

Dame Meg Hillier DBE
Committee of Public Accounts
House of Commons
London SW1A 0AA

www.gov.uk/hm-treasury

28 February 2023

Dear Dame Meg,

Improving the Accounting Officer Assessment Process

Thank you for your letter of 30 November 2022, setting out detailed suggestions on improving the Accounting Officer (AO) assessment process, alongside the Committee's report on the same topic.¹

You recommended that the Treasury updates its guidance to ensure published AO assessment summaries clearly stipulate the reason for the AO assessment, with a clear date for when the assessment was performed. The government agrees with this, and we will update the AO assessment guidance accordingly, publishing alongside the forthcoming update to Managing Public Money.

You also recommended that the guidance set out a requirement that published AO assessment summaries include the Accounting Officer's view on whether the four standards set out in Managing Public Money have been met with sufficient detail to enable scrutiny without any further enquiries.

The government agrees with this aim. The current AO assessment guidance, updated in 2021, includes an expectation that "...published summaries should strive to provide sufficient detail to allow the reader to understand how the Accounting Officer has arrived at their judgment on each of the four standards."²

Therefore, rather than further updates to guidance, the government believes that ensuring consistent high quality AO assessment summaries, with the appropriate level of detail, is best achieved by the Treasury sharing good practice with departments, to help facilitate learning from others and draw in expertise. This ties to the broader recommendations the Committee made in its report.

You further recommend that the Treasury ensures consistency in how AO assessments and ministerial directions are shared with Parliament. The government agrees. As set out in the response in the Treasury Minute,³ the next edition of Managing Public Money will include a new annex to consolidate the various Parliamentary notification requirements set out across that document. As recommended in your letter, this will follow the existing approach for ministerial directions, and ensure a consistent approach to

¹ "Improving the Accounting Officer Assessment process", Twenty-Eighth Report of Session 2022–23, 30 November 2022 - <https://publications.parliament.uk/pa/cm5803/cmselect/cmpubacc/43/report.html>

² "Accounting officer assessments: guidance" (paragraph 4.7) - <https://www.gov.uk/government/publications/accounting-officer-assessments>

³ <https://www.gov.uk/government/publications/treasury-minutes-february-2023>

Parliamentary notifications, regardless of whether the issue relates to contingent liabilities, ministerial directions or accounting officer assessment summaries. A draft of this new annex will be shared with the Committee and the National Audit Office ahead of publication.

Finally, you set an expectation that HM Treasury should keep a central record of completed AO assessment and summaries. As set out in the Treasury Minute, the Treasury has created a collections page on gov.uk of all published Accounting Officer assessments. Each department has populated its page with the published Accounting Officer assessment summaries.

There are a small number of AO assessment summaries identified as awaiting publication, and the Treasury continues to work with departments to ensure these are published as soon as possible. For the future, we are also working with the Infrastructure and Projects Authority and departments to develop and maintain a comprehensive dataset of GMPP projects which are due an AO assessment, so that we can track that these are being produced and published in a timely manner.

The Treasury plans to publish the next edition of Managing Public Money, and the associated update to the Accounting Officer assessment guidance, before the end of March 2023.

Yours sincerely,

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

David Fairbrother
Treasury Officer of Accounts