

Treasury publication 'Managing Public Money'.

JSP 462 is intended as a practical source of reference on the Department's financial management policies and processes in line with the Treasury's publication 'Managing Public Money'. It is designed to be used by all staff responsible for managing

Department's financial resources are used in a way that meets Treasury's expectations,

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Government's Financial Management

The Government's Expenditure Plans (GEP)

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mergency spending is subject to Parliament's authority.

epartment's discretion by compensating savings on other

Treasury in a publication called 'Central Government Supply Estimates' covering all epartments' Estimates. It is this document that facilitates Parliament's formal authorisation of the sums for the forthcoming

This Department has two Estimates (two 'Votes')

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The Act's function is to:

ed in the preceding year's Supplementary

ear, pending Parliament's consideration of

Treasury's

certain elements of Departments' programmes are demand

'Virement' refers to the transfer of

transfers are termed 'Budgetary Transfers' (see below). [Top](#)

IYM forecast and subsequent years' Final ABC Plan.

costs must be included in the forecast, and any subsequent years' figures must be included

with OGDs 'at risk' or from other internal resources, as Defence Resources cannot replace

The Government's Reserve (as distinct from the Contingencies Fund) is the element

MOD 'claim on the reserve' would be to

a statement of the Department's

Department's ability to carry forward the current year's

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MOD's Budget Exchange is limited to 0.75% for RDEL and 1.5% for CDEL. The Treasury

'Votes A'

For further information on Parliamentary Supply and the Government's Financial

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Money' studies and

the production of 'Value for

balanced analysis of the Department's performance and is dealt with in a timely manner.

supports the work of the PAC, principally by preparing 'Value for Money'

The Department's relationship with the NAO is a strategic one

balanced analysis of the Department'

the Government's expenditure

taxpayer's money.

The Department's relationship with the PAC is a strategic one

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and the NAO may be found in the Treasury publication 'Guide to the Scrutiny of Public Expenditure'. (—

For further information on the Department's relationship with the NAO see —

t Office Guidance 'Giving Evidence to Select Committees (Guidance for Civil Servants)' often referred to as the 'Osmotherly Rules'. For further information, see —

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Department's allocated resources resides.

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s outside of an individual's functional management authority (

or withdraw the delegations set out in PUS' Letter of Delegation at any time and may a

and it is for PUS, as the Department's Accounting Officer, to justify the use of those
the Department's spending activities

Government's Financial Framework. A copy of PUS' Letter of Delegation from the

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levels, both as the Accounting Officers/DG Finance's representative within the TLB and

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Secretary (PUS) as MOD's Principal Accounting Officer (PAO) and those officials, led by the Department's re

NHS body, Non Departmental Public Body (NDPB) or Arm's Length Body (ALB)
y's corporate governance Code of Good Practice. _____

In accordance with the Government's Resources and Accounts Act 2000, PUS holds a separate Treasury appointment as the Department's PAO for Defence. If

_____ Parliamentary Supply and the Government's Financial
Treasury's Managing Public Money, Chapter 3. _____

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The role of a Department's senior financial advisor is detailed in

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though this would not directly contribute to the achievement of MOD's own objectives,

expenditure pressures arising on another Department's programme, or have an impact

Parliament's attention must be drawn to Losses or Special Payments, by

within MOD's delegated authority. PUS is responsible for ensuring that adequate

Parliamentary Supply and the Government's Financial Management Framework.

but relating to PUS's wider responsibilities for economy, efficiency and effectiveness, in whatever way he/she deems appropriate. If PUS's advice is overruled and the proposal

This Chapter provides an overview of the Department's Annual Budget Cycle setting it within the context of the Department's delegated financial model, and touches



to, the Corporate Centre's ABC Instructions, including Supplementary Guidance Notes.

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consolidated by Def Res, who present the Department's financial position to Director



MOD's Principal Accounting Officer, whose responsibilities remain undiminished in an

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sharing usually involves a cash contribution to the UK's costs by nations

sharing as part of MOD's examination of the operation's financial implications. A decision to seek burden

into contractual commitments (including local purchase) on MOD's behalf, and

customers' orders to meet MOD requirements. Any such diversions need to be

deploying personnel or equipment free of charge to make up shortfalls in the UK's

and the company before any stores or equipment are released. MOD's overhead charges

are MOD's responsibility, whether inside or outside the UK and the financial aspects of the Convention's requirements are reflected in the Manual of Army Pay Duties.

Sponsorship is the payment of a sum of money, or the giving of a 'benefit in kind', services ('benefits in kind') can support or enhance the activity. Sponsorship differs from —

the use of publicly funded resources and is mindful of the Department's commercial —

'Brand' and the public's perception of the MOD, in the same way. Where TLBs intend to

Sponsor's name with an activity

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financial advantage to MOD, the need to safeguard the Services' and the MOD's



support must always be seen as secondary to MOD's aims;

ponsors must not use the MOD's activity as a direct sales channel for their



advertising campaign for the Sponsor's products;

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r's products or

doubt over MOD's choice of suppliers and must be avoided. Individuals must not

MOD's policy in respect of suppliers is that as an impartial central government

s' press releases), even to indicate companies are

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and logos of 'core' events and activities are als

Use of Sponsors' Logos

The use of a Sponsor's logo plays a strong role in Sponsor recognition. Careful acceptable use of Sponsors' Logos is at _____

direct benefit to MOD's core business,

_____, the relevant section 'Acceptance of
Crown Servants' and its enclosed link _____

This chapter sets out MOD's policy on advance, interim and deferred payments.

Payments are therefore classed as 'novel and/or contentious' and normally require

he contractor's reduced n

allowed, adequate contractual safeguards to protect MOD's exposure should be drawn

For further guidance on MOD's purchasing and payment processes

The Government's Better Payments Practice Code

Exchequer's

that flow through MOD's accounting systems must be coded

are processed through a 'Cash Feeder'.

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All cash transactions that flow through MOD's accounting systems must be coded



contract payments, 'coding at source' is the application of codin

he supplier's copy. This copy is to be retained;

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to MOD's business should be obtained as early as possible.

MOD's invoicing process is through the Defence Business Services

access to Oracle and Cognos on a 'self serve' basis as and when required

The term 'ing' is typically used within the Department broadly to describe any

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the scope of the Department's core objectives), it is

I of all MOD's surplus assets

an asset in furtherance of the Department's heritage and

meeting the Department's heritage and preservation aims it is not usual to approve

that isn't surplus can be used to source a

produce. The business case must be staffed through the sponsor's TLB

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An 'Application to Defence Assets'

The Sponsor's Role

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s requiring Parliamentary approval, MOD's Parliamentary Branch should

this chapter and their own TLB's instructions.

ing Focal Point, in accordance with the TLB's instructions, to meet the

intended recipient's national culture.

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the importance of the recipient's
deployment's aim, rather than their rank

have the entitled officer's written authority to present a

reminder of the recipient's encounter with MOD, the British Armed Forces and the UK.

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to contribute to the delivery of a TLB's core business. Minor cash awards, provided that

(SSE), which is MOD's last opportunity to seek fresh Parliamentary authority for revised

_____ Parliamentary Supply and the Government's Financ

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MOD's external and internal auditors will expect to see that Grants and Grants

Forces' and Cadets' Associations.

Estimates (SSE), which is MOD's last opportunity to seek fresh Parliamentary

TLBs' Responsibilities for GIA

For further information on TLBs' responsibilities in respect of GIA [_____](#)

the recipient's responsibilities, must be clearly understood. The

Parliament's agreement to surrender



of capital projects will impact on MOD's ability to continue to support all the

Public expenditure must comply with the principles of 'Regularity and Propriety':

Government's Financial Management Framework;

should be dealt with in accordance with Parliament's intentions and the principles (PAC)). Tests of 'propriety' are most

Any expenditure which falls outside a Department's delegated authority and w

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accordingly an issue covered by DG Finance's annual assurance report as Defence

Parliament's concern for regularity and propriety in the management of public

Any expenditure which falls outside a Department's delegated authority and which

failure to do so could cause disproportionate damage to MOD's interests in relation to the

be managed through the department's core financial systems or processes. Instead

ed that the term 'secondary duty' to describe such ancillary

contributes to the Department's objectives. It can also engage in normal commercial

he Department's impartiality in the awar

The Bribery Act applies to all of MOD's activities (in UK, overseas and on

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n amended MOD Form 1199 should be resubmitted for the budget manager's

's delegated authority.

Queen's Official Birthday follow

sitting (unless a spouse's/civil partner's presence at functions is

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the hosting arrangements and MOD's share of the costs remain subject to these and the reasons for the function. At such functions, the commercial partner's representatives should not be counted within MOD's host

exclusively and necessarily in the interest of their Service spouse's duties, even limited, e.g. a Unit Commander's Conference where separate briefings for r's attendance, subject to the limits laid down

vary certain aspects of this JSP's rules:

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taxpayer's expense.

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could be viewed as using taxpayer's money for purely

chapter covers the principles governing MOD's financial relationship with TSOs when

generally referred to as 'purchasing'. Grants or Grants
to supporting TSOs engaged in activities aligned with the Government's wider objectives
referred to as 'funding'.

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MOD's external and internal auditors will expect to see evidence that MOD, as

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outside the 'business as usual' environment when in

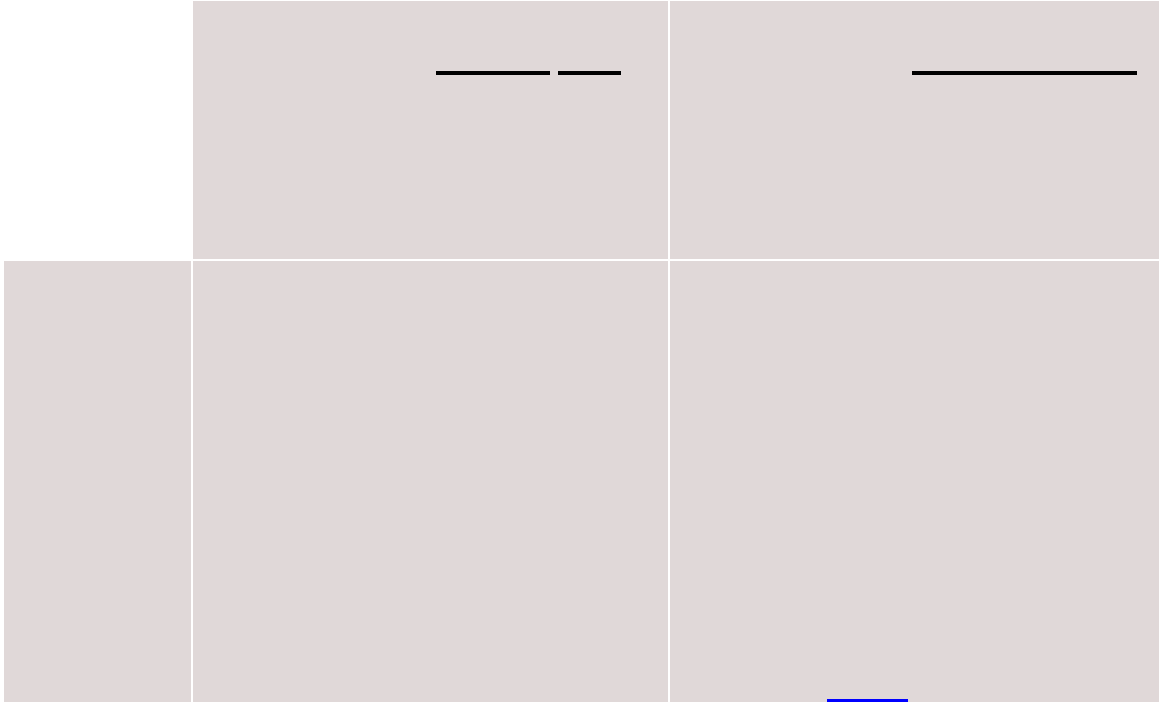
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across Government in reflection of the Government's determination to reduce reliance on

the Cabinet Office's controls [_____](#)

This chapter explains the Department's policy and procedures relating to the

[_____](#)



This chapter sets out the Department's policy for charging external and internal

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these tasks and must not do them unless the Department's

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have a negative impact on the Department's reputation.

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efence core outputs, abatement would be considered as a ‘

‘Encroachment’ is restricted to describe the contractor’s staff) and their direct dependant

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for their staff. In addition, it is each department’s or agency’s responsibility to determine

money. The ‘Statement of Civilian Personnel Policy – Childcare’ (available from DBS) contains MOD childcare policy and details about MOD’s childcare support sch

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MOD's relationship to the Prime Contractor is one of both customer and

Prime Contractor's own costs, plus el
of the Prime Contractor's total costs



uncoordinated actions are not in the Department's overall interest and add cost to the

unit's activity, perhaps requiring a large attendant asset and resource base, or if the unit marginal costs alone may not provide a sufficient contribution towards the supplier unit's the unit's financial planning round, the M

MOD to offer the training to the contractor as 'Government Funded Training', which would

This chapter sets out the Department's policy on Income Generation, which in this



s and SMEs. There should always be a 'project sponsor' to draw the team





“Charges for services provided by public sector organisations normally pass on the full cost of providing them ... Public controls over how, when and at what level charges may be levied.”

this should always be pursued without impacting on the delivery of MOD's main objectives

outputs are primarily to meet the Department's communications priorities, and the

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in a binding and legally enforceable 'Contract for Sale'. Such contracts may only be

'occasional use' of land and buildings where this is not novel or contentious and does not

D's potential liabilities (

It is important to emphasise the difference between 'cost' and 'price'. Cost relates

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'profit', i.e. a real rate of return in line with the rates achieved by

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lop the public's understanding of their role.

fulfil the Services' responsibilities to wider civilian society

engaging in, or extending, commercial activity. If a public sector supplier's commercial