



DAO (R) 3/92

GA Chapter 6

12 March 1992

Dear Accounting Officer

AGENCY ACCOUNTING OFFICERS: LETTER OF DESIGNATION

The Treasury has revised the model letter which the principal Accounting Officer of a department sends to the Chief Executive of an Agency when he designates him as Agency Accounting Officer. The main purpose of this revision is to bring the letter into line with the new Accounting Officer Memorandum. The revised model letter, attached, supersedes the version circulated with my Dear Accounting Officer letter of 2 May 1989.

2. Where appropriate departments should adapt paragraph 4 and 5 of the letter, as indicated, to reflect the particular allocation of responsibilities between the Agency Chief Executive and the principal Accounting Officer. However, any proposals to depart from the text in other respects must be agreed with the Treasury.
3. The letter will also require amendment if it is signed by an additional Accounting Officer, or if an additional Accounting Officer is responsible for the relevant Vote even if the principal Accounting Officer signs the letter. In these circumstances the text should be agreed with the Treasury.
4. The letter of designation, which should enclose a copy of the Accounting Officer Memorandum, should be issued on the establishment of an Agency which is financed from one or more subheads of departmental Votes and on the appointment of a new Chief Executive of such an Agency. It is for departments to consider whether current Agency Accounting Officers need to be sent a revised letter.
5. The letter is not appropriate where an Agency has its own Vote or is a Trading Fund, because the Treasury appoints the Chief Executive as Accounting officer in such cases.
6. Copies of the letter of designation should be sent to the Comptroller and Auditor General, the Clerk to the Public Accounts Committee, the Treasury Officer of Accounts and the Head of the relevant Treasury expenditure group.

Enquiries

7. Enquiries should be addressed to Ian Thomson, Second Treasury Officer of Accounts, telephone 071-270-4304 (GTN 270-4304).

8. This letter is being sent to Accounting Officers appointed by the Treasury and their Principal Finance Officers only.

Yours sincerely

J S Beastall

J S BEASTALL
Treasury Officer of Accounts

MODEL LETTER OF DESIGNATION FOR AGENCY ACCOUNTING OFFICERS

Your responsibilities as Chief Executive of [] are set out in the Framework Document. In addition your appointment as Chief Executive carries with it the responsibility of Agency Accounting Officer. I am therefore writing formally to designate you as Agency Accounting officer with effect from [] and to define the relationship between your responsibilities in that capacity and mine as Principal Accounting Officer of the Department.

2. I enclose a Treasury Memorandum entitled “The Responsibilities of an Accounting Officer” (the Memorandum). As principal Accounting Officer of the Department I am responsible for the overall organisation, management and staffing of the Department and for ensuring that there is a high standard of financial management in the Department as a whole (see paragraph 5 of the Memorandum). I therefore have a duty to satisfy myself that the Agency has adequate financial systems and procedures in place to promote the efficient and economical conduct of its business and to safeguard financial propriety and regularity. In addition I am responsible among other things for advising the Minister on the allocation of departmental resources, on the Agency’s Framework Document and on the setting, after consultation with you, of appropriate financial and non-financial performance targets for the Agency.

3. As Accounting Officer for the Vote on which the Agency’s expenditure falls, I sign the Appropriation Account. I must therefore satisfy myself that the funds voted are used for the purposes intended by Parliament and that these funds and any associated receipts are properly accounted for.

4. As Agency Accounting Officer you are responsible to the Minister and accountable to Parliament for the Agency’s use of resources in carrying out its functions as set out in the Framework Document. Subject to my responsibilities as described in paragraph 2 above, you are responsible for all the matters listed in paragraphs 6-15 of the Memorandum [except the following - insert details].

5. In particular, you must [Departments may add to the following but not subtract from it to reflect arrangements which have been adopted for the particular Agency]

- a. sign the formal accounts of the Agency when it begins to produce them, in accordance with the Accounts Direction which will be issued by the Treasury after consultation with the Department and the Agency; and in doing so accept personal responsibility for their proper presentation as prescribed by the Treasury;

[Alternative version in cases where Accounts Direction has already been issued:

- a. sign the formal accounts of the Agency and in doing so accept personal responsibility for their proper presentation as prescribed in the Accounts Direction issued by the Treasury;]
- b. ensure that proper financial procedures are followed and that accounting records are maintained in a form which meets the requirements of the Agency’s internal

management, of the monitoring arrangements agreed with the Department and of the Agency's formal accounts [once these are produced];

- c. ensure that the public funds for which you are responsible as Agency Accounting Officer are properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official. Similar care, including checks as appropriate, must be taken of other assets including stores, equipment or property of any kind held by the Agency.
- d. avoid waste and extravagance and seek economy, efficiency and effectiveness in the use of all resources made available to the Agency. To this end you should ensure that the Agency is organised and staffed in accordance with the principles set out in paragraphs 8 and 9 of the Memorandum and that appropriate arrangements are made to provide specialist skills and services. The arrangements for internal audit will be as set out in the Framework Document;
- e. ensure that all payments made by the Agency fall within the description and amounts of the Vote Subhead(s) on which the Agency's expenditure is borne; that adequate machinery exists for the prompt collection and bringing to account of all receipts connected with the activities of the Agency; that the prior approval of the Department is obtained for expenditure outside the Agency's delegated authority as set out in the Framework Document; and that any losses or special payments which require notation of the Appropriation Account are reported to the Department;
- f. observe the guidance on accounting matters in the Treasury manual "Government Accounting" and all other relevant guidance on propriety, regularity and value for money issued by the Treasury or the Cabinet Office from time to time;
- g. provide information and take on request any other action necessary to enable me to fulfil the responsibilities which fall to me as principal Accounting Officer. As far as possible the nature of the information required will be agreed in advance between us.

6. Your judgement as Agency Accounting Officer on the matters for which you are responsible may only be overridden by the Minister - in which case I should be informed so that if I wish I may give my own advice to the Minister - or by myself. I will however only intervene if a major issue of propriety, regularity or prudent and economical administration is involved and I judge that my responsibilities as principal Accounting Officer require it.

7. You are liable to be summoned to appear before the Public Accounts Committee to give evidence on the discharge of your responsibilities as Agency Accounting Officer. In such circumstances the PAC would probably wish to take evidence from both Accounting Officers and it will be for me to answer on those matters concerning the Agency which fall within my responsibility. In giving evidence to the Committee you should be guided as appropriate by paragraphs 22 to 27 of the Memorandum.

8. I am copying this letter to the Comptroller and Auditor General, the Clerk to the Public Accounts Committee, the Treasury Officer of Accounts and [the head of the relevant Treasury expenditure group.]