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## DAO (02/24)

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## Accounts Directions 2023-24

Dear Accounting Officer

This letter amends DAO (06/23) issued on 14 December 2023, which gave 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 2023-24. It provides guidance on the preparation of performance reporting, following the general election announcement on 22 May 2024.

This DAO letter is effective immediately. Any reference to "the FReM" within this letter relates to the Government Financial Reporting Manual 2023-24 (amended 12/06/2024).

### Contact

Please address enquiries to [resource.accounts@hmtreasury.gov.uk](mailto:resource.accounts@hmtreasury.gov.uk)

### Action

This DAO letter applies to the government departments and pension schemes listed in the appendix to the Annex to this letter. For those departments and pension schemes, it amends DAO (06/23) issued on 14 December 2023. The amendment is that the Annex to this DAO letter applies for 2023-24 instead of Annex A of DAO (06/23). In all other respects DAO (06/23) continues to apply for 2023-24.

### Context

Departments and pension schemes should continue to aim to lay annual reports and accounts by the parliamentary summer recess.

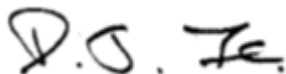
However, as a result of the dissolution of Parliament ahead of the 4 July General Election, the number of Parliamentary sitting days before summer recess is expected to be significantly reduced. Therefore to facilitate the timely laying of annual reports and accounts, HM Treasury has removed mandatory requirements for a ministerial forward and forward-looking information from the annual reports and accounts for 2023-24 for the departments and pension schemes listed in the appendix to the Annex to this letter.

If there are other performance reporting areas that risk resulting in a delay to entities planned laying timetables - excluding those required by legislation - then departments may choose not to disclose the information in their annual reports and accounts for 2023-24. For example, the additional guidance issued in PES 2024 (01) does not need to be applied for 2023-24 annual reports and accounts (where not required

by legislation) in this circumstance. Departments and pension schemes are only able to remove these performance reporting requirements where they do not contravene FReM requirements.

Every effort has been made to ensure that the requirements of this direction are final. If, following the forthcoming General Election, any element of this direction becomes obsolete or is superseded, HM Treasury will issue updated guidance setting out the changes, and the reasons for these changes. Further non-binding guidance may also be issued separately via PES papers (e.g., on the printing, laying, and publishing of annual reports and accounts in Parliament for pre-summer recess).

Departments are reminded that the statutory deadline for submitting resource and other accounts to the Comptroller and Auditor General is 30 November 2024.

A handwritten signature in black ink, appearing to read 'D. J. Fe.', written in a cursive style.

David Fairbrother  
Treasury Office of Accounts

## ANNEX

### 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 2024 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") 2023-24 (amended 12/06/2024).
3. In addition to the changes to the amended FReM, HM Treasury has removed the mandatory requirement on departments for a lead ministerial statement including their perspective on the performance of the organisation over the period [FReM 5.3.3.b)]
4. HM Treasury has also removed mandatory requirements on departments and pension schemes to include forward-looking information in annual reports. This does not extend to future spend/budget information [FReM 5.4.5.e)], or to the preparation of accounts, where existing forward-looking requirements are still mandatory.
5. The requirements which are no longer mandatory are as follows:
  - details on future plans, expected future performance, anticipated changes in the structure or strategic objectives of the organisation [FReM 5.4.4.k)].
  - forward-looking commitments for improving performance on climate adaptation [FReM 5.4.11.g)]
  - how (strategic) risks may affect future plans and performance (i.e., delivery of priority outcomes and strategic objectives) [FReM 5.3.3.g) and FReM 5.4.4.b)]
  - remuneration policy for ministers and directors for future years [FReM 6.5.7]
6. 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.
7. The Treasury made the following designation order for financial year 2023-24: The Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2023 (S.I. 2023/352). The list of bodies designated in the Schedule to that Order was amended by the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2023 (S.I. 2023/1360).
8. The accounts of government departments, with the details outlined above shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2024 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
9. 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 2024 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.

10. 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.



Andrew Cartner

Director of Public Spending and Deputy Head of Government Finance Function

His Majesty's Treasury

13th June 2024

Appendix to Annex

APPLICATION OF THE ACCOUNTS DIRECTION

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

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

24	Home Office
25	Ministry of Defence
26	Ministry of Justice
27	National Crime Agency
28	National Savings and Investments
29	Northern Ireland Office
30	Office of Gas and Electricity Markets
31	Office of Qualifications and Examinations Regulation
32	Office of Rail and Road
33	Office for Standards in Education, Children's Services and Skills
34	Office of the Advocate General for Scotland
35	Serious Fraud Office
36	Scotland Office
37	UK Statistics Authority
38	The National Archives
39	United Kingdom Supreme Court
40	Wales Office
41	Water Services Regulation Authority
	<b><i>Pension Schemes</i></b>
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

	<i>Bodies with bespoke accounts directions not covered by DAO 06/23)</i>
48	The Security and Intelligence Agency <sup>1</sup>
49	The Food Standards Agency <sup>2</sup>

### 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).