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**Meg Hillier MP**
**Chair of the Public Accounts Committee**
*Sent electronically*

Dear Chair,

**JOINT CRYPT KEY PROGRAMME - MOD ACCOUNTING OFFICER ASSESSMENT**

The basis of this AO assessment for the Joint Crypt Key Programme (JCKP) is to formalise the inclusion of the programme into the GMPP from April 2017 in accordance with AO policy.

**Background**

Cryptographic capabilities, often referred to as 'Crypt-Key', help the UK to keep its secrets secret and enable us to have high confidence in the control and management of critical operational systems and services. Thus making sure we can protect our most sensitive information, capabilities and the lives of our service men and women from our adversaries. The Joint Crypt-Key Programme between MOD and GCHQ is a part of a set of measures to support Cyber Security; the UK is confident that our crypt-key solutions keep our secrets secret, allow us to share information effectively and ensure that is available when and where required and in a trusted form. It also enables Allies to respect and trust the UK, allowing us to choose how to use platforms, systems and information in the face of all adversaries and threats.

Joint Crypt-Key is a Cat A Programme within the UK Crypt-Key Enterprise, which is defined as "The ecosystem of capabilities (people, process, technology), policy, standards, culture and ways of working that provide High Assurance Crypt-Key in the context of cyber security architecture to support HMG's aims both in the UK and with our partners and allies".

The intent of the Programme is to:

    a.    Design and develop next generation of Crypt-Key capabilities.

    b.    Stay ahead of the threat posed by the most capable adversaries.

    c.    Ensure the future Crypt-Key capabilities meet MOD's mission requirements.

**Assessment against AO Standards**

**Regularity**

The programme complies with the Parliamentary requirements for the control of expenditure with programme funds being applied only to the extent and for the purposes authorised by Parliament.  HMT Regularity Standards continue to be satisfied.

**Propriety**

The programme is governed effectively in accordance with GMPP requirements.  The programme remains affordable within MOD IAC & GCHQ agreed performance, time and cost constraints.  The Programme's funds continue to be managed with impartiality, honesty and with the avoidance of personal gain, waste and extravagance.  As such, Parliament's intention for the JCKP authorised expenditure continues to be met properly.

**Value for Money**

A definitive statement regarding Value for Money cannot be made at this stage given that several of the programme tranches are in the assessment phase, preventing detailed analysis of potential market offerings in response to the requirements.  However, to date the programme has been delivered through either direct competition or pre-competed framework contracts to assure Value for Money.  The remaining elements of the programme will also follow this route.  Overall, analysis strongly indicates that the next generation of the UK CK will generate significant benefits and Value for Money.

**Feasibility**

An Infrastructure Projects Authority Programme Assessment Review was requested by the SRO's to ensure the programme was set up for success and this concluded on 24 May 2019.  The Infrastructure Projects Authority acknowledge the challenging environment in which the Programme was operating.  The review also recognised the progress the Programme is making despite challenges, noting its various strengths.  The Programme will address the concerns highlighted in the Review with the Infrastructure Projects Authority actions being completed by Dec 2019.

**Conclusion**

Despite the challenges, Joint Crypt Key Programme is on track to deliver the expected outcomes and benefits within its approved budget.  The Accounting Officer Assessment submission formalises the inclusion of Joint Crypt Key Programme into the GMPP and reflects the most recent programme position (Q1 19/20) against the key Accounting Officer's Assessment criteria being tested.

As the MOD Accounting Officer, I considered this assessment of the Joint Crypt Key

Programme and approved it on 15 October 2019.

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

**AO Summary Publication**

The full AOA assessment has been seen and approved, but in the case of this programme the MOD has identified the need for confidentiality. Sensitive information in the AOA has therefore been redacted from the AOA Summary. Given the nature of the programme, full details of the Joint Crypt Key Programme are exempt under Section 26 of Freedom of Information Act 2000 (Defence) and the equivalent in GCHQ.

This summary will be published on the government's website ([www.gov.uk](www.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.

Yours sincerely,

**STEPHEN LOVEGROVE**