



Foreign, Commonwealth & Development Office

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Meg Hillier MP
Chair, Public Accounts Committee

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7 February 2023

Dear Meg,

ACCOUNTING OFFICER ASSESSMENT: FCDO Integration Portfolio

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in *Managing Public Money*. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament where they involve projects within the Government's Major Projects Portfolio (GMPP).

This Accounting Officer Assessment considers the GMPP-listed Integration Portfolio which supersedes the Transformation Portfolio originally accepted onto the GMPP.

Background

The Prime Minister announced the creation of the Foreign, Commonwealth and Development Office (FCDO) on 16 June 2020. The new department unites our world-leading development and diplomatic expertise, safeguarding British interests overseas and seizing the opportunities that lie ahead.

On 2 September 2020, the Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID) were merged to form the FCDO. A Transformation Portfolio was created to manage the full set of activities necessary to complete the FCO/DFID merger, build the new FCDO, deliver alignment of all HMG delivery at Post, and realise the intended culture change and benefits that flow from these activities.

Following a review in February 2022, it was clear that the Portfolio needed to focus on delivering the systems, policies and processes to enable the two legacy organisations to operate as a single entity and a revised portfolio structure renamed the 'Integration Portfolio' was accepted onto the GMPP in July 2022. The revised portfolio was reviewed by the Infrastructure and Projects Authority (IPA) in August

2022 and assessed the Portfolio as Green, meaning, *“successful delivery to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.”*

Regularity

The Integration Portfolio continues to comply with Parliamentary requirements for the control of expenditure and HMT regularity standards continue to be satisfied. The scope of the programme spend is covered within the FCDO’s ambit and the total value of the programme is within the FCDO’s delegated authority with funding made available through the FCDO’s Spending Review settlement.

Propriety

The Integration Portfolio has been set up and is compliant with Parliamentary controls or compliance activity is currently in progress. It has followed the appropriate governance procedures to ensure it is compliant and has been supported by formal IPA Gateway reviews. The Integration Portfolio work sits within the normal operating policies and procedures of the Department, including being subject to normal transparency rules and internal audit and with its own governance structure operating to IPA standards. While we continue to monitor the effectiveness of these procedures there are no areas of concern.

Value for money

The merger of the FCO and DFID was initiated at the direction of Ministers with delivery established as a portfolio of activities within the newly combined Departmental structure. In this delivery format, costs are tracked and submitted quarterly via GMPP returns, for the activities that are required to merge the two legacy departments to form the FCDO, and to enable it to operate effectively and efficiently as a single organisation. These activities are delivering cashable and non-cashable benefits through process improvements, policy alignment, system integration and enhancement to management information. Benefits will realise over a number of years and we will continue to monitor value for money. At present, there are no areas of concern.

Feasibility

The Integration Portfolio has been assessed as green for delivery confidence in an independent review by the IPA in August 2022. I am satisfied that the appropriate governance arrangements are in place to ensure delivery of the activities within it.

Conclusion

The successful delivery of the Integration Portfolio will lay the foundations for One FCDO: the future, continually improving FCDO that is optimally set up to deliver our purpose, mission and priorities.

As Accounting Officer, I have considered this assessment and approved it on 3 February 2023.

This summary will be published on the Government's website (www.gov.uk). Copies will be deposited in the library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

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