



## Public Accounts Committee

David Fairbrother  
Treasury Officer of Accounts  
HM Treasury

30 November 2022

### **Improving the Accounting Officer Assessment process**

Dear David,

Today we are publishing our report on *Improving the Accounting Officer Assessment process* following the Public Accounts Committee session on 18 July 2022. The report includes recommendations addressed to HM Treasury and the Cabinet Office, alongside Accounting Officers, to help maximise the value of this process in supporting effective decision-making, understanding programme challenges, and improving accountability.

Following what we learned during our inquiry about the lack of consistency with which Accounting Officers share AO assessment summaries with Parliament and the Comptroller & Auditor General, I wanted to use this opportunity to request changes to the process. In particular, we suggest changes that provide:

#### **Clarity over the reasons behind AO assessments and when they should be completed**

AO assessments are important in helping us perform our scrutiny role but could be better set up to help us consider whether any further action is needed to support value for money. As you are aware, Accounting Officers are required to complete AO assessments for major government programmes when they join the GMPP (or an outline business is completed should this be later) and where there are significant changes to the programme. *As such guidance should require:*

- ***Accounting Officers to clearly stipulate the reason for an AO assessment with a clear date for when the assessment was performed.*** This will allow the PAC and departmental select committees to make more effective use of the information provided. Any delays to publishing a summary assessment should be clearly explained.
- ***Each AO assessment to 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.*** AO assessments should reference the wider context within which the programme (or policy) will be delivered and the challenges the organisation as a whole faces.

#### **Consistency in how AO assessments and ministerial directions are shared with Parliament**

Existing guidance requires the Accounting Officer to share AO assessments (or their summaries) with different parties depending on whether they are published or not. The requirements differ from those required for contingent liabilities and ministerial directions. Simplifying the requirements for AO assessments, and aligning these with other processes, should make it easier for Accounting Officers to comply with the guidance. *In line with the guidance for ministerial directions, guidance should require:*



## Public Accounts Committee

- Accounting Officers to publish the summary AO assessment on the GOV.UK website and notify the chairs of the PAC and the relevant departmental committee, as well as the Comptroller and Auditor General and the Treasury Officer of Accounts that the AO assessment has been published.
- Where for confidentiality reasons the summary AO assessment cannot be published, the Accounting Officer should inform the chairs of the PAC and the relevant departmental committee, as well as the Comptroller and Auditor General and the Treasury Officer of Accounts, that an AO assessment has been approved, and share the AO assessment *in confidence*.

This will ensure that there is timely and sufficient parliamentary oversight of these critical projects.

### **We expect HM Treasury to keep a central record of completed AO assessment and summaries as stated in our report**

The changes to simplify the process, as outlined above, will better enable a single, collective list of completed AO assessments and AO assessment summaries to be maintained by the Treasury Officer of Accounts. We can see that this process has already begun having received TOA's letter dated 25 October 2022 providing a list of AO assessments published to date.

I would welcome your response on the suggestions set out in this letter in time for us to consider them alongside the wider Treasury Minute response to our published report.

This letter, and your response, will be published on our website.

Yours sincerely

Dame Meg Hillier MP  
Chair of the Committee of Public Account