



HM TREASURY

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25 July 2007

Dear Accounting Officer

MANAGING PUBLIC MONEY

This letter introduces *Managing Public Money (MPM)*. From October it replaces *Government Accounting (GA)* as the authoritative guide to ethics in the use of public funds. It should be the standard reference for anyone using public money in departments and their arm's length bodies. Other public sector bodies should also find the principles in *MPM* of value.

2. *MPM* is much shorter than *GA*. It concentrates on the essence of what is required when handling public funds, whether collected from taxpayers, gathered in charges or otherwise due to the Exchequer. These are essentially fiduciary duties different in kind from the commercial drivers operating in much of the private sector. It is important that everyone making decisions about using public funds appreciates the high standards expected.

3. While *MPM* is new, what it says is familiar. It has the same messages, and advises the same treatment of issues, as *GA*. The Treasury remains responsible for oversight of the government's financial relations with Parliament, which expects to be told or consulted about all material developments. This is no light responsibility. So the Treasury in turn needs to approve, or to be consulted about, many developments and policy decisions.

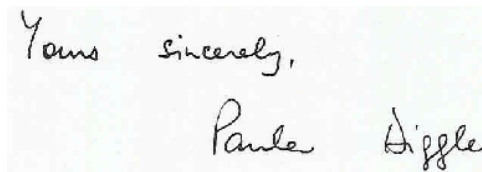
4. *MPM* is published now so that readers and users can become familiar with it. A limited number of hard copies of the main text are being distributed free to all departments, with both this and the annexes available on the internet (see <http://managingpublicmoney.treasury.gov.uk>). Additional hard copies may also be purchased from The Stationery Office.

5. The Treasury hopes that the main text of *MPM* will be fairly timeless, though the annexes will be updated online more frequently. From October the *GA* website will no longer be maintained and *MPM* will become the sole operating guide. A separate *Estimates Manual* will also be available alongside *MPM* from October.



6. The Treasury is grateful to the members of the Steering Group, led by Mary Keegan, who oversaw the development of *MPM*. Warm thanks are also due to the many working level readers who provided detailed feedback on earlier drafts of *MPM*. Their input helped improve the clarity and coherence of the text.

7. If anyone has queries about this letter, please address them to Jim Duncan in the Treasury. He can be reached on 020 7270 4833 and at jim.duncan@hm-treasury.x.gsi.gov.uk.



Yours sincerely,
Paula Diggle

Paula Diggle
Treasury Officer of Accounts