

Public Administration and Constitutional Affairs Committee

Oral evidence: [Government accounts](#), HC 95

Tuesday, 6 September 2016

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Members present: Mr Bernard Jenkin (Chair); Ronnie Cowan; Mrs Cheryl Gillan; Tom Tugendhat; Mr Andrew Turner.

Questions 185-260

Witnesses

I: Professor Malcolm Prowle, University of Gloucestershire, and Professor Sheila Ellwood, University of Bristol.

II: Will Moy, Director, Full Fact.

Written evidence from witnesses:

- [Professor Sheila Ellwood](#)
- [Professor Malcolm Prowle](#)

Examination of witnesses

Witnesses: Professor Malcolm Prowle and Professor Sheila Ellwood.

Q185 **Chair:** I welcome our two witnesses on this inquiry into Government accounts. Could I ask each of our witnesses to identify themselves for the record, please?

Professor Ellwood: I am Sheila Ellwood from Bristol University.

Professor Prowle: Malcolm Prowle, University of Gloucestershire.

Chair: Thank you. We have quite a few questions to get through and rather a compressed period of time to get through it so we will ask short and crisp questions—if we can, colleagues—and if the answers can be equally short and crisp, it would be very helpful. I am afraid I will cut you



off if I feel you are rambling, but we will let you know if we need you to elucidate. Thank you. Mr Cowan.

Q186 **Ronnie Cowan:** What is the purpose of Government accounts?

Professor Prowle: If I can kick off, I can be quite brief. Like any set of accounts, it is fundamentally to communicate information, probably financial information but others, to the people who would deal with those accounts. There are two main reasons for doing that. The first is to discharge the accountability for the use of resources—how well this Government used my money, your money, from taxation. The second one is to assist those users in making decisions. The question is begged there as to what sort of decisions they could be. It could be what school to send your child to, which hospital to go to, which way to vote in the next election; any of these sorts of things. Fundamentally it is about communicating information to users.

Q187 **Ronnie Cowan:** But who is using these accounts? Who is reading them?

Professor Ellwood: I think it is tied up with democratic accountability. The public has a right to know and their representatives are expected to look at how money is spent. Over centuries, no taxation without consent and so on—the public does not have a choice in whether it pays its taxes, and so it is important that it sees how that is done. It is a stewardship role really. I think they want to see that there is a level of accountability, starting with whether it is done according to rules and probity and really move up that in terms of value for money, efficiency and effectiveness.

Q188 **Ronnie Cowan:** Are we reaching that audience?

Professor Prowle: The straight answer is we do not know. We do not know, to be honest about this. There are no statistics around. There was a time when you could turn up at your local authority or central Government Department and say, "Please can I have a copy of the accounts?" Now they are all posted on the web of course. We do not know how many people use them or the background. We can speculate and my speculation would be not a lot of people use them.

Q189 **Ronnie Cowan:** If they are on a website, then we must know how many people are reading them.

Professor Ellwood: Yes, it would be possible to know how many have downloaded them, if they keep that information. But also parliamentary scrutiny: how much is being used by Parliament? I think there is quite a reliance on auditors and so on in order to be able to analyse that information and use it.

I think it is having the information available that is important. It is possible to scrutinise that and quite often the audit rule is important, in that it directs people to see what the problems are in terms of the information, but it would be helpful if that information was related to the needs of users.



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Q190 **Ronnie Cowan:** The level of these accounts is presumably pitched at accountants and academics, but is it at a level that the ordinary person in the street, like myself, is going to read and understand?

Professor Prowle: No. It is not easy for qualified accountants unless they—

Q191 **Ronnie Cowan:** The question would be: why not then, if that is the standard audience?

Professor Prowle: I have a view on this and I think Sheila might agree with me. What I have observed in the last 30, 35 years in this country is that with the accounts for public bodies, government bodies, we have basically followed practice in the private sector blindly. We have ended up with a set of accounts that are mirroring what happens in the private sector and we are talking about very different things.

In the private sector accounts are mainly aimed at investors, who could be equity investors or lenders; in the public sector we are looking at a very different audience and people who have different needs for information. I think the average person probably wants to know something about where their money has been spent, how well it has been spent—has it been spent according to plan, has the Department done what it said it was going to do? It is a very different thing to providing information to shareholders and lenders. We have made accounts more complicated and thicker. They can be substantially thick and it is far too complex and technical for the—I am not going to say the average person; I used to work in local government many years ago and I do not understand the Government accounts.

Q192 **Ronnie Cowan:** Right, so what do we do about this?

Professor Ellwood: We look at what information is useful to users and design the information that meets those needs. Starting from a set of accounts that is designed for investors making decisions in the capital markets is unlikely to provide the right information that we want for the public and for Parliament to hold them to account. We need to think about the information in terms of how we look at whether they have spent it according to the policies and how it was voted and so on. If it is about democratic accountability, we need to see whether that money is being used in order to achieve the objectives, and those objectives are not a financial return to investors but achieving government policies.

Professor Prowle: I would agree with that and I would go a bit further and say—we may talk about this in a minute, when we start talking about the details of IFRS and IPSOS—it is akin to how many angels can dance on the head of a pin.

Chair: We are going to come to that.

Professor Ellwood: It is a very technical issue and we should be focusing on the things that Sheila talked about, which is finding out what



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people want at some degree now and delivering that, not what we deliver at the moment.

Q193 **Ronnie Cowan:** But we have been doing this for 30, 35 years, so when are we going to start doing this?

Professor Ellwood: I am not saying we have not improved the information. I do not disagree with the move to accruals information, getting a better measure of resource consumption and so on, but the basis on which we measure it and report it I think needs to be linked to what the needs of Parliament are as representatives of the public, and lower down the public, governors and others who are looking at these accounts.

Q194 **Ronnie Cowan:** Is it fair to say that currently we have a set of accounts that are published that the electorate will not engage with and therefore not gain anything from?

Professor Ellwood: They are not really designed for them, are they? They were designed for investors in the capital markets. Those are defined as the primary users of IFRS statements. We need to look at something that is geared towards the needs of Parliament as representatives of the public.

Professor Prowle: But what you say is correct, I agree.

Q195 **Chair:** When I pick up a set of accounts from the Cabinet Office, I am always extremely disappointed because there is an awful lot in there that reads like a Government White Paper or a propaganda sheet for what the Government is doing. What could be done to separate what is statutorily required information, or information required by the accounting standards, from whatever the Government wants to say about it? In public company accounts they very often have different coloured pages for the statutory accounts from all the other guff that is around it. What do you think we should do in order to address this?

Professor Ellwood: It is difficult because at the moment we are looking at streamlining the information. We have recent changes in there but you are starting from a framework that does not necessarily provide the right core information on the right measurement and recognition basis and so on. Therefore, just simplifying it probably would not be the right way but I think you could start to look at it from a different perspective and improve the format and the nature of the information.

Q196 **Chair:** It would be useful for Parliament to know from the annual accounts the state of each programme in a Department: how much has been spent on that programme; how much the programme is budgeted to cost; whether it is over or under budget; what the final projection of that programme is likely to be; and whether the objectives of the programme are likely to be achieved? What is the possibility that we will get those put into the annual accounts?



Professor Prowle: Could I just make one comment before I answer that directly? One thing we have to be careful about with these annual reports you talk about is recognising that the financial statements, the balance sheet, the income and expenditure, are subject to external audit. That theory adds some value to the information. The fact that they have been looked at by an independent person should add some value to our information. The rest of it has not been audited so it is open to manipulation.

Q197 **Chair:** Why could Parliament not insist on auditing Government accounts programme by programme, like capital projects?

Professor Prowle: I think the technical problem there is it is unlikely Departments will be able to provide that analysis in a way that would be approved by the auditor. I do not think they have the systems to enable them to do that. They can estimate and guestimate but I do not think they can broach that information in a robust manner that the auditors would be happy to sign off. I do not know if you would agree with that?

Professor Ellwood: Yes, I think they could provide some more meaningful information. There has been work done on programme budgeting and so on. We do produce programme budgets in the health service for information to commissioners. In the US they are looking at this problem and they are trying to get information at programme level and they are looking at building up the basic data into programmes so it can get some more meaningful analysis under their Data Act that links with the Federal programme inventory. You move from the bottom level information, which is very disaggregated, and try to get it assimilated in some way by programme. I think it would be very useful to work on that basis because completely disaggregated information is not useful. The way we have it combined in IFRS is very summarised and not really fit for purpose. So I think getting some meaningful information by programme and service would be very useful, and would fit parliamentary accountability much better.

Professor Prowle: But I would agree with your premise that that is what Parliament needs. It is an analysis about programme, how much was planned to be spent, how much was spent, how well it has been spent, all sorts of things.

Chair: Okay, moving on. International reporting standards.

Q198 **Mrs Gillan:** Yes, I am going to be talking about the IFRS. Back in 2007 a decision was made to move to IFRS and have a clear line of sight interpretation. You both obviously think it is totally inadequate and not correct. Would you like to expand on that?

Professor Ellwood: Yes. I do think it is a big improvement in terms of having got a fuller picture, I just think it is not designed for the purpose of parliamentary accountability. When I teach it to my students we say that the primary use of IFRS, according to the conceptual framework we have, is investors making capital decisions in the capital markets. If we



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are looking at public sector accountability, then the primary users surely have to be Parliament and the public and we need to think about information that meets their needs and decisions. Therefore, I think we need to move on, now that we have accrual-based information, to think a bit more deeply about whether it fits the needs.

Q199 Mrs Gillan: The problem is the tool that we are now using is for a very simplistic, clearly identified audience. You have identified some of the audiences of public accounting but in truth there are a lot more. There is the international dimension, the international comparisons, economists, those institutions that look at our viability as an economy. It is a very complex set of people who need to look at different aspects of public accounting. Basically you are saying the document is not transparent enough to all those audiences.

Professor Ellwood: Those other audiences aren't using IFRS, are they? You can't compare a health service hospital with a Nuffield Hospital because they don't produce the information at hospital level. Where is this comparability on IFRS? We are not comparing with private sector companies. I don't think other countries necessarily use IFRS and if they do, their Governments are not organised in a way that you could compare with ours.

Q200 Mrs Gillan: Professor Ellwood, you particularly talked about Finland and the US. What are the highlights of their particular systems?

Professor Ellwood: Finland concentrates on the income and expenditure statement really. It is rather traditional in its approach in that it looks at resources consumed, largely from a cost basis. It still applies the realisation concept in how it attributes income and expenditure, so they would not use fair value for financial assets and so on. They would not consider that that was appropriate. They would not want those changes going through the income and expenditure account for financial assets. They would consider that gross assets are not held for the same purpose as they would be in a private sector company. Government is managing the economy, not holding shares in order to make a profit. Therefore, even on those sorts of things we need to think about whether it is providing the information that you need for Government accountability.

Professor Prowle: I can reinforce what Sheila is saying in the following manner. If you feel you want a washing machine in your house and somebody gives you a microwave, you can tinker and refine that microwave all you want to, but it is not a washing machine. That is what we are doing with IFRS.

Mrs Gillan: That is fine, I think we can move on.

Q201 Tom Tugendhat: A lot of this has been set out by the Treasury Command Paper splitting the annual reports and accounts into three sections. Could you give us what your concerns are over that?



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Professor Ellwood: I welcome integrating finance into wider performance, which you have in the “telling the story”, performance part at the beginning, but I think that the information is not necessarily on the right basis to do that clearly. The accountability part seems to largely mirror the private sector governance statements, although we do have the link through to the supply position. The financial statements seem to be relegated to the final part and they are very much producing the basic statements and the formal disclosures as you would have for a large limited company, so it seems as if it has increased the size of these reports. I was looking at one of my local foundation trusts and its annual report last year was over 200 pages. It was not until page 140 that you got to the financial accounts. I am not sure that that performance information is audited. There only seemed to be an audit statement to go with the accountability and the financial statements so there is obviously an opportunity to cherry pick and give a particular impression in terms of the performance report. So, while I welcome the move to integrate financial information into the wider performance, I don’t think it is necessarily integrated in the most successful way and it is not, as I understand it, necessarily subject to the same scrutiny.

Q202 **Tom Tugendhat:** Of course it is interpreted in different ways. We have taken written evidence saying that the accounts are split some by policy and some by internal division in the department. Could you comment on the advantages and disadvantages there?

Professor Ellwood: I am not familiar with—

Tom Tugendhat: In some Departments they are covered by the policy that they are seeking to achieve and that will be how the department accounts, and in others it will be by the particular division within the department.

Professor Ellwood: Is this the single departmental plans?

Tom Tugendhat: Yes.

Professor Ellwood: I have had only a quick look at that because they have only come through in recent months. When I was looking at the Department of Health report I could see that they discussed those plans but they seem to provide very diverse information against those high level plans and the high level plans seem to be expressed in such a way that it is very difficult to measure and monitor against them. While it was too early for the attempt to do that, when you have aims like improving out-of-hospital care as a main aim, how are we going to measure that? The second one I saw was creating the safest, highest quality healthcare services. I am not even sure whether you could argue that in terms of a cash constrained public service. Access to services is also important as well as providing the best knees in terms of the safest and highest quality, which must be, I would have thought, more expensive. I am not quite sure how these have been thought through in monitoring, financial reporting and measuring.



Q203 Tom Tugendhat: Could I then go on to the next question? Given that you have stated that these things are not quite as clear as they should be, the customer—for want of a better expression—of these accounts is Parliament or the people represented by Parliament. Shouldn't Parliament set the accounting standards for Government?

Professor Ellwood: There is a tendency for these accounting statements to be manipulated and I have some sympathy with the move to IFRS to overcome some of the problems of manipulation that they thought there was with the private finance initiative under the previous UK GAAP regime. But perhaps you could achieve some of that by having more direction, a sort of underlying conceptual framework for FRAB. FRAB is very much at the moment concerned with bringing in the private sector model with as little adaptation as possible, whereas IPSOS and so on have recently developed a conceptual framework for IPSOS, and it is early days to see whether that actually affects the future standards and makes them more responsive to the needs of public sector uses. If you had some sort of framework for how new standards were supposed to conform to the needs of Parliament, I think that would be a good starting point.

Professor Prowle: It is probably worth noting, I looked at the membership of the Financial Reporting Council, which is the body that sets them, and it is very dominated by accountants, mainly from the big four firms, bankers, insurance; there seems to be very little representation from potential users of accounts. Even if we go to the public sector and special interest groups, it is probably again dominated by accountants. We are both accountants, so we are shooting ourselves in the foot here, but at the end of the day this is all supposed to be about providing information to users, Parliament, the public and everybody else, but it is dominated by technical specialists.

Q204 Tom Tugendhat: Forgive me; that suggests that Parliament is not terribly good at holding the Government to account for the way it is spending its money—I am leading you on, but it does suggest that.

Professor Ellwood: Yes, perhaps Parliament should set out clearly what its needs are rather than merely—

Tom Tugendhat: Or hire more accountants.

Professor Ellwood: Not necessarily.

Professor Prowle: Not necessarily, no.

Professor Ellwood: Although I do think that the audit work is very useful. I find the audit reports very useful and they do try to bring the information that is in the accounting statements into the wider performance area. I often find those explanatory reports that the Comptroller and Auditor General adds very useful. After the audit certificate he often gives a commentary, say, on all of Government accounts, or he has done on the latest Department of Health. I can see



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that he is aware of the manipulations there may have been in order to try to keep things within the votes and so on.

I think reliance on the auditor is very useful and the auditor does flag up some useful points. Now that we have the performance side, he did refer to that information; certainly in relation to the supply position when it is in the accountability side. That National Audit Office is very useful and I miss the Audit Commission at local level.

Q205 Chair: Returning to the question of management accounts, which we touched on when we were asking about annual accounts, what is your opinion on the quality and use of management accounts in the public sector?

Professor Prowle: I would start by making the point that management accounting is obviously for the managers of the organisation, it is not externally available. I can read the statutory accounts of Tesco or Ford or anybody but I cannot access the management accounts of those companies because it is internal. On the basis of that, there have been many criticisms over the years of management accounting practice in the civil service, from the Public Accounts Committee, the National Audit Office and others. Generally these reports say something like, "Progress is being made but not quick enough." Obviously the pressures on public spending are increasing but we still don't seem to be able to make this jump into having high quality management accounting.

The difficulty in ascertaining what the current situation is I think is a consequence of a fundamental secrecy in civil service. I had tried on a number of projects, where I have worked across the public sector, to engage with central Government Departments on this and failed to do so. I have had to rely on people like retired civil servants, people who now work for think tanks. They generally give the same message: "Yes, it is making progress but it's really not moving fast enough."

Q206 Chair: That is one of the reasons we are having this inquiry. What can we do?

Professor Prowle: What can we do? Well—

Chair: What should we recommend?

Professor Prowle: That is a very difficult question, I don't know. I don't know the levers of power here, to be honest.

Chair: We can recommend anything we like. The Government have to respond to our recommendations.

Professor Ellwood: To some extent it could be linked with a better financial reporting system, that what gets measured gets done. If you set it out in a way that can be measured in relation to these policies then you are more likely to see management accounting responding in order to—



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Professor Prowle: The reason I hesitated, Chair, is about a year or so ago I was at a conference and the speaker was Amyas Morse, the Auditor General, and he was making comments critical of central Government in the field of financial forecasting, which is a well-trodden tool of management accounting. I am not sure things have improved and if criticism from the Auditor General doesn't do it, I am not sure where one goes. It is very difficult.

Q207 **Chair:** If Ministers and senior officials do not have good management accounts, how do they know what is going on in their departments?

Professor Prowle: They probably don't for the total picture. They probably know enough to make sure they don't overspend on the vote or don't do anything embarrassing but in terms of delivering on policy—there are plenty of things we can all talk about: overspends on MoD procurement, wildly varying forecasts on HS2, overspend on the GP contract back in 1992. We can talk endlessly about those situations and wonder why they happen.

Q208 **Chair:** Isn't there a case for Departments publishing unaudited management accounts on a more regular basis than their annual accounts? How strong do you think that case is?

Professor Prowle: Going back to my definition, management accounting is for the managers. I think you would have to ask the managers themselves whether the information they are getting is relevant to what they need.

Q209 **Chair:** How is Parliament meant to judge that if we never see the management accounts? What is the case for keeping management accounts secret?

Professor Prowle: Only that by definition financial accounts are about disclosure of information in the public domain; management accounts are by definition internal to the organisation.

Chair: I appreciate that.

Professor Prowle: The defined organisation here is the Executive.

Q210 **Chair:** In the public sector it is different. How is Parliament meant to know what is going on in Government Departments and whether Ministers and officials are on top of their Departments if we do not see the information?

Professor Prowle: Okay, you could have them published but I return to my point then: unless they are audited independently they don't have the same value as the accounts that have been audited.

Q211 **Chair:** I appreciate that. Boards know that; managers know that; Parliament can know that. We don't want to over-regulate this process but it would be nice to know, have concrete evidence, would it not, that at least on a quarterly basis or ideally on a monthly basis—but I wouldn't



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suggest publishing on a monthly basis—departmental boards are looking at the state of their departments and the state of every programme.

Professor Prowle: I would agree with that but I think I would relate back to Sheila's point that it is not just about the financial information, it is about the overall performance as well—performance on the financial aspect together.

Chair: Indeed. Management accounts typically include a monthly consolidated profit and loss account, balance sheets and cash flow, results by strategic business units, a quarterly update of forecast results, specific papers on new investment projects, major expenditure such as acquisitions and large building projects and perhaps a six-monthly review of the strategic plan for the department. Why can't Parliament have that?

Professor Prowle: It seems quite reasonable.

Professor Ellwood: I don't think anything stops Parliament demanding it.

Q212 **Chair:** One of the critics of management accounts in the public sector, in Government Departments, has been Michael Heseltine, Lord Heseltine, who introduced his MINIS system. What you think of his MINIS system?

Professor Prowle: Chairman, I am old enough to remember it happening at the time. As somebody who has worked in both the public and the private sector, something I always say is the one difference I notice—it is not the only one but a significant one—is in the private sector time is money. If you spend a day in a meeting, that is equivalent to money. In the public sector it is not like that. I have worked in the civil service with endless amounts of time spent in meetings, consultations and discussions. I think what MINIS was designed to do was answer the question basically, "What do civil servants do and what does it cost?" That seems to me a very admirable thing to know. When I worked in the private sector that is what my bosses wanted to know: "What have you done and how much does it cost us to do it?"

Can I just add one thing? I think what I have to say here is a very important point. Lord Heseltine did this before the IT revolution; this was around the time of the Sinclair ZX81, the first little PC. What was being done then could be done far more effectively now because of modern information technology.

Q213 **Chair:** So why is it not done?

Professor Prowle: Because I don't think there is a culture in the civil service that sees the need for a good financial manager.

Q214 **Chair:** What would be the effect on the culture of Parliament demanding to have this information published on a quarterly basis?

Professor Prowle: People would be running around very quickly saying, "How are we going to get this information out? How are we going to



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produce it?" It is quite a time consuming thing if individuals have to keep a track of what they are doing.

Q215 **Chair:** But if they are not doing that how do Ministers and officials know what is going on in their Departments?

Professor Prowle: They don't. When I worked in the private sector I had to fill in a timesheet weekly as to what I was working on, how much time—

Q216 **Chair:** How much would you support a recommendation from this Committee that we should make this recommendation?

Professor Prowle: Very strongly. Very strongly.

Professor Ellwood: I am just a bit wary about where this stops though, because large elements of the public sector now are working in a competitive situation and they would regard this information perhaps as commercially sensitive. So at central Government level perhaps, but I think if it were to permeate down to a more operational level, there might be problems. I have been doing work on patient costing and I am very wary about that information being available when they are in competition with other organisations. That information would not be required to be produced by a private sector competitor and made available publicly. So while I see—

Q217 **Chair:** Isn't that what happens in the United States?

Professor Ellwood: In terms of the agencies having to produce it, yes, I think they are moving—yes, I have read something recently about them requiring that information to be made available. If the private sector had to make it available as well there would be fewer problems with that.

Q218 **Chair:** We have recommended in our procurement inquiry that we do away with commercially incompetent contracts, that contracts should be published with their prices. What would be the disadvantages of doing that compared to the advantages?

Professor Ellwood: Although you are saying they have to produce that, that still means that that information would be available from the foundation trust providing healthcare to a private sector body that isn't currently working in the public sector.

Q219 **Chair:** But this public sector body is consuming public money to produce a public service; why shouldn't they be made accountable?

Professor Ellwood: I am just thinking that you are asking them to work in competition with other bodies and they can cherry pick and so on.

Q220 **Chair:** It would be the same for all the competitors competing for that contract. What is the problem?

Professor Prowle: I think I slightly disagree here. I know the objections you are stating. They are sometimes over-emphasised as defence—



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Q221 **Chair:** How much is it a convenience for Whitehall to be able to say “commercial in confidence” in answer to parliamentary questions? You are both nodding.

Professor Prowle: Not just Whitehall. That could go for other parts of the public sector as well.

Q222 **Mrs Gillan:** Professor Prowle, you mentioned HS2. It has been very difficult to actually drag out of the Department for HS2 Limited some of the financial information that is essential to be able to judge whether this is a value for money project. So it is essential, in my view, that you have some sort of transparency because, in other words, the delivery section of Government is driven by the political will. There is a chance they may not be speaking truth to power, because they think that they have to deliver no matter what. If you can’t get that financial information, am I right in saying you could in many cases get it through FOI requests, which is laborious and terrible, but “commercial in confidence” is the last hiding place of the official who wants to obfuscate?

Chair: But the argument is, I would imagine, that management accounts constitute advice to Ministers and are covered by that exception. I wonder whether—

Mrs Gillan: Or “commercial in confidence” because of the future contractual situation.

Professor Ellwood: Also be aware that the information is not necessarily produced on the same basis. Although they may all say that they are using IFRS, they are not using it on a current cost replacement of a modern equivalent.

Q223 **Chair:** Anybody in business knows that your management accounts are audited and produced on a different basis. Select Committees could work this out too. Why is that a legitimate objection for keeping it all secret?

Professor Prowle: I don’t think it is. What I was going to say is they could just do any financial forecast; because you are forecasting ahead has limitations, uncertainty. The key bit is that alongside the forecast you provide the assumptions that have been made underlying the forecast on the risk factors associated with those assumptions in which you can judge what assumption is realistic, what one is optimistic, pessimistic and so on and so forth.

Q224 **Mrs Gillan:** But then doesn’t it also come back to the lack of risk assessment capability with in the civil service itself?

Professor Prowle: Yes.

Q225 **Chair:** Which we have had as a theme in earlier inquiries. We are quite surprised at the lack of capability in that area.

Professor Prowle: If you recall I mentioned about the National Audit Office’s criticism of national forecasting. I think it is reflected in that



Q226 **Chair:** How much is it an inevitability that the more the civil service in Whitehall tries to mitigate the risk, the more they add to risk and cost of programmes?

Professor Prowle: Possibly, I don't know.

Chair: Because they are so bad at taking risk? I think we are done. It has been very useful and I think we are going to make some very clear recommendations based on your advice. But do send us anything else that occurs to you after the session. If you want to add anything else, we would be very grateful to receive it and publish it if you wish. Thank you very much indeed.

Examination of witness

Witness: Will Moy.

Q227 **Chair:** Welcome to this session on public sector accounting. Please could you identify yourself for the record?

William Moy: My name is Will Moy, I am the director of Full Fact, the independent fact-checking organisation.

Chair: We are going to ask some crisp questions; if you could give crisp answers we would be very grateful. We have to finish by 11.30 at the latest.

Q228 **Ronnie Cowan:** Continuing on the same theme as earlier, who uses these accounts? You as a non-accountant, me as a non-accountant, what sort of approach does this—

William Moy: I have to stress I am a non-accountant. I have been listening avidly to the expert evidence. I have read the evidence before you. We come at it from a different position, which is as citizens, as taxpayers, as scrutineers of claims made about Government; what can accounts do for us and what can financial information do for us?

Fundamentally what I think the typical taxpayer wants to know is, "How is my money being spent and am I happy about that"? "Am I happy about that?" can add up to: "Am I happy with what it is being spent on? Am I happy about how efficiently it has been spent? Am I happy with the performance of the people spending it?" That is the kind of information we want from Government, financial information from the accounts, the audited accounts, which are ultimately the prime source of information about Government spending.

Q229 **Ronnie Cowan:** Are we getting there?

William Moy: No is the short version. It is very hard. There is a lot of information out there of which accounts are just part of the picture. How you navigate all of those different sources of financial information and information about public spending is far from clear. There is no clear overview. When you get to the accounts, you will have your own



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experiences of trying to use them with the scrutiny of Government and seeing the extent to which your colleagues are able to use them in the scrutiny of Government. I think it is clear from the fact that you have set up this inquiry that they are not doing everything you might hope. Similarly, there are lots and lots of questions that we tried to answer as fact-checkers. How much are we spending on the Troubled Families programme? How much are we spending on flood defences? How much did we used to spend on flood defences? How does that compare? What is the price of the NHS now; what are we spending it on; how is that different? Those questions are remarkably difficult to answer. That seems like something that a lot of people are putting a lot of work into trying to improve in different areas but it doesn't seem like a journey that is over.

Q230 Ronnie Cowan: Do you think people are working in that area to improve it?

William Moy: It does seem so. I have been interested to read the evidence. The amount of work that has clearly gone into compiling the whole of Government accounts and shifting to that approach, shifting to an accruals basis, that is clearly a major data management challenge and it is something that has been pursued over many years. I don't want to detract from the achievement of getting to where people have got now, but I think from the point of view of a fact-checker, from the point of view of people who are confronting the public's experience of trying to understand what Government are doing and what is being said about what Government are doing, there is quite a long way to go to really make sense of Government spending.

Q231 Ronnie Cowan: So where do we go?

William Moy: Where do we go? I think the experts are perhaps better placed than I am to debate the technicalities of it but the argument we would make is a relatively simple one, which: is accounts obviously have to serve the needs of managers. That is what management accounting is for. They have to serve the needs of the people who are running the business, as it were. They also, in our context, have to serve the need of citizens and the people who represent them.

A lot of work has clearly been done to try to up the technical standards behind accounting to try to unify the picture of the whole of Government accounts and there are at least some witnesses who believe that significant progress has been made on that front. There is now another journey to go on. There is now a next stage, which is to say, "Okay, well, what does this do? Now that we have put all this work into getting what we think is reliable data"—what we think is joined-up data and all the rest of it—"what does this actually do for the citizen who wants to know the answer to, 'How is my money being spent?'" That is the question I would like to invite the Government financial profession, the Treasury and so on, to really get to grips with and start engaging with a slightly different user base, which is parliamentarians and citizens, and for the kinds of



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questions that you routinely spend your time asking that are discussed in the media and discussed in the pub.

Q232 **Ronnie Cowan:** Surely in this day and age, with the technological advancements we have, it should be easier for the Government to produce easy-to-read accounts?

William Moy: That is a fascinating question. I often wonder if the fact that we have all these computers and the ability to store so much data makes it harder to prioritise information and really get into the key questions.

Yes, obviously we ought to be able to get to a position where we can produce reliable information quickly. I know on the statistical side, where we also do a lot of work, the drive ultimately would be towards real-time information in lots of area, let alone an argument about every 12 months or every three months. But that is a process and what I would be interested to see, and what I have not seen in the evidence set out, is a lot of work has gone on over the past few years to get where we are; where do people think we need to be in 10 years' time? I think we need to be a position where a citizen who wants to know about the Troubled Families programme, for example, or a citizen who wants to know about heart surgery, or a citizen who wants to know about spending on schools, knows where to go to answer questions not just about the performance of Government Departments as a whole, but what Government Departments are doing.

Q233 **Ronnie Cowan:** We can gather all this information, we can store vast amounts of information, we do have tools that allow us to cross-examine all these databases. It was you, I believe, who said you know more about golf than you do about crime stats, yes?

William Moy: Yes.

Ronnie Cowan: Because these programmes we watch, they don't give us all the facts and figures. If it was a football match, it gets taken apart step by step, what passes are made—we know that stuff. The tools are there to examine these vast amounts of data.

William Moy: Yes, absolutely. It can be done and if ever there were a time to set our ambitions sky high with what we can do with data and how that can improve the way we manage the country, the time is now. We have gone past the stage of wondering what the tools can do. We know what the tools can do, we know what is possible. There are obviously huge challenges in translating the pure power of technology into accounting. Accounting represents a whole set of value judgments and descriptive judgments about the information that it is representing, just as statistics do, and those judgments need to be reflected fairly and they need to be explained to an end user. It is not about just chucking numbers at people. All of us who have run any sort of organisation know perhaps the way you frame your accounts changes the picture you are



portraying of the organisation. There is a technical challenge and I think we should set our sights high on that.

There is also a challenge about how are we telling stories with this data. Who is responsible for doing that and who will have faith in the stories that are told of that data? I think that will become increasingly important if, as I hope, we move further and further towards combining performance information and financial information, which obviously are intrinsically linked, and the more so when the Government is, as it is, on an efficiency drive.

Q234 Chair: How much do you think the Government mixes up propaganda and real accounting information in their annual accounts and departmental accounts?

William Moy: I would be inclined to defer to experts on that. They are in a better position to judge the balance between the two. The National Audit Office I notice told you that there is, in their phrase, "a little too much positive spin in the accounts." Professor Heald went a bit further and said, "Good technical processes are marred by abusive political practices." Whatever the balance of those two comments, I think it is striking to compare those descriptions of Government accounts and imagine if we were saying them about Government statistics. I think we would consider it unacceptable if such comments were made about Government statistics. I am not sure we should not have exactly the same reaction when it comes to Government accounts.

Q235 Chair: How much do you think the UK Statistics Authority should have a locus over the publication of Government accounting information in order to ensure that its presentation is fair and accurate?

William Moy: The machinery of this is very much a matter for the Committee, but we should recognise what the Statistics Authority offers, which is guaranteed independence, structural independence, an overview of the whole field and a set of principles that govern the whole activity that are independently published and that have a basis in statute. That is a different picture of machinery than Government accounting. The Government financial profession does not have the same professional accountability to the national statistician, and ultimately the Statistics Authority, which sits independently of Government. It does not have the same code of practice, which has the level of independent input of a code of practice for official statistics, versus things like the IFRS and the sort of public focus of one versus the more technical focus on the other. I think there is at least a good question there about whether some of those principles from the statistical world do not translate quite well to accounting.

Q236 Chair: What kind of recommendation do you think we should make around that issue?

William Moy: If I were to suggest, I would invite you to consider the balance between the many statistical products that are grappling with



Government spending, the public expenditure statistical analysis, the national accounts and so on and the Government accounts themselves, and ask yourselves are you satisfied with the governance arrangements of one versus the other and the fact that there is a clear blue line between one and the other, because the canonical source of accounting information is obviously the audited accounts. That is the thing that you would be relying on at all times. The audited accounts do not sit in the statistical side of things and the statistical principles do not sit on the audited accounts side of things. There is an opportunity here to bring together the best of both worlds, I think, if it is done well.

Q237 **Chair:** How should we achieve that in our recommendation?

William Moy: I would not like to force the hand of any of the institutions available. I think you have the opportunity to call up the National Audit Office and the UK Statistics Authority and say to them what you think the public deserves, and what Parliament deserves is a coherent picture of public spending that is focused around the public's questions and Parliament's questions about how money is spent and not simply focused around the mechanics of managing Government departmentally. They are important too, but so is the public's view, so is the citizens' experience of this and their ability to make their minds up. I would be interested to talk to both of those institutions and say, "How do we get one coherent picture of this?" We know it might take 10 years, by the way. There may be a process of having to develop new standards and new technology and work that through Government, but surely at least we should have a roadmap of where we think we should be in due course.

Q238 **Chair:** I hear what you say about being able to see real-time information from systems as numbers are put in but realistically, in our recommendations, what should we be saying that we want to see in annual accounts or published management accounts?

William Moy: I think that is more a question for accountants than it is for me. The position that Full Fact is well able to represent, which I think is not always a central part of a process of defining accounting standards, is: what are the questions the public are asking? What we see time and time again is that there are debates in the press, in Parliament, between lobby groups—and you name it—on how much money are we spending and are we spending it well and that those debates are often surprisingly hard to reconcile. We have seen Secretaries of State make mistakes about the spending of their own Department and, by the way, rely on external figures and not Government figures for the spending of their own Departments, which is quite surprising. I would not suggest that it is for us to say technically how it should be done. I think there is room for more input on what it is that we should be trying to achieve.

Q239 **Chair:** How important do you think it is to provide an explanation and a link between the financial and performance information?



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William Moy: It is almost self-explanatory; of course it is vital. I recognise that it is difficult and I recognise that there may be a process of trying to get there, but the idea that you just look at the money and do not look at the results or that you just look at the results and do not look at the cost is obviously not sensible. The question really is more, "How do you achieve it?" than, "Do you want to achieve it?", presumably.

Q240 **Chair:** But you would say that was a technical matter rather than a matter that you have an opinion on to do that?

William Moy: I think it is quite an interesting challenge, because if you look at the way that the Departments have just started doing their annual reports, and we have this section on performance and we have the sort of formal accountability section and we have the financial section, given what the National Audit Office has said and what Professor Heald and others have said, and I think given most people's instincts about political information, the performance section is going to be looked at with scepticism. There is a very high burden of proof on a Government Department making claims about its own performance to justify that with some sort of independent evidence with some kind of serious corroboration. We know that Government Departments have not always been able to do that consistently.

You may be aware, for example, of the recent Sedley inquiry into the publication and sometimes non-publication of Government-commissioned research. That is a serious concern if the Government are commissioning a valuation that doesn't make it out into public. There is a whole set of processes that need to happen to ensure that performance information is meaningful, which includes defining them in advance, where possible, which includes some level of candour in the way they are presented, and then there is a whole set of technical considerations about how do you measure things and so on. We all know the difficulty of setting useful outcome frameworks.

Q241 **Chair:** But even if programme-by-programme financial information against performance is published, say on a quarterly basis, unaudited, there would still be a cross-check at the annual audit to see if those quarterly accounts were reasonably accurate. What advantage would you see in publishing either minute-type or programme-by-programme information on a quarterly basis so that Parliament could possibly scrutinise performance on a much more regular basis?

William Moy: I respect, by the way, the evidence you have had about the various complexities about that and it is for the Committee to resolve that evidence as it sees fit. But on the face of it, if it can be achieved, one of the things I thought was interesting about the way the inquiry was framed was we talk about the scrutiny of Government, and it is of course necessary to scrutinise Department by Department, and Government is run by Departments and that function has to be scrutinised. But the scrutiny of Government by the average person is much more, "This is an issue I care about. What is the Government doing about it?" I think the



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real value of the kind of approach you are talking about is to enable that kind of conversation to happen. We all know that there are lots and lots of people whose biggest issue is bees and what the Government is doing about bees, and reflecting those issues, which range from the great things to the little buzzy things, are important if you want citizens to be able to engage with what the Government are doing.

Q242 **Mrs Gillan:** Can I just ask a simple question? Do you rate Departments in order? Do you have a really good example of a Department that is trying and making that effort and which is the worst department?

William Moy: We do not.

Mrs Gillan: What a shame. Sorry.

William Moy: It would take an awful lot of work to do that rigorously. What I will say is that—

Q243 **Mrs Gillan:** Do you have any good examples that you can highlight from within certain Departments?

William Moy: On annual accounting and that sort of thing?

Mrs Gillan: Yes, and engaging and providing information that you perceive that the public really want.

William Moy: We cover a much wider range of Government statistics than Government accounts. For the reasons we have discussed, we do not spend a lot of time going through each Department's accounts. I would be surprised if my colleagues have read every Department's accounts in our existence, let alone in the last six months. But there are certainly outstanding examples of people trying to communicate complex statistical information. One of the ones that I have been looking at recently is the HMRC work on the tax gap, which is a very complicated report, which used to be a pain to look at; they did an overhaul on it and made it a lot more accessible. It can be done. Looking at some of the annual reports and accounts that have been produced under the new framework, there is clearly effort going on.

I read, for example, the Plain English Campaign's evidence, which I thought was far too dismissive of the way that this work was communicated. There are, of course, examples of people using language that is impenetrable and awful and we just hope they will stop. There are lots of examples of people trying quite hard to make very complicated information as simple as it can be and accessible. I think we should do justice to both sides of the coin. It does seem to me that there is a process going on of improvement, that is people are trying make it work. My question is: is that process of improvement directed enough towards the needs of citizens and Parliament as well as the needs of the management of individual departments? That is where it is less obvious that the kind of direction that would be necessary and the kind of external input that would be necessary is being provided. So I think we



should celebrate what there is to be celebrated, we should recognise the efforts that have gone into improving in this area, as in others, but we should also say there is an awful lot of best practice still to be learned.

If I could give you just one example of that, I was expecting to come in here and talk about the difference between some of the best practices we see in the statistical field and how they might be useful in the accounting field. One of those is the practice of having named statisticians on statistical releases. The rule is—and this is part of a statutory code of practice—that every statistical release should have a named statistician on it so that you know who to ring up and say, “What does this mean? What caveats do I need to know to understand these numbers?” I was going to say this is one of the great advantages of our statistical information, and usually it is, and we depend on access to that expertise.

Unfortunately I have not had the chance to raise this with the Treasury, and I apologise to them for raising it with you first, but I looked at the public expenditure statistical analysis this morning just to double check that a named statistician was on it and it was not. That is a really good example of the small kinds of shifts that would make quite a big difference in the mentality of how we present this information for public consumption. There is an opportunity to say here, “It is our job to make this available to people and useful to people. How can we be more open and accessible in the way we do that?” Why not named accountants who are willing to talk to the public and explain those figures? It is not a crazy idea.

Q244 Chair: What an excellent suggestion. I think we will adopt that recommendation in our draft report.

Were you involved in the exercise to help the Treasury draw up their Command Paper?

William Moy: No.

Q245 Chair: If you had been, what other recommendations would you have included?

William Moy: We would, I think, have talked first about the process, and as well the question of, “What are accounts for?” I think the question is, “Who are accounts for?” We would have been making the argument about the public’s point of view in this: what kinds of questions do the public debate and talk about and ask you that the accounts could and should inform? That is the kind of question that we are taking up in lots and lots of different areas at the moment. Other places, like the House of Commons Library, are very well placed to illuminate those kinds of questions. So we would have been saying, “These should be primary questions in the design of future annual reports,” and with great respect to the work that has been done—and I do think progress has clearly been made—from what I have seen I think there is room to go much further down that path, as other areas of Government are doing at the moment.



Q246 **Chair:** What do you think of their specific suggestion, which is that the annual reports should divide the accounts into three sections: performance, accountability and financial statements?

William Moy: I have no problem with it, but I think it raises the crucial question, which is: why should anyone trust the performance section? I do not know that there is a compelling answer to that at the moment. When statisticians gather Government information, we expect them to do it independently, there are rules governing that, there is a system of audit for it, there is an accountability for it. I think we expect the information in Departments' annual reports to be the product as much of a press office as the accounts department, and while that may have a short-term benefit for Departments, I am not sure it is the right long-term play.

Q247 **Chair:** Why do you think that? Why is not the right thing to do?

William Moy: One of the fascinating things Tony Blair said when he was stepping down as Prime Minister was that he had concluded that the best long-term politics was the best long-term policy—that getting government right is what the public ultimately care about. I think it is good for the civil service, it is good for Government and ultimately good for the public if we are in a position where we can measure performance effectively and then take action based on it. I am not suggesting that the Government are ever going to or will want to wear sackcloth and ashes in the street when they have not achieved everything they want to achieve, but being able to be candid when the numbers are not going in the direction we want to go—as we would expect our statisticians to be—seems to me to be the starting point towards making Government work, which is what this Committee is all about.

Q248 **Mrs Gillan:** You keep referring to what the public wants to know. I find it increasingly difficult to know what the public wants to know when I know that there are other organisations out there that are manipulating the public in some way, shape or form. It is this age-old problem of an organisation that gets 100 people to send you the same-worded email, and when you engage with them, in many instances they do not fully appreciate and understand what they are even asking. How do we better understand what the public and other users need, because it is getting very confusing for the average Member of Parliament?

William Moy: Yes. Both this and the question about Government performance suggest to me that we need to place more value on social research. If you will forgive what is, in many ways, a terrible analogy, no business would seriously consider operating without decent market research—"What do our customers want? What are they interested in?"—and Government operates without decent market research, if you like, and I do mean Government rather than politics operates without decent market research all the time. What is our experience of public services? What is our experience of public services in different parts of the country? These are things that a lot of the time we do not have great evidence for



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and some of that evidence would be very easy to gather, if we were to gather it.

Ipsos MORI, as you probably know, does a wonderful poll every month where it simply asks people, "What do you think are the biggest issues facing Britain today?" and it does not provide a list for them to choose from; it is an open question. We use that as one of the ways of anchoring our work to issues that people care about, because it is a good source of objective evidence. I think there is room for more of that kind of research as an overall guide to be available to you and your colleagues, and of course the constituency link gives you all a unique insight into what the public care about, which is hugely valuable. But there is room for a much more structured approach to this, I think.

Q249 **Mrs Gillan:** Basically you are commenting on the absence of real marketing in Government?

William Moy: Yes, I suppose I am. I am not sure it would have occurred to me to phrase it quite that way, but yes, the idea of—

Q250 **Mrs Gillan:** I declare an interest as a Fellow of the Chartered Institute of Marketing and it is something that I felt was missing, because market research is obviously a very important part of it.

William Moy: Exactly. As a CMI, you will think of marketing very much about how you position something in the market and not simply about how you promote it. I think part of the problem with Government communication, often it is a kind of promotions basis, it is sort of, "We have decided what we are doing and now we are going to tell you how wonderful it is," whereas sometimes you need a bit more of the, "We will figure where you want us to be and then we are going to make sure we are there for what you need."

Q251 **Mrs Gillan:** That presumably would inform policy-making much better, if there was that interrogative process that went with market research, plus also it might increase the satisfaction ratings of the public in how they perceive the operation of Government. I always think that the accounting function is almost designed to put out there what Government want to tell you, but is in some instances trying to hide basic things that a general observer would make a comment on and be concerned about.

William Moy: I think that is an interesting one. I would not necessarily perhaps go quite that far. Accounts do work to define standards and they are required to report in certain ways and so they have those standards behind them. They also have the audit process behind them and we must continue to emphasise the importance of properly audited data flowing through the public understanding of Government. But that said, broadly speaking I think there is a lot of truth in what you are saying.

We are about to launch a major project of trying to anticipate, "What are the public debates of the next few years and do we have the information available, the data and the analysis and the communication of that data



and analysis to inform those future public debates?" That is something we hope will carry across into the statistics world and into the research world and ultimately on to your desks and to your constituents.

Q252 Mrs Gillan: How would you like Full Fact and organisations like Full Fact to be represented when the accounting standards are discussed?

William Moy: I do not know if it necessarily has to be Full Fact. We would be obviously very glad to be of service in any way we can. I am very interested and concerned by this question of not just how do accounts work but how do they fit into our overall picture of public spending, the other statistics we have and so on. I think there is a job that needs to be done of looking at that rounded picture and how does it all fit together. But I think we need to find the organisations—and Full Fact could be one of them—who will sit there and say, "Yes, we recognise the importance of these accounts as management tools and we are absolutely committed to the choices that need to be made to do those." They are also tools for citizens, who are ultimately the managers of the whole country, and their representatives and we need to think hard about how they serve that audience too.

Q253 Mrs Gillan: In answer to the Chair's question about whether you were involved in the exercise to draw up the Treasury Command Paper, you said no. Have you been involved at any level in Government in looking at how we interact with the public, how we respond to it, how we make that leap to transparency that we are trying to look at here?

William Moy: We work very closely with various Government professions to try to support them in their work to communicate more effectively, particularly the Government Statistical Service and we speak at GSS events regularly; we speak at the inductions of Government statisticians and we try to convey to them how statistics end up affecting public debate and how the clarity of their communication contributes to a better-informed public debate. We have helped them with training sessions, to review their products and develop new standards for the way that they publish data. That is something that we are really proud of. It is one of the odd things about fact-checking, that you would much rather people had the right information in the beginning and you never had any mistakes to clear up. We do a lot of this work behind the scenes, which I think many people would think was deeply boring, to be honest, but we think is a great opportunity to contribute and to create a well informed debate.

Q254 Mrs Gillan: What role do you think Parliament should have in setting standards for accounts or bringing about the changes that you would like to see in the way Government presents its information?

William Moy: I think there is always something to be said for the importance of technical expertise for people who are deep subject specialists and who have thought deeply about the role of something. There is also something to be said for what is the overall purpose and a



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bit of clear direction from the people who are the ultimate decision-makers and the representatives of them. I think Parliament has a very important role in setting a direction for what it thinks is the future of information about Government spending and what you, the members of the Committee, think are the kinds of decisions people need to be able to make with this data. I would like to see something of a longer-term vision and a roadmap or the demand for a roadmap of how we achieve it and that vision to be involved with governing the country better and being a more effective democracy and not just managing Government Departments better, although both are important.

Q255 Mrs Gillan: The Select Committee system has a very important role in monitoring the performance of each Department. Would you like to see each Select Committee always have an annual investigation into the presentation of information by each Department, for example, including accounts?

William Moy: I think that that would be a tremendously healthy idea. You can imagine the emphasis shifting from time to time: sometimes you might focus on accounts; sometimes you might focus on statistics; sometimes you might focus on how that information turns up in public statements. We have worked now in all of those areas, so we have had Departments change the way they feed information into ministerial speeches to try to make sure that there is less room for error and it is easier to justify when it comes into the public. We have worked with Departments to make their statistics clearer and easier to understand and avoid people making mistakes about them. There is lots and lots of opportunity for improvement here that a little bit of scrutiny would drive very quickly.

Q256 Mrs Gillan: Could I ask you to do some further work on this for the Committee?

William Moy: Of course.

Mrs Gillan: I would really like to see you write a spec for the average Select Committee as to how it could at least have at one point during the annual cycle a small investigation into how communications are presented, how accounts are presented. I think that that would be very helpful to the Committee, with the Chair's permission, and would lead us to help perhaps our other Select Committee colleagues, because I think it is an important area. If you wanted to put into that some of the definition of the market research that we discussed earlier, because I think that that is of great significance and that has been very helpful to me.

Chair: Well, there you are.

William Moy: I am absolutely honoured to be asked and that is something I know my team would really enjoy doing, so we would like to do that.

Q257 Chair: Can I ask you to expand on something you said earlier about the



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room for research, about what the public experience is of public services and how that should guide us? We are the only Select Committee that has ever conducted market research through a market research company.

William Moy: Really?

Chair: We did so on the strategic objectives for the country and what people think about the strategic objectives for the country and it was very illuminating. What scope do you think there is for us conducting some research before we publish our recommendations to inform our report? I am jumping the gun a bit here, but would you be able to help us design a short set of questions to ask a research company to put to the public to find out what they think or as a template in one sector to be used in other sectors by Government in order to inform us?

William Moy: That is certainly something we would be very glad to give some thought to. We work with various of the leading market research and social research organisations, but I would also point out that the Director of Information here, Penny Young, came to you from NatCen Social Research, the leading non-profit social research organisation, and would be very well-placed to assist you with this.

Chair: Sorry, who is Penny Young?

William Moy: Penny Young is responsible for the House of Commons Library and so on. I forget her full title, I am sorry, but it is something like Director of Information Services.

Q258 **Chair:** I should probably know who she is. But the Select Committees are working very hard on public engagement and outreach ourselves and, bluntly, there is funding for this, so we could use this as an opportunity to engage with the public ourselves in this particular inquiry.

William Moy: We would be delighted to work with you in any way you would like us to.

Q259 **Chair:** Very good. I think we have had three excellent witnesses this morning, very informative and very helpful on what is always, people fear, a very dry and mundane subject. There is a Select Committee scrutiny group that does look at departmental and annual accounts and encourages Select Committees to ask questions about annual accounts, but they are the kind of sessions Select Committees usually rather dread, because the annual accounts are so uninformative, which is why we are having this inquiry. Therefore, the evidence we have had from all three witnesses this morning has been very helpful.

William Moy: Mr Chairman, thank you very much, and I should say I know how grateful many of us are to the Committee for doing this kind of work, which I suspect there are not many thanks for, so thank you all.

Q260 **Chair:** Was Full Fact your creation?



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William Moy: Full Fact is the creation of lots of people—any organisation like this is—but I have been very proud to be involved from the beginning.

Chair: May I thank you on behalf of Parliament for the role that Full Fact plays in helping to inform the public debate? Even if we as individuals do not always agree with some of the analysis that you produce, it certainly adds to the quality of debate. Thank you very much.

William Moy: Thank you very much indeed, and I will pass that on to my colleagues.