

# HM Treasury

Jamie Mortimer  
Treasury Officer of Accounts



Parliament Street  
London  
SW1P 3AG

DAO(GEN) 8/96

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Dear Accounting Officer

## **EXECUTIVE NON-DEPARTMENTAL PUBLIC BODIES - ANNUAL REPORTS AND ACCOUNTS GUIDANCE**

On 27 March 1996, under cover of a letter to Principal Finance Officers of main departments, the Treasury issued a revised version of its guidance paper on the reporting and accounting requirements for executive NDPBs.

2. A working draft was issued in January 1995 as part of an initiative agreed by PFOs to improve the governance of NDPBs. Views and comments made by departments on the guidance have been the subject of correspondence and discussion over the past year, and the latest version of the guidance reflects the outcome of these exchanges.

3. Executive NDPBs currently preparing their accounts on an accruals basis should prepare their annual reports and accounts for 1996-97 in accordance with the paper. For those NDPBs which prepare their accounts on a cash basis at present the paper urges a switch to accruals accounting by 1999-2000.

4. The paper will be kept under review, and we shall in particular be considering later this year whether any of the accounting and disclosure requirements agreed as part of the resource accounting and budgeting project, and which are not at present covered in the paper, should be extended to NDPBs. We shall also take account of any changed requirements arising from the consultation paper "Spending Public Money: Governance and Audit Issues (Cm 3179) published in March 1996.

### **Action by Departments**

5. Departments should send copies of this letter to their sponsored bodies, so that officials within the bodies with accounting and reporting responsibilities are made aware of the existence of the new guidance paper. Copies of the paper have been sent to the National Audit Office, but departments should also ensure that, in cases where the body is audited by a private sector firm, copies of the letter and guide are made available to the external auditors.

6. Copies of the paper can be obtained from;

Nicholas Bailey  
HM Treasury  
Central Accountancy Services  
Room 205  
Allington Towers  
19 Allington Street  
London SW1E 5EB

0171 270 1767 (GTN 270 1767)

**Enquiries**

7. Any enquiries about the application of this letter should be addressed to either Ken Bradley (extension 1762) or Nicholas Bailey at the above address.

*Yours sincerely*

*Jamie Mortimer*

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