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Managing Public Money

Dear Accounting Officer

Contact

Please address enquiries to toaenquiries@hmtreasury.gov.uk

Action

Each accounting officer should ensure their staff are aware that a revised version of Managing Public Money (MPM) has been released. MPM applies to all bodies classified to the central government sector of the economy, including all government departments, their arm's length bodies (ALBs) and also to Public Corporations where this has been previously agreed.

Context

This update to Managing Public Money incorporates a number of clarifications and changes to both the core chapters and the wider annexes. These include the following revisions and additions.

- i) New guidance, including a new Annex, 4.16, on the circumstances in which it might be appropriate to 'pre-fund' future liabilities. This aligns with and incorporates the guidance set out in DAO 05/23.
- ii) Revised guidance on subsidy control to reflect changes to the wider UK subsidy control regime, including new text for Annex 4.7.
- iii) Updated guidance on how accounting officers should manage risk in their organisations, in line with the work of the Risk Centre of Excellence.

- iv) Revised references and guidance on the importance of evaluation in government.
- v) Updated guidance on the use of models in government.
- vi) Updated guidance on access to information by the National Audit Office, and clarifying rules on communication with the Public Accounts Committee.
- vii) Revised guidance on the propriety of using the Companies Act 2006 to establish government owned companies.
- viii) With the agreement of the Public Accounts Committee, revisions permitting the setting of delegations by HM Treasury for the approval of special severance payments.
- ix) Revised guidance, to align with that in Consolidated Budgeting Guidance, on the disposal of public sector land.
- x) An updated threshold for the definition of 'modest' expenditure which may rest on the sole authority of the Supply and Appropriation Act, to reflect inflation.
- xi) Updated guidance on fees and charges reporting to ensure that these are backed by appropriate powers.
- xii) Updated guidance on the treatment of Public Corporations.
- xiii) Updated wording to confirm the scope of the rules in Managing Public Money – in line with existing *Clear Line of Sight* guidance.
- xiv) More detailed definitions of the Accounting Officer's duties.
- xv) Wider corrections and amendments including updated links to wider government guidance.

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

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



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