



HM TREASURY

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3 December 2004

DAO(GEN) 16/04

Dear Accounting Officer

POINTS ARISING FROM THE WORK OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) AND NEW TREASURY GUIDANCE

Summary and Purpose

This letter draws to departments' attention some points of wider application that have arisen from the PAC's recent reports and draws attention to new guidance issued by the Treasury.

Action

2. Accounting Officers are asked to draw this letter to the attention of:
 - Staff involved in the design of forms for use by the public (particularly with respect to accessing services);
 - Staff responsible for relations with their departments' sponsored bodies;
 - Leading procurement officials in their departments;
 - Staff responsible for matters of regularity, propriety, value for money and dealings with the National Audit Office and PAC.

They are also asked to ensure that the letter is circulated to their sponsored bodies, as appropriate.

Contacts

3. Enquiries about this DAO letter should be addressed to:
 - David Barton (GTN) 270 5365; david.barton@hm-treasury.gsi.gov.uk;
or
 - Andy West (GTN) 270 5498; andy.west@hm-treasury.gsi.gov.uk.

Both are in the Treasury Officer of Accounts team at the above address.



PAC conclusions and recommendations of general application

4. In general, PAC recommendations apply to specific departments. However, some recommendations apply more widely. **Annex A** summarises PAC recommendations on designing forms. **Annex B** sets out recommendations on the control and sponsorship of the Teesside Development Corporation that apply more widely to sponsored bodies. These recommendations have already been taken into account in the update of the Cabinet Office's [Non Departmental Public Bodies: A Guide for Departments](#) and in 'the model management statement and financial memorandum for executive NDPBs' set out in annex 8.3 of [Government Accounting](#). **Annex C** reproduces a letter to the committee following a hearing on the award of a contract for smallpox vaccine.

5. The Office of Government Commerce (OGC) takes forward action separately on recommendations made by the PAC which is relevant to its guidance on project management, procurement and PFI/PPP matters.

Guidance - A Guide to the Scrutiny of Public Expenditure

6. The Treasury has prepared a guide for central government bodies, to provide background information and guidance on scrutiny of public expenditure by the Comptroller & Auditor General and the Public Accounts Committee. It consolidates guidance issued over the years and has new material to make it more helpful.

7. The Guide is intended to be of assistance to Accounting Officers, Finance Directors and other senior staff, as well as those who deal with the NAO Value for Money (VfM) studies or who have a role in preparing for hearings.

8. The Guide is available on the Treasury website at www.hm-treasury.gov.uk/documents/public_spending_and_services/audit_and_accounting/scrutiny_of_public_expenditure.cfm, and is maintained by the Treasury Officer of Accounts Team.

Guidance – The Regularity, Propriety and Value for Money handbook

9. The handbook, which was last issued in July 1997, has been revised by the Treasury Officer of Accounts (TOA) team in the Treasury. The handbook is designed primarily for Accounting Officers in government departments, Next Steps Executive Agencies and Non-Departmental Public Bodies (NDPBs), together with their equivalents in the National Health Service. But it will also be of interest to NDPB board members, who also have an important role in ensuring that these bodies operate with propriety and regularity. Indeed, given the extensive delegation of financial authority in public sector organizations, and the fact that Accounting Officers and board members will often look to their staff for advice on these matters, the handbook should be of value to public servants at many levels.

10. The handbook is available on the Treasury website at www.hm-treasury.gov.uk/documents/public_spending_and_services/audit_and_accounting/pss_aud_regprop04.cfm.

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