



Foreign &
Commonwealth
Office

FCO Services

Website: <https://www.gov.uk>

30 July 2018

FREEDOM OF INFORMATION ACT 2000 REQUEST REF: FOI 0605-18

Thank you for your email of 5 June 2018 asking for information under the Freedom of Information Act (FOIA) 2000. You asked:

I would be grateful if you could supply me with details of where FCO Services accrued money from the FY April 2013 / 2014 budget for expenditure outlay the following financial year - April 2014 / 2015. I would like the information itemised showing where the finance accrued was spent, identifying the service provider and the actual sum carried over for each accrued transaction. Also could you tell me the total budget recieved by FCO Services's for FY 2013/2014 and the residual ammount which was returned to HM Treasury.

Thank you for this clarification about budgets and funding.

If we set aside the budgetary funding aspect, I am specifically interested in determining where money for projects or expenditure for one financial year has not been settled in that year but carried over and the bill settled the following financial year. For example if an FCO Services officer has speculatively accrued compensation for dismissals in FY2012 / 2013 but the settlement and cost was made in the following FY 2014 / 2015. It is in fact this specific question I am more interested in. So accrued costs for such a transaction will be archived in HR's financial data. The date the sum is made available and put to one side and the date the bill is settled will span two financial years, and so will be reflected in both years accounts: the FY in which the purchase was raised and the FY when the bill payment was made and settled.

To paraphrase; the transparency I am trying to determine is a cost and expenditure date occurring in FY 2013 / 2014 which is realised and settled as paid up in the folowing FY 2014 / 2015. For conciseness, payments for compensation paid for dismissal is the information I specifically need.

As stated, this will be reflected in the HR department's balance sheet for FY 2013 / 2014 and FY 2014 / 2015.

Further clarity

Sometimes when an employee has been ill for example, their contract is terminated. Sometimes compensation for termination of contract is applicable in these circumstances. There may also be other inducements such as ex-gratia payments when someone's contract is terminated. These are the sort of dismissal scenarios I have in mind. But I am interested in

scenarios where the money has been set aside in the previous FY (accrued) and paid in the following FY, as if the dismissal was anticipated before it actually happened.

I am writing to confirm that we have now completed the search for the information which you requested.

I can confirm that the Foreign and Commonwealth Office Services (FCOS) does hold information relevant to your request.

The information you have requested relating to details of accrued money and itemised spend information is exempt under Section 12 of the Freedom of Information Act.

Section 12 of FOIA allows a public authority to refuse to deal with a request where it estimates that it would exceed the appropriate limit to:

- either comply with the request in its entirety or;
- confirm or deny whether the requested information is held.

In the case of the first paragraph of your request the first bullet point applies.

FCO Services has been a trading fund since April 2008 and as a trading fund it does not receive a budget from HM Treasury.

A summary of FCO Services' accounts are published in its Annual Report and Accounts. The Annual Report for each year can be found at: [FCO Services - Annual Reports](#) and [.GOV.UK - FCOS Annual Reports](#).

There is a process to accrue/provide for compensation where a legal case is likely to come to an end in the following financial year.

The accrual/provision will depend on whether the legal opinion at year-end informs the organisation that there is a greater than 50% certainty (deemed probable) that FCO Services would lose the case. In addition to this, the provision is also dependent on whether the compensation costs can be reliably estimated. If the cost cannot be reliably estimated then the assumed value is disclosed as a note to the accounts only, under the heading 'Contingent Liability.'

If FCO Services was in a position to accrue/provide the cost, then it would be a cost to the financial year in which the case result became probable, or in the year that exit schemes were agreed with the Cabinet Office and with the staff leaving. The next financial year the accrual would reverse as a credit value, which would match against the invoice for the compensation payment and a zero effect to the following year's accounts. Using the example you provided above in your request, the assumption is incorrect as it would not account in both financial years. In addition the accrued finance would not then be spent on projects or other products or services.

FCO Services accounts are audited by the National Audit Office. FCO Services does not speculatively accrue costs.

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If you would like a review of our decision, or if you wish to make a complaint, please write to the Central FOI Unit, Foreign and Commonwealth Office, Room WH2.177, King Charles Street, London, SW1A 2AH. E-mail: foi-dpa.pmcs@fco.gov.uk. You have 40 working days to do so from the date of this letter.

You can apply directly to the Information Commissioner. However, the Information Commissioner will not normally make a decision unless you have first exhausted the complaints procedure provided by the FCO. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Yours sincerely,

FOI Officer

FCO Services



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