



HM Treasury

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Dear Accounting Officer

ACCOUNTING OFFICER OVERSIGHT OF GRANT EXPENDITURE

This letter confirms the responsibility of Departmental Accounting Officers to give due consideration to all grant commitments to external organisations such as charities.

Action

A department asked by another part of government to pay a grant to an external organisation, such as a charity, from its own resources should ensure that its own Accounting Officer gives due consideration to the proposal before funding is committed.

Context

The Public Accounts Committee recently reported on its inquiry into the Government's funding of the charity *Kids' Company*.¹ In this case, a central department had asked a number of other departments to provide grant funding to the charity.

The committee recommended that *"the government should not provide or appear to provide funding commitments without referring the funding request to the appropriate funding department so that the requirements of HM Treasury's manual Managing Public Money are met"*.

The government has accepted the recommendation, and agreed not to provide funding commitments without referring the funding request to the appropriate funding department, as required by *Managing Public Money*.

Where resources are also transferred to another department to make such a payment, both Accounting Officers should satisfy themselves with the proposal before agreeing to commit resources.

¹ *The Government's funding of Kids Company* (HC 504), House of Commons Committee of Public Accounts, Nov 2015

Contact

If you want to discuss this letter, please contact James Fraser on 020 7270 4847.

A handwritten signature in black ink that reads "RDBrown". The signature is written in a cursive style with a horizontal line underneath the name.

Richard Brown
Treasury Officer of Accounts