Appendix A

The Comptroller and Auditor General Section 2 Report

Summary

Background

1. The Driver and Vehicle Licensing Agency (the Agency) is responsible for the collection of Vehicle Excise Duty on behalf of the Secretary of State for Transport. In 2011-12, the Agency collected a net £5.9 billion (2010-11: net £5.7 billion) of revenue, as reported in the Agency's Trust Statement. The Agency paid over this £5.9 billion revenue to the Exchequer.

Scope of Audit

2. Section 2 of the Exchequer and Audit Departments Act 1921 requires me, as the Comptroller and Auditor General (C&AG), to examine the Vehicle Excise Duty revenue accounts (reported by the Agency in the Trust Statement) and to ascertain that the Agency has in place adequate regulations and procedures to secure an effective check on the assessment, collection and proper allocation of revenue, and that the Agency is duly carrying out these regulations and procedure. I am also required by that Act to examine the correctness of the sums brought to account and to report the results to the House of Commons. My audit opinions on the Agency's Trust Statement and this report together satisfy that requirement.

3. My team has examined the systems and obtained evidence on the adequacy and operation of its regulations and procedure. My conclusion on the Agency's overall management of the Vehicle Excise Duty systems is based on this examination, as well as taking into account evidence from our audit of the Trust Statement itself and information from other sources, including, for example, consideration of the Agency's Governance Statement.

4. This report records the outcome of my team's review and my conclusions as to the adequacy of the systems that the Agency had put in place during 2011-12.

Conclusion

5. Whilst recognising that no tax collection system can ensure that all those who have a tax liability comply with their obligations, I have concluded that, in 2011-12, the Agency has framed adequate regulations and procedures to secure an effective check on the assessment, collection and proper allocation of revenue, and that they were being duly carried out.

Summary of Key Findings

6. Based on their examination, my team found that the systems in place for the collection of Vehicle Excise Duty, managed by the Agency through a range of channels, including Post Office® branches, local offices, Electronic Vehicle Licensing (EVL) and motor dealers are reasonable in their design and were operated effectively throughout the year. My staff did not identify any major control weaknesses.

7. I reported in 2010-11 that the Agency had initiated a solution, known as the Identity and Access Management Systems (IAMS) project, to address several IT security issues that were deemed high risk, as together they increased the potential for the risk of fraud and error in the Vehicle Excise Duty transaction process. However, since I reported on the 2010-11 Trust Statement, the Agency has re-

assessed this project and decided to delay the implementation until it has completed the future re-engineering of systems. The Agency considers that to implement IAMS on the current legacy IT architecture would not be cost efficient and would not derive the full benefits. Instead, the Agency is deploying a range of lower cost (including some manual) alternatives to manage the control issues that IAMS was intended to address. An important contributory factor in reaching this conclusion was that during 2011-12 the Agency set out to define the shape of its future ICT delivery model, against the backdrop of the Cabinet Office's ICT Strategy for the Government as a whole. The Agency has an obligation to ensure that its own ICT proposals are consistent with this wider Government strategy. Notwithstanding these factors, it is important that the Agency implements the alternative measures as soon as possible to address the identified IT security risks and to reduce the potential risk of losses arising owing to fraud and error.

8. For 2011, the Department for Transport estimated that that the level of non-compliance in payment of Vehicle Excise Duty as 0.7 per cent of vehicles (2010: 0.9 per cent). The Agency has used several measures to encourage compliance (e.g. online processing using EVL) and to detect and curb evasion. The Agency considers that that these steps have contributed significantly to the efforts to sustain the low evasion rate.

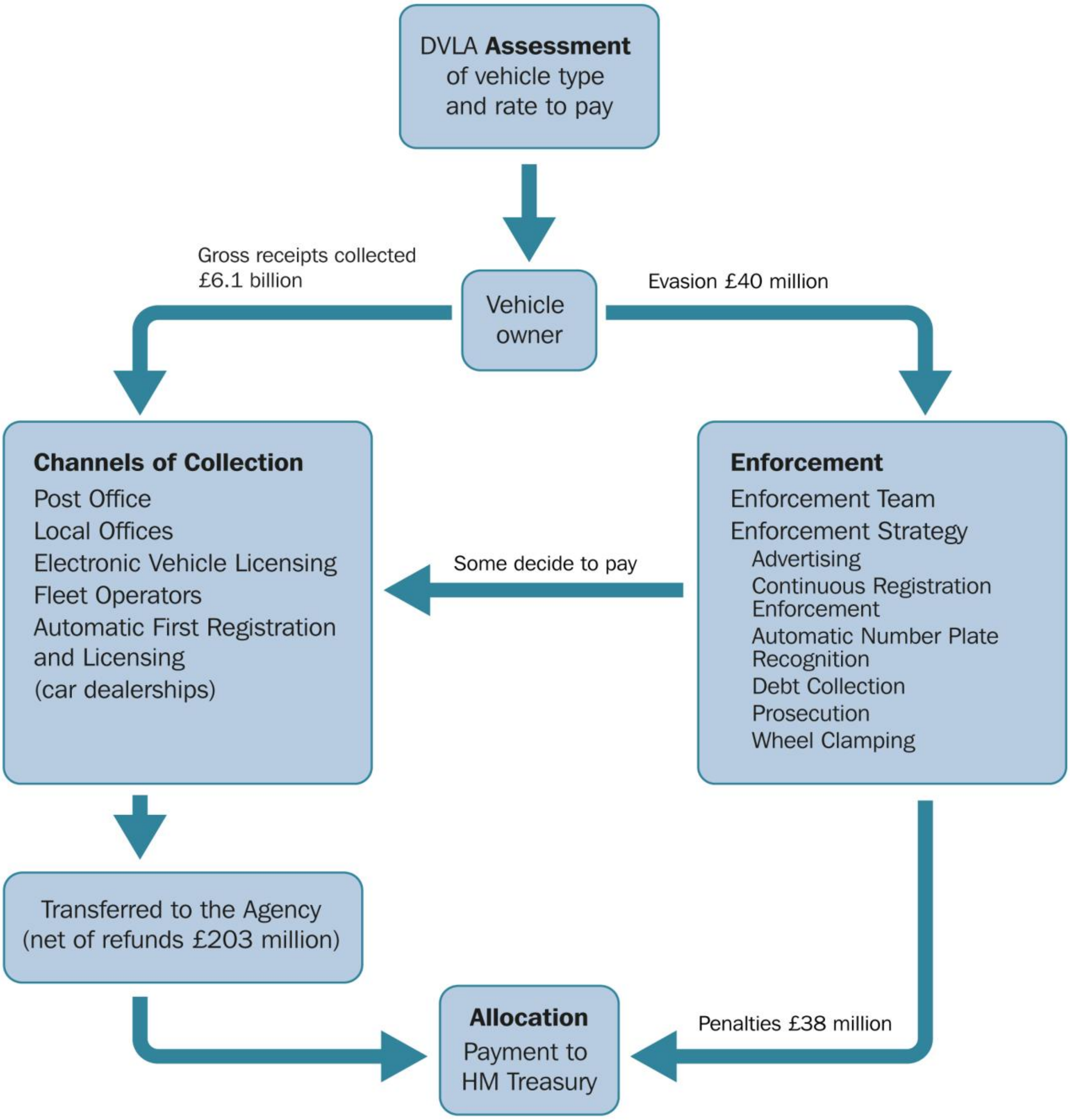
9. To support the processing of Vehicle Excise Duty collection, the Agency holds significant volumes of personal information and is accountable for the adequate protection of the information that it collects processes and stores. The Agency has in place formal processes and procedures to ensure the effective governance of the data. As well as holding and processing information, the Agency also shares data with other bodies such as local authorities and car parking companies for purposes such as the collection of parking fines. The Agency has developed a robust strategy and set of strategic principles to govern how it shares its data with other bodies.

Full Report

Collection Process

10. The Vehicle Excise Duty is vehicle road use tax levied as an excise duty which must be paid for most types of vehicles used (or parked) on 'public roads' in the United Kingdom. In 2011-12, the Agency collected a net £5.9 billion in Vehicle Excise Duty, which exceeded its forecast of £5.8 billion. The Agency's system for collecting Vehicle Excise Duty comprises a number of sub-processes, as set out in the overview at **Figure 1**.

Figure 1 – Overview of Vehicle Excise Duty Assessment, Collection and Allocation Process



11. The Agency processed 46 million Vehicle Excise Duty collection transactions in 2011-12, of which 90 per cent were collected online or via the Post Office®. The Agency has invested in, and promoted, the use of paying online, as it is the most cost effective collection method. Online activity now represents 43 per cent (2010-11: 41 per cent) of all Vehicle Excise Duty collection transactions. The Agency is currently examining ways it can make customer interactions even more convenient via systems enhancements.

Audit Findings

Operational systems

12. In 2010, the Agency commissioned consultants to carry out a detailed analysis of the Agency's Vehicle Excise Duty Systems as part of the Cross Government Financial systems Risk Review initiative, which began in 2008. In my examination of the Agency's 2010-11 Trust Statement and Vehicle Excise Duty revenue systems, my staff used this Risk Review as a baseline for our audit. My staff did so because the nature of the Risk Review was consistent with the principal aims and objectives of our revenue systems audit, i.e. to obtain assurance about the regulations and procedure in place to secure the effective check over the assessment, collection and allocation of Vehicle Excise Duty. My team has adopted the same approach in examining the 2011-12 Trust Statement and revenue systems to identify the risks to the assessment, collection and allocation; and to test the controls that the Agency has put in place to mitigate those risks.

13. Our completion of this revenue systems work, together with other transactional testing undertaken by my staff has allowed me to conclude that the systems are reasonable in their design and have operating effectively throughout the year. My staff did not identify any major control weaknesses. My staff have communicated the detailed results and findings of our work to the Agency's senior management team in a separate management report.

14. In my 2010-11 report I highlighted that in their Financial Risk Review, the consultants had identified some security concerns in the main IT systems supporting the collection of Vehicle Excise Duty. These control issues were identified as high risk because, together, they increase the potential risk of fraud and error in Vehicle Excise Duty transaction process. The Agency initiated a solution, known as the Identify and Access Management Systems (IAMS) project, in which it intended to incorporate a range control processes to address the security vulnerabilities raised in the Risk Review.

15. In 2011-12, the Agency re-assessed this project and decided to delay the implementation until it has completed the future re-engineering of its ICT systems. This is because the Agency concluded that to implement the project on the current IT architecture would not be cost efficient. In particular, the benefits that would be derived from the project would not be justified by the economic cost of implementing it. Instead, the Agency is deploying a range of lower cost (including some manual) alternatives to manage the control issues that IAMS was intended to address. An important factor in reaching this conclusion was that during 2011-12 the Agency set out to define the shape of its future ICT delivery model, against the backdrop of the Cabinet Office's ICT Strategy for the Government as a whole. The Agency has an obligation to ensure that its own ICT proposals are consistent with this wider Government strategy.

Information Governance

16. To support the processing of income collection the Agency holds significant volumes of personal information and is accountable for the adequate protection of the information that it collects, processes and stores. The Agency has in place formal processes and procedures to ensure the effective governance of the data that it holds. This includes a full data governance model approved by the Board, and an information asset register which sets out what information is held and who are the owners and managers for the information assets.

Data Sharing

17. As well as holding and processing information, the Agency also shares data with other bodies such as local authorities and car parking companies for purposes such as the collection of parking fines. The Agency has developed a robust strategy and set of strategic principles to govern how it shares its data with other bodies. This includes setting out the basis on which it shares data and considers legal and policy requirements.

Compliance

18. **Evasion Statistics -** The Department for Transport (the Department) carries out an annual roadside survey to estimate the proportion of vehicles on the road that are evading paying Vehicle Excise Duty. The survey provides is the best available evidence of the effectiveness of the Agency's collection procedures and provides strong assurance that there are effective procedures in place.

19. The Department's 2011 survey, which took place in June, covered 1.1 million vehicles observed at 256 sites across the United Kingdom. The Department concluded from the survey that, if the results were typical of the level of compliance throughout 2011-12 financial year, the extent of non-compliance for Vehicle Excise Duty was equivalent to 0.7 per cent of vehicles (2010-11: 0.9 per cent) with a loss of round £40 million (2010-11: £46 million). The Agency's enforcement activities help it to recover a proportion of the revenue at risk through non-compliance. The Department's evasion estimate is broadly in line with the Agency's own internal operational estimate of 0.6 per cent, which is based on a population size of around 10 million sightings.

20. The Department for Transport has decided that it will undertake the roadside survey on a biannual basis, given that the extent of non-compliance has broadly remained at constant low level over the last four years. However, the annual survey will be reinstated if there are indications that the evasion trend is increasing.

21. **Compliance and Enforcement Measures -** The Agency's own compliance and enforcement activities have contributed significantly to the low evasion rate. The provision of online services has also helped to encourage compliance. In addition, the Agency's own ANPR[1] units are active in identifying unlicensed vehicles. Unlicensed vehicle reports are also received from a number of sources, including Police, Traffic Wardens and Local Authority Parking Attendants and from the roadside activities of the Vehicle and Operator Services Agency (VOSA).

[1] Automatic Number Plate Recognition

22. The Agency issues an Out of Court Settlement (OCS) letter to vehicle keepers for the outstanding Vehicle Excise Duty plus a penalty fine. Unpaid cases are pursued via the Magistrates Court with a maximum penalty of £2,500. Unlicensed vehicles may also be wheel-clamped and will not be released until the keeper has paid the outstanding Vehicle Excise Duty and fees. If the registered keeper does not claim the vehicle within this time, it may be disposed of by auction, breaking or shredding. In 2011-12 the Agency issued around 54,000 OCS letters and the number of vehicles clamped and impounded was 61,677.

23. The Agency uses a range of measures to encourage payment; from advertising campaigns to sending reminder letters. Since April 2010 the Agency has issued reminder letters to vehicle keepers who have not licensed their vehicles by the middle of the month of date of liability. The Agency issues Late Licensing Penalty (LLP) notices if these measures are unsuccessful. The Agency's introduction of reminder letters has increased compliance and contributed to a reduction of 39 per cent in penalties that it has issued, from 813,000 in 2009-10 to 491,000 in 2011-12 **(Figure 2).**

24. In 2011-12, of the 491,000 LLP notices issued, 116,000 (totalling £6 million) were paid without further action. In addition, the Agency asked its debt collection agencies to pursue72 per cent (354,000) of these notices **(Figure 3).** In 2011-12, the debt collection agencies collected some 19 per cent (67,000) of the debts that they received from the Agency. The average collection rate since 2009-10 is 23 per cent. In June 2012 the Agency will begin to issue the LLPs earlier, i.e. six weeks after licence expiry. The Agency will also remove the issue of the reminder letters and start to transfer cases to debt collection agents earlier. This follows a successful trial which resulted in an increase in enforcement penalty payments. The Agency is working with the Cabinet Office Debt Taskforce and Behavioural Insights Team to reduce debt owed to the Government.

Figure 2 – Late licenses penalties issued and collected since 2009-10

	2009-10		2010-11		2011-12	
Late licensing penalties	Cases 000s	Proportion of Notices Issued (percentage)	Cases 000s	Proportion of Notices Issued (percentage)	Cases 000s	Proportion of Notices Issued (percentage)
Total issued *of which:*	813		584		491	
Paid without further action	286	35	173	30	116	23
Pursued via debt collecting agencies	446	55	394	67	354	72
Pursued via court	1	<1	1	<1	0	0
Not paid or pursued	79	10	16	3	21	4

Source: Driving and Vehicle Licensing Agency

Figure 3 – Success rate of debt collection agencies since 2009-10

Late licensing penalties	2009-10	2010-11	2011-12	Total
Cases sent to debt collectors **(000s)**	446	394	354	1194
Number cases paid **(000s)**	122	97	67	286
Proportions of cases successfully pursued **(percentage)**	27	24	19	23

Source: Driving and Vehicle Licensing Agency

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21 June 2012

Appendix B

Accounts Direction given by the Treasury in accordance with section 7 (2) of the Government Resources and accounts Act 2000

1. This direction applies to those executive agencies listed in the appendix below.

2. These executive agencies shall prepare accounts for the year ended 31 March 2012 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by H M Treasury ("the FReM") which is in force for 2011-12.

3. The accounts shall be prepared so as to:

   (a) give a true and fair view of the state of affairs as at 31 March 2012 and of the income and expenditure (or, as appropriate, net resource outturn), changes in taxpayers' equity and cash flows of the agency for the financial year then ended; and

   (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.

Chris Wobschall

Deputy Director, Assurance and Financial Reporting Policy

Her Majesty's Treasury

20 December 2011

Application of Accounts Direction

This accounts direction applies to the following executive agencies:

No	Name	Department
01	Treasury Solicitor's Department Agency	Attorney General
02	Insolvency Service	BIS
03	National Measurement Office	BIS
04	UK Space Agency	BIS
05	Planning Inspectorate	DCLG
06	Royal Parks	DCMS
07	Animal Health and Veterinary Laboratories Agency	DEFRA
08	Centre for the Environment, Fisheries and Aquaculture Science	DEFRA
09	Food and Environment Research Agency (Fera)	DEFRA
10	Rural Payments Agency	DEFRA
11	Veterinary Medicines Directorate	DEFRA
12	Standards and Testing Agency	DFE
13	Driver and Vehicle Licensing Agency	DfT
14	Government Car and Despatch Agency	DfT
15	Highways Agency	DfT
16	Maritime and Coastguard Agency	DfT
17	Vehicle Certification Agency	DfT
18	Wilton Park	FCO
19	Forest Research	Forestry Comm'n
20	Valuation Office	HMRC
21	Asset Protection Agency	HMT
22	UK Debt Management Office	HMT
23	Criminal Records Bureau	HO
24	Identity and Passport Service	HO
25	National Fraud Authority	HO
26	UK Border Agency	HO

27	Defence Vetting Agency	MOD
28	Ministry of Defence Police and Guarding Agency	MOD
29	People, Pay and Pensions Agency	MOD
30	Service Children's Education	MOD
31	Service Personnel and Veterans Agency	MOD
32	HM Courts and Tribunals Service	MOJ
33	National Offender Management Service	MOJ
34	Office of the Public Guardian	MOJ

In addition, a separate direction has been issued to the Meat Hygiene Service (Food Standards Agency) (11 January 2006) – issued in respect of 2005-06 and subsequent financial years.

Accounts Direction given by HM Treasury in accordance with Section 2 of the Exchequer and Audit Departments Act 1921

1. This direction applies to those executive agencies listed in the appendix below.

2. The agency shall prepare a Trust Statement ("the Statement") for the financial year ended 31 March 2012 for the revenue and other income, as directed by the Treasury, collected by the agency as an agent for others, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual by HM Treasury ("FReM") which is in force for 2011-12.

3. The Statement shall be prepared, as prescribed in appendix 1, so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the agency as agent and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.

4. The statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

5. When preparing the Statement, the agency shall comply with the guidance given in the FReM (Chapter 13). The agency shall also agree with HM Treasury the format of the Principal Accounting Officer's Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.

6. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.

7. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the audited accounts before Parliament before the Summer Recess.

8. The Trust Statement, together with this direction (but with the exception of the related appendices) and the Report produced by the Comptroller and

Auditor General, under Section 2 of the Exchequer and Audit Departments Act 1921 shall be laid before Parliament at the same time as the Department's Resource Accounts for the year unless the Treasury have agreed that the Trust Statement may be laid at a later date.

Chris Wobschall

Deputy Director, Assurance and Financial Reporting Policy

HM Treasury

20 December 2011

Trust Statement for the year ended 31 March 2012

1. The Trust Statement shall include:

- a Foreword by the Principal Accounting Officer;
- a Statement of the Principal Accounting Officer's Responsibilities;
- a Governance Statement;
- a Statement of Revenue, Other Income and Expenditure;
- a Statement of Financial Position;
- a Cash Flow Statement; and
- such notes as may be necessary to present a true and fair view.

2. The Notes shall include among other items:

- the accounting policies, including the policy for revenue recognition and estimation techniques and forecasting techniques together with statements explaining any significant uncertainty surrounding estimates and forecasts;
- a breakdown of material items within the accounts;
- any assets, including intangible assets and contingent liabilities;
- summaries of losses, write-offs and remissions;
- post balance sheet events; and
- any other notes agreed with HM Treasury and the National Audit Office.

Appendix C
Sustainable Performance

<table>
<tr><th colspan="3">Waste</th><th>2009-10</th><th>2010-11</th><th>2011-12</th><th>Target 2011-12</th></tr>
<tr><td rowspan="7">Non-Financial Indicators (tonnes)</td><td colspan="2">Total Waste</td><td>2,195.85</td><td>2,136.03</td><td>1,894.50</td><td>1,976.00</td></tr>
<tr><td>Hazardous Waste</td><td>Total</td><td>0.07</td><td>0.00</td><td>0.00</td><td>n/a</td></tr>
<tr><td rowspan="4">Non-Hazardous Waste</td><td>Landfill</td><td>610.67</td><td>517.82</td><td>374.76</td><td>n/a</td></tr>
<tr><td>Reused/Recycled</td><td>1,518.18</td><td>1,618.21</td><td>1,519.71</td><td>n/a</td></tr>
<tr><td>Composted</td><td>0.00</td><td>0.00</td><td>6.72</td><td>n/a</td></tr>
<tr><td>Incinerated / Energy from Waste</td><td>0.00</td><td>0.00</td><td>0.02</td><td>n/a</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td>Financial Indicators (£)</td><td colspan="2">Total Waste Revenue</td><td>£38,694</td><td>£53,115</td><td>£61,685.17</td><td>n/a</td></tr>
</table>

Commentary

- The cost of waste disposal is embedded within the PFI contract; however, working with our PFI partners to establish the costs for each waste stream

Finite Resource Consumption - Energy			2009-10	2010-11	2011-12	Target 2011-12
Non-Financial Indicators	Energy Consumption (kWh)	Electricity: Non-Green	4,263,932	5,927,347	6,236,144	n/a
		Electricity: Green	13,579,245	16,385,913	16,046,086	n/a
		Good Quality CHP (purchased)	-	421,285	2,493,512	n/a
		Gas	29,903.990	27,715,449	19,765,094	n/a
		LPG	0	0	0	n/a
		Oil	3,856,559	120,142.1	120,137.8	n/a
	Total tCO_2e attributable to the whole estate		17,538	17,511	16,660	15,784
Financial Indicators (£)	Total Energy Expenditure		£3,985,523	£2,223,140	£3,287,732	n/a

Commentary

- Total tCO_2e attributable to the whole estate data was not reported on prior to 2011-12

Finite Resource Consumption - Water			2009-10	2010-11	2011-12	Target 2011-12
Non-Financial Indicators	Water Consumption (M^3)	Supplied	54,967	56,432	52,719	n/a
		Harvested	629.41	1,529.63	762.99	n/a
	M^3 per FTE (Office Only)		-	-	4.00	Between 4.00 – 6.00
Financial Indicators (£)	Water & Sewerage Costs		£123,438	£138,237	£159,794	n/a

Commentary

- "M^3 per FTE (Office Only)" data was not reported on prior to 2011-12

Travel		2009-10	2010-11	2011-12	Target 2011-12
Non-Financial Indicators	Total miles travelled on official business	4,151,639	2,960,509	2,741,070	n/a
	Gross emissions attributable to official business travel (tCO_2e)	971	665	553	874
Financial Indicators (£)	Expenditure on accredited offsets (e.g. GCOF)	0	0	0	n/a
	Expenditure on official business travel	£659,375	£844,144	£751,296	n/a

Commentary

- Total miles travelled data was not reported on prior to 2011-12
- The Gross emissions data for 2009-10 and 2010-11 is higher than previously reported as we now include all business travel and not just Road miles only.
- Due to a change in accounting procedures, the 2009-10 business travel expenditure figure does not include fuel costs for ANPR vehicles; therefore, the actual figure will be higher than quoted here
- The 2010-11 business travel expenditure figure is higher than previously reported due to improved data analysis

DVLA Greening Government Commitments

Measure	Target	2009-10 Baseline	2011-12 Target	Actual/ Forecast Outturn 2011-12	Actual/ Forecast Reduction (against 2009-10 Baseline)	2014-15 Target	Forecast Outturn 2014-15	Forecast Reduction (against 2009-10 Baseline)
Greenhouse Gas Emissions	Reduce Business and Travel carbon emissions by 5% annually (25% by 2014-15), relative to 2009-10 levels. (tCO_2e)	18,509	16,658	17,213	7.0%	13,882	13,432	27.43%
	Reduce Domestic Business Travel Flights by 4% annually (20% by 2014-15), relative to 2009-10 levels. (Number of Flights)	1,747	1,607	749	57.1%	1,397	322	81.6%
Waste	Reduce Waste by 5% annually (25% by 2014-15), relative to 2009-10 levels. (Tonnes)	2,196	1,976	1,894	13.7%	1,647	909	58.6%
	Reduce Paper consumption by 10% relative to 2009-10 levels. (Reams)	66,454	59,809	34,940	47.4%	N/A	N/A	N/A
Water	Reduce water consumption to an average of less than $6m^3$ per person per year. (m^3/FTE) *[N.B.* "Office" accommodation only]	4.58	Between 4.00 - 6.00	4.00	12.7%	6.00	3.32	27.5%

Glossary of terms

Accounting Officer	A person appointed by the Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts.
Accrual	The principle, which may be used as a basis for the preparation of financial statements, that revenues and costs should be dealt with in the accounts for the period in which they are earned or incurred.
Assets	Tangible asset (sometimes referred to as fixed assets) are items that are purchased as capital expenditure and have a physical substance. Intangible assets are also capital purchases but do not have a physical substance, for example software licence, project development. Non-current assets are those that are not expected to be turned into cash within one year during the normal course of business.
Business Case	A method of assessing a project or investment decision; includes an explanation of the reasoning behind the project. The business case addresses the strategic, financial, economic and commercial arguments for pursuing a particular course of action.
Carbon Reduction Commitment (CRC)	CRC is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations.
Change Programme	A set of projects whose purpose is to help an organisation change its processes, methods of working.
Consolidated Fund (CF)	The government's current account, operated by the Treasury, through which pass most government payments and receipts.
Contingent liabilities	Potential liabilities that are uncertain but recognise that future expenditure may arise if certain conditions are met or certain events happen.
Costs	Direct - A cost that is incurred as a direct result of a particular activity, for example sending a V11 form to a customer incurs a postage charge. Indirect - A cost that is not directly attributable to an activity but forms part of the general costs of running DVLA.
Data Protection Act	Legislation (1998) which governs how organisations can use personal information which they hold.
Departmental Expenditure Limit (DEL)	Expenditure limit within which a department has responsibility for resource allocation though some elements may be demand-led.
Department for Transport (DfT)	The DfT provides leadership across the transport sector, working with regional, local and private sector partners to deliver its services.
Depreciation	A monthly charge that spreads the purchase cost of a fixed asset over its useful economic life. This allows an organisation to match a share of a fixed asset's cost to each of the years it receives a benefit from using the asset.
Driver Licence Checks (DLC)	The service is web-based and allows 'real-time' access to our drivers' database and is available 24/7. Enquiries must be supported by informed and explicit consent from the data subject. Currently the service is restricted to central and local government.
European Union (EU)	The EU is an economic and political union or confederation of 27 member states, which are located primarily in Europe.

Freedom of Information (FoI)	Legislation (2000) designed to promote public access to a wide range of public sector data and information (but not personal data).
Full Time Equivalent (FTE)	A FTE is a unit that indicates the workload of an employed person in a way that makes workloads comparable across various contexts. FTE is often used to measure a worker's involvement in a project, or to track cost reductions in an organisation. An FTE of 1.0 means that the person is equivalent to a full-time worker; while an FTE of 0.5 signals that the worker is half-time.
Government Banking Service (GBS)	GBS was established in April 2008 and is the banking shared service provider to government and the wider public sector. It is part of HM Revenue & Customs (HMRC). GBS's main providers of banking transactions are Citigroup (Citi) and the Royal Bank of Scotland Group (RBSG).
Government Digital Service (GDS) (Digital by default)	The Government Digital Service (GDS) has been set up to deliver world class digital products that meet people's needs and offer better value for taxpayer's money.
Government Transparency Agenda	The Government has set out the need for greater transparency across its operations to enable the public to hold public bodies and politicians to account. This includes commitments relating to public expenditure, intended to help reduce the deficit and achieve better value for money.
Information Communication Technology (ICT)	ICT is an umbrella term that includes any communication device or application, encompassing computer and network hardware and software, cellular phones, satellite systems, radio, television and the various services and applications associated with them.
Median	The middle number in a sorted list of numbers.
Merchant Acquirer	The term given to a company contracted to collect credit/debit card income on behalf of an organisation.
Motoring Services Directorate (MSD)	MSD forms part of DfT. The Directorate brings together DfT's agencies in order to manage performance as well as co-ordinating the collective direction and strategy of the Department. The Managing Director of Motoring Services is supported in terms of advice and management by the Motoring Services Board which is made up of five Agency Chief Executives and sponsor representatives.
MP correspondence/ direct	Letters written direct to the DVLA (usually to the CEO) by Members of Parliament or members of the devolved administrations.
Official correspondence	Letters written to Ministers, usually by MPs on behalf of their constituents.
Private Finance Initiative (PFI)	The private initiative is a way of creating public, private partnerships by funding public infrastructure projects with private capital.
RESeau PERmis de conduire (RESPER)	RESPER is the European Commission's proposed electronic system for exchanging driver data between member states, implementing commonly defined solutions through the 3rd Drivers Directive for example, moving towards mutual recognition of driving sanctions and the introduction of interoperable smartcard driving licences.
Risk Management	Controls designed to detect error, fraud, irregularity or inefficiency.
Senior Information Risk Owner (SIRO)	The SIRO has overall responsibility for data security ensuring that DVLA complies with legislative release provisions, the Data Protection Act and Cabinet Office guidelines.

Senior Responsible Owner (SRO)	The SRO has overall responsibility for the programme from a business perspective ensuring it meets its objectives and realises the agreed benefits by providing the necessary support and advice during key decision-making and aiding risk/issue resolution.
Service Level Agreement (SLA)	Agreement between parties, setting out in detail the level of service to be performed. Where agreements are between central government bodies, they are not legally a contract but have a similar function.
Statutory Off Road Notification (SORN)	The SORN scheme came into effect on 1 February 1998. From that date the keeper of a vehicle has to either license the vehicle or declare it as being off the road.
Supply	Supply is the means by which parliamentary authority is secured for most government expenditure. This authority is required for all expenditure financed from the Consolidated Fund. Supply is granted on an annual basis, voted in Estimates and in the Appropriation Acts. This Act authorises departments to draw down sums of money from the Consolidated Fund for the service of a specified year.
Vehicle Excise Duty (VED)	VED also commonly known as vehicle tax. This is a vehicle road use tax levied as an excise duty which must be paid for most types of vehicle which are to be used (or parked) on the public roads in the UK.