



HM TREASURY

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DAO(GEN)01/06

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16 January 2006

Dear Accounting Officer

ACCOUNTS DIRECTIONS 2005-06

This letter gives most departments and pension schemes, most agencies, and trading funds the Treasury's directions under, respectively, section 5(2) and section 7(2) of the Government Resources and Accounts Act 2000 (GRAA), and section 4(6)(a) of the Government Trading Funds Act 1973 (GTFA) for the format and content of their resource and other accounts for the financial year 2005-06. The directions themselves, with a list of departments and pension schemes, agencies and trading funds to which they apply are in the respective annexes attached.

Contact

2. Please address enquiries to Nick Bailey in the Central Accountancy Team (phone 020 7270 4535; email: nick.bailey@hm-treasury.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 as described in the notes to the respective accounts directions.

4. Please note the importance of the statutory deadlines (under sections 5(5) and 7(3) of the GRAA and section 4(6)(b) of the GTFA) for submitting signed resource and other accounts to the Comptroller and Auditor General by 30 November 2006. Departments should also respect any administrative deadlines set by the Treasury, notably those designed to secure faster closing of resource accounts, and for agencies and trading funds to lay their audited accounts before Parliament before the Summer Recess.

5. This DAO letter becomes effective immediately. The generic directions in DAO(GEN)01/05, DAO(GEN)02/05 and DAO(GEN)03/05 (all 16 February 2005) are now spent.

Yours sincerely

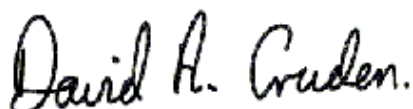
Paula Diggle
Treasury Officer of Accounts



ANNEX A

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 2006 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 2005-06.
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 2006 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 2006 and of the net resource outturn 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.
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 A CRUDEN FCA

Head of Central Accountancy Team, Her Majesty's Treasury

13 January 2006

Appendix to Annex A

APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following government departments and pension schemes:

No	Name
	<i>Government Departments</i>
01	Assets Recovery Agency
02	Cabinet Office
03	Central Office of Information
04	Charity Commission
05	Crown Estate Office
06	Department for Constitutional Affairs
07	Department for Culture, Media and Sport
08	Department for Education and Skills
09	Department for International Development
10	Department for the Environment, Food and Rural Affairs
11	Department for Transport
12	Department for Work and Pensions
13	Department of Health
14	Department of Trade and Industry
15	Export Credits Guarantee Department
16	Food Standards Agency (Westminster Funded) (*)
17	Foreign and Commonwealth Office
18	Forestry Commission (England/GB) (**)
19	Government Actuary's Department
20	H M Procurator General and Treasury Solicitor
21	H M Treasury
22	Home Office
23	Ministry of Defence
24	National Savings and Investments
25	Northern Ireland Court Service
26	Northern Ireland Office
27	Office for National Statistics
28	Office of Fair Trading
29	Office of Gas and Electricity Markets
30	Office of Her Majesty's Chief Inspector of Schools in England
31	Office of the Deputy Prime Minister
32	Office of Rail Regulation
33	Office of Water Services
34	Postal Services Commission
35	Privy Council Office
36	Revenue and Customs Prosecutions Office
37	Serious Fraud Office
38	The Crown Prosecution Service
39	The National Archives: Public Record Office and Historical Manuscripts Commission
40	UK Trade and Investment
	<i>Pension Schemes</i>
41	Armed Forces Retired Pay, Pensions etc
42	Cabinet Office –Civil Superannuation (Principal Civil Service Pension Scheme)
43	Department for Constitutional Affairs – Judicial Pension Scheme
44	Department for International Development: Overseas Superannuation
45	Department of Trade and Industry: United Kingdom Atomic Energy Authority Superannuation Schemes
46	National Health Service Pension Scheme (England and Wales)
47	Teachers' Pension Scheme (England and Wales)

* an accounts direction for the consolidated accounts of the Food Standards Agency has been issued by H M Treasury under paragraph 4(2) of Schedule 4 of the Food Standards Act 1999.

** an accounts direction for the activities of the Forestry Commission in Wales has been issued by the H M Treasury under paragraph 5 of Schedule 7 to the Government of Wales Act 1998.

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

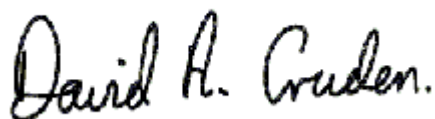
2. Although Estimates have been approved for the following bodies, their status precludes H M Treasury from issuing an accounts direction under section 5(2) of the Government Resources and Accounts Act 2000:

- 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

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 2006 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 2005-06.
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 2006 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 CRUDEN FCA

Head of the Central Accountancy Team, Her Majesty's Treasury

13 January 2006

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	HM Court Service	DCA
03	Public Guardianship Office	DCA
04	Royal Parks Agency	DCMS
05	Central Science Laboratory	DEFRA
06	Centre for the Environment, Fisheries and Aquaculture Science	DEFRA
07	Government Decontamination Service	DEFRA
08	Marine Fisheries Agency	DEFRA
09	Pesticides Safety Directorate	DEFRA
10	Rural Payments Agency	DEFRA
11	State Veterinary Service	DEFRA
12	Veterinary Laboratories Agency	DEFRA
13	Veterinary Medicines Directorate	DEFRA
14	NHS Purchasing and Supply Agency	DH
15	Employment Tribunals Service	DTI
16	Insolvency Service	DTI
17	National Weights and Measures Laboratory	DTI
18	Small Business Service	DTI
19	Government Car and Despatch Agency	DfT
20	Highways Agency	DfT
21	Maritime and Coastguard Agency	DfT
22	Vehicle Certification Agency	DfT
23	Appeals Service Agency (The)	DWP
24	Child Support Agency (Administration accounts)	DWP
25	Jobcentre Plus	DWP
26	Rent Service (The)	DWP
27	Wilton Park	FCO
28	Forest Research	Forestry Comm'n
29	Valuation Office	HMRC
30	UK Debt Management Office	HMT
31	Criminal Records Bureau	HO
32	HM Prison Service	HO
33	United Kingdom Passport Service	HO
34	Armed Forces Personnel Administration Agency	MOD
35	Army Training and Recruitment Agency	MOD
36	British Forces Post Office	MOD
37	Defence Analytical Services Agency	MOD
38	Defence Bills Agency	MOD
39	Defence Communications Services Agency	MOD
40	Defence Estates	MOD
41	Defence Medical, Education and Training Agency	MOD
42	Defence Procurement Agency	MOD
43	Defence Storage and Distribution Agency	MOD
44	Defence Transport and Movements Agency	MOD
45	Defence Vetting Agency	MOD
46	Disposal Services Agency	MOD
47	Duke of York's Royal Military School	MOD
48	Ministry of Defence Police and Guarding Agency	MOD
49	Naval Recruiting and Training Agency (*)	MOD

50	Pay and Personnel Agency	MOD
51	RAF Training Group Defence Agency	MOD
52	Service Children's Education	MOD
53	Compensation Agency	NIO
54	Forensic Science Agency of Northern Ireland	NIO
55	Northern Ireland Prison Service	NIO
56	Youth Justice Agency	NIO
57	Planning Inspectorate	ODPM

* If the Naval Recruiting and Training Agency ceases to be an executive agency before 31 March 2006, its accounts shall be prepared in respect of the period from 1 April 2005 to the date on which it ceases to be an agency.

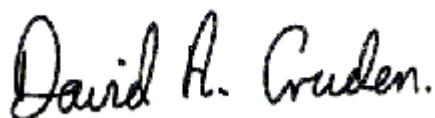
In addition, separate directions have been issued to:

- Child Support Agency (Client Funds account) (DWP);
- Disability and Carers Service (DWP)
- Pensions Service (DWP);
- Meat Hygiene Service (Food Standards Agency); and
- Veterans Agency (MOD).

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 2006 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 2005-06.
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 2006 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 A CRUDEN FCA

Head of the Central Accountancy Team, Her Majesty's Treasury

13 January 2006

APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following trading funds:

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

Notes

1. An accounts direction for the NHS Estates and Facilities Management Development Agency for the period from 1 April 2005 to 14 October 2005 was issued on 27 October 2005.
2. An accounts direction for the Forensic Science Service for the period from 1 April 2005 to 30 November 2005 was issued on 5 December 2005.