

Written evidence submitted by HM Treasury

You requested a detailed explanation by the Treasury on how the wrong version of the Armed Forces Pension and Compensation and Compensation Schemes Estimate was published in the Central Government Supply Estimates 2016-17 Main Supply Estimates (HC 967), and why it was not spotted until November 2016.

During the preparation of the Main Estimates 2016-17 the Treasury produced a version of the Armed Forces Estimate which was sent to the Ministry of Defence (MoD) for checking. They pointed out that they had submitted updated numbers to the central database and that the proof version was therefore wrong. The data on the database was incorporated into an updated version of the Estimate and re-sent for checking to the Ministry. This was subsequently signed off by MoD.

Unfortunately the previous version of the Estimate was not destroyed when its replacement was created and it was still in the system: it was this earlier version which was submitted for incorporation in the booklet. HM Treasury has now reviewed and revised its handling procedures and put in place additional checks to ensure that this kind of error cannot happen again.

The error was spotted when an exercise conducted in October 2016, which used data from the Main Estimates 2016-17, produced a result which was thought incorrect. The investigation into the calculation uncovered the fact that the wrong version of the Estimate had been published. Upon discovery the MoD and HM Treasury acted immediately to rectify the error by issuing of a Contingencies Fund advance, which was notified to Parliament by written Ministerial statement on 8 November in the normal way.

19 December 2016