



## Addendum to the Government Financial Reporting Manual 2020-21: minimum reporting requirements

### *Introduction*

1. In response to the continuing pressures faced by departments and other government entities due to the impact of the pandemic, HM Treasury has reviewed the financial reporting requirements for 2020-21. In order to ease the burden on preparers of government annual reports and accounts (ARAs), this guidance sets out the minimum reporting requirements as per the Financial Reporting Manual (FRoM).
2. These minimum requirements for ARAs are in place for 2020-21 only and only relate to non-audited elements of ARAs. This guidance does not replace the FRoM but provides minimum reporting requirements. Entities may go beyond the minimum requirements where they are able to. Further detail is provided in PES guidance.
3. Departments who plan to streamline their ARAs as per these minimum requirements must contact their select committee in advance, seeking their input on matters to be covered in the report. ALBs should contact their parent department in the first instance.

### *Performance report*

4. Entities applying the FRoM are permitted to omit the performance analysis as set out in paragraphs 5.4.1- 5.4.6 of the 2020-21 FRoM. Instead, entities have the option of only producing the summary information in the performance overview as set out in paragraph 5.3.1 – 5.3.3 of the FRoM.
5. The performance overview should also summarise where money has been spent and give a short commentary on any major developments in the year such as new projects, programmes or liabilities, as well as significant financial issues.
6. For 2020-21, there is an option not to report in ARAs against the sustainability reporting requirements as set out in paras 5.4.8 – 5.4.12 of the 2020-21 FRoM. As in previous years, this information will be reported later in the year by the Department for food and rural affairs (Defra) in the Greening Government Commitments report.
7. More broadly, where relevant non-audited performance information has already been published and reported elsewhere, entities are encouraged to

refer to the relevant publication rather than producing the information in the performance report of their ARAs.

8. Departments must engage with their select committees when considering what specific areas to report on. In particular, it is expected that performance reports would include information on the impact of EU exit and Covid-19 on departmental activity and outcomes as well as core KPIs, linking these to the UN Sustainable Development Goals (SDGs) where relevant.

### ***Accountability report***

9. The only optional requirements in relation to the accountability report relate to the Statement of Outturn against Parliamentary Supply (SOPS) as outlined below.
10. Entities applying the FReM are no longer required to adhere to the comply or explain requirement in para 6.6.7 (b) of the 2020-21 FReM, that SOPS disclosures must follow the form of the illustrative disclosures.
11. Entities are also permitted to omit the requirements set out in 6.6.8 (d) in relation to supporting text and the presentation of figures in £000s in the SOPS.
12. Where information that would usually be required in the accountability report is already published and reported elsewhere, entities will be permitted to refer to the relevant publication rather than producing the information in their accountability report. This only applies to information that is not subject to audit.

### ***Financial statements***

13. There is no change to the required format and content of financial statements. They should continue to be produced in line with the requirements in the published 2020-21 FReM. However, preparers are encouraged to consider materiality within the current framework. They will be urged to assess whether there is content that is immaterial by value and/or nature, and to engage with their auditors on this.