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15 March 2022

DAO 02/22

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Framework Document Templates

Dear Accounting Officer

Contact

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Action

Accounting Officers and those who support them should use the appropriate framework document templates and follow the associated guidance when updating existing framework documents or agreeing new framework documents.

Context

Managing Public Money states that departments should set out in a framework document processes to monitor and understand their arms-length bodies' strategy, performance and delivery. This ensures clear lines of accountability and governance in respect of arm's length bodies management of public money. Framework documents are a core constitutional document of the arm's length body and it is imperative that accounting officers, board members and senior officials are familiar with them, ensure they are kept up to date and use them as a guide to govern the collaborative relationship between the arm's length body, the sponsor department, and the rest of government. Copies of framework documents should be published online and placed in the libraries of both Houses of Parliament.

Updated guidance and templates

Today I have published template framework documents for the following most common types of arm's length body:

- Non-departmental public bodies (updated from May 2021 version)
- Central government companies (updated from May 2021 version)
- Executive agencies (new)
- Public corporations (new)
- Non-ministerial departments (new)

Alongside this I have published framework documents guidance and a template "comply or explain" table. All of these documents can be found on gov.uk at: <https://www.gov.uk/government/publications/managing-public-money-framework-documents>

As set out in Managing Public Money Annex 7.2, when updating or agreeing new framework documents, the template framework document relevant to the arm's length body's classification should be complied with. Departures from the template framework should be clearly signposted, explained and justified when seeking clearance from the Principal Accounting Officer and the Treasury. A "comply or explain" table should be completed and submitted alongside the draft framework when clearance is sought. Draft framework documents should be agreed first with the sponsor or shareholder department, before seeking clearance from the Principal Accounting Officer of the sponsor or shareholder department. Finally, they should be cleared with both the appropriate HM Treasury spending team and the Treasury Officer of Accounts team.

It is important that the framework documents reflect their particular circumstances and working arrangements. It may be appropriate for departments to consider using a different template to that prescribed by classification if the individual circumstances of the body mean that another of the templates would be more appropriate, from an operational or policy perspective. The Treasury will consider such proposals as necessary. In all cases, the framework document must be consistent with spending delegations, obligations, duties and expectations.

Departments should seek advice from UK Government Investments (UKGI), the government's centre of excellence in corporate finance and corporate governance, when agreeing framework documents for central government companies, public corporations or arm's length bodies whose function is commercially complex.

I hope you find the new templates and guidance useful, which will be amended as needed in the future. It is unrealistic for these to be applicable in every circumstance Accounting Officers may encounter. As always, the Treasury stands ready to help Accounting Officers think through more challenging cases.



David Fairbrother
Treasury Officer of Accounts

