



# HM TREASURY

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## DAO(GEN)07/08

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18 December 2008

Dear Accounting Officer

## ACCOUNTS DIRECTIONS 2008-09

**This letter gives most departments and pension schemes, agencies and trading funds the Treasury's statutory directions for the format and content of their resource and other accounts for the financial year 2008-09. The directions themselves, with a list of those organisations to which they apply, are in the annexes attached.**

### **Contact**

2. Please address enquiries to Sarah Solomon in the Financial Reporting Policy Team (phone 020 7270 4562; email: sarah.solomon@hm-treasury.gsi.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 and trading funds, as described in the notes to the respective accounts directions.

4. Please note the statutory deadline for submitting signed resource and other accounts to the Comptroller and Auditor General by 30 November 2009. Departments should, however, also note the importance of administrative deadlines set by the Treasury, ie those requiring resource accounts and the accounts of agencies and trading funds to lay their audited accounts before Parliament before the Summer Recess. The timetable for preparing resource accounts and for providing information to the Treasury for the preparation of Whole of Government Accounts is set out in the concurrent DFD letter of 18 December 2008 (MS FD (08)33).

5. This DAO letter becomes effective immediately. The generic directions in DAO(GEN) 06/07 (11 December 2007) are now spent.

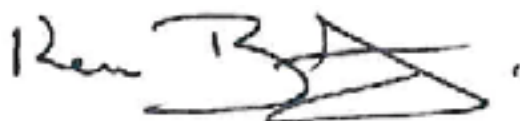
Yours sincerely,  
Paula Diggle

Paula Diggle  
Treasury Officer of Accounts



**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 ending 31 March 2009 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 2008-09.
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 2009 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 2009 and of the net resource outturn and cash flows for the financial year then ended;
  - (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; and
  - (c) ensure that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.
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.



**Ken Beeton**

Director, Financial Management and Reporting, Her Majesty's Treasury  
18 December 2008

**APPLICATION OF THE ACCOUNTS DIRECTION**

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

<b>No</b>	<b>Name</b>
	<b><i>Government Departments</i></b>
01	Cabinet Office
02	Central Office of Information
03	Charity Commission
04	Crown Estate Office
05	Department for Business, Enterprise and Regulatory Reform (BERR)
06	Department for Children, Schools and Families
07	Department for Communities and Local Government
08	Department for Culture, Media and Sport
09	Department of Innovation, Universities and Skills (DIUS)
10	Department for International Development
11	Department for Transport
12	Department for Work and Pensions
13	Department of Health
14	Food Standards Agency (Westminster Funded) (*)
15	Foreign and Commonwealth Office
16	Government Actuary's Department
17	Government Equalities Office
18	H M Procurator General and Treasury Solicitor
19	H M Treasury
20	Home Office
21	Ministry of Defence
22	Ministry of Justice
23	National Archives
24	National Savings and Investments
25	National School of Government
26	Northern Ireland Court Service
27	Northern Ireland Office
28	Office of Fair Trading
29	Office of Gas and Electricity Markets
30	Office for Standards in Education, Children's Services and Skills
31	Office of Rail Regulation
32	Postal Services Commission
33	Revenue and Customs Prosecutions Office
34	Serious Fraud Office
35	The Crown Prosecution Service
36	The Statistics Board
37	UK Trade and Investment
38	Water Services Regulation Authority
	<b><i>Pension Schemes</i></b>
39	Armed Forces Retired Pay, Pensions etc
40	Cabinet Office –Civil Superannuation (Principal Civil Service Pension Scheme)
41	Department for International Development: Overseas Superannuation
42	Department for Business, Enterprise and Regulatory Reform: United Kingdom Atomic Energy Authority Superannuation Schemes
43	Ministry of Justice – Judicial Pension Scheme
44	National Health Service Pension Scheme (England and Wales)
45	Teachers' Pension Scheme (England and Wales)

\* The Food Standards Agency is required to prepare consolidated accounts for 2007-08 by virtue of an accounts direction issued by H M Treasury on 14 November 2007 under paragraph 4(2) of Schedule 4 of the Food Standards Act 1999. That direction applies to 2007-08 and subsequent financial years.

\*\* The Forestry Commission is required to prepare accounts for its activities in Wales for 2007-08 by virtue of an accounts direction issued by H M Treasury on 9 September 2005 under paragraph 5 of Schedule 7 to the Government of Wales Act 1998. That direction applies to 2004-05 and subsequent financial years.

**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
- Export Credits Guarantee Department

And for this year also to

- Department for the Environment, Food and Rural Affairs

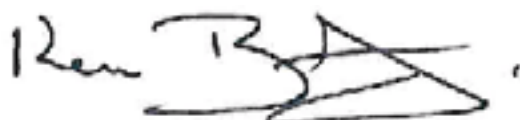
2. Separate accounts directions are issued under section 7 of the Government Resources and Accounts Act 2000 to the Forestry Commission.

3. 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 (although an accounts direction for 2005-06 and subsequent financial years was issued by H M Treasury on 27 February 2006 under paragraph 17(2) of Schedule 1 to the Political Parties, Elections and Referendums Act 2000).

**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 ending 31 March 2009 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 2008-09.
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 2009 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.



**Ken Beeton**

Director, Financial Management and Reporting, Her Majesty's Treasury

18 December 2008

**APPLICATION OF THE ACCOUNTS DIRECTION**

This accounts direction applies to the following executive agencies:

No	Name	Department
01	National Fraud Strategic Authority	Attorney General
02	Treasury Solicitor's Department Agency	Attorney General
03	Employment Tribunals Service	BER
04	Insolvency Service	BER
05	Planning Inspectorate	DCLG
06	Royal Parks	DCMS
07	Animal Health	DEFRA
08	Central Science Laboratory	DEFRA
09	Centre for the Environment, Fisheries and Aquaculture Science	DEFRA
10	Government Decontamination Service	DEFRA
11	Marine and Fisheries Agency	DEFRA
12	Rural Payments Agency	DEFRA
13	Veterinary Laboratories Agency	DEFRA
14	Veterinary Medicines Directorate	DEFRA
15	NHS Purchasing and Supply Agency	DH
16	National Weights and Measures Laboratory	DIUS
17	Government Car and Despatch Agency	DfT
18	Highways Agency	DfT
19	Maritime and Coastguard Agency	DfT
20	Vehicle Certification Agency	DfT
21	Rent Service (The)	DWP
22	Wilton Park	FCO
23	Forest Enterprise England	Forestry Comm'n
24	Forest Research	Forestry Comm'n
25	Valuation Office	HMT
26	UK Debt Management Office	HMT
27	Pesticides Safety Directorate	HSE
28	Criminal Records Bureau	HO
29	Identity and Passport Service	HO
30	UK Border Agency	HO
31	Defence Storage and Distribution Agency	MOD
32	Defence Vetting Agency	MOD
33	Ministry of Defence Police and Guarding Agency	MOD
34	People, Pay and Pensions Agency	MOD
35	Service Children's Education	MOD
36	Service Personnel and Veterans Agency	MOD
37	HM Courts Service	MOJ
38	HM Prison Service	MOJ
39	National Offender Management Service	MOJ
40	Office of the Public Guardian	MOJ
41	Tribunals Service	MOJ
42	Compensation Agency	NIO
43	Forensic Science Agency of Northern Ireland	NIO
44	Northern Ireland Prison Service	NIO
45	Youth Justice Agency	NIO

In addition, separate directions have been issued to:

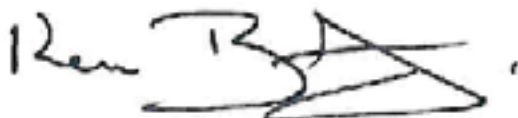
- Jobcentre Plus (DWP) (3 April 2006) \*
- Meat Hygiene Service (Food Standards Agency) (11 January 2006) \*

We will also be issuing directions to the new Pensions Disability and Carers Service (DWP).

\* these directions were issued in respect of “2005-06 and subsequent financial years”.

**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 ending 31 March 2009 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 2008-09.
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 2009 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.



**Ken Beeton**

Director, Financial Management and Reporting, Her Majesty's Treasury  
18 December 2008

## APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following trading funds:

	<b>Name</b>
01	Central Office of Information
02	Companies House
03	Defence Science and Technology Laboratory
04	Driving Standards Agency
05	Defence Support Group
06	FCO Services
07	Fire Service College
08	HM Land Registry
09	Meteorological Office
10	Medicines and Healthcare Products Regulatory Agency
11	OGCbuying.solutions
12	Ordnance Survey
13	UK Intellectual Property Office
14	Royal Mint
15	UK Hydrographic Office
16	Queen Elizabeth II Conference Centre
17	Vehicle and Operator Services Agency

### **Note**

1. H M Treasury issued a separate accounts direction to the Driver and Vehicle Licensing Agency in respect of its Business account and the Vehicle Excise Duty account for 2005-06 and subsequent financial years, on 25 April 2006.