery of the Ombudsman's objectives, more consistency, increased innovation and enhanced efficiency. Where significant change is proposed in the way functions are delivered, the Ombudsman will be consulted.

Assessment of office holder

7.12 The PPO will be subject to an annual appraisal of the performance of the PPO's office conducted by the Senior Sponsor in line with Cabinet Office guidance. MOJ officials will support the preparation and co-ordination of the appraisal process.

Role of the department

8. The responsible minister

8.1 The SoS for Justice is accountable to Parliament for all matters concerning the PPO.

Appointments

8.2 The PPO is appointed by the SoS for Justice following a pre-appointment scrutiny hearing by the House of Commons Justice Select Committee. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.⁵

8.3 All such appointments should reflect the diversity of the society in which we live, and should be made taking account of the need to appoint individuals with a balance of skills and backgrounds.

Other ministerial powers and responsibilities

8.4 The minister is also responsible for:

- matters regarding spending approvals, acquisitions, disposals and joint ventures in line with delegations as set out in the delegation letter
- such other matters as may be appropriate and proportionate

9. The Principal Accounting Officer

9.1 The Permanent Secretary of MOJ is the PAO and is responsible to Parliament for the issue of any funding to the PPO, as the PPO does not have its own accounting officer to whom financial responsibility is delegated. The PPO accounts to the PAO for the appropriate use of resources in accordance with budgetary delegation arrangements, and the PAO is responsible for ensuring that the PPO delivers the standards set out in Chapter 3 of MPM. The budget holder is expected to consult the PAO should any issue arise that engages their budget holder responsibilities in a timely fashion.

9.2 The respective responsibilities of the PAO are set out in Chapter 3 of MPM. The PAO is also accountable to Parliament for the issue of any grant-in-aid to the PPO.

⁵ <https://www.gov.uk/government/publications/governance-code-for-public-appointments>

- 9.3 The responsible senior civil servant for this relationship is the Senior Sponsor, as delegated by the Permanent Secretary. The PAO may delegate the exercise of their responsibilities to an appropriately senior official within the department to act as Senior Sponsor to the PPO. Where these responsibilities are delegated to a Senior Sponsor, the PAO does so based on the continuing assurances provided by the Senior Sponsor, supported by the policy sponsorship team and the Public Bodies Centre of Expertise.
- 9.4 The PAO is also responsible, via the Senior Sponsor and the sponsorship team, for advising the SoS on:
- an appropriate budget for the PPO in light of MOJ's overall public expenditure priorities
 - how well the PPO is achieving its strategic objectives and whether it is delivering value for money
 - the exercise of the minister's statutory responsibilities concerning the PPO as outlined above
- 9.5 The PAO, supported by the Senior Sponsor, the Public Bodies Centre of Expertise (in collaboration with the MOJ policy sponsorship team), and senior officials accountable for managing each function in MOJ, is also responsible for ensuring arrangements are in place (consistent with the overriding principle of independence as set out in section 2) to:
- ensure the PPO is fulfilling its obligations as set out in its terms of reference
 - review performance and delivery against the PPO's business plan
 - address any significant problems in the organisation which may arise, making such interventions as are judged necessary
 - periodically, and at such frequency as is proportionate to the level of risk, carry out an assessment of the risks both to MOJ and the PPO's objectives and activities in line with the wider departmental risk management process
 - inform the PPO of relevant government policy in a timely manner
 - bring ministerial or departmental concerns about the activities of the PPO's office to the attention of the PPO and, as appropriate, to MOJ's departmental board requiring explanations and assurances that appropriate action has been taken (while taking into account the PPO's operational independence)

10. The role of the sponsorship team

- 10.1 The Senior Sponsor, supported by the Public Bodies Centre of Expertise, the policy sponsorship team in MOJ and the department's functions (where relevant), is the primary contact within MOJ for the PPO. The Senior Sponsor is the main source of advice to the responsible minister on the discharge of his or her responsibilities in

respect of the PPO. They also support the PAO on their responsibilities towards the PPO. This sponsorship engagement will be guided by the principles set out in the Cabinet Office Sponsorship Code of Good Practice.⁶

- 10.2 Officials in the Public Bodies Centre of Expertise and the policy sponsorship team will liaise regularly with the PPO's officials concerning its plans, the progress of its investigations, and expenditure against its departmental expenditure limit and annually managed expenditure allocations. They will support the PAO and Senior Sponsor by reporting on the PPO's performance against its business plan objectives and whether these are being delivered.
- 10.3 The Scrutiny and Prisoner Outcomes Division will provide policy sponsorship. They will support the PAO and Senior Sponsor in advising the SoS and ministers on the desired policy outcomes in response to the PPO's findings and reporting on the PPO's performance against their business plan objectives as to whether these are being delivered. They will also liaise regularly with wider policy officials and will take the opportunity to explain wider policy developments that might have an impact on the PPO. In particular they will:
- facilitate the PPO's engagement and exchange of information and perspectives across MOJ and Whitehall, to include cases where the views of the PPO may be at variance with current government policy
 - inform the PPO of wider government policy initiatives in a timely manner so that the PPO can contribute constructively to consultations on the matter
 - work with the PPO to respond to changes in His Majesty's Prison and Probation Service operational demands
 - maintain regular contact with the PPO to ensure that there is ongoing dialogue around policy issues within the PPO's remit

11. Resolution of disputes between the PPO and MOJ

- 11.1 Any disputes between MOJ and the PPO will be resolved in as timely a manner as possible. MOJ and the PPO will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor may then choose to ask the Permanent Secretary, as the PAO, to nominate a non-executive member of the MOJ Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the SoS.

⁶ <https://www.gov.uk/government/publications/arms-length-body-sponsorship-code-of-good-practice>

12. Freedom of information requests

- 12.1 Where a request for information is received by either party under the Freedom of Information Act 2000 or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

13. Reporting on legal risk and litigation

- 13.1 The PPO shall provide a regular update to the sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the sponsor in a timely manner.
- 13.2 The PPO will manage any litigation arising from its operational activities, involving the Government Legal Department. In respect of each substantial piece of litigation involving the PPO, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Senior Sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- material developments in the litigation are communicated to the Senior Sponsor in an appropriate and timely manner
 - legally privileged documents and information are clearly marked as such
 - individual employees handling the legally privileged documents are familiar with the principles to which they must adhere to protect legal privilege
 - circulation of privileged information within government occurs only as necessary

PPO governance structure

14. Governance structure

14.1 The PPO as budget holder is personally responsible for safeguarding the public funds for which they have charge, for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds, and for the day-to-day operations and management of the PPO's office. In addition, they should ensure that the organisation as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of MPM. These responsibilities include the below and those that are set in the budget holder letter issued by the Senior Sponsor of the sponsor department.

Responsibilities for accounting to Parliament and the public

14.2 The PPO's responsibilities to Parliament and the public include:

- ensuring that effective procedures for handling complaints about the PPO in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the PPO and are published on the PPO's website
- acting in accordance with the terms of this Framework Document, MPM and other instructions and guidance issued from time to time by the department, HM Treasury and Cabinet Office
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation
 - this Framework Document
 - any delegation letter issued to the PPO
- giving evidence, normally with the PAO, if summoned before the Public Accounts Committee and other parliamentary select committees on the PPO's stewardship of third-party public funds
- assuring Parliament and the public of high standards of probity in the management of public funds and assets
- being subject to the scrutiny of the House of Commons Justice Select Committee and giving evidence when called to give evidence
- ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents

Responsibilities to MOJ

14.3 The PPO's responsibilities to MOJ, in particular the PAO, include:

- developing, consulting on and publishing the PPO's strategic and business plans – these are developed independently of MOJ but take into consideration the department's wider strategic aims and agreed priorities
- co-operating with MOJ during the development of custodial and offender management policy ensuring the PPO's voice is heard
- ensuring that timely bimonthly forecasts and monitoring information on performance, risk and finance are provided to MOJ
- ensuring that MOJ and in particular the PAO is notified promptly if over or under spends are likely and of corrective action taken
- ensuring that any significant problems, whether financial or otherwise and whether detected by internal audit or other means, are notified to MOJ and in particular the PAO in a timely fashion
- notifying MOJ at the earliest opportunity if there is a risk of legal challenge against the PPO

Consultation with and advice to ministers

14.4 In exercising its functions, as set out in its terms of reference, the PPO has access to ministers. Written submissions carrying out these functions will be made directly to ministers with the sponsorship team informed of the submission and copied in the content.

Terms of reference

14.5 The PPO and the SoS have agreed terms of reference which the PPO has published. Such a document, setting out the manner in which the PPO will carry out its functions, will continue to exist and be available on the PPO website. Any amendments to this document may be proposed by the PPO or MOJ, and:

- if accepted, there may follow a period of formal or informal consultation (the format of which will be agreed by both MOJ and the PPO)
- after any consultation, the final amendments must then be agreed by the PPO and MOJ
- the PPO will then publicise the amendments and update their website

Management and financial responsibilities and controls

15. Delegated authorities

- 15.1 The PPO's delegated authorities are set out in its delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by MOJ in agreement with HM Treasury.
- 15.2 In line with MPM Annex 2.2, these delegations will be reviewed on an annual basis.
- 15.3 The budget holder shall consult with the Senior Sponsor and obtain MOJ's, and where appropriate HM Treasury's, prior written approval before:
- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the PPO's annual budget as approved by MOJ
 - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department
 - making any change of policy or practice which has wider financial implications that might prove repercussive, or which might significantly affect the future level of resources required
 - carrying out policies that go against the principles, rules, guidance and advice in MPM

16. Spending authority

- 16.1 Once the budget has been approved by MOJ (and subject to any restrictions imposed by the responsible minister's instructions, this Framework Document, HM Treasury settlement or budget/delegation letters), the PPO has authority to incur expenditure as approved in the budget without further reference to the sponsor department, on the following conditions:
- the PPO shall comply with the delegations and financial transaction limits set out in the prevailing budget version letter – these delegations shall not be altered without the prior agreement of the sponsor department and as agreed by HM Treasury and Cabinet Office as appropriate

- the PPO shall comply with MPM regarding novel, contentious or repercussive proposals
- the inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed
- the PPO shall provide MOJ with such information about its operations, performance, individual projects or other expenditure as MOJ may reasonably require
- the oversight of expenditure against budget delegation is the responsibility of the arm's length body finance business partnering team who support the Public Bodies Centre of Expertise with this

16.2 At times, MOJ may need to impose department-wide spending controls on the PPO that may require additional instances of written approval. In considering applications under any such spending controls, MOJ must take due care and proper regard to the PPO's role as an independent scrutiny body. In respect of recruitment of staff, spending control applications should be applied in light of any specific agreement to further delegate the authority to recruit to the PPO.

17. Banking and managing cash

17.1 The PPO must maximise the use of publicly procured banking services (accounts with central government commercial banks are managed centrally by the Government Banking Service).

17.2 The PPO should only hold money outside Government Banking Service accounts where a good business case can be made for doing so, and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

17.3 Commercial accounts where approved should be operated in line with the principles as set out in MPM.

17.4 The PAO is responsible for ensuring the PPO has a banking policy as set out in MPM and ensuring that policy is complied with.

18. Procurement

- 18.1 The PPO shall ensure that it operates within the delegated authorities set out in the delegation letter(s), which will include its delegated commercial authority as well as its spending authority to incur expenditure approved in the budget.
- 18.2 The PPO shall ensure that its procurement policies are aligned with and comply with any relevant UK Procurement Regulations, government policies and procedures, or other international procurement rules.
- 18.3 The PPO shall establish its procurement policies in line with MOJ guidance and procedures.
- 18.4 In procurement cases where the PPO is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Senior Sponsor, via MOJ's sponsorship team.
- 18.5 Goods, services and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited, exceptional and compliant with the UK Procurement Regulations. A quarterly report explaining those exceptions should be sent to the MOJ Chief Commercial Officer.
- 18.6 Procurement by the PPO of works, equipment, goods and services shall be based on a full option appraisal and value for money, i.e. the optimum combination and whole life costs and quality (fitness for purpose).
- 18.7 The PPO shall:
- engage fully with MOJ and government-wide procurement initiatives that seek to achieve value for money from collaborative projects
 - comply with all relevant procurement policy notes issued by Cabinet Office
 - co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of value for money
 - ensure that its staff are fully aware of relevant procurement policies and guidance, its general commercial delegations and financial transaction limits
 - put in place a procurement framework which sets out its procurement structure, organisation, processes and control mechanisms where/if relevant and appropriate
 - provide reports of spend against central contracts and other spend metrics as requested by the commercial team for ongoing reporting to the Cabinet Office
 - periodically and wherever practicable participate in a benchmarking exercise against best practice elsewhere in MOJ

- 18.8 The PPO shall comply with the commercial standards and grants standards.^{7, 8} These standards apply to the planning, delivery and management of government commercial activity including management of grants in all departments and arm's length bodies, regardless of commercial approach used. They form part of a suite of functional standards that set expectations for management within government.

19. Risk management

- 19.1 The PPO, supported by the Audit, Risk and Assurance Committee, shall establish the organisation's overall approach to risk management in accordance with the Orange Book Management of Risk – Principles and Concepts and the MOJ risk management framework to ensure that the risks that it faces are dealt with in an appropriate manner.⁹

20. Counter fraud and theft

- 20.1 The PPO should adopt and implement policies and practices to safeguard itself against fraud, bribery and corruption. This includes staff fraud and theft.
- 20.2 The PPO should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard.¹⁰ The PPO should also take all reasonable steps to conduct due diligence checks and appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid to minimise fraud risks.
- 20.3 The PPO should keep records of, and prepare and forward to MOJ, an annual report on fraud and theft suffered by the PPO and notify MOJ of any unusual or major incidents as soon as possible. The PPO should also report, quarterly, detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the MOJ Counter Fraud Centre of Expertise in line with the agreed government definitions as set out in the Counter Fraud Functional Standard.

⁷ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

⁸ <https://www.gov.uk/government/publications/grants-standards>

⁹ <https://www.gov.uk/government/publications/orange-book>

¹⁰ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

21. Staff

Staff recruitment

21.1 The PPO has delegated authority to:

- recruit civil servants through the normal process abiding by MOJ and Civil Service rules on recruitment and subject to any spending control restrictions – this also applies to civil servants recruited on loan or seconded from other departments
- identify and recruit associates from outside the MOJ recruitment process – all new staff, including associates, will have security clearance and pre-employment checks
- recruit staff on loan or secondment for an agreement term from an organisation outside of MOJ – such staff will have contracts agreed with their parent organisation and will be subject to the terms and conditions of their parent organisation

Broad responsibilities for staff

21.2 Within the arrangements approved by the responsible minister (and HM Treasury) the PPO will have the responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities towards its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued, appointment and advancement are based on merit, and there is no discrimination against employees with protected characteristics under the Equality Act 2010
- the PPO is subject to the Security Policy Framework and complies with its requirements
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
- the performance of its staff at all levels is satisfactorily appraised and the PPO performance measurement systems are reviewed in line with the department
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the PPO's objectives
- proper consultation with staff takes place on key issues affecting them
- adequate grievance and disciplinary procedures are in place
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place – the PPO has adopted MOJ's whistle-blowing procedures in the 'Raising a Concern' policy and procedures

Staff costs

21.3 Subject to its delegated authorities, the PPO shall ensure that the creation of any additional posts does not incur forward commitments that will exceed the PPO's ability to pay for them. (This should include all staff costs – the on-costs – not just the headline salary and should take into account costs potentially increasing through pay increases.)

Pay and conditions of service

21.4 PPO staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by MOJ and HM Treasury. The PPO has no delegated power to amend these terms and conditions.

21.5 Civil Service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances. Payment shall be made in accordance with the Civil Service Management Code and the annual Civil Service pay remit guidance, except where prior approval has been given by MOJ to vary such rates.^{11, 12}

21.6 Staff terms and conditions should be set out in relevant sections of the MOJ intranet.

21.7 The PPO and its staff shall abide by public sector pay controls, including the relevant approvals process dependent on the organisation's classification, as detailed in the senior pay guidance and the public sector pay and terms guidance.¹³

Pensions, redundancy and compensation

21.8 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.

21.9 PPO staff are eligible to join the Civil Service Pension Scheme, alpha, with the alternative to join the partnership scheme, which is a defined contribution scheme and also known as a money purchase pension, provided by a third-party provider, Legal and General. Staff are able to opt out of the pension scheme if they wish. However, under automatic enrolment legislation, departments must re-enrol all employees and workers who are not currently in a pension scheme every three years from their initial starting date.

21.10 Any proposal by the Ombudsman to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior

¹¹ <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

¹² <https://www.gov.uk/government/publications/civil-service-pay-remit-guidance-2025-to-2026>

¹³ <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

approval of the department. Proposals on severance must comply with the rules in Chapter 4 of MPM.

Financial reporting, business plans and management information

22. Budgeting procedures

- 22.1 Each year, in light of decisions by MOJ on the updated draft corporate plan, MOJ will send to the PPO:
- a formal statement of the annual budgetary provision allocated by MOJ in the light of competing priorities across the department and of any forecast income approved by MOJ including funding from other government departments
 - a statement of any planned changes in policies affecting the PPO

23. PPO strategic and business plans

- 23.1 The PPO will set the content of the strategic and business plans at their own discretion but will take account of the funding provision and consideration of the department's wider strategic aims and priorities. The PPO will aim to publish the plans on the PPO's website by the beginning of the financial year. The plan should reflect the PPO's duties and budgetary allocations.
- 23.2 The business plan shall include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by MOJ. Subject to any commercial considerations, the business plan should be published by the PPO on the PPO's website and separately made available to staff.

24. Reporting performance to MOJ

- 24.1 The PPO shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the strategic and business plans.
- 24.2 The PPO shall inform MOJ of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives regularly.

- 24.3 In exercising their functions, the PPO has access to ministers. The PPO will meet ministers at any mutually agreed time.
- 24.4 The PPO's performance shall be formally reviewed by MOJ via regular business assurance meetings, the frequency of which will be reviewed by the Public Bodies Centre of Expertise based on risk. Business assurance meetings shall be chaired by the Head of the Public Bodies Centre of Expertise (or in exceptional circumstances by their deputy) and attended by senior officials from the PPO and the policy sponsorship team. These meetings provide a timely formal opportunity for a two-way conversation to discuss the PPO's performance, risk and finance to assure the PAO, via the senior sponsor, that the PPO is functioning efficiently and effectively.
- 24.5 The Public Bodies Centre of Expertise and policy sponsorship teams will work closely together to ensure that the PPO effectively carries out its functions under the terms of reference and co-operates with MOJ in doing so.

25. Information sharing

- 25.1 MOJ has the right of access to all PPO's records and personnel for any purpose including, for example, sponsorship audits.
- 25.2 The PPO shall provide MOJ with financial information about its operations, performance, individual projects or other expenditure as MOJ may reasonably require.
- 25.3 MOJ and HM Treasury may request the sharing of data held by the PPO and its office in such a manner as set out in central guidance expect insofar as it is not prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.
- 25.4 As a minimum, the PPO shall provide the department with information monthly that will enable the department to satisfactorily monitor:
- the PPO's budget management
 - forecast outturn by resource headings
 - other data required for the Online System for Central Accounting and Reporting (OSCAR)
 - data as required in respect of its compliance with any Cabinet Office controls pipelines or required in order to meet any condition as set out in any settlement letter

26. Internal and external audit

26.1 The PPO will remain within MOJ arrangements for internal and external audit.

27. Relationship with Parliament

Parliamentary Questions

27.1 If the Parliamentary Question is about government policy, sponsorship or governance in relation to the PPO, MOJ officials will produce the draft response and submit to the Parliamentary Branch but will first seek any immediate concerns from the PPO. If a Parliamentary Question relates to the work or operation of the PPO, the PPO will produce the draft reply and send it to MOJ officials who will send on to the Parliamentary Branch, making it clear the reply is provided by the PPO. The general expectation is that the PPO's draft will not be amended before sending to the Parliamentary Branch.

Ministerial correspondence

27.2 MPs shall be encouraged to write directly to the PPO about specific activities and the administration of the PPO. When ministers receive correspondence from MPs on these matters, they shall normally ask the PPO to reply. Where a minister decides to reply personally, for example, where the correspondence involves wider policy considerations, advice will be sought from the PPO or its staff on aspects relating to the activities or administration of the PPO.

Parliamentary select committees

27.3 The PPO shall support the PAO in giving evidence on the PPO's stewardship of public funds, normally with the PAO, when requested by the Public Accounts Committee and shall be subject to the scrutiny of the Justice Select Committee giving evidence when called to.

28. Other government departments

Memoranda of Understanding

28.1 The PPO currently works in partnership with other scrutiny bodies (including the Independent Monitoring Boards, Lay Observers and His Majesty's Inspector of Prisons). This work is covered by Memoranda of Understanding which are published on the PPO website.

28.2 Memoranda of Understanding are in place with other government departments, including the Home Office (Immigration Enforcement) and the Welsh Government.

Where appropriate, the PPO will report to relevant ministers and make contact with officials in sponsoring departments, as well as the Welsh Government.

Reviews and winding up arrangements

29. Arrangements in the event that the PPO is wound up

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

- have regard to Cabinet Office guidance on winding up of arm's length bodies¹⁴
- ensure that procedures are in place at the PPO to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
- specify the basis for the valuation and accounting treatment of PPO assets and liabilities
- ensure that arrangements are in place to prepare closing accounts and pass to the Comptroller and Auditor General for external audit and that, for non-Crown bodies, funds are in place to pay for such audits – the Comptroller and Auditor General will lay the final accounts in Parliament, together with his report on the accounts
- arrange for the most appropriate person to sign the closing accounts – if another arm's length body takes on the role, responsibilities, assets and liabilities, the succeeding arm's length body Accounting Officer should sign the closing accounts, but if the department inherits the role, responsibilities, assets and liabilities, MOJ's Accounting Officer should sign

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

¹⁴ https://assets.publishing.service.gov.uk/media/633443a6e90e0772dde3636a/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

Annex A: Compliance with government-wide corporate guidance and instructions

The PPO shall comply with the following guidance, documents and instructions.

Corporate governance

- This Framework Document
- Corporate Governance Code for Central Government Departments (relevant to arm's length bodies) and supporting guidance:
www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017
- Code of Conduct for Board Members of Public Bodies:
www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies
- Code of Practice for Partnerships between Departments and Arm's Length Bodies:
www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice

Financial management and reporting

- Managing Public Money (MPM): www.gov.uk/government/publications/managing-public-money
- Government Financial Reporting Manual (FReM):
www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant guidance and instructions issued by HM Treasury in respect of whole of government accounts: www.gov.uk/government/collections/whole-of-government-accounts
- The most recent letter setting out the delegated authorities, issued by the parent department

Management of risk

- Management of risk: www.gov.uk/government/publications/orange-book and www.gov.uk/government/publications/management-of-risk-in-government-framework
- HM Treasury approval processes for major projects above delegated limits:
www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects
- The government cyber-security strategy and cyber security guidance:
www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022 and www.gov.uk/government/collections/cyber-security-guidance-for-business

Commercial management

- Procurement policy notes: www.gov.uk/government/collections/procurement-policy-notes
- Cabinet Office spending controls: www.gov.uk/government/collections/cabinet-office-controls
- Transparency in supply chains – a practical guide: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

Public appointments

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments: <https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments: www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees: <https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward: www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually): www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms: www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note
- Whistleblowing guidance and code of practice: www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions: www.legislation.gov.uk/ukpga/2000/36/contents and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: www.ombudsman.org.uk/about-us/our-principles
- Other relevant instructions and guidance issued by the central departments (Cabinet Office and HM Treasury)

- Recommendations made by the Public Accounts Committee, or by other parliamentary authority, that have been accepted by the government and are relevant to the PPO
- Guidance from the public bodies team in Cabinet Office: www.gov.uk/guidance/public-bodies-reform
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which arm's length bodies can contribute): www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025
- Guidance produced by the Infrastructure and Projects Authority on management of major projects: www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service: www.gov.uk/government/organisations/government-digital-service
- The Grants Functional Standard: www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics: <https://code.statisticsauthority.gov.uk>
- Accounting Officer System Statements (these are produced by departments with input from arm's length bodies): www.gov.uk/government/publications/accounting-officer-system-statements



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