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4 May 2023

## DAO 02/23

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## RISK CONTROL FRAMEWORK

Dear Accounting Officer

### Contact

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

### Action

Each Accounting Officer should continue to ensure they have appropriate risk management procedures in place in their organisation, using the new Risk Control Framework (RCF) set out in the updated Orange Book where appropriate.

### Context

As set out in *Managing Public Money*, each public sector organisation should have systems for identifying and managing risk – both opportunities and threats – suited to its business, circumstances and risk appetite.

The new RCF makes it easier for Accounting Officers (AOs) to navigate and gain comfort on the existing internal control requirements contained in the functional standards, codes of conduct and guidance they are currently expected to adhere to. It does not create new requirements.

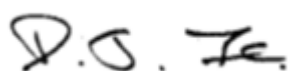
This categorisation framework is being introduced as a new Part II of the guidance “Management of Risk – Principles and Concepts” (“The Orange Book”) which provides more clarity on the control and assurance aspects of the existing guidance.

In support of the RCF, a question bank has been compiled by the Risk Centre of Excellence covering all aspects of the RCF and the standards, codes and guidance which can be navigated through it. The question bank is available at [Risk Control Framework - Bank of Questions April 23](#) and freely available for use in departments.

The new section also contains some guidance on different approaches that can be taken to assurance mapping supporting proportionality and flexibility, acknowledging that organisations vary in size and scale.

Accounting Officers should note that the Orange Book retains unchanged the principles set out in the 2020 version, along with the requirement for each government organisation to disclose or to explain their reasons for departure clearly and carefully in the governance statement accompanying their Annual Report and Accounts.

The updated version of the Orange Book is available on gov.uk at:  
[New Orange Book April 23](#)

A handwritten signature in black ink, appearing to read 'D. S. Fe.' with a stylized flourish at the end.

David Fairbrother  
Treasury Officer of Accounts