

## Westminster Annual Report 2022: Annex A

Accounts Direction given by The Treasury in accordance with Section 5(2) of The Government Resources and Accounts Act 2000.

85. This direction applies to those government departments and pension schemes listed in the attached appendix.

86. These departments and pension schemes shall prepare resource accounts for the year ended 31 March 2022 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”) 2021-22.

87. If the Treasury has made an order for the year under section 4A(3) and (4) of the Government Resources and Accounts Act 2000, a department must detail the same information for each body designated in the Order under its name. This means that the department must also detail in its accounts the resources acquired, held or disposed of during the year by each of its designated bodies, and each such body’s use of resources during the year.

88. The Treasury made the following designation order for financial year 2021-22: the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2021 (S.I. 2021/265). The list of bodies designated in the Schedule to that Order are amended by the Government Resources and Accounts Act 200 (Estimates and Accounts) (Amendment) Order 2021 SI (2021/1441). The amendments will designate additional bodies, change the names of some designated bodies and remove some bodies from designation.

89. The accounts of Government departments, with the details outlined above (for itself and its designated bodies) shall be prepared so as to:

(a) give a true and fair view of the state of affairs at 31 March 2022 and of the net resource outturn, the application of resources, changes in taxpayers’ equity 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.

90. 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 2022 and of the net resource outturn, changes in taxpayers’ equity 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) demonstrate 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.

91. 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 HM Treasury.

**Michael Sunderland, Deputy Director, Government Financial Reporting**  
**Her Majesty's Treasury**  
**16 December 2021**