



HM TREASURY

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DAO(GEN)17/04

Dear Accounting Officer

ACCURACY OF ELECTRONICALLY PUBLISHED ACCOUNTS AND GUIDANCE ON NOTIONAL INSURANCE PREMIUMS

Summary and Purpose

This letter reminds departments of the need to ensure that electronic versions of their published accounts are accurate and match other published versions. It also provides updated guidance on notional insurance premiums.

Action

2. Accounting Officers are asked to:
 - ensure that those staff involved in electronic publication of departmental accounts have adequate controls in place;
 - ensure that the new rates for notional insurance premiums are adopted where appropriate; and
 - draw the letter to the attention of their sponsored bodies.

Contacts

3. Enquiries about electronic publication of accounts 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.

Enquiries about notional insurance premiums should be addressed to Stuart Fisher, (GTN) 270 5313 or email stuart.fisher@hm-treasury.gsi.gov.uk.

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



Accuracy of electronically published accounts

4. Current guidance to departments on the publication arrangements for resource accounts asks departments to ensure that copies of the resource accounts are made available on departmental websites on publication, and that they be clearly signposted. Departments should bear in mind the need to ensure that the electronically published resource accounts are identical to those published in hard copy and that secure systems are in place for the maintenance of and integrity of departmental websites. An electronic publication, once published, can be updated or replaced without it becoming apparent to the reader that a revision has taken place, or that the electronic version is different to its hard-copy counterpart. The dynamic environment on a website also increases the risk of inaccurate information being included.

5. The Comptroller and Auditor General has decided to follow the Auditing Practices Board (APB) guidance on electronic publishing, to the extent that it is applicable in the central government environment. NAO auditors will take a view on the responsibility for the upkeep of departmental (electronic) financial statements, and will consider adding a note to their audit certificate, appearing on the website, to this effect.

6. These requirements also apply to the accounts of sponsored bodies, and therefore Accounting Officers are asked to ensure that their sponsored bodies have systems in place to enable electronically published resource accounts to be identical to those published in hard copy, and that secure systems are in place for the maintenance of and integrity of their websites

Guidance – Notional Insurance Premiums

7. Where a department does not insure against risks arising in connection with a service for which a fee or charge is levied, it is necessary to calculate a notional insurance premium to be included in the full cost of providing a service. Government Accounting Annex 30.2 provides guidance to departments on calculating notional insurance premiums.

8. The Treasury has, with the help of the Association of British Insurers (ABI), reviewed the suggested notional insurance premium rates set out in **DAO(GEN) 5/93**. The revised rates are set out in **Annex A**, superseding those in **DAO(GEN) 5/93** which is now withdrawn.

9. These rates should be considered default rates, to be used where departments have insufficient knowledge or experience to make their own assessment, and where the expense of obtaining external advice could not be justified. The rates are based on long-run averages reported by the insurance industry. They do not, therefore, reflect any specific or special risks a particular organisation may face. Departments may wish to make allowance for this in assessing the rates they should use. Specific rates should be calculated for any significant risks not included on the list of suggested rates.

10. Where departments use standard rates, the new rates in **Annex A** may be used immediately for new services and, for existing services, when the next regular review of rates is due.

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