



HM Treasury

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DAO 01/22

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Dear Accounting Officer

UPDATES TO MANAGING PUBLIC MONEY

Contact

Please address enquiries on the MPM update to TOAENQUIRIES@HMTREASURY.GOV.UK

Action

Each accounting officer should ensure that their staff are aware of the revised version of Managing Public Money (MPM), which applies to arm's length bodies (ALBs) as well as to their sponsor departments.

Context

This update to Managing Public Money is comprised of three main amendments. Most significantly, Chapter 3 on the role and responsibilities of accounting officer has been reworked and expanded, and includes:

- additional detail on the requirements in the appointment of accounting officers (including incorporating requirements previously set out in DAO01/19 and DAO03/19)
- a new section on accounting officer assessments – incorporating requirements set out in DAO02/17 and DAO06/21, and consistent with the updated accounting officer assessment guidance published in December 2021
- a new section to set out accounting officer arrangements when more than one organisation is involved in the development of a proposal and its delivery
- updates to the direction process
- an expanded section on the Public Accounts Committee to include requirements in respect of Treasury Minutes and Treasury Minutes Progress Reports (including incorporating requirements previously set out in DAO02/20 and DAO07/21).

The other main changes are:

- Annex 4.9 on fraud has been updated, and an upfront assessment of fraud risk and impact for major new areas of spend is now mandatory;
- Chapter 5 and Annex 5.4 on contingent liabilities have been refreshed to clarify notification obligations and procedures.

These are accompanied by some smaller amendments, which are summarised in the annex.

A handwritten signature in black ink, appearing to read 'D. O. Fe.' with a stylized flourish at the end.

David Fairbrother
Treasury Officer of Accounts

ANNEX

OVERVIEW OF CHANGES

Chapter 3 – Accounting Officers

Reworked and expanded to incorporate various requirements that have been previously set out in various Dear Accounting Officer (DAO) letters, as well as other clarifications.

Chapter 5 – Contingent Liabilities

New text to flag need to always draw CLs directly to the attention of the PAC & Select Committee (as per Annex 5.4.28).

Annex 4.9 – Fraud

Text added to express new requirement for fraud risk assessment for major new areas of spend.

Annex 4.12 – Gifts

New text to provide guidance on factors for accounting officers to consider when offered gifts of services.

Annex 4.15 – Knowledge Assets

New text to incorporate DAO 03/21.

Annex 5.4 – Contingent liabilities

New explanatory text to incorporate previous DAO letters and make requirements easier to follow. New text clarifying procedure when notification occurs within 14 days of recess, and new text on opportunity for Parliament to raise objections if 14 sitting days not possible.

Glossary – Consolidated Fund

Brings definition into line with HMG standard.