Home Office

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Sir Geoffrey Clifton-Brown MP
Chair
Public Accounts Committee
[By email]

19th December 2025

Dear Sir Geoffrey,

OVERSIGHT OF ARM'S LENGTH BODIES

Thank you for your letter of 2nd December about oversight of Arm's Length Bodies (ALBs).

As Principal Accounting Officer (PAO), I delegate Accounting Officer responsibilities to the Accounting Officers of ALBs. As you know, Accounting Officers are directly responsible for propriety, regularity, record-keeping, and safeguarding ALB assets, as set out in *Managing Public Money*, while I am accountable to Parliament for the overall stewardship of my organisation's resources.

The Home Office's sponsorship role is crucial in providing me with assurance that ALBs operate effectively, manage risks, and uphold probity. The Department and I take these responsibilities seriously, and I am supported in them by a dedicated Sponsorship Unit. Each ALB is overseen by a senior sponsor at SCS level, acting on my behalf.

We use several governance mechanisms to ensure robust oversight and financial management, including regular senior sponsor chaired meetings, regular finance meetings, departmental representation at ALB audit and risk committees, as well the issuing of annual delegated authority letters to ALB accounting officers.

These arrangements are formalised in framework documents with each ALB, ensuring clear interaction and assurance on financial management. I have included more detail on these governance and oversight mechanisms in the annex to this letter.

Sponsorship and finance teams also work closely with ALBs on day-to-day financial matters, such as reviewing and setting fees. This partnership approach provides further assurance of ALB financial capability.

The Department maintains strong relationships with GIAA and NAO, enabling early identification and resolution of concerns. In September, we invited senior ALB colleagues to training for all SCS staff on financial accountability, and we provide tailored support to ALBs as needed.

Three of our ALBs have laid their 2024/25 accounts before Parliament. We are currently approaching audit completion and publication for the remaining three ALBs. Sponsorship and finance colleagues are in regular contact with NAO about any support required, while recognising that each Accounting Officer is responsible for preparing Financial Statements.

As Principal Accounting Officer, I have written to Accounting Officers for the Independent Office for Police Conduct and the College of Policing to emphasise the importance of timely audit completion. The Second Permanent Secretary, as Accounting Officer for the Migration & Borders System, has similarly written to the Immigration Advice Authority. We continue to seek ways to improve timeliness, and once all accounts are laid, we will conduct lessons learned exercises with ALBs and the NAO.

I have been clear about my goal to make the Home Office the most high-performing, agile and efficient department in government, and this ambition extends to our ALBs. Rigorous financial management at every level is crucial to achieving this. My officials and I would be happy to discuss any further questions you have.

Yours ever

Antonia

DAME ANTONIA ROMEO DCB

Annex: Further information on Home Office governance and oversight measures used to provide assurance on ALB performance and financial capability

Mechanism	Detail
Regular (at least quarterly) senior sponsor chaired meetings.	**Attendance:** Chaired by SCS level sponsor, and attended by senior staff within ALB, and HO sponsorship, finance and policy. **Purpose:** An opportunity for the Department to hold our bodies to account for their operational and financial performance, and for the bodies to share and escalate risks where appropriate. We have also moved to enhanced sponsorship meetings with College of Policing, to reflect the specific challenges faced. These provide us with an additional lever to enable us to obtain greater levels of assurance on their recovery plans.
Regular (monthly) finance meetings)	**Attendance:** Chaired by HO finance business partner and attended by senior finance staff within ALB, and HO sponsorship officials. **Purpose:** Enable HO colleagues to fully understand the latest ALB finance position, including the underlying risks, issues and opportunities. Provides an opportunity for the Department to scrutinise and challenge this.
Regular departmental representation at ALB audit and risk committees (quarterly)	**Attendance:** Chaired by an ALB Non-Executive Director, and attended by senior staff at ALB, with representation from HO sponsorship officials. **Purpose (of HO attendance):** Provides an opportunity to understand (and apprise) how each ALB obtains its internal assurance including in relation to its financial management capabilities and controls. This includes sight of Government Internal Audit Agency (GIAA) Reports and National Audit Office (NAO) reports.
Provision of an annual delegated authority letter from the HO budget holder to the ALB Accounting Officer	**Purpose**: Ensures that the ALB has a clear record of: (i) the financial and operational freedoms provided to the ALB by the Department and (ii) the budget limits they must adhere to.