

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

7 February 2023

Dear Dame Meg,

Machinery Of Government changes and the Estimate process.

I write regarding the Machinery of Government changes announced today by the Prime Minister.

As you will be aware, normal practice is that when a Machinery of Government change occurs the financial arrangements are reflected in the next available Estimate. During the interim period, the Accounting Officer recorded in the most recent Estimate retains formal responsibility but passes day to day responsibility for ensuring accounting officer duties are met to the Accounting Officer of the new or receiving department. This is set out in formal correspondence and copied to the Public Accounts Committee.

The next Supply and Appropriations Act in the Parliamentary cycle will be the Supply and Appropriations (Anticipation and Adjustments) Bill 2023, also referred to as the Supplementary Estimates 2022-23. However, as the numbers underpinning the forthcoming Supplementary Estimates 2022-23 have already been compiled based on the previous departments' returns, it will be presented on this basis. As such, accountability to Parliament will continue to be through the Accounting Officer for the legacy department.

For the Supplementary Estimate period and the 2023-24 Vote on Account period, the Accounting Officer of the legacy department will invite the receiving Accounting Officer to accept responsibility for ensuring regularity, propriety, value for money and feasibility in respect of the resources used in support of those activities that transferred from the legacy department to the new department as if they had been formally appointed accounting officer for those resources.

As the Accounting Officer of the legacy department will formally remain the Accounting Officer for this period and they will also be responsible for signing the Annual Reports and Accounts that relate to the former department, they will take assurances from the receiving Accounting Officer in respect of those funds and decisions. These will be copied to the Committee in the usual way.

As ever, I am happy to provide further explanation regarding this and Treasury will be engaging with the National Audit Office to ensure that accountability and reporting arrangements are clear going forward.

I am copying this letter to the Permanent Secretary of HM Treasury and the Comptroller & Auditor General.



David Fairbrother
Treasury Officer of Accounts