



Government Legal Department

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Dame Meg Hillier
Chair
Public Accounts Committee
House of Commons
London
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By email: pubaccom@parliament.uk

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To Dame Meg Hillier

Letter to PAC re laying of the Crown's Nominee Account

I am writing to inform you that in my capacity as the Crown's Nominee for Bona Vacantia, I will be unable to present an account showing the receipts and expenditure on the Crown's Nominee Account (the 'Account') to Parliament by 31st July 2022 as required of me by rule 4 (1) (a) (ii) the Treasury Solicitor (Crown's Nominee) Rules 1997 pursuant to sections 4 and 5 of the Treasury Solicitor Act 1876 (the 'Act').

Section 4 (1) of the Act requires that: all money obtained by the Crown's Nominee, whether as income or as the proceeds of the disposal of bona vacantia assets, shall be carried to the 'Account'. Bona vacantia assets primarily arise either from the dissolution of a company or from people who have died intestate without entitled kin. The Account includes information on: the value of bona vacantia received; the amount of cash remitted to HM Treasury; and an estimate of the amounts that will be repaid should entitled kin come forward to make a claim or a company be restored. The Crown's Nominee is not in receipt of parliamentary funding and therefore the Account does not report to Parliament on the use of voted monies or the application of spending control limits.

The unique nature of bona vacantia combined with the nature of the Account (it is not a report on an entity) means that in determining how to apply relevant accounting standards and the HM Treasury's Financial Reporting Manual, considerable judgement is required. Our current approach to preparing the Account, which has always received an unqualified audit opinion, was first established in 2012 and, on this basis, the 2022 Account was prepared and presented to the NAO for audit on 26 April

2022. However, as part of each audit cycle, the NAO re-assess the appropriateness of the historic judgments which they consider is particularly important, but also judgmental, for an account like the Crown's Nominee, given its unique status and activities. Whilst there have been no changes in the underlying circumstances, their reassessment has resulted in a debate on the appropriateness of the current accounting treatment for revenue & bona vacantia assets. Unfortunately, this work remains ongoing and could not be completed in advance of the summer parliamentary recess.

I, and my predecessors as Treasury Solicitor, have prided ourselves on preparing and presenting accounts before Parliament in a timely manner. For example, the 2021-22 Annual Reports and Account for the Government Legal Department and the 2021-22 Annual Report and Account for the HM Procurator General and Treasury Solicitor were laid before parliament on 8th and 9th June 2022 respectively and in preceding years, these Accounts have generally been presented to parliament in May. This delay is therefore particularly regrettable, and we are working closely with NAO to resolve this matter quickly and expect that the Account will be laid before parliament in the Autumn of 2022. Once the accounting treatment is agreed we would then expect the Account to return to a timely footing, in keeping with recent norms, next year.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Susanna J', with a long horizontal flourish extending to the right.

SUSANNA MCGIBBON
Permanent Secretary and Treasury Solicitor