

For enquiries about distribution of this and other DAO letters please contact Treasury Officer of Accounts at TOAEnquiries@hmtreasury.gov.uk

10 May 2023

DAO 03/23

All live DAO letters may be found at:
<https://www.gov.uk/government/collections/dao-letters>

MANAGING PUBLIC MONEY

Dear Accounting Officer

Contact

Please address enquiries 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. In particular, accounting officers should note the new sections on joint working across government, management of foreign exchange risk, and communication with Parliament.

Context

This update to Managing Public Money¹ incorporates a number of clarifications and changes to both the core text and the wider annexes. These include the following.

- i) Updated guidance on Accounting Officer Assessments, in line with that set out in DAO 04/22.
- ii) Updated guidance on the management of foreign exchange exposure (section 5.12), and the use of hedging and forward contracts more widely. In line with the recently published new guidance on the Management of Foreign Exchange Exposure.
- iii) Updated guidance on approaches to working with others within the public sector, including models of joint working (chapter 7).
- iv) A new annex (1.1) bringing together and clarifying the requirements for reporting to Parliament, and setting out standardised processes for reporting.
- v) Minor clarifications to align with recent guidance and advice to departments on ALB delegations, ministerial directions, the use of insurance, subsidiaries of ALBs, submission of evidence to the PAC, fraud reporting, overpayments, special payments and disposals of assets at a loss.

¹ <https://www.gov.uk/government/publications/managing-public-money>

This update also incorporates wording changes throughout to align with the language used in functional standards by using “shall” for mandatory elements.

The updated version of Managing Public Money can be found at:

<https://www.gov.uk/government/publications/managing-public-money>

An updated version of Accounting officer assessments: guidance2 has also been published. This mirrors the changes made to section 3.4 of Managing Public Money. It also clarifies that published AO assessment summaries should clearly stipulate the reason for the AO assessment, and include the date when the assessment was performed.

<https://www.gov.uk/government/publications/accounting-officer-assessments>

Finally, please note that the Treasury will no longer be publishing the version of MPM without annexes.

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

David Fairbrother
Treasury Officer of Accounts