



Ministry  
of Justice



# Accounting Officer System Statement

November 2024



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# 1. Introduction

Principal accounting officers in government departments are accountable to Parliament for the proper stewardship of the resources allocated to their departments.

The purpose of this Accounting Officer System Statement is to provide Parliament with a single statement setting out all accountability relationships and processes within the Ministry of Justice (MoJ) and across the system for which we are responsible. This statement has been compiled in accordance with the **Accounting Officer System Statements guidance (2017)**.

The Accounting Officer System Statement complements the governance statement published within the department's annual report and accounts. The governance statement charts how, in the role as Principal Accounting Officer, the Permanent Secretary has carried out responsibilities to manage and control the resources used in the department over the course of the latest financial year.

The Accounting Officer System Statement charts the accountability relationships in place now and for the future and will be reviewed alongside the publication of the annual report and accounts or following significant changes to accountability structures through the year.

## 2. Scope of the Accounting Officer System Statement

I am the Principal Accounting Officer for MoJ. This system statement sets out the model for accountability relationships and processes within my department, including who is accountable at all levels of the system.

Across MoJ, we are responsible for all aspects of justice. We are proud to work together to make a difference for the public by focusing on protecting the public, reducing reoffending, delivering swift access to justice and reforming the constitution.

As Principal Accounting Officer, I am personally responsible for safeguarding the public funds for which I have been given charge under the MoJ Estimate and the Spending Review settlement.<sup>1,2</sup> Where I have appointed additional accounting officers, their responsibilities are also set out as part of this system statement.

This system statement covers the core department and its public bodies. It describes accountability for all expenditure of public money through the department's Estimate, all public money raised as income, and other publicly owned assets for which I am responsible. This system statement describes the system which I apply to fulfil my responsibilities as Accounting Officer in accordance with HM Treasury guidance set out in Managing Public Money, and ensures that spending is carried out with regularity, propriety and value for money.

This system statement describes the accountability system which is in place at the date of this statement, and which will continue to apply until a revised statement is published.

**Dame Antonia Romeo DCB**  
**Principal Accounting Officer and Permanent Secretary**

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- 1 Estimates are completed annually. They are the means of obtaining from Parliament the legal authority to consume resources and spend cash the government needs to finance the department's agreed spending programmes for the financial year.
  - 2 The Spending Review sets out the amount of government money allocated to the department over the next three years, and the priorities that the department will deliver over this period.

## Role of ministers

2.1 The Secretary of State for Justice and other departmental ministers are accountable to Parliament for the policies, decisions and actions of MoJ and its public bodies, on whose behalf they may answer in Parliament. This includes executive agencies and other public bodies. Ministers look to the department's Accounting Officer to delegate within the department to deliver ministerial priorities, support policy decisions and handle public funds effectively.

- **More information about the role of ministers** can be found on GOV.UK.

## Public bodies and third-party delivery bodies

2.2 A significant percentage of exchequer funding is distributed to MoJ's public bodies. The distribution of funding for these public bodies is outlined in section 5: The distribution of funding. MoJ works with a number of private sector bodies as part of the delivery of services within the justice system. Arrangements for working with these bodies are outlined in section 8: Third-party delivery partnerships.

### 3. Scope of the system

3.1 The following diagram provides a summary of entities which fall within the departmental boundary. This includes public bodies, statutory office holders and other entities, such as limited companies.

UK Parliament	
UK Government	
Ministry of Justice	
<b>Executive agencies</b>	<ul style="list-style-type: none"> <li>HM Prisons and Probation Service</li> <li>HM Courts and Tribunals Service</li> <li>Office of the Public Guardian</li> <li>Legal Aid Agency</li> <li>Criminal Injuries Compensation Authority</li> </ul>
<b>Executive NDPBs</b>	<ul style="list-style-type: none"> <li>Children and Family Court Advisory and Support Service</li> <li>Criminal Cases Review Commission</li> <li>Independent Monitoring Authority for the Citizens' Rights Agreements</li> <li>Judicial Appointments Commission</li> <li>Legal Services Board</li> <li>Parole Board for England and Wales</li> <li>Youth Justice Board for England and Wales</li> </ul>
<b>Advisory bodies</b>	<ul style="list-style-type: none"> <li>Advisory Committees on the Justices of the Peace</li> <li>Civil Justice Council</li> <li>Civil Procedure Rule Committee</li> <li>Criminal Procedure Rule Committee</li> <li>Family Justice Council</li> <li>Family Procedure Rule Committee</li> <li>Online Procedure Rule Committee</li> <li>Independent Advisory Panel on Deaths in Custody</li> <li>Law Commission</li> <li>Prison Service Pay Review Body</li> <li>Sentencing Council for England and Wales</li> <li>Tribunal Procedure Committee</li> </ul>
<b>Other (Office holders)</b>	<ul style="list-style-type: none"> <li>Assessor of Compensation for Miscarriages of Justice</li> <li>Gov Facility Services Limited</li> <li>HM Chief Inspector of Prisons</li> <li>HM Chief Inspector of Probation</li> <li>Judicial Appointment and Conduct Ombudsman</li> <li>Judicial Office</li> <li>Legal Ombudsman</li> <li>Oasis Restore Trust</li> <li>Official Solicitor and Public Trustee</li> <li>Prisons and Probation Ombudsman</li> <li>Victims' Commissioner</li> </ul>

**Voluntary sector** (grants to voluntary and private sectors): see [Section 9 – Grants to third parties](#)  
**Private sector third-party partnerships:** see [Section 8 – Third-party delivery partnerships](#)  
**Contract for services:** see [Section 10 – Major contracts and outsourced services](#)

## 3.2 Responsibilities within the core department

3.3 Acting within the authority of the minister(s) to whom they are responsible, the Principal Accounting Officer is required to ensure that the department and its public bodies (referred to hereafter as MoJ Group) operate effectively and to a high standard of probity. Within MoJ Group, the Principal Accounting Officer is the Permanent Secretary.

3.4 The Principal Accounting Officer delegates responsibility for resources within the main delivery bodies and business groups to senior budget holders, who are required to operate within a defined spending control framework and to seek approvals for expenditure outside their delegated authorities. Senior budget holders may choose to delegate budgets and approvals further.

3.5 MoJ Group encompasses 35 entities.<sup>3</sup> Relationships with public bodies are designed and managed in accordance with the Cabinet Office's arm's length body sponsorship code of good practice, alongside **the framework document agreed between MoJ and each public body**. The Permanent Secretary as MoJ's Principal Accounting Officer has ultimate responsibility for all public bodies, as set out in chapter 3 of **Managing Public Money**. Given the scale and

diversity of MoJ's public bodies landscape, the Permanent Secretary has delegated to directors general (DGs) the role of senior sponsor. The senior sponsor is the primary source of advice to the Principal Accounting Officer and responsible minister on the exercise of functions in relation to the public body, and whether it is performing effectively as an organisation. This is separate to the policy sponsor who is responsible for identifying the desired policy outcomes for which the public body should be mandated, and monitoring whether the right policy outcomes are being delivered.

3.6 As required, the Principal Accounting Officer has appointed accounting officers for the department's statutory entities. Each accounting officer takes personal responsibility for ensuring that the resources under their remit are managed in accordance with the standards and policies set out by HM Treasury's **Managing Public Money**.<sup>4</sup> These accountabilities are also set out in the framework document for public bodies that have an accounting officer. For further detail see section 6: Relationships with public bodies – executive agencies, and section 7: Relationships with other public bodies.

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3 Full details of these bodies and their oversight arrangements can be found at: [www.gov.uk/government/organisations](http://www.gov.uk/government/organisations).

4 Accounting officer responsibilities are outlined in **Managing Public Money**. These include, but are not limited to, ensuring regularity and propriety of expenditure, affordability and sustainability, value for money, establishing a robust control environment, effective management of opportunity and risk, implementing lessons learned, accounting accurately for the organisation's financial position and transactions, and ensuring compliance with legislation and relevant guidance and standards.



3.7 Departmental DGs of business groups and accounting officers have the delegated authority to commit resources within defined limits, together with the responsibility for proper stewardship of these resources to the high standards of probity in the management of public funds through compliance with the requirements of HM Treasury's **Managing Public Money**. Their role includes ensuring that their organisation:

- makes all its decisions in line with the strategy, aims and objectives of the organisation set by ministers and/or in legislation
- has a governance structure which transmits, delegates, implements and enforces decisions
- plans to use its resources on an affordable and sustainable path, within agreed limits
- uses its resources efficiently, economically and effectively
- operates internal controls to safeguard, channel and record resources as intended
- drives the separation of duties to ensure processes provide checks and balances
- takes a balanced view of the organisation's approach to managing opportunity and risk
- gives timely, transparent and realistic accounts of its business and decisions, underpinning public confidence
- co-operates with the department in collecting performance and financial information

3.8 Accounting officers are also guided by the **Corporate Governance Code for Central Government Departments** in establishing appropriate governance arrangements.

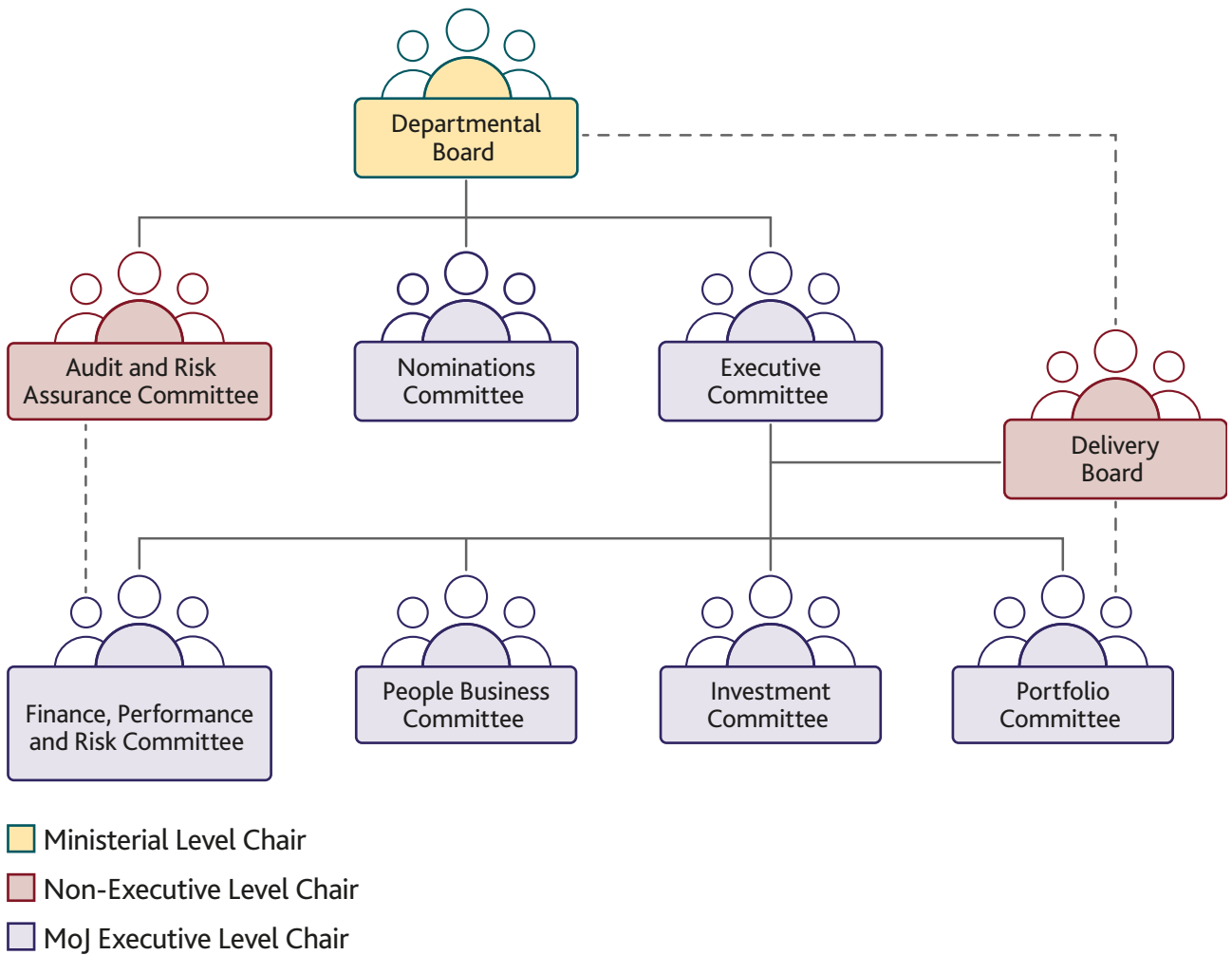
3.9 A list of MoJ Group accounting officers may be found in the department's Estimate, which is available on the **HM Treasury Main Estimates** published on GOV.UK.

3.10 MoJ's governance framework includes integrated planning, performance and risk management activity that aims to support informed decision-making in the delivery of departmental priorities and objectives. The governance framework is designed to:

- provide leadership and direction, including a clear vision and articulation of what the department is trying to achieve, clarity over what it is doing to achieve its priorities, and explanation of how these activities contribute to achieving desired, sustainable outcomes
- bring relevant capabilities, experience and insights to bear to direct and manage activities in line with good practice, promote collaboration, ensure informed decision-making, and support rigorous scrutiny of the efficiency and effectiveness of performance and value for money
- promote transparency and accountability that maintains the trust and confidence of stakeholders through clear, complete and accurate reporting on what is being achieved and to what standards

3.11 The governance framework is structured to direct, control and lead the efficient and effective delivery of public services. The structure of the MoJ Departmental Board and its subcommittees is described below in Figure 1.

## Board and committee details<sup>5</sup>



**Figure 1**

<sup>5</sup> Details pertaining to the committee structures of the department's executive agencies can be found in their respective annual report and accounts.

Further information on the purpose and membership of these groups can be found in the following table.

<b>Departmental Board</b>	The Departmental Board forms the collective strategic and operational leadership of the department. Chaired by the Secretary of State for Justice, it brings together the ministerial and Civil Service leaders with senior non-executives from outside government. It is responsible for setting strategic direction, including reviewing delivery against the business plan.
<b>Audit and Risk Assurance Committee (ARAC)</b>	Supports the Departmental Board and Principal Accounting Officer in their responsibilities to ensure effective arrangements for governance, risk management and internal control are in place for the department. It does this by focusing on assurance arrangements over governance, financial reporting, and the annual report and accounts, including the evidence for and content of the governance statement. The committee also ensures there is an adequate and effective risk management and assurance framework in place to meet the Departmental Board and Accounting Officer’s assurance.
<b>Nominations Committee</b>	Provides assurance on senior executive appointments within the department.
<b>Executive Committee (ExCo)</b>	Chaired by the Principal Accounting Officer, this is the executive leadership team for the department and is comprised of senior officials. It ensures that the department is fully aligned with the strategic direction set by the Secretary of State, maintains and directs the capabilities to deliver, oversees the delivery of outcomes, and prioritises and allocates financial and other resources.
<b>Delivery Board</b>	The Delivery Board provides assurance to the Principal Accounting Officer and the Departmental Board as to the delivery of the department’s strategy, strategic objectives and the Government Major Projects Portfolio. This includes oversight and scrutiny of the activities, and enabling projects and programmes, that drive agreed outcomes, ensuring that plans are well evidenced and strategic benefits are on track to be delivered.
<b>Finance, Performance and Risk Committee (FPRC)</b>	Responsible for scrutinising, challenging and supporting departmental delivery against the department’s strategic objectives and performance framework. It also informs management of the department’s principal and secondary risks, examines in-year finances, and monitors compliance with functional standards and other government, legal or professional requirements.
<b>People Business Committee</b>	Supports ExCo in its leadership and management of people and workforce strategies to improve the co-ordination of design, decision-making and implementation of cross-cutting programmes of work.

<b>Investment Committee</b>	Has delegated powers to make investment decisions on ExCo's behalf, with oversight of the MoJ portfolio, including portfolio projects from inception through to implementation, ensuring they remain strategically aligned, affordable and deliverable. The committee considers and, where appropriate, approves investment decisions on behalf of ExCo, including gated release of funds for change programmes, ensuring that investments deliver value for money, meet regularity and propriety considerations, and are affordable and sustainable.
<b>Portfolio Committee</b>	Provides oversight of our major change portfolio, reporting to both ExCo and the Delivery Board. It ensures projects are set up for success, resolves issues that may compromise successful delivery and improves overall delivery confidence, further advising on prioritisation decisions regarding the deployment of expert resources. The committee ensures that the portfolio is strategically aligned, affordable and deliverable and that project leaders comply with project delivery standards.

**3.12 Further details on the purpose and membership of these groups** can be found on GOV.UK.

**3.13** MoJ engages with justice system partners such as the Crown Prosecution Service, Home Office and police, as well as other government departments, to deliver cross-cutting outcomes. To support this work and to provide assurance over performance, the FPRC and ExCo monitor progress, reporting to the Departmental Board.

**3.14** We are committed to continual improvement of our governance, with regular evaluation and review of our arrangements across MoJ and our executive agencies and other public bodies, to improve transparency, accountability and ensure appropriate levels of oversight.

## Strategic planning

**3.15** The departmental planning and performance framework is designed and operated to establish a common purpose, identify strategic outcomes that provide coherence over manifesto, policy, operational and functional priorities for MoJ Group, and create the basis for strong engagement and collaborative performance. By aligning resources and functional requirements to priorities, the framework supports a critical path for delivery to ensure our services benefit the public we are here to serve.

**3.16** Strategic planning in MoJ follows a cycle that begins with work throughout the department to prepare for a Spending Review, including regular reviews to ensure alignment with Secretary of State priorities. The Spending Review settlement is agreed between HM Treasury ministers and the Secretary of State and sets out agreed priority outcomes and the financial envelope to deliver these.

3.17 The distribution of funding allocations is informed by the strategic planning process, the purpose of which is to:

- ensure MoJ Group remains within the agreed settlement
- deliver Secretary of State priorities
- support delivery of efficiency targets agreed in the settlement
- direct ring-fenced funds to the intended purpose
- consider enabling factors in the delivery of priority outcomes, including functional capacity and capability requirements
- ensure outcome delivery plans establish appropriate metrics to maintain adequate oversight of delivery

3.18 MoJ's business plan is developed as part of the strategic planning process. The departmental business plan sets out strategy and planning information for delivery of priority outcomes, and for 'enabling' activities that are crucial to the successful delivery of those outcomes. In turn, it is supported by business plans for DG-led business groups, each executive agency and other public bodies. This process enables the allocation of funding to deliver specific priorities and the activities that underpin them in pursuit of priority outcomes, strategic enablers and essential operational services. Allocations are further informed by the consideration of our principal risks and workforce requirements.

3.19 The finalised business plan is shared with Cabinet Office and HM Treasury, who provide assurance that the departmental business plan reflects the government's priorities and is achievable within

the settlements agreed through the Spending Review process. Performance reporting within the department is framed around the outcomes described in the business plan, with scrutiny and oversight provided by FPRC, ExCo and the Departmental Board.

3.20 MoJ's collaborative approach to strategic planning, which engages DGs and functional leads, is intended to stress-test delivery options for the department. In doing so, it provides assurance that the final strategic plan and allocation position is focused on Secretary of State priorities and is both feasible and affordable. This approach is also intended to provide clear links between the allocation of resource and the impact of performance. Engagement across the wider department, with particular focus on the functions, promotes consideration of functional capacity and capability requirements. Assurance is sought from each DG and functional leads that the final strategic plan is deliverable and in alignment with the allocation position.

3.21 Resources allocated to MoJ are managed in-year through the budgeting framework, which sets the requirements that departments should follow to ensure financial and spending control. Planning, budgeting and Supply Estimate processes in the department are managed in accordance with section 6 of the **Government Functional Standard for Finance**. MoJ follows the guidance in **Managing Public Money** relating to the commitment of expenditure, regularity and propriety, legal authority, and controls surrounding new proposals. For further details, see section 5: The distribution of funding.

## Risk management

- 3.22** MoJ's risk management framework sets out the principles, concepts and accountabilities that underpin how the department manages risk in alignment with the **Orange Book: Management of Risk – Principles and Concepts**. Risk management is an essential part of our governance and leadership, and fundamental to the way that the organisation is directed, managed and controlled at all levels. Our risk management framework and capabilities are designed to enhance our strategic planning and prioritisation, assist in achieving the delivery of outcomes and objectives, and strengthen the ability of the department to be agile in responding to the challenges faced.
- 3.23** The Principal Accounting Officer, supported by the Audit and Risk Assurance Committee (ARAC), has established the organisation's overall approach to risk management. Responsibilities for the management of risk areas are devolved through the organisational structure, defined roles and delegated authorities. The Chief Operating Officer is responsible for operation of the risk management framework and assessing compliance with this throughout MoJ, including its agencies and other public bodies.
- 3.24** The Chief Risk Officer is responsible for leading the organisation's overall approach to risk management on behalf of the Chief Operating Officer. They are proactively involved with and influence governance and decision-making forums

through effective communication and engagement with the Principal Accounting Officer, senior management and the ARAC. The CRO is responsible for:

- setting the risk framework and guidance in accordance with Orange Book principles
- assessing compliance with this to drive continuous improvement in risk maturity
- supporting the department in understanding the risk landscape and defining and assessing the department's risk appetite to inform decision-making

**3.25** The department's identification, analysis and assessment of its principal and emerging risks is refreshed at least annually. This occurs as our business plan is agreed, and in accordance with any allocative choices made following Spending Reviews and other fiscal events. The terms of reference of oversight and governance forums indicate the routes and triggers for risk escalation. Tolerance levels for departmental risks are in alignment with the principles set by ExCo.

**3.26** MoJ has multiple forums that provide scrutiny and oversight of risk, performance, and compliance activity. The FPRC is the escalation point for several group level committees which provide specialist oversight, such as the Information Risk and Security Board, the Senior Sustainability Board, and the Corporate Fire, Health and Safety Committee. The Investment Committee, Portfolio Committee and Delivery Board provide assurance to the Principal Accounting Officer over the major change programme portfolio.

**3.27** During critical events that require mobilisation of contingency structures, the department has arrangements in place for risks to be aggregated and reported via the Departmental Operations Centre. This is supported by mobilisation of gold command structures in our operational delivery bodies. Onward reporting to ExCo would be as frequent as required, with critical risks escalated to the Departmental Board. Cross-justice system forums are well established and can be stood up swiftly to enable timely information sharing across organisations and support good decision-making in areas of common interest. In the event of a major ongoing incident, the Chief Risk Officer and central risk team members may be deployed directly into the Departmental Operations Centre to provide ongoing risk support. Part of the central risk team responsibilities would be to ensure any changes in risk profile as a result of the event or incident were incorporated into ongoing departmental principal risk reporting.

**3.28** Resilience risks that have the potential to impact corporately or attract high-profile media coverage are captured and reported regularly at ministerial level. Risks may be escalated or aggregated into the department's risk reporting for ongoing oversight as necessary but are normally managed and routinely monitored at executive agency, other public body or functional level.

## Assurances

**3.29** MoJ has embedded the principles of the three lines model, as described in Annex 2 of the **Orange Book**, to delegate and co-ordinate risk management roles and responsibilities. This provides assurance to senior management, the Principal Accounting Officer and the Departmental Board that the framework is working effectively.

**3.30** Our functional model brings together specialists and professions into unified and aligned teams who collaborate with colleagues across the department and its public bodies to deliver on our priorities.

**3.31** The corporate and professional services delivered through functions include:

- analysis
- commercial
- communications
- counter fraud
- debt
- digital and technology
- finance
- grants
- internal audit
- legal
- people
- project delivery
- property
- security

- 3.32** Government functions have been working together to set and embed the use of functional standards. These set expectations for the governance, roles and accountabilities, and practices needed for effective operation of the functional model. This provides a stable basis for assurance, risk management and capability building. All of our functions use standards as a basis to drive continuous improvement as part of a six-monthly departmental process overseen by the Chief Operating Officer.
- 3.33** The ARAC provides advice and assurance to the Departmental Board and Principal Accounting Officer, particularly on the department's governance, risk and control frameworks and their effectiveness. ARAC membership is made up of a non-executive board member and independent external members. The ARAC also reviews progress against audit recommendations and recommendations from other independent reviewing bodies.
- 3.34** The ARAC has established relationships with other governance bodies across MoJ Group to ensure a clear line of sight over departmental governance. This includes receiving updates from the Audit and Risk Assurance Committees of executive agencies and other public bodies. Updates cover areas of risk, financial management, accounting and audit, and include any requirement for further escalation.
- 3.35** The ARAC is supported in its role through the review and assurance provided by internal audit. A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes, in compliance with the public sector internal audit standards. MoJ Group internal audit services are provided by the Government Internal Audit Agency.
- 3.36** The National Audit Office (NAO) scrutinises public spending on behalf of Parliament, auditing financial statements to support Parliament to hold government to account and improve public services. The Comptroller and Auditor General (C&AG) leads the NAO and is an officer of the House of Commons. Supported by NAO staff, the C&AG is the independent auditor of nearly all central government institutions. Using extensive statutory rights of access to records, the C&AG provides direct advice and assurance to Parliament. The C&AG certifies the accounts of all government departments and many other public sector bodies and carries out value-for-money examinations that assess the economy, efficiency and effectiveness with which public money has been deployed in selected areas of public business.
- 3.37** The department is subject to other independent oversight by bodies charged with enforcing legislation or standards. This includes, but is not limited to, the Health and Safety Executive, the Information Commissioner, Independent Monitoring Boards, and the Infrastructure and Projects Authority.
- 3.38 Further information on our governance** can be found on GOV.UK.



## 4. The distribution of funding

4.1 The department’s annual funding is agreed by Parliament, full details of which are outlined in the department’s annual report and accounts. The Principal Accounting Officer is accountable for ensuring the established control totals are not breached. In addition, the department administers fees and charges for some services, established and limited by legislation.

4.2 There are separate control totals for resource and capital departmental expenditure limits. Additional controls exist on some budgets that are ring-fenced for specific purposes, on administration budgets, annually managed expenditure, and on the net cash requirement. On an annual basis, Parliament agrees the Main Estimate, providing the annual breakdown of the department’s overall funding settlement.<sup>6</sup> There is an opportunity to redistribute funds between control totals once a year through the Supplementary Estimate process, if agreed by Parliament. Beyond this, it is the responsibility of the Principal Accounting Officer to delegate

the authority to commit these resources, together with the responsibility for proper stewardship of these resources and compliance with the requirements of **Managing Public Money**.

4.3 The Principal Accounting Officer determines the allocation in accordance with the department’s funding settlement from Parliament, and to reflect government priorities.<sup>7</sup>

### The delegation chain

4.4 The Principal Accounting Officer delegates funding to the accounting officers of executive agencies and other public bodies (see sections 6 and 7) and to DGs of business groups for the financial year. This sets out the budget delegated by categories of expenditure, service area, business as usual or change budget, and budgetary control totals. The delegation chain within the department is described below in Figure 2.

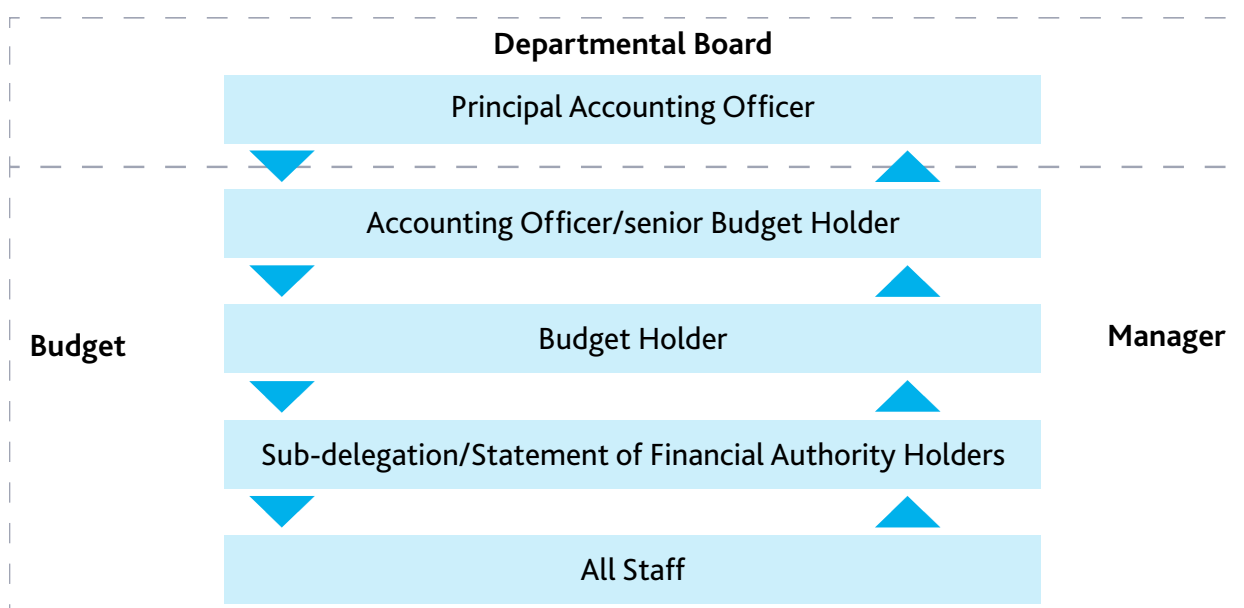


Figure 2

6 This document is published on GOV.UK: [HM Treasury Main Estimates](#).

7 A summary of the distribution of funding is published in the department’s annual report and accounts.

- 4.5 DGs in the core department and accounting officers of executive agencies and other public bodies have the delegated authority to commit resources within agreed limits, together with the responsibility for proper stewardship of these resources and compliance with the requirements of HM Treasury's **Managing Public Money** guidance.
- 4.6 Individuals responsible for delegated budgets are required to ensure they understand their budget holder obligations. Delegated authority letters outline these requirements, and the budget holders' acceptance of the letters at the start of each financial year denotes acceptance of the responsibilities, accountabilities and expectations associated with budget management.
- 4.7 To support budget holders in discharging their responsibilities, and to ensure there is clear accountability and informed decision-making, the department provides mandatory finance training for all budget holders. Once attended, budget holders are issued with a licence to operate, which is a prerequisite to receiving a formal delegation of financial responsibility and accountability from the senior budget holder. It sets the levels of knowledge, skills and behaviours budget holders need to exercise their delegated financial authority. Everyone, whether budget holder or not, is responsible for personal compliance with the financial control framework.

## Financial control framework

- 4.8 The department operates within financial control frameworks set at both a cross-government level (HM Treasury, Cabinet Office and **Managing Public Money** controls) and departmental level. This is to ensure that the financial decisions of the department comply with regularity, propriety, value for money and feasibility considerations.
- 4.9 Certain categories of spending proposals override any delegated authority and must always be submitted to HM Treasury for approval, through the MoJ Finance Function. Additionally, as delegated by HM Treasury, some categories of expenditure require Cabinet Office approval, as outlined in the **Cabinet Office controls policy** published on GOV.UK.

## Accountability

- 4.10 The FPRC is responsible for the oversight of financial performance across the department. The committee assesses in-year financial performance and tracks progress in delivery. Accountability is defined through the strategic planning process, supported by governance, risk management, monitoring and audit processes (see section 4: Responsibilities within the core department).
- 4.11 DGs and accounting officers are accountable to the Principal Accounting Officer for ensuring that they deliver their priorities within these delegations, as outlined in the business plan and departmental priorities.
- 4.12 Budget holders are held to account in accordance with the requirements established by delegated authority letters.

## Income

4.13 Budgetary and non-budgetary income is generated directly from the operating activities of MoJ Group. The department recognises revenue from a number of different sources, including but not limited to:

- HM Courts and Tribunals Service fees for services rendered to civil, family court and tribunal users
- Legal Aid Agency civil representation and criminal case recoveries
- Office of the Public Guardian fees (predominantly lasting power of attorney)
- HM Prison and Probation Service income, including prison industries and recoveries from other government departments

4.14 Non-budgetary income is managed in accordance with **Managing Public Money**, and surrendered to the Consolidated Fund as Consolidated Fund extra receipts as appropriate.

## 5. Relationships with public bodies – executive agencies

5.1 The department's executive agencies operate within a framework of direct accountability to ministers who remain accountable for their overall performance. They are part of the department and receive their funding from the department. The Principal Accounting Officer normally appoints the Chief Executive Officer as the Accounting Officer for each executive agency.

5.2 The department's five executive agencies are listed below.

- **HM Prison and Probation Service (HMPPS)** manages around 84,000 prisoners across over 100 prisons and supervises in the region of 240,000 offenders. The prison service runs public sector prisons and oversees prisons run by private providers. The youth custody service delivers public sector secure provision and oversees secure provision run by the private sector and local authorities for 10- to-17-year-olds. The probation service rehabilitates offenders in the community to protect the public. The probation service also runs approved premises which support a safe transition from custody into the community and provide a high level of monitoring and public protection.
- **HM Courts and Tribunals Service (HMCTS)** administers the criminal, civil and family courts and tribunals in England and Wales, and non-devolved tribunals in Scotland and Northern Ireland. It operates more than 300 courts and hearing centres. Courts and tribunals maintain the rule of law, provide access to justice, stability, security and safety for citizens and businesses, and ensure the cohesion necessary for the functioning of our national economy and the protection of society. HMCTS operates on the basis of a partnership between the Lord Chancellor, the Lord Chief Justice and the Senior President of Tribunals, each of whom has specific leadership responsibilities enshrined in statute.
- **Office of the Public Guardian (OPG)** protects people who may not have the mental capacity to make certain decisions for themselves. It offers services including: registering lasting and enduring powers of attorney, supervising court-appointed deputies, and investigating complaints made against deputies and attorneys.
- **Legal Aid Agency (LAA)** works with solicitors, barristers and others to provide simple, timely and reliable access to legal aid for those whose life and liberty is at stake, where they face the loss of their home, in domestic violence cases, or where their children may be taken into care. LAA also provides a public defender service.
- **Criminal Injuries Compensation Authority (CICA)** administers compensation schemes for victims of crime who suffer injuries and victims of overseas terrorism.

- 5.3 In compliance with **Managing Public Money** and **guidance about public bodies** issued by the Cabinet Office, there is a requirement for each agency to hold a framework document which sets out the purpose and describes the governance and accountability framework that applies between the roles of the public body and the department. This should reflect the specific structures, roles and responsibilities in each case, and describe how the day-to-day relationship works in practice, including in relation to governance and financial matters. These are public documents and are published online and deposited in the libraries of both Houses of Parliament in line with parliamentary guidance.
- 5.4 Under their terms of appointment, the accounting officers of each executive agency is accountable for the use, including the regularity and propriety, of delegated funding and of other income and expenditure.
- 5.5 In accordance with the framework documents, accounting officers are required to maintain governance, decision-making and financial management arrangements that are compliant with **Managing Public Money**. These arrangements include the provision of pertinent updates to the department, such as information relating to finance, operations, performance and capabilities. Executive agencies within MoJ Group are required to comply with the principles and provisions of the **Corporate Governance Code for Central Government Departments**.

## 6. Relationships with other public bodies

- 6.1 The Principal Accounting Officer normally appoints the Chief Executive Officer as the Accounting Officer for each public body. These accounting officers are accountable as reflected in 6.4 and 6.5 above. Where there is no additional accounting officer appointed, the Principal Accounting Officer remains personally accountable.
- 6.2 Within the Chief Operating Officer's Group, the Public Bodies Centre of Expertise is responsible for providing a centralised, specialist stewardship function for the majority of MoJ's public bodies. It maintains relationships between MoJ and the public bodies, and provides regular assurance on their governance, risk and performance.
- 6.3 In particular, the Public Bodies Centre of Expertise:
- provides assurance to the Principal Accounting Officer, via senior sponsors where delegated, that the department has effective governance and controls across its public bodies and that the bodies satisfy the relevant constitutional, statutory and other central government requirements
  - delivers a programme of mandated Cabinet Office reviews and bespoke transformation projects
  - manages the timely delivery of a planned programme of public appointment campaigns in line with the [Governance Code on Public Appointments](#)
- 6.4 The partnership arrangements between the department and its public bodies seek to comply with the principles and the capabilities that underpin sponsorship as set out in Cabinet Office's arm's length body sponsorship code of good practice. The core principles of great sponsorship are:
- **purpose:** a mutual clear understanding of the purpose of the public body
  - **assurance:** a proportionate approach to assurance
  - **value:** mutual sharing of skills and experience
  - **engagement:** open, honest and constructive relationships
- 6.5 As reflected in section 3: Scope of the system, the MoJ has 35 public bodies. In addition to our five executive agencies, MoJ sponsors 30 other public bodies, 23 of which have been formally classified as arm's length bodies by the Cabinet Office. The remainder are statutory office holders and bodies unique to MoJ. The governance for each reflects the nature, responsibilities and risks of that body.
- 6.6 The Public Bodies Centre of Expertise undertakes an annual assessment of public bodies risk to provide assurance to the Principal Accounting Officer, FPRC and ARAC that an evidence-based assessment has been made about:
- how the public bodies' business for the year ahead impacts and aligns with that of the department
  - how best the department can support public bodies to deliver the most appropriate programme of activity
  - partnership and assurance arrangements for the year ahead

**6.7** This process is designed to embed a positive, supportive and proportionate relationship between the department and its public bodies.

## Executive non-departmental public bodies (NDPBs)

**6.8** The department's executive NDPBs are:

- Children and Family Court Advisory and Support Service (Cafcass)
- Criminal Cases Review Commission
- Independent Monitoring Authority for the Citizens' Rights Agreements
- Judicial Appointments Commission
- Legal Services Board
- Parole Board for England and Wales
- Youth Justice Board for England and Wales

**6.9** Executive NDPBs are created through legislation, which specifies their purpose and functions, what powers are invested in them, and how they should be financed. NDPB accounting officers' responsibilities include providing a signed governance statement in the body's annual report and accounts, outlining the operation and effectiveness of its governance arrangements throughout the financial year.

**6.10** There is a requirement for each executive NDPB to hold a framework document, agreed with the department, which sets out the remit of the organisation in detail and includes information on how it is governed and funded. The framework document should cover:

- the purpose of the NDPB, its powers and duties
- the Chief Executive and board roles and responsibilities

- the accountabilities and responsibilities of ministers and the Principal Accounting Officer
- the relationship with the department and other bodies
- governance and risk management arrangements in place
- budgeting procedures, performance and reports
- audit and inspections

**6.11** Each executive NDPB has its own independent board, chair and executive management team, with the Chief Executive Officer designated as the Accounting Officer for that organisation.

## Advisory NDPBs

**6.12** The department's advisory NDPBs are:

- Advisory Committees on Justices of the Peace
- Civil Justice Council
- Civil Procedure Rule Committee
- Criminal Procedure Rule Committee
- Family Justice Council
- Family Procedure Rule Committee
- Independent Advisory Panel on Deaths in Custody
- Law Commission
- Online Procedure Rule Committee
- Prison Service Pay Review Body
- Sentencing Council for England and Wales
- Tribunal Procedure Committee

**6.13** Many advisory NDPBs receive minimal or no funds from the department, usually limited to the fees and expenses of members. Secretariat support is usually provided from within MoJ policy group.

**6.14** Each advisory NDPB should have a framework document agreed with the department. To reflect the nature of these advisory NDPBs, the documents have a reduced scope compared to executive agencies and executive NDPBs. They outline the functions of the organisation, the governance and accountability arrangements, relationship with ministers and the department, and finance and reporting requirements.

## Other (including office holders)

**6.15** Office holders are individuals appointed by the department working as an independent office holder, who are not under the close supervision or control of the appointing body. The department partners the following office holders:

- Assessor of Compensation for Miscarriages of Justice
- HM Chief Inspector of Prisons
- HM Chief Inspector of Probation
- Judicial Appointments and Conduct Ombudsman
- Office for Legal Complaints (Legal Ombudsman)
- Official Solicitor and Public Trustee
- Prisons and Probation Ombudsman
- Victims' Commissioner

**6.16** It is expected that each office holder has a framework document (or equivalent) agreed with the department. To reflect the role of office holders these documents are reduced in scope compared to executive agencies and executive NDPBs. They outline their functions, the governance and accountability arrangements, relationship with ministers and the department, and finance and reporting requirements.

**6.17** The department has one government company: Gov Facility Services Limited (GFSL). GFSL is established as a government-owned company limited by shares. The Secretary of State is the sole shareholder, and it has an independent board with a non-executive chair. GFSL provides facility maintenance services to prisons across the south of England. See 11.2 for further details.

**6.18** The department also works with the Judicial Office, an independent office of MoJ which supports the senior judiciary and the Oasis Restore Trust, England's first secure academy trust.

**6.19** The Permanent Secretary is the Accounting Officer for the Judicial Pension Scheme that provides pension entitlements to both salaried and fee-paid judges. The Lord Chancellor is the scheme manager for the scheme, with functions in relation to administration exercised by the MoJ Director of Financial Management, Control, Risk and Governance. The Director of Financial Management, Control, Risk and Governance is supported in this role by the pensions operations team under the authority of the Chief Operating Officer.



## 7. Third-party delivery partnerships

- 7.1 The department works in partnership with a number of private sector bodies in delivery of services within the justice system. These partnerships most commonly occur within HMPPS.
- 7.2 MoJ is focused on harnessing the efficiencies and innovation of competition across public, private and third sector organisations, and recognises the importance of review and accountability for private sector delivery. There are several third-party delivery bodies which deliver services on behalf of the department, including:
- electronic monitoring
  - privately managed prisons
  - secure training centres
  - education provision – public young offender institutions
  - the Prisoner Escort and Custody Service

### Electronic monitoring

- 7.3 The electronic monitoring service, across England and Wales, is delivered through a series of externally sourced contracts. These contracts provide the equipment and IT systems for managing curfew and location monitoring orders and alcohol monitoring orders, as well as software and services to support field monitoring services and the crime mapping services provided to the police.
- 7.4 There are regular performance reviews with all suppliers to discuss performance against contractual requirements. This includes agreeing performance against service levels and the treatment of any contracted service credits accruing from failure to meet them. There is assurance activity undertaken to check whether contractual obligations are being met and to provide evidence about whether payments should be made.

- 7.5 The management of the contracts and delivery of the service is subject to review and oversight by external bodies, including **HM Inspectorate of Prisons (HMIP)** the **NAO** and the **Independent Chief Inspector of Borders and Immigration**. Action plans are developed in response to the findings of these bodies.
- 7.6 Staff from Home Office Immigration Enforcement work full time alongside HMPPS to manage and improve the service provided to their cohort.

### Privately managed prisons

- 7.7 Private providers support the delivery of a safe and effective prison estate. Privately managed prison contracts set out a performance framework, consisting of prescriptive performance targets. Measures are in place to ensure performance is monitored and prompt action is taken where standards fall short of contractual targets. Failure by the provider to meet performance targets results in performance points and may also lead to financial remedies being applied against the provider.
- 7.8 A number of HMPPS staff are employed within each privately managed prison, including a full-time on-site controller, reporting to the head of privately managed prisons, a deputy controller and an assistant controller.
- 7.9 Privately managed prisons and secure training centres are subject to the same external inspection procedures as those in the public sector. Prisons are inspected at least once every five years by HMIP and are also subject to regular scrutiny by their local Independent Monitoring Board to ensure that the prison remains safe and secure and is helping to reform offenders and reduce reoffending.

## Secure training centres

- 7.10** The privately managed Oakhill Secure Training Centre supports provisions in youth custody alongside secure children's homes run by local authorities, publicly run young offender institutions accommodating under-18-year-olds and a private young offender institution in Wales. Each sector and model of provision contributes to the diverse range of accommodation to meet the varying needs of children in custody.
- 7.11** Oakhill Secure Training Centre has a full-time on-site head of monitoring, monitor and assistant monitor who oversee all aspects of quality and contractual delivery and maintain strong relationships with local stakeholders both inside and outside the centre. In turn, they are supported by wider operational support experts where required. Oakhill Secure Training Centre has a full inspection and an assurance visit each year by Ofsted, who are accompanied on those inspections by HMIP and the Care Quality Commission. Secure training centres receive scrutiny from local child protection structures as overseen by the relevant Local Safeguarding Children's Board, and are subject to visits from the children's charity Barnardo's who independently meet with children and advocate on their behalf.

## Education provision – public young offender institutions

- 7.12** Education provision for the four publicly run young offender institutions is delivered through externally sourced contracts.

- 7.13** The objective for young offender institution education provision is to deliver a service which meets the needs of the young people and enables them to make good progress during their time in custody. This is achieved by delivering a mix of vocational training, academic studies, creative arts, and personal and social development.

## Prisoner Escort and Custody Service

- 7.14** The Prisoner Escort and Custody Service for England and Wales has 'Generation 4' contracts which divide the service into two geographical areas. The contracts, which will remain in place until August 2030, were awarded to GeoAmey Limited (north) and Serco Limited (south). The contracts include arrangements for the secure transport of children.
- 7.15** The primary aim of the Prisoner Escort and Custody Service is to:
- provide the safe, decent, secure and timely transfer of prisoners and detainees from designated locations, including police stations and prisons, to courts
  - oversee prisoners while in custody at court
  - return prisoners and detainees to prisons or to release as appropriate

It ensures the right person is in the right place at the right time. The contracts do not include the transfer of Category A prisoners.<sup>8</sup>

- 7.16** Contract management arrangements are designed and operated to ensure the safe, secure and decent delivery of escort and custody services, and that contractors are compliant with their contractual and legislative responsibilities.

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<sup>8</sup> A prisoner whose escape would be highly dangerous to the public.

## 8. Grants to third parties

- 8.1 The department is required to carry out an appropriate level of scrutiny on all general grants, to ensure the Grants Functional Standard is being adhered to and grant funding is being administered effectively. There are people in post for all of the required roles set out in the **Grants Functional Standard** document.
- 8.2 Oversight of grant management within the department is provided by a Grants Centre of Expertise. Grants are monitored in line with the **Grants Functional Standard**, developed by the **Cabinet Office Government Grants Management Function** (GGMF).
- 8.3 The departmental grants champion acts as the conduit for spreading information and communications to grants practitioners in the department and associated grant-making public bodies. The champion additionally provides a single point of contact for the GGMF.
- 8.4 Both the grants champion and the senior officer accountable for MoJ's grants actively participate in the various boards and networks made available by the GGMF, to enable cross-government collaboration and information sharing.
- 8.5 Grant governance and approval is supported by a Grants Challenge and Assurance Panel, chaired by the senior officer accountable for MoJ's grants. The panel is an integral part of MoJ's grant governance and approval process, designed to support decision-making around new grants and review of existing grants subject for renewal. It has oversight of all grants and a focus on value for money.
- 8.6 The Grants Centre of Expertise provides grant makers with advice and guidance on grant management. All those involved in grant making are required to complete mandatory e-learning on government general grants, and virtual training is provided to grant managers. Training on specific areas is made available to the grant managers. All senior officers responsible for grants are required to complete a bespoke e-learning module.
- 8.7 The Grants Centre of Expertise is continually looking to develop and improve the monitoring of grant arrangements in the department and to ensure consistency in the assessment, allocation and management of grants. This is supported by the MoJ Grants Strategy 2023 to 2025 and the establishment of a Grants Best Practice Network, a cross-departmental network to encourage the sharing of information, experience and expertise, covering all stages of the grant making process.
- 8.8 All grants are required to have robust business cases and formal grant agreements in place, in addition to governance arrangements which are set by the responsible business area. MoJ's grants take three forms: competed, uncompleted or formula-based.
- Competed grants are ones which the department asks providers to bid for to deliver activities for the benefit of the public. The bid must meet the criteria set out by the department and the **Grants Functional Standard**, and be advertised on **Find a Grant**.
  - The department also makes direct awards, or uncompleted grants. This may be when there is only one possible provider and competition is not appropriate.
  - Formula-based grants provide recipients with an amount calculated by formula – for example, funding determined by factors such as population.

- 8.9 Information relating to the distribution of grant funds is detailed in the department's annual reports and accounts, available on GOV.UK.
- 8.10 The department participates in the Grants Continuous Improvement Assessment, a biennial exercise covering the department, its executive agencies and other arm's length bodies, which evaluates compliance with the Grants Functional Standard. The result of the most recent assessment (2024) has seen the department assessed as being in the 'Best' category with a score of 93.5%, an increase from 80% in the previous assessment.
- 8.11 Following the Public Accounts Committee's recommendation and its acceptance by the government, a register – the Government Grants Information Service – was set up in 2015. Processes are in place to review and record grants data on this register to ensure completeness and accuracy. As part of the transparency agenda, **data on grants is published by the Government Grants Management Function** annually in arrears each March on GOV.UK.

## 9. Major contracts and outsourced services

9.1 The department is required to secure value for money through its contracts by applying a proportionate, risk-based approach to contract management. This is ensured by establishing clearly defined roles and responsibilities throughout the commercial and contract management process, and designing tools that allow users to identify saving opportunities, understand the spending profile of agreed contracts and manage relationships with providers.

9.2 The Commercial and Contract Management Directorate holds delegated responsibility from the Principal Accounting Officer for executing contracts and is responsible for the processes and structure of controls for contracting across the department. The Directorate interacts with the wider departmental structures to operate a clear framework for the governance of procurement activities, tracking of contract delivery and ensuring that value for money is achieved. First-line governance arrangements are in place to manage the commercial pipeline of existing and new contracts over a 24-month time horizon. This ensures the right support is in place for major contracts that require recompeting well in advance of the contractual end date and that projects are in place to deliver future requirements.

9.3 The Commercial and Contract Management Directorate uses a contract classification tool, which is designed to categorise contracts into gold, silver or bronze tiers. Early in the procurement process, a first draft of the classification tool should be completed to give an indication of the level of risk and intensity of commercial management that is likely to be required for the resulting contract. Following contract award and before mobilisation, the tool should be updated and formally approved. This methodology allows for consideration of criticality as well as value, determining the overall importance of the contract. This supports assignment of overall accountability for a contract to the most appropriate owner and enables the department to:

- determine the minimum standard by which we will manage the relationship.
- provide a well-constructed ownership team to deliver value from effectively managing the contract
- provide consistency in contract management across the department
- focus resources on those contracts that pose the greatest risk
- operate control and oversight that is appropriate across the classification levels through specific minimum standards

Criteria for contract classification is shown below.

<b>Gold</b>	Ability to switch contracts would take three months or longer – complex and high risk (or a combination of any of the above factors)
<b>Silver</b>	Ability to switch contracts in one to three months – medium complexity and medium risk
<b>Bronze</b>	Ability to switch contracts in less than a month – low complexity and low risk

## 10. Investments, joint ventures and other interests

### Investments

- 10.1 The department, through HMPPS, holds investment shares in limited companies as a result of its farming activities (milk producing) at prison farms. The department has designated its quoted and unquoted investments as fair value through profit and loss. Fair value is equal to market value at the reporting date.
- 10.2 GFSL is a limited company wholly owned by the department and is not for profit. GFSL provides facilities management services to HMPPS as its sole customer. GFSL's initial start-up costs and working capital were provided by MoJ from its parliamentary supply. MoJ holds all of its 100 ordinary shares. It operates under a framework agreement that sets out the services to be provided to the HMPPS client and how the Business Board, the Accounting Officer, Chief Executive Officer, and internal and external audit functions should operate with regard to key governance and accountabilities. Its employees are public servants and as such have a duty to follow the **Managing Public Money** principles as their funding to conduct business is through the taxpayer. GFSL needs to comply with the Companies Act 2006.

### Other Interests

- 10.3 Registry Trust Limited is a private company limited by guarantee with no share capital. It maintains the Register of County Court Judgments on behalf of the Lord Chancellor and the Secretary of State for Justice.
- 10.4 **Other interests and related parties of ministers** which do not concern the department are disclosed on GOV.UK.



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