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## DAO 07/21

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Dear Accounting Officer

## Timely communications with the Committee of Public Accounts

### Contact

Please address enquiries to [TOAEnquiries@hmtreasury.gov.uk](mailto:TOAEnquiries@hmtreasury.gov.uk).

### Action

Accounting Officers should ensure that the expectations for keeping Parliament informed on developments in the use of public funds in a transparent and timely basis are always met, specifically with regard to providing directly to the Committee of Public Accounts (PAC):

- prompt provision of updates for Treasury Minute Progress Reports
- notification of contingent liabilities
- publication of summary Accounting Officer Assessments
- notification of any directions issued to Accounting Officers.

### Context

Managing Public Money sets out the importance of accounting officers respecting the key principles of transparency and Parliamentary approval for management of public resources. The PAC Chair, Dame Meg Hillier MP, has raised concerns with me regarding the frequency with which departments and (where relevant) arm's length bodies are failing to meet these requirements in a number of areas.

### Progress Reports

Treasury Minute Progress Reports are the key means by which the government keeps the committee informed of implementation of accepted PAC recommendations. There have been several instances this year where departments have failed to submit updates on time, resulting in the relevant section of the Progress Report being left blank. The Chair is clear that her Committee finds this unacceptable, as well as hindering transparency, scrutiny and accountability.

The commissions and associated deadlines for providing material for the Progress Report are communicated in good time by my team and apply equally to all departments. Accounting officers should ensure the internal clearance processes within their organisation are arranged to fit with this timetable.

### **Contingent Liabilities**

The specific requirements regarding the notification of contingent liabilities to Parliament are detailed in annex 5.4 of Managing Public Money. Where a liability needs to be reported to Parliament through a departmental Minute, these should always be copied to the chairs of both the PAC and relevant departmental committee.

Furthermore, notifications of this kind should be presented to Parliament with sufficient time to consider the appropriateness of any indemnity before it comes into effect. The indemnity should therefore not go live until 14 parliamentary sitting days after the Minute has been laid.

While there may be occasions where a department will want to report an urgent contingent liability providing less than the required 14 days' notice, the departmental Minute should set out clearly why this is in the public interest. Administrative convenience or oversight is not an acceptable justification.

Where the 14-day notice period cannot be met, the department should wherever possible still give Members of Parliament the opportunity to object in writing, and if this occurs withhold final approval to proceed with incurring the liability pending an examination of the objection.

Any changes to existing liabilities should be reported in the same way as they were originally notified to Parliament, explaining the reasons for the changes.

Where full transparency is not possible, Managing Public Money also sets out the requirement to write to the chairs of both the PAC and departmental committee to provide the same details as those that would ordinarily be contained in a departmental Minute. The same procedures as above apply in respect of the 14-day notice period.

### **Summary Accounting Officer Assessments**

Whenever an Accounting Officer Assessment is produced for a project in the Government's Major Projects Portfolio (GMPP), a summary of the key points should also be prepared and published. Accounting Officers have some discretion over the timing of publication where a delay will enable them to publish a more fulsome assessment, as detailed in the recently updated guidance (see DAO 06/21).

Whenever a summary is published, as well as being published on gov.uk, it should be sent directly to the Chair of the Committee ([pubaccom@parliament.uk](mailto:pubaccom@parliament.uk)).

### **Directions**

It is longstanding practice that all directions should be copied to both the Treasury Officer of Accounts and the Comptroller and Auditor General (C&AG). The C&AG may then alert the PAC to the issue.

However, since 2011, it has also been the default position that direction letters should be published promptly on gov.uk. In future, to ensure that the PAC is immediately aware of any published direction, the direction letters should be sent directly to the Chair of the Committee ([pubaccom@parliament.uk](mailto:pubaccom@parliament.uk)) as soon as it is published.



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