



# HM TREASURY

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## DAO(GEN)06/07

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11 December 2007

Dear Accounting Officer

## ACCOUNTS DIRECTIONS 2007-08

**This letter gives most departments and pension schemes, agencies, and trading funds the Treasury's statutory directions for the format and content of their resource and other accounts for the financial year 2007-08. The directions themselves, with a list of those to which they apply, are in the annexes attached.**

### **Contact**

2. Please address enquiries to Sarah Solomon in the Financial Reporting Policy Team (phone 020 7270 4562; email: [sarah.solomon@hm-treasury.gsi.gov.uk](mailto:sarah.solomon@hm-treasury.gsi.gov.uk)).

### **Application**

3. This DAO letter applies to those government departments and pension schemes, agencies and trading funds listed in the appendices to the relevant accounts directions. There are separate arrangements for other government departments and some agencies and trading funds as described in the notes to the respective accounts directions.

4. Please note the statutory deadlines for submitting signed resource and other accounts to the Comptroller and Auditor General by 30 November 2008. Departments should, however, also note the importance of administrative deadlines set by the Treasury, ie those requiring resource accounts and the accounts of agencies and trading funds to lay their audited accounts before Parliament before the Summer Recess. The timetable for preparing resource accounts and for providing information to the Treasury for preparation of Whole of Government accounts are set out in the concurrent DFD letter of 11 December 2007 (MS FD (07)30).

5. This DAO letter becomes effective immediately. The generic directions in DAO(GEN)12/06 (19 December 2006) are now spent.

Yours sincerely

Paula Diggle  
Treasury Officer of Accounts



**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 2008 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by H M Treasury ("the FReM") which is in force for 2007-08.
3. The accounts for **government departments** shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2008 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended; and
  - (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.
4. 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 2008 and of the net resource outturn 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) ensure 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.
5. 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 the Treasury.



**DAVID WATKINS**

Head of Financial Reporting Policy Team, Her Majesty's Treasury  
11 December 2007

## 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>
01	Assets Recovery Agency
02	Cabinet Office
03	Central Office of Information
04	Charity Commission
05	Crown Estate Office
06	Department for Business, Enterprise and Regulatory Reform (BERR)
07	Department for Children, Schools and Families
08	Department for Communities and Local Government
09	Department for Culture, Media and Sport
10	Department for the Environment, Food and Rural Affairs
11	Department of Innovation, Universities and Skills (DIUS)
12	Department for International Development
13	Department for Transport
14	Department for Work and Pensions
15	Department of Health
16	Food Standards Agency (Westminster Funded) (*)
17	Foreign and Commonwealth Office
18	Forestry Commission (England/GB) (**)
19	Government Actuary's Department
20	Government Equalities Office
21	H M Procurator General and Treasury Solicitor
22	H M Treasury
23	Home Office
24	Ministry of Defence
25	Ministry of Justice
26	National Archives
27	National Savings and Investments – ALSO AGENCY OF HMT
28	National School of Government
29	Northern Ireland Court Service
30	Northern Ireland Office
31	Office for National Statistics - ALSO AGENCY OF HMT
32	Office of Fair Trading
33	Office of Gas and Electricity Markets
34	Office of Her Majesty's Chief Inspector of Schools in England
35	Office of Rail Regulation
36	Office of Water Services
37	Postal Services Commission
38	Privy Council Office
39	Revenue and Customs Prosecutions Office
40	Serious Fraud Office
41	The Crown Prosecution Service
42	The National Archives: Public Record Office and Historical Manuscripts Commission
43	UK Trade and Investment
	<b><i>Pension Schemes</i></b>
44	Armed Forces Retired Pay, Pensions etc
45	Cabinet Office –Civil Superannuation (Principal Civil Service Pension Scheme)
46	Department for Constitutional Affairs – Judicial Pension Scheme
47	Department for International Development: Overseas Superannuation
48	Department for Business, Enterprise and Regulatory Reform: United Kingdom Atomic Energy

	Authority Superannuation Schemes
49	National Health Service Pension Scheme (England and Wales)
50	Teachers' Pension Scheme (England and Wales)

\* The Food Standards Agency is required to prepare consolidated accounts for 2007-08 by virtue of an accounts direction issued by H M 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.

\*\* The Forestry Commission is required to prepare accounts for its activities in Wales for 2007-08 by virtue of an accounts direction issued by H M Treasury on 9 September 2005 under paragraph 5 of Schedule 7 to the Government of Wales Act 1998. That direction applies to 2004-05 and subsequent financial years.

### **Notes**

1. Separate accounts directions are issued under section 5(2) of the Government Resources and Accounts Act 2000 to:

- H M Revenue and Customs (Resource account and Trust Statement)
- the Security and Intelligence Agencies
- Export Credits Guarantee Department

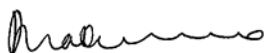
2. Although Estimates have been approved for the following bodies, their status precludes H M Treasury from issuing an accounts direction under section 5(2) of the Government Resources and Accounts Act 2000:

- 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
- 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).

## ANNEX B

### ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 7 (2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

1. This direction applies to those **executive agencies** listed in the attached appendix.
2. These executive agencies shall prepare accounts for the year ended 31 March 2008 in compliance with the accounting principles and disclosure requirements of the edition of the *Government Financial Reporting Manual* issued by H M Treasury ("the FReM") which is in force for 2007-08.
3. The accounts shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs as at 31 March 2008 and of the income and expenditure (or as appropriate, net resource outturn), total recognised gains and losses (or, as appropriate, recognised gains and losses), and cash flows of the agency for the financial year then ended; and
  - (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.
4. 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 the Treasury.



**DAVID WATKINS**

Head of Financial Reporting Policy Team, Her Majesty's Treasury

11 December 2007

## Appendix to Annex B

### APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following executive agencies:

No	Name	Department
01	Treasury Solicitor's Department Agency	Attorney General
02	Employment Tribunals Service	BER
03	Insolvency Service	BER
04	Planning Inspectorate	DCLG
05	Royal Parks Agency	DCMS
06	Animal Health – EST 1/4/07	DEFRA
07	Central Science Laboratory	DEFRA
08	Centre for the Environment, Fisheries and Aquaculture Science	DEFRA
09	Government Decontamination Service	DEFRA
10	Marine and Fisheries Agency	DEFRA
11	Pesticides Safety Directorate	DEFRA
12	Rural Payments Agency	DEFRA
13	Veterinary Laboratories Agency	DEFRA
14	Veterinary Medicines Directorate	DEFRA
15	NHS Purchasing and Supply Agency	DH
16	National Weights and Measures Laboratory	DIUS
17	Government Car and Despatch Agency	DfT
18	Highways Agency	DfT
19	Maritime and Coastguard Agency	DfT
20	Vehicle Certification Agency	DfT
21	Child Support Agency (Administration accounts)	DWP
22	Rent Service (The)	DWP
23	Disability and Carers Service	DWP
24	Pension Service	DWP
25	Foreign and Commonwealth Office (Services)	FCO
26	Wilton Park	FCO
27	Forest Research	Forestry Comm'n
28	Valuation Office	HMT
29	UK Debt Management Office	HMT
30	Criminal Records Bureau	HO
31	Identity and Passport Service	HO
32	Defence Analytical Services Agency	MOD
33	Defence Medical, Education and Training Agency	MOD
34	Defence Storage and Distribution Agency	MOD
35	Defence Vetting Agency	MOD
36	Ministry of Defence Police and Guarding Agency	MOD
37	People, Pay and Pensions Agency	MOD
38	Service Children's Education	MOD
39	Service Personnel and Veterans Agency	MOD
40	HM Courts Service	MOJ
41	Public Guardianship Office	MOJ
42	Tribunals Service – formed 04/06	MOJ
43	HM Prison Service	MOJ
44	Compensation Agency	NIO
45	Forensic Science Agency Northern Ireland	NIO
46	Northern Ireland Prison Service	NIO
47	Youth Justice Agency	NIO

In addition, separate directions have been issued to:

- Child Support Agency (Client Funds account) (DWP) ((22 May 2002)
- Disability and Carers Service (DWP) (14 December 2006)
- Jobcentre Plus (DWP) (3 April 2006) \*
- Pensions Service (DWP) (14 December 2006)
- Meat Hygiene Service (Food Standards Agency) (11 January 2006) \*

\* these directions were issued in respect of "2005-06 and subsequent financial years".

## ANNEX C

### ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 4(6)(a) OF THE GOVERNMENT TRADING FUNDS ACT 1973

1. This direction applies to the **trading funds** listed in the attached appendix.
2. These trading funds shall prepare accounts for the year ended 31 March 2008 in compliance with the accounting principles and disclosure requirements of the edition of the *Government Financial Reporting Manual* issued by H M Treasury ("the FReM") which is in force for 2007-08.
3. The accounts shall be prepared so as:
  - (a) to give a true and fair view of the state of affairs as at 31 March 2008 and of the income and expenditure, total recognised gains and losses, and cash flows of the trading fund for the year then ended; and
  - (b) to provide disclosure of any material income or expenditure that has not been applied to the purposes intended by Parliament, or material transactions that have not conformed to the authorities which govern them.
4. 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 the Treasury.



**DAVID WATKINS**

Head of Financial Reporting Policy Team, Her Majesty's Treasury

11 December 2007

**APPLICATION OF THE ACCOUNTS DIRECTION**

This accounts direction applies to the following trading funds:

	<b>Name</b>
01	Army Base Repair Organisation ABRO
02	Central Office of Information
03	Companies House
04	Defence Aviation Repair Agency
05	Defence Science and Technology Laboratory
06	Driving Standards Agency
07	Fire Service College
08	HM Land Registry
09	Meteorological Office
10	Medicines and Healthcare Products Regulatory Agency
11	OGCbuying.solutions
12	Ordnance Survey
13	UK Intellectual Property Office
14	Royal Mint
15	UK Hydrographic Office
16	Queen Elizabeth II Conference Centre
17	Vehicle and Operator Services Agency

**Note**

1. H M Treasury issued a separate accounts direction to the Driver and Vehicle Licensing Agency in respect of its Business account and the Vehicle Excise Duty account for 2005-06 and subsequent financial years on 25 April 2006.

2. UK Intellectual Property Office is the operating name of The UK Patent Office from 2/4/07.