



HM Treasury

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15 December 2022

DAO 06/22

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Accounts Directions 2022-23

Dear Accounting Officer

This letter gives most departments and pension schemes, agencies and trading funds the Treasury's statutory directions for the format and content of their resource accounts (as part of annual report and accounts), other accounts and trust statements for 2022-23. The accounts directions are annexed and the organisations to which they apply are listed in appendices.

This DAO letter is effective immediately and supersedes DAO 08/21. Any reference to "the FReM" within this letter relates to the Government Financial Reporting Manual 2022-23.

Contact

Please address enquiries to resource.accounts@hmtreasury.gov.uk

Action

This DAO letter applies to those government departments and pension schemes, agencies and trading funds listed in the appendices to the relevant account's directions. There are separate arrangements for remaining government departments and some agencies and trading funds, as described in the notes to the respective account's directions.

Departments should aim to lay resource accounts and the accounts of agencies and trading funds by the administrative deadline of 30 June 2023 where possible, and no later than the parliamentary summer recess.

In any event, the accounts of agencies and trading funds should be laid no later than the statutory deadline of 31 January 2024. Departments are reminded that the statutory deadline for submitting resource and other accounts to the Comptroller and Auditor General is 30 November 2023. The timetable for preparing resource accounts and for providing information to the Treasury for the preparation of Whole of Government Accounts is set out in the concurrent Finance Directors letter of December 2022 (MS FD (2022) 03).

David Fairbrother
Treasury Office of Accounts

ANNEX A

ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 5(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

1. This direction applies to those government departments and pension schemes listed in the attached appendix.
2. These departments and pension schemes shall prepare resource accounts for the year ended 31 March 2023 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") 2022-23.
3. If the Treasury has made an order for the year under section 4A(3) and (4) of the Government Resources and Accounts Act 2000, a department must detail the same information for each body designated in the Order under its name. This means that the department must also detail in its accounts the resources acquired, held or disposed of during the year by each of its designated bodies, and each such body's use of resources during the year.
4. The Treasury made the following designation order for financial year 2022-23: The Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2022 (S.I 2022/247). The list of bodies designated in the Schedule to that Order are amended by the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2022 SI (2022/1319). The amendments will designate additional bodies, change the names of some designated bodies and remove some bodies from designation.
5. The accounts of Government departments, with the details outlined above (for itself and its designated bodies) shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2023 and of the net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year then ended;
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
6. The accounts for pension schemes shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2023 and of the net resource outturn, changes in taxpayers' equity and cash flows for the financial year then ended;
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them; and
 - (c) demonstrate that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.
7. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.

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Michael Sunderland

Deputy Director, Government Financial Reporting

His Majesty's Treasury

15 December 2022

Appendix to Annex A

APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following government departments and pension schemes:

No	Name
	<i>Government Departments</i>
1	Cabinet Office
2	Charity Commission
3	Competition and Markets Authority
4	Crown Estate Office
5	Crown Prosecution Service
6	Department for Business, Energy and Industrial Strategy
7	Department for Levelling Up, Housing & Communities
8	Department for Digital, Culture, Media and Sport
9	Department for Education
10	Department for Environment, Food and Rural Affairs
11	Department for International Trade
12	Department for Transport
13	Department for Work and Pensions
14	Department of Health and Social Care
15	UK Export Finance
16	Food Standards Agency (Westminster Funded)
17	Foreign, Commonwealth and Development Office
18	Government Actuary's Department
19	HM Land Registry
20	HM Procurator General and Treasury Solicitor
21	HM Revenue and Customs
22	Home Office
23	Ministry of Defence

24	Ministry of Justice
25	National Crime Agency
26	National Savings and Investments
27	Northern Ireland Office
28	Office of Gas and Electricity Markets
29	Office of Qualifications and Examinations Regulation
30	Office of Rail and Road
31	Office for Standards in Education, Children's Services and Skills
32	Office of the Advocate General for Scotland
33	Serious Fraud Office
34	Scotland Office
35	UK Statistics Authority
36	The National Archives
37	United Kingdom Supreme Court
38	Wales Office
39	Water Services Regulation Authority
	<i>Pension Schemes</i>
40	Armed Forces Pension Scheme (incorporating the Armed Forces Compensation Scheme)
41	Cabinet Office: Civil Superannuation
42	Foreign, Commonwealth and Development Office: Overseas Superannuation
43	United Kingdom Atomic Energy Authority Pension Schemes
44	Ministry of Justice: Judicial Pensions Scheme
45	National Health Service Pension Scheme
46	Teachers' Pension Scheme (England and Wales)
47	Royal Mail Statutory Pension Scheme

Notes

1. A separate accounts direction is issued under section 5(2) of the Government Resources and Accounts Act 2000 to the Security and Intelligence Agencies.

2. The Food Standards Agency was required to prepare consolidated accounts for 2007-08 by virtue of an accounts direction issued by HM Treasury on 14 November 2007 under paragraph 4(2) of Schedule 4 of the Food Standards Act 1999. That direction applies to 2007-08 and subsequent financial years.

3. Although Estimates have been approved for the following bodies, their status precludes HM Treasury from issuing an accounts direction under section 5(2) of the Government Resources and Accounts Act 2000:

- Office of the Parliamentary Commissioner and the Health Service Commissioner for England
- House of Lords
- House of Commons: Members
- House of Commons: Administration
- National Audit Office
- Independent Parliamentary Standards Authority
- Local Government Boundary Commission for England
- Parliamentary Works Sponsor Body
- Electoral Commission (although an accounts direction for 2005-06 and subsequent financial years was issued by H M Treasury on 27 February 2006 under paragraph 17(2) of Schedule 1 to the Political Parties, Elections and Referendums Act 2000).

ANNEX B

ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 7(1), (2) AND (5) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

1. This direction applies to a government department listed in the attached appendix in respect of the executive agencies which are also listed in that appendix next to the department.
2. In respect of each executive agency, the government department shall prepare accounts for the year ended 31 March 2023 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual ("the FReM") 2022-23.
3. The accounts shall be prepared in respect of the executive agency so as to:
 - (a) give a true and fair view of the state of affairs as at 31 March 2023 and of the income and expenditure (or, as appropriate, net resource outturn), changes in taxpayers' equity and cash flows of the agency for the financial year then ended; and
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
5. In relation to accounts prepared by a government department under this direction, section 7 of the Government Resources and Accounts Act 2000 ("the Act") shall have effect as if references to the department were substituted for the references to the Treasury in subsection (3)(b) and (c). Accordingly:
 - (a) the Comptroller and Auditor General shall send the certified accounts and the report to the department under section 7(3)(b) of the Act, and
 - (b) the department shall lay the certified accounts and the report before the House of Commons under section 7(3)(c) of the Act.



Michael Sunderland

Deputy Director, Government Financial Reporting

His Majesty's Treasury

15 December 2022

Appendix to Annex B

APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following executive agencies:

No	Executive Agency	Government Department
1	Government Legal Department	HM Procurator General and Treasury Solicitor
2	Insolvency Service	BEIS
3	UK Space Agency	BEIS
4	Companies House	BEIS
5	Government Property Agency	CO
6	Building Digital UK	DCMS
7	Planning Inspectorate	DLUHC
8	Animal and Plant Health Agency	DEFRA
9	Centre for the Environment, Fisheries and Aquaculture Science	DEFRA
10	Rural Payments Agency	DEFRA
11	Veterinary Medicines Directorate	DEFRA
12	Standards and Testing Agency	DFE
13	Education and Skills Funding Agency	DFE
14	Teaching Regulation Agency	DFE
15	UK Health Security Agency	DH
16	Medicines and Healthcare Products Regulatory Agency	DHSC
17	Active Travel England	DfT
18	Driver and Vehicle Licensing Agency	DfT
19	Driver and Vehicle Standards Agency	DfT
20	Maritime and Coastguard Agency	DfT
21	Vehicle Certification Agency	DfT
22	Wilton Park	FCDO
23	Forest Research	Forestry Commission

24	Forestry Commission	DEFRA
25	Valuation Office Agency	HMRC
26	UK Debt Management Office	HMT
27	Government Internal Audit Agency	HMT
28	The National Infrastructure Commission	HMT
29	HM Courts and Tribunals Service	MOJ
30	HM Prison Service	MOJ
31	Office of the Public Guardian	MOJ
32	Legal Aid Agency	MOJ
33	Criminal Injuries Compensation Authority	MOJ
34	Defence Electronic and Components Agency	MOD
35	Defence Science and Technology Laboratory	MOD
36	Defence, Equipment and Support	MOD
37	Submarine Delivery Agency	MOD

ANNEX C

ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 4(6)(a) OF THE GOVERNMENT TRADING FUNDS ACT 1973

1. This direction applies to the trading funds listed in the attached appendix.
2. These trading funds shall prepare accounts for the year ended 31 March 2023 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") 2022-23.
3. The accounts shall be prepared so as:
 - (a) to give a true and fair view of the state of affairs as at 31 March 2023 and of the income and expenditure, changes in taxpayers' equity, and cash flows of the trading fund for the year then ended; and
 - (b) to provide disclosure of any material income or expenditure that has not been applied to the purposes intended by Parliament, or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.



Michael Sunderland

Deputy Director, Government Financial Reporting

His Majesty's Treasury

15 December 2022

Appendix to Annex C

APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following trading funds:

No	Name
1	FCDO Services
2	Met Office
3	Crown Commercial Service
4	UK Intellectual Property Office
5	Royal Mint
6	UK Hydrographic Office
7	Queen Elizabeth II Conference Centre

ANNEX D

ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH SECTION 2 OF THE EXCHEQUER AND AUDIT DEPARTMENTS ACT 1921

1. This direction applies to those government departments listed in appendix 2.
2. The Department shall prepare a Trust Statement (“the Statement”) for the financial year ended 31 March 2023 for the revenue and other income, as directed by the Treasury, collected by the department as an agent for others, in compliance with the accounting principles and disclosure requirements of the edition of Government Financial Reporting Manual (“FReM”) 2022-23.
3. The Statement shall be prepared, as prescribed in Appendix 1, so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the Department as agent and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.
4. The Statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
5. When preparing the Statement, the Department shall comply with the guidance given in the FReM (Chapter 11). The Department shall also agree with HM Treasury the format of the Principal Accounting Officer’s Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.
6. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
7. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the audited accounts before Parliament.
8. The Trust Statement, together with this direction (but with the exception of the related appendices) and the Report produced by the Comptroller and Auditor General under section 2 of the Exchequer and Audit Departments Act 1921 shall be laid before Parliament at the same time as the Department’s Resource Accounts for the year unless the Treasury have agreed that the Trust Statement may be laid at a later date.

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Michael Sunderland

Deputy Director, Government Financial Reporting

His Majesty's Treasury

15 December 2022

Appendix 1 to Annex D

Trust Statement for the year ended 31 March 2023

1. The Trust Statement shall include:
 - a Foreword by the Principal Accounting Officer;
 - a Statement of the Principal Accounting Officer's Responsibilities;
 - a Governance Statement;
 - a Statement of Revenue, Other Income and Expenditure;
 - a Statement of Financial Position;
 - a Cash Flow Statement; and
 - such notes as may be necessary to present a true and fair view.

2. The Notes shall include among other items:
 - the accounting policies, including the policy for revenue recognition and estimation techniques and forecasting techniques together with statements explaining any significant uncertainty surrounding estimates and forecasts;
 - a breakdown of material items within the accounts;
 - any assets, including intangible assets and contingent liabilities;
 - summaries of losses, write-offs and remissions;
 - post balance sheet events; and
 - any other notes agreed with HM Treasury and the National Audit Office.

Appendix 2 to Annex D

No	Sponsoring Department	Income stream	Responsible Entity
1	Department for Business, Energy and Industrial Strategy	UK Emissions Allowance	BEIS
		EU Emissions Allowance	BEIS
		Fines and Penalties	BEIS
		CRC Allowances	BEIS
		Climate Change Agreements	BEIS
		Energy Saving Opportunity Schemes	BEIS
		Petroleum Licences	OGA
2	Competition and Markets Authority	Competition Act penalties	CMA
		Merger fees	CMA
3	Water Services Regulatory Authority	Fines and penalties	OFWAT
4	HM Treasury	Fines and penalties	HMT
5	Home Office	Immigration Skills Charge (ISC)	HO
		The Consular element of Passport Fees	HO
		Civil Penalties collected in respect of five "Profile Classes", namely: Illegal Workers, Hauliers, Carriers, Landlords, and Biometric Residence Permits.	HO
6	HM Revenue and Customs	Tax and National Insurance revenues	HMRC
		Fines and penalties	HMRC
		Student loan recoveries	HMRC
		Customs duties	HMRC
		Apprenticeship Levy, Climate Change Levy, Aggregates Levy, Soft Drinks Levy and Energy Profits Levy.	HMRC
7	Serious Fraud Office	Deferred Prosecution Agreements	SFO
8	HM Land Registry	Land Registration Fees	HMLR
		Land Charges and Agricultural Credits	HMLR
		Local Land Charges and other fees (including commercial income)	HMLR

ANNEX E

ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH SECTION 7(1), (2) AND (5) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000.

1. This direction applies to a government department listed in Appendix 2 in respect of the executive agency which is also listed in that appendix next to the department.
2. In this direction, any reference to money received or collected by an executive agency (however expressed) is a reference to money received or collected by that executive agency in its capacity as an agent for others.
3. In respect of the executive agency the government department shall prepare a Trust Statement ("the Statement") for the financial year ended 31 March 2023 for the revenue and other income collected by the agency, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual by HM Treasury ("FReM") 2022-23.
4. The Statement shall be prepared, as prescribed in appendix 1, in respect of the executive agency so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the executive agency and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.
5. The Statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
6. When preparing the Statement, the government department shall comply with the guidance given in the FReM (Chapter 11). The department shall also agree with HM Treasury the format of the Principal Accounting Officer's Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.
7. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
8. In relation to accounts prepared by a government department under this direction, section 7 of the Government Resources and Accounts Act 2000 ("the Act") shall have effect as if references to the department were substituted for the references to the Treasury in subsection (3)(b) and (c). Accordingly-

(a) the Comptroller and Auditor General shall send the certified accounts and the report to the department under section 7(3)(b) of the Act, and

(b) the department shall lay the certified accounts and the report before the House of Commons under section 7(3)(c) of the Act.

A handwritten signature in black ink, appearing to read 'MSL', is positioned above the typed name.

Michael Sunderland
Deputy Director, Government Financial Reporting
His Majesty's Treasury
15 December 2022

Appendix 1 to Annex E

Trust Statement for the year ended 31 March 2023

1. The Trust Statement shall include:

- a Foreword by the Principal Accounting Officer;
- a Statement of the Principal Accounting Officer's Responsibilities;
- a Governance Statement;
- a Statement of Revenue, Other Income and Expenditure;
- a Statement of Financial Position;
- a Cash Flow Statement; and
- such notes as may be necessary to present a true and fair view.

2. The Notes shall include among other items:

- the accounting policies, including the policy for revenue recognition and estimation techniques and forecasting techniques together with statements explaining any significant uncertainty surrounding estimates and forecasts;
- a breakdown of material items within the accounts;
- any assets, including intangible assets and contingent liabilities;
- summaries of losses, write-offs and remissions;
- post balance sheet events; and
- any other notes agreed with HM Treasury and the National Audit Office.

Appendix 2 to Annex E

No	Government department	Income Stream	Executive agency
1	Ministry of Justice	Fines, penalties, costs awarded by the Courts, compensation ordered by the Courts and confiscation orders	HM Courts and Tribunals Service
2	Department for Transport	Vehicle Excise Duty (VED), VED enforcement i.e. fines and penalties and HGV Road user levy	Driver and Vehicles Licencing Agency
3	Department for Business, Energy and Industrial Strategy	Late filing penalties	Companies House