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Dear Accounting Officer

## New Guidance on Accounting Officer Assessments

### Contact

Please address enquiries to [TOAEnquiries@hmtreasury.gov.uk](mailto:TOAEnquiries@hmtreasury.gov.uk).

### Action

Accounting Officers and those who support them in the production of Accounting Officer Assessments should familiarise themselves with the new guidance published today. They should ensure they fulfil the requirements to produce Assessments and publish summaries for projects in the GMPP, as well as give effect to the new requirement to ensure all draft Assessments are cleared by the organisation's senior officer for finance before final sign off by the Accounting Officer.

### Context

In February 2017, following a recommendation from the Committee of Public Accounts (PAC), the government mandated that from April 2017, Accounting Officer Assessments should be prepared for projects within the Government's Major Projects Portfolio (GMPP).

Such assessments should be produced initially in principle at an early point, then again as appropriate in more detail at suitable strategic points as the policy or proposal is developed. In practice, that means:

- alongside the request for the Accounting Officer's approval of the Outline Business Case (or at the point when it enters the GMPP if this is later)
- at subsequent stages of the project if it departs from the four standards or the agreed plan – including any contingency – in terms of costs, benefits, timescales, or level of risk, which informed the Accounting Officer's previous approval

- if the Senior Responsible Owner (SRO) of the project decides one is merited at any other stage of the project - SROs should be prepared to defend their decisions to Parliament if challenged, for example, if called to give evidence to the PAC

In addition, it is good practice to prepare an Accounting Officer assessment for each novel and contentious transaction or proposal involving the use of public funds. This may be particularly useful where it is not possible to produce as fully developed business case, for example due to lack of time and/or data, or the risk environment is higher than usual.

I remind you that whenever an Accounting Officer assessment is produced for a GMPP project, a summary of the key points should also be prepared and published. Accounting Officers have some discretion over the timing of publication where a delay will enable them to publish a fuller assessment, as detailed in the guidance.

Whenever a summary is published, as well as being published on gov.uk, it should be sent directly to the Chair of the Committee ([pubaccom@parliament.uk](mailto:pubaccom@parliament.uk)).

These requirements were initially set out in DAO02/17. They will be incorporated into the next version of Managing Public Money, which I expect to publish early in 2022.

### **Updated guidance**

Today, following consultation with Principal Accounting Officers and departmental finance directors, I am publishing updated guidance on the production and publication of such assessments.

As part of this update, we are introducing a new requirement that all draft Accounting Officer assessments must be signed off by the organisation's senior officer for finance (usually Finance Director, Chief Financial Officer or Director General for Finance) or alternate senior member of the finance function within the department before being submitted to the Accounting Officer for final sign off.

Beyond that, the requirements set out in 2017 continue to apply as before. Of course, the number of projects within the GMPP has expanded since then, and so these requirements now apply to a larger number of projects than before.

The new guidance also provides more clarity and detail in a number of areas, including the following:

- clarifying the requirements around when an AOA must be produced, and when a summary must be published
- drawing material directly from the business case, and how the AO tests map onto the five-case model
- explicit references to the need to consider fraud risks
- additional material on working with other public sector organisations to deliver projects and services
- more detailed material on how to balance the public interest tests in determining how much information to include as part of a published summary of an Accounting Officer Assessment

I hope you find this new guidance useful. It continues to be unrealistic to set firm rules for every aspect of the business with which an Accounting Officer may deal, and sometimes the Accounting Officer may need to take a principled decision on the facts in circumstances with no precedents. As always, the Treasury stands ready to help Accounting Officers think such issues through.



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