



HM Treasury

Accounting Officer Assessments

Guidance

May 2023

Accounting Officer Assessments

Guidance



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Preface

This note is designed to help Accounting Officers and officials who are advising Accounting Officers faced with challenging decisions on policy and spending initiatives and projects. As set out in *Managing Public Money*, an Accounting Officer in a public sector organisation is the person who Parliament calls to account for stewardship of its resources. Accounting Officers shall routinely scrutinise significant policy proposals or plans to start or vary major projects and then assess whether they measure up to the expected standards, as detailed in *Managing Public Money*.

This note outlines a method for assessing a policy or spending proposal against the four key Accounting Officer standards in *Managing Public Money*. The assessment will examine how far the policy or spending proposal is compatible with these standards thus enabling the Accounting Officer to decide whether to seek a ministerial (or board) direction, and if so on what grounds.

Since April 2017, such Accounting Officer Assessments have been mandatory for all projects or programmes which form part of the Government's Major Projects Portfolio (GMPP), at Outline Business Case stage and any subsequent point where deemed necessary.

Where an Accounting Officer Assessment is produced for a GMPP project, a summary of that assessment shall also be published promptly, unless there are overriding confidentiality concerns. This note includes detailed guidance on the requirements to follow when publishing a summary, or sharing confidently with Parliament.

All published summary assessments should clearly state the reason for the assessment and when it was performed. Unless there is overriding public interest in confidentiality, this summary should provide sufficient detail to enable scrutiny without further enquiries. .

This note complements *Managing Public Money* and is for all Accounting Officers, not just the Principal Accounting Officer of a government department. Accounting Officers in arm's length bodies will also need to consider proposals within their delegated responsibilities, sometimes to determine whether a proposal should be referred to the Principal Accounting Officer (for example, if it is novel, contentious or repercussive) or to consider whether a proposal may require a direction. *Managing Public Money* gives further guidance on the relationship between Accounting Officers of arm's length bodies, their boards, and their Principal Accounting Officer

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Chapter 1

Overview

Introduction

- 1.1 This guidance sets out the key considerations for officials drafting an assessment for their Accounting Officer.
- This chapter (Chapter 1) sets out the purpose of an Accounting Officer Assessment, when one should be produced and when a summary should be published.
 - Chapter 2 recommends a structure based around the four Accounting Officer standards.
 - Chapter 3 gives guidance on seeking a ministerial (or board) direction.
 - Chapter 4 sets out the circumstances when Accounting Officers should publish a summary assessment; and a template is included at Annex A.
 - Chapter 5 lists sources of further advice, guidance and support.

Purpose

- 1.2 Each Accounting Officer must make sure that the actions of the organisation they lead meet the four Accounting Officer standards set out in Managing Public Money for use of public resources – see box 1.A. The Accounting Officer should approve, in advance, all significant initiatives, policies, programmes and projects (taking account of any internal delegated authorities), and so be in a position to provide assurance to Parliament that those activities are meeting the standards. Occasionally, they may also need to review existing programmes or projects against those standards.

Box 1.A the standards expected for projects and proposals

- Regularity: the proposal has legal basis, Parliamentary authority, and Treasury authorisation; and is compatible with the agreed spending budgets.
- Propriety: the proposal meets the high standards of public conduct and relevant Parliamentary control procedures and expectations.
- Value for money: in comparison to alternative proposals or doing nothing, the proposal delivers value for the Exchequer as a whole.
- Feasibility: the proposal can be implemented accurately, sustainably, and to the intended timetable.

1.3 A systematic written Accounting Officer Assessment:

- helps to ensure good decision making, and provide positive assurance that the four Accounting Officer standards are being met
- informs design or redesign of a policy or proposal so that the four Accounting Officer standards are met
- helps decide whether to seek a ministerial direction, and if so on what grounds
- ensures good record keeping on the policy or proposed action
- helps deal with challenges to the decision, for example, from the Public Accounts Committee

When to produce one

1.4 An Accounting Officer Assessment shall always be produced for projects or programmes which form part of the Government's Major Projects Portfolio (GMPP) , initially in principle at an early point, then again as appropriate in more detail at suitable strategic points as the policy or proposal is developed. In practice, that means:

- alongside the request for the Accounting Officer's approval of the Outline Business Case (or for a Programme Business Case, the first approval stage), or at the point when it enters the GMPP if this is later
- at subsequent stages of the project if it departs from the four standards or the agreed plan – including any

contingency – in terms of costs, benefits, timescales, or level of risk, which informed the Accounting Officer's previous approval

- if the Senior Responsible Owner (SRO) of the project decides one is merited at any other stage of the project - SROs should be prepared to defend their decisions to Parliament if challenged, for example, if called to give evidence to the Public Accounts Committee

- 1.5 In addition, it is good practice to prepare an Accounting Officer Assessment for each significant novel and contentious transaction or proposal involving the use of public funds. This may be particularly useful where it is not possible to produce a fully developed business case, for example due to lack of time and/or data, or the risk environment is higher than usual. The Treasury often asks spending departments and organisations for such analysis before clearing them to proceed, as will the National Audit Office (NAO) when conducting any review of the associated expenditure.
- 1.6 Beyond that, in many cases, the normal governance procedures, such as production and approval of business cases, should provide sufficient assurance against the Accounting Officer standards, without need for a bespoke Accounting Officer Assessment.

Publishing a summary

- 1.7 The full Accounting Officer Assessment should provide a frank examination of the key issues including any sensitive issues.
- 1.8 Accounting Officers are not expected to release information into the public domain where there is an over-riding public interest in protecting the formulation or development of government policy, or where disclosure would be likely to prejudice the effective conduct of public affairs. It may also be appropriate to delay releasing information until such a time that commercial interests would no longer be prejudiced.
- 1.9 Such assessments of disclosure should follow usual Freedom of Information principles, in particular the exemptions provided for in section 35 and section 36 of the Freedom of Information Act. Maintaining these protections allows for the dispassionate assessment by officials of whether a proposal is feasible, cost-effective and value for money, and the full and frank discussion of those issues between officials and ministers. Section 43 of the Freedom of Information Act also exempts information whose disclosure would, or would be likely to, prejudice commercial interests.
- 1.10 Nevertheless, this needs to be balanced against the public interest in providing transparency and accountability of

Accounting Officers' decisions, especially in relation to major projects and policy initiatives.

- 1.11 Accordingly, whenever an Accounting Officer Assessment is produced for a GMPP project, a summary of the key points shall also be prepared and published. Further guidance on the form and timing of this publication is included in Chapter 4.
- 1.12 Where an Accounting Officer seeks a direction, it is good practice for that written request to include a summary assessment against the Accounting Officer standards necessitating the direction. Further guidance on the publication of directions is included in Chapter 3.
- 1.13 Accounting Officers may also choose to publish similar summary information from assessments made in relation to issues outside of GMPP projects at their discretion.

Chapter 2

Structure and content

- 2.1 An Accounting Officer Assessment usually starts with a description of the proposed policy: its context, objectives, mechanics and policy purpose. The note should go on to assess the proposal against each of the four standards in box 1.A, then seek to reach a conclusion.
- 2.2 Beginning the assessment process early allows time to debate the initiative internally and identify any significant deficiencies against Accounting Officer standards as soon as possible. Input should be sought from relevant professional and Functional leads. Early assessment provides time and opportunity to redesign a proposal to be consistent with the standards. Alternatively, it may confirm the unavoidable need for a direction request. This is particularly relevant if proposed spending is imminent or an existing spending stream is, in the Accounting Officer's emerging view, no longer likely to meet all four standards. An Accounting Officer will want to be sighted early on any risks and avoid any unnecessary delays in bringing the matter to Parliament's attention.
- 2.3 The analysis should consider the issue in the round. A ministerial policy decision cannot be justification alone for proceeding. The Accounting Officer's job is to try to reconcile ministers' policy objectives with the standards for use of public funds.
- 2.4 In producing an assessment, the Accounting Officer should draw on relevant expertise as appropriate, including functional leads in their organisation (or the parent department if required for an ALB), and legal advisers. The assessment should also note any relevant internal governance processes and checks that have been followed as part of developing the proposal.
- 2.5 All draft Accounting Officer Assessments must be signed off by the organisation's senior officer for finance (usually Finance Director, Chief Financial Officer or Director General for Finance) or alternate senior member of the finance function within the department. The Treasury stands ready to help Accounting Officers think issues through, especially in circumstances with no precedents where a principled decision on the facts is needed.
- 2.6 For projects and programmes in the GMPP, it will also be necessary to produce business cases, in line with the guidance contained in the Green Book. Much of the analysis required for an Accounting Officer Assessment will already be contained in such business cases and so should be drawn on accordingly.

The accounting officer standards

Regularity

- 2.7 To be regular, a policy or proposal must rest on clear legal powers, and be compliant with wider legislation and legal principles such as subsidy control and procurement law. It must also be within the organisation's budgetary limit, ambit, and delegated authorities. It is essential to get advice and input from both legal and finance function colleagues on these issues.
- 2.8 Legal power may be:
- either specific legislation setting out what ministers are able to do, for example, make grants, operate a service or establish an institution
 - the department's inherent (common law) powers
 - or prerogative powers.
- 2.9 Existing primary legislation may be sufficient to empower the new policy or proposal, or secondary legislation may be able to extend powers as necessary. Take legal advice on which applies.
- 2.10 Common law powers may suffice when the policy or proposal involves activity which any reasonable person might undertake (for example, forming a company or operating an administrative process), subject to certain caveats. However, it is not possible to use common law powers to undermine an existing function in legislation, for example to pay grant at a higher rate than allowed in legislation. Nor can common law override international obligations.
- 2.11 Non-ministerial departments will be bound by separate legislation and should consult with their legal team locally to understand whether common law power can be extended within their organisation.
- 2.12 In certain other limited circumstances, notably defence of the realm and international treaty obligations, prerogative powers may exist. Take legal advice to avoid going beyond what is reasonable.
- 2.13 If these routes are not available, the policy or proposal needs new primary legislation. This may mean bidding for bill space. Consult the Parliamentary clerk at an early stage.
- 2.14 The proposed policy also needs to be consistent with established United Kingdom law, including any international obligations. Important issues to consider are subsidy control, competition, procurement and employment law. Take legal advice and consult the Treasury, Cabinet Office, and Department for Business, Energy and Industrial Strategy (BEIS) as necessary.

- 2.15 In all cases, it is essential that at the very least a respectable argument can be made that the action is lawful. In the most complex cases, reference can be made to the Law Officers. This may be necessary where it appears that a decision may be unlawful or the legal risk is assessed as high. The Law Officer's view on legality would then be determinative for the Accounting Officer Assessment.
- 2.16 Sometimes, it is possible to arrange for a new policy or initiative to be carried out voluntarily – for example through initiatives organised by relevant private sector organisations – instead of, or in advance of legislating. This can work if no public expenditure is involved.
- 2.17 Regularity also requires that funds be applied only to the extent and for the purposes authorised by Parliament, through the Estimates process. Estimates form the basis of statutory authority for expenditure which is provided annually by means of a Supply and Appropriation Act.
- 2.18 The use of public funds must therefore be consistent with that provided in the Estimates, both in terms of the control totals for departmental expenditure, and the ambit for each department (that is, Parliament's intentions as to the purposes of the expenditure).
- 2.19 Finally, regularity requires the necessary Treasury authority for expenditure. In practice, the Treasury delegates to departments' authority to enter into commitments and to spend within predefined limits without specific prior approval. Delegated authorities may also allow departments to enter into commitments to spend (for example, contingent liabilities) and to deal with special transactions (such as some write-offs) without prior approval.
- 2.20 Expenditure or commitments to spend outside the delegated limits require explicit Treasury consent. In addition, items which are novel, contentious or repercussive always require Treasury consent, even if otherwise within delegated limits.

Propriety

- 2.21 Regularity and propriety are often quoted together, but they are separate concepts. Use of public funds is proper if it meets the high standards of public conduct and relevant Parliamentary control procedures and expectations, including on transparency.
- 2.22 Thus, irregular expenditure (see above) is often improper. But it is also possible for regular expenditure to be improper.
- 2.23 For example, expenditure on a new service may be regular if it is within the department's common law powers and within the scope of the Supply and Appropriation Act. However, under a long-standing agreement with Parliament – the PAC Concordat of 1932 – the powers and duties to be exercised should be defined

by specific statute, save for some limited exceptions. Compliance with the PAC Concordat is therefore a key expectation of Parliament, and one necessary for the expenditure to be considered proper.

- 2.24 When primary legislation is needed for a new policy, associated spending can normally only begin after Royal Assent. Any spending on a new service is not allowed until after second reading in the House of Commons, and then only if the legislation is sufficiently uncontroversial as to leave little doubt about its successful passage. *Managing Public Money* gives further guidance on these Parliamentary expectations.
- 2.25 More broadly, to decide whether a proposed course is proper, an Accounting Officer should consider whether:
- the policy or proposal and its implementation plan accord with *Managing Public Money*, including the standards set out in Box 1.1, as well as good practice as regards internal governance, including risk management
 - the policy or proposal is consistent with the relevant standards and codes such as Corporate governance in central government -code of good practice; Civil Service Code and Ministerial Code
 - the policy or proposal is even-handed and targeted as ministers (or the board) want, including whether fraud risks can be managed to an acceptable level
 - it can be administered to a standard that meets public expectations
 - the risks associated with the policy or proposal are acceptable – this should be considered relative to the risks associated with alternative options, or of doing nothing
 - the risk of unacceptable damage to the reputation of the department or organisation, the government, or the United Kingdom generally
 - the potential to frustrate any other government policy (for example, deregulation or devolution) or damage any lawful private sector business in an unwarranted way
- 2.26 This list is not exhaustive. The assessment may have to draw upon uncertain analysis. If the initiative is innovative, the analysis may need to consider the balance of risk and likely outcomes. The Accounting Officer should form an all-round judgment, taking into account what they deem to be relevant.
- 2.27 Propriety also includes meeting the expectations of Parliament in respect of transparency. This section of the full assessment should include advice to the Accounting Officer on whether it

falls within the government's commitment to publish a summary of key points as a project within the Government Major Projects Portfolio (see Chapter 4). Any arguments for an exception from this commitment should be made in this section, for the Accounting Officer to consider.

Value for money

- 2.28 Often the most detailed consideration in an Accounting Officer Assessment will be on value for money. This part of the Accounting Officer evaluation should use the most appropriate techniques, including the Treasury's Green Book. The business case required for any programme or project in the GMPP will need to include much of this assessment as well (in particular as part of the economic case) and where appropriate the same material can be used or referenced in the Accounting Officer Assessment.
- 2.29 The proposed action should achieve good value for money that represents sound use of public funds. In the analysis of the alternative realistic options, the 'business as usual' option should always be evaluated to check that action is preferable to inaction.
- 2.30 The assessment required is whether the policy is good value for the Exchequer as a whole – not just for the Accounting Officer's organisation. It is not acceptable for a policy to deliver gain for one department at the expense of another if the Exchequer is worse off overall. It may be prudent to consult other departments and organisations. Take care to allow for tax effects and the impact on benefit claims, where relevant.
- 2.31 For innovative policies and proposals, it can be difficult to quantify benefits even if costs can be identified. In these circumstances, the assessment should acknowledge the uncertainties, and make the most plausible projection available. Cross-checks using different methods may help. Sometimes, it is possible to do no more than identify the scale of the problem to be tackled and then examine why the proposed action should both be effective and have tolerable cost. But policy preference alone is not a justification for proceeding. As set out in chapter 1, it may be appropriate to conduct further assessments in more detail at suitable strategic points as the policy or proposal is developed.
- 2.32 Value for money evaluation should also take account of risk. If the projected outcome entails great risk, its benefits should probably be discounted or its costs adjusted to build in larger contingency costs. If risk transfer to a third party is intended, it is important to be confident that this will work in adverse circumstances as well as favourable ones.
- 2.33 Fraud risks and vulnerabilities should be specifically considered. The government's Counter Fraud Function should be consulted

to advise on fraud risk and steps to strengthen control where necessary.

- 2.34 It is also worth keeping in mind that the value for money assessment may change as a project develops, and if this goes beyond agreed tolerances, a further Accounting Officer Assessment may be needed. Where appropriate, it is therefore important that investment committees ensure that they are sighted on emerging risks to a project's value for money rating.

Feasibility

- 2.35 Feasibility often overlaps with the other three criteria. The judgement to be made is whether government has the ability to carry out the proposed policy effectively and credibly. Precedents, market testing and pilot studies can give confidence that a new policy or proposal will be feasible. Conversely, risks include novelty, high administration costs, high error rates and significant compliance costs. Where there is doubt about the likely quality of administration, the proposed course may well also be inefficient or improper.
- 2.36 The deliverability assessment of a major project – to both specification and time - is also an aspect of feasibility. Again, where there is a business case, it is likely to contain much if not all of the analysis required to assess feasibility – from the commercial case, the financial case and the management case. This should include an assessment of whether sufficient public resources are available and are likely to continue to be available. Where relevant, the Accounting Officer Assessment can take or reference material from the business case.
- 2.37 Where delivery concerns have been raised (for example, in a gateway review), the full Accounting Officer Assessment would normally be expected to note those concerns, and reflect any mitigating actions taken or planned as a result. Although the Accounting Officer might expect to be notified of these concerns as soon as they are raised, it is preferable for the written assessment of feasibility to be prepared once any mitigating actions have been worked through, so that the Accounting Officer can also take those into account.

Working with other organisations

- 2.38 Sometimes an Accounting Officer decision involves several public sector organisations. In such circumstances, each Accounting Officer remains personally responsible for the resources of their own organisation and should conduct their own Accounting Officer Assessment as appropriate. It is good practice for participating bodies to document their respective responsibilities, for example by way of a Memorandum of Understanding. Annex B suggests a possible format.

- 2.39 It may also be the case that, in assessing a project or proposal, the Accounting Officer will want to draw on expertise from another department or public body. Where this happens, the Accounting Officer may ask the organisation to provide written assurances of the robustness of the analysis and any underlying methodology. However, the ultimate judgement in each case lies with the Accounting Officer personally.
- 2.40 Where the decision is about proposed action in an arm's length body, it is important to check that the Accounting Officer of the sponsor department (the Principal Accounting Officer, who has responsibility for the overall system) has no objection. It is essential that the Accounting Officer of an arm's length body has the confidence of the Principal Accounting Officer who will often have appointed them.
- 2.41 Some policies entail setting up a new public sector organisation. Where one is needed, the usual range of choice is:
- government executive agency
 - non-departmental public body (sometimes established as a wholly-owned company)
 - non-ministerial department
 - advisory body or another commercial model
- 2.42 Each model has its strengths and weaknesses and justification for a preferred model needs to be convincing. Chapter 7 of Managing Public Money, and guidance from the Cabinet Office may help make the selection.

In the round: the accounting officer's judgement

- 2.43 In making the assessment, the Accounting Officer shall set aside any other responsibilities (for example, as a board member) which are not relevant to the assessment. The ultimate judgement should explicitly take account of all four Accounting Officer standards taken together.
- 2.44 When each of the standards have been assessed, the Accounting Officer needs to reach a rounded assessment on whether a ministerial (or board) direction is required. It is common to find interactions between the four standards; for example, reducing reputational or feasibility risks can increase costs, with implications for affordability and possibly value for money.
- 2.45 It is not realistic to set firm rules for every aspect of the business with which an Accounting Officer may deal. Sometimes the Accounting Officer may need to take a principled decision on the facts in circumstances with no precedents. The Treasury stands ready to help Accounting Officers think such issues through. The

acid test is whether the Accounting Officer can confidently defend the policy as satisfactory use of public resources.

- 2.46 Often, there is a range of possible combinations of actions, which would produce the desired policy outcome; the Accounting Officer's task is then to find the most appropriate blend. The objective is an acceptable quality of public administration in implementing ministers' (or a board's) policy objectives.
- 2.47 In addition, there may be occasions where it is necessary to respond urgently to events, reducing the time available for analysis and requiring the Accounting Officer to make an assessment. In such circumstances, all available options may carry more uncertainty and more risk than would be acceptable in more normal times. It may not be possible to do any more than identify the scale of the problem to be tackled and then examine why the proposed action should both be effective and have tolerable cost. Here, in assessing value for money and feasibility, the Accounting Officer must assess the relative merits and costs of alternatives, including doing nothing).
- 2.48 In such circumstances, the Accounting Officer Assessment should also consider whether the action is proportionate and limited to the immediate urgency, with an expectation that they will cease or transition back to arrangements based on normal practice as soon as is practical. Where such policies or arrangements persist for a prolonged period, it again may be appropriate to conduct repeat assessments of their continuing appropriateness.
- 2.49 Wherever proposals or projects are taken forward, Accounting Officer should identify and assess risks, and design and operate the most effective risk treatment activities (including controls) possible given the context and time available.

Further accounting officer assessments

- 2.50 Often, big intricate decisions have long lead times. In such cases, it is good practice to make the Accounting Officer Assessment in principle at an early point, revisiting it up at suitable strategic points as the policy or proposal is developed. As a minimum, for projects in the GMPP, the Accounting Officer should consider whether their assessment from the time of the Outline Business Case needs revisiting in light of the assessment in the Full Business Case.
- 2.51 Tying the Accounting Officer Assessment to the development of the business case makes for orderly evaluation of the key features of the policy, with no surprises at the final decision point. Apart from providing time to redesign a policy or proposal, early assessment may flag up how the proposal can be better designed to meet both ministers' and Parliament's requirements, or whether there is a need/requirement for a ministerial (or

board) direction, particularly if updated analysis or evidence underpinning the Accounting Officer's judgment has changed.

Chapter 3

Seeking a direction

- 3.1 Where an Accounting Officer concludes that the proposal does not meet one or more of the Accounting Officer standards set out in *Managing Public Money*, the best next step is to consider whether the policy or proposed course of action can be modified to make it fit. The goal is to identify a policy or course of action which will achieve the minister's (or board's) policy objectives without breaching the standards the Accounting Officer is required to apply.
- 3.2 If it is not possible to redesign the policy or proposal, there may be no alternative to the Accounting Officer seeking a ministerial (or board) direction.¹
- 3.3 Before finalising a direction request, it is good practice for the Accounting Officer to discuss the matter with the Treasury. Often, by their nature, issues that might call for a ministerial direction are novel, contentious, or repercussive, and therefore in any event require explicit Treasury consent.
- 3.4 There is no set form for requesting a direction, though the Accounting Officer shall be specific about their nature and the standard or standards that is/are not satisfied.
- 3.5 The direction itself is a formal exchange of letters² with the most senior minister in the department (or in the case of an arm's length body where appropriate, the chair of the board). In one letter, the Accounting Officer identifies why the proposed action does not meet the Accounting Officer standards in *Managing Public Money*. In reply the minister (or the board where appropriate, in the case of an arm's length body) authorises the Accounting Officer to go ahead anyway, citing reasons. These reasons typically involve wider factors of the kind that Accounting Officers cannot bring to bear, such as urgency or accepting responsibility for breaking normal Parliamentary conventions, for example on notice periods or disclosure requirements.
- 3.6 A direction on regularity or propriety ground does not change that position – i.e. it does not make the action regular or proper. It is particularly important to note that a direction does not permit

¹ See chapter 3 of *Managing Public Money*.

² Any oral direction must be promptly followed up in writing

unlawful action and does not protect against a court finding unlawfulness.

3.7 When a direction is made, the Accounting Officer shall:

- follow the minister's direction without further ado
- promptly copy the direction request, the direction and other papers the Accounting Officer considers relevant to the Public Accounts Committee, the Comptroller and Auditor General and the Treasury Officer of Accounts
- unless it is in the public interest that the matter is kept confidential, arrange for the direction request and direction itself to be published on the GOV.UK website promptly, notifying the chairs of the PAC and the relevant departmental select committee as soon as this occurs
- where confidentiality is required, in addition to copying to the Comptroller and Auditor General and the Treasury Officer of Accounts as usual, share the direction request and the direction with the chairs of the PAC and the relevant departmental select committee, along with an explanation of when they expect the need for confidentiality to fall away and publication to take place
- if asked, explain the minister's course of action - this respects ministers' rights to frank advice, while protecting the quality of internal debate

Chapter 4

Publishing a summary

The commitment to publish

- 4.1 Whenever an Accounting Officer Assessment is produced for a GMPP project (see paragraph 1.3), a summary of the key points from the assessment shall be produced and published promptly on the department's pages of GOV.UK.
- 4.2 Accounting Officers may choose to publish similar summary information from assessments made in other circumstances at their discretion. This should normally only be considered in cases where they have received a written assessment and approved it.
- 4.3 The summary should provide sufficient information to make clear the basis on which the Accounting Officer made the decision to approve the assessment. While publication of the full AO assessment will often not be in the public interest (see below), the full assessment can be published instead of a summary if the AO decides that is appropriate.

Balancing the public interest tests

- 4.4 Sensitive information includes any information which would normally fall within the scope of an exemption from disclosure under the Freedom of Information Act 2000. This includes, for example, commercially sensitive information, legal advice, internal policy discussion within government, and information planned for future publication.
- 4.5 In deciding what information to include in the summary, and what to withhold, Accounting Officers should consider the balance between:
- the public interest in transparency, especially where public resources are committed
 - the public interest in maintaining a confidential space for internal policy discussions within government.
- 4.6 Sensitive information should not be published, including any policy options not taken forward (except the business as usual option). Information explicitly prepared with the intention of being protected from disclosure – such as project reviews by the Infrastructure and Projects Authority (IPA) – should always be withheld. Other information might need to be protected until it

has been released under other transparency commitments.³ Departments should engage with those who are responsible for any potentially sensitive information for clearance before publication (including the IPA for project assessments, commercial partners, legal advisers and relevant policy areas).

- 4.7 Beyond this however, published summaries should strive to provide sufficient detail to allow the reader to understand how the Accounting Officer has arrived at their judgment on each of the four standards. Doing no more than asserting that the standard is met should be avoided. If confidentiality requires details of the project or proposal itself to be withheld, the Accounting Officer should as a minimum consider setting out the methodology that has been applied. It may be possible to draw this directly from the business case.

Sensitive cases and timing of publication

- 4.8 The timing of publication will also depend on the public interest test. In many cases, it should be possible to publish the summary as soon as the decision to proceed has been made.
- 4.9 In other cases, timing might depend on other sensitivities – such as respecting commercial confidentiality, including where disclosing details of ongoing commercial negotiations risks damaging the longer-term value for money of a project, or the need to remain consistent with existing transparency policies.
- 4.10 In these cases, the Accounting Officer should share a copy of the summary assessment with the Public Accounts Committee Chair, along with an explanation of the need for confidentiality. The Accounting Officer should also set out when they expect the need for confidentiality to fall away and publication to take place. This should be copied to Comptroller and Auditor General and the Treasury Officer of Accounts. The NAO may wish to discuss the issue with the relevant department to inform any potential dialogue with the Public Accounts Committee on the matters raised.
- 4.11 In rare cases, the public interest in maintaining confidentiality may be so great that the Accounting Officer concludes no summary of key points can be published in the foreseeable future. In these cases, the Accounting Officer should similarly write to the Public Accounts Committee Chair informing them that an assessment has been approved but explaining the need for confidentiality. A summary of the key points should also be provided in a confidential annex. The letter should again be copied to Comptroller and Auditor General and the Treasury Officer of Accounts, and if appropriate, published (without the confidential annex) on GOV.UK.

³ The delivery confidence assessment ("RAG status") of a major project is one example of such information.

- 4.12 In very exceptional cases, a project might be so sensitive that no disclosure of it can be made in the public domain. In these cases, the Accounting Officer should still receive and consider a full assessment, but no publication or notification is required. The Accounting Officer should be prepared to defend in Parliament any decision not to publish if challenged.

The form of publication

- 4.13 The summary of key points should be prepared in a form which sets out clearly the proposal being considered, why the assessment has been performed (for example, because it is a GMPP project at OBC stage) and the basis on which it has been approved. Annex A suggests a format. This has been drafted in the form of an Accounting Officer Memorandum, and includes recommended opening and closing paragraphs.
- 4.14 Summary assessments should be written in the name of the Accounting Officer who has agreed to a project or proposal. They should be signed and dated, and presented in the form of a departmental minute. The date of when the AO assessment was performed must be clearly stated.
- 4.15 Once signed, the Principal Accounting Officer should arrange for a copy to be posted on the department's pages of GOV.UK. The Treasury maintains a collection page titled 'Accounting Officer Assessments' on GOV.UK that links to these publications. Departments should ensure that their page is added to this collection page once they publish it.
- 4.16 Copies should be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and the Treasury Officer of Accounts. It should also be copied to the Principal Accounting Officer, if prepared by another Accounting Officer in the department or one of its arm's length bodies.
- 4.17 The Library may ask to see a specific ministerial commitment requiring the deposit. If so, departments should point to the Government's response to the Public Accounts Committee in December 2016 (Cm 9389 – page 4 paragraph 3.6). If the Library asks for more than this, departments should seek the views of their ministers on whether to lay a Written Ministerial Statement. If this is not thought necessary, a brief Ministerial letter covering the copy to the Comptroller and Auditor General could include a line that the memorandum and a copy the letter will be deposited in the Library of the House.

Chapter 5

Other sources of advice

Publications

- 5.1 The Treasury and Cabinet Office produce a range of publications to assist Accounting Officers, and officials supporting them. All of these are available on GOV.UK.

Box 5.A Treasury and Cabinet Office publications

Managing Public Money

Treasury guidance setting out the main principles for dealing with taxpayers' resources in UK government public sector organisations. It describes the fiduciary duties of those involved in handling public resources to work to high standards of probity expected by Parliament and the public. Chapter 3 sets out the personal responsibilities of Accounting Officers.

Parliamentary scrutiny of public spending

Published by HM Treasury, it is aimed at guiding Accounting Officers of United Kingdom government public sector organisations and others engaging in the National Audit Office and Parliament's continuous value for money scrutiny of government spending.

The Accounting Officer's survival guide

A guide, published by HM Treasury, intended to be of assistance to all Accounting Officers but should be particularly helpful to those newly appointed to arm's length bodies.

Corporate governance in central government departments: Code of Good Practice

Published by HM Treasury and Cabinet Office, the code and its associated guidance seeks to promote good corporate governance in central government departments. It sets out the roles and functions of departmental boards, incorporating best practice in the public and private sectors.

Civil Service Code

Published by the Cabinet Office, the Civil Service code outlines the Civil Service's core values and the standards of behaviour expected of all civil servants in upholding these values.

Ministerial Code

The Ministerial Code sets out the standards of conduct expected of ministers and how they discharge their duties.

Giving Evidence to Select Committees (also known as the Osmotherly Rules)

Published by the Cabinet Office, it provides guidance to civil servants appearing before Parliamentary select committees.

The Green Book: appraisal and evaluation in central government

Treasury guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project.

Orange Book: Management of risk - Principles and Concepts

This guidance establishes the concept of risk management and provides a basic introduction to its concepts, development and implementation of risk management processes in government organisations.

Functional standards

Functional standards exist to create a coherent, effective and mutually understood way of doing business within government organisations and across organisational boundaries, and to provide a stable basis for assurance, risk management, and capability improvement. They support value for money for the taxpayer, and continuity of implementation. **Government Functional Standard GovS 006: Finance** covers the effective management and use of public funds.

Support, guidance and advice

- 5.2 The Treasury Officer of Accounts team in HM Treasury can provide additional support, guidance and advice on the role of Accounting Officers and the use of Accounting Officer Assessments to inform effective decision-making.

Annex A

Template for a published assessment summary

Accounting Officers who have considered an assessment for a project in the Government's Major Projects Portfolio (GMPP), and approved it, should provide to Parliament a summary of the key points from the assessment which informed their judgement.

This annex provides a format for these summary assessments in the form of an Accounting Officer Memorandum. The summary should be adapted to suit the particular circumstances of the proposal being considered.

Recommended text for opening and closing paragraphs is included in the template. Sections in square brackets indicate guidance to be followed, rather than text to be included.

Published summaries should strive to provide sufficient detail to allow the reader to understand how the Accounting Officer has arrived at their judgment on each of the four standards. Doing no more than asserting that the standard is met should be avoided. If confidentiality requires details of the project or proposal itself to be withheld, the Accounting Officer should as a minimum consider setting out the methodology that has been applied.

Full guidance on publication is in Chapter 4.

Accounting Officer Memorandum: [Title of project]

[The summary of an Accounting Officer Assessment should be prepared by the named Accounting Officer who has agreed for a project or proposal to proceed. It should be signed and dated with the date on which the summary is to be published, and prepared on a letterhead or other document format which identifies the public sector organisation in respect of which the assessment has been made.]

[Standard opening paragraph(s)]

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess

whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament when an Accounting Officer has agreed an assessment of projects within the Government's Major Projects Portfolio.

[If an Accounting Officer has chosen to publish an assessment voluntarily, outside the government's commitment for GMPP projects, a summary of the reasons for that decision should be included here.]

Background and context

[A summary of the project and its context including:

- the title of the project and its main objectives
- the date and stage of delivery at which the assessment was made (e.g. Outline Business Case)
- the department (or public body) for which the Accounting Officer who made the assessment is responsible]

[Material on the context and rationale for the programme can be drawn directly from the strategic case in the business case].

Assessment against the Accounting Officer standards

Regularity

[A summary of any regularity issues considered by the Accounting Officer in approving the assessment. This should set the legal powers on which the action rests.]

Propriety

[A summary of any propriety issues considered by the Accounting Officer in approving the assessment. The key considerations here are likely to be specific to the nature of the proposal.]

Value for Money

[A summary of the value for money issues considered by the Accounting Officer in approving the assessment. Unless there is overriding public interest in confidentiality, this should provide sufficient detail to enable scrutiny without further enquiries. Relevant material from the economic case of the business case can be used in this section.]

Feasibility

A summary of the feasibility issues considered by the Accounting Officer in approving the assessment.]

[Where relevant, this can take material from the commercial, financial, and management cases of the business case.]

[Feasibility will include assessments of deliverability made at (for example) gateway reviews. Sensitive information should not be included, or publication withheld until any sensitivities have been removed. The Infrastructure and Projects Authority should be consulted about these sensitivities prior to publication.]

Conclusion

[A summary of the Accounting Officer's overall conclusion taking the factors above into account.]

[Standard closing paragraphs]

As the Accounting Officer for [scope of AO responsibilities] I considered this assessment of [title of project] and approved it on [date of approval].

[If there has been a delay in the timing of publication since the assessment was agreed, the reasons should be summarised here.]

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them.

This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

[Accounting Officer's name, signature and date of signing]

Annex B

Template for a Memorandum of Understanding between Accounting Officers

Policy/project objective

[summary of policy/service being delivered and the timetable for this]

Responsibilities

[Overview of how each organisation is involved and the respective Accounting Officer responsibilities.]

[Also set out where an Accounting Officer is relying on analysis (e.g. delivery feasibility) from one of the other organisations to inform their AO assessment]

Detail

[specific roles of each organisation]

Funding arrangements

[if appropriate – how funding will flow between the organisations]

Review point

[if appropriate]

[signatures of AOs and/or SROs/senior officials from departments/ALBs where appropriate]

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

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