Dear Lin,

Principal Accounting Officer for HM Revenue & Customs

Your appointment as Chief Executive and Permanent Secretary carries with it the responsibility of Principal Accounting Officer for HM Revenue & Customs.

This letter revises your Accounting Officer responsibilities to include the Valuation Office Agency (sections C, J and K of the HM Revenue & Customs Estimate); and the collection of revenue levied under the Scottish Rate of Income Tax. You can appoint other Accounting Officers, at your discretion, in accordance with paragraph 3.2.3 of Managing Public Money.

Your appointment is in accordance with Section 5, subsection 6 of the Government Resources and Accounts Act (GRAA) 2000 and carries with it the responsibility for ensuring that resources authorised by Parliament and sums to be paid out of the Consolidated Fund, in respect of HM Revenue & Customs, are used for the purposes intended by Parliament.

Section 5, subsection 7 of the GRAA also applies, requiring that whilst you hold the appointment of Principal Accounting Officer, you will be responsible for the preparation of the HM Revenue & Customs accounts and their transmission to the Comptroller and Auditor General. You will also be responsible for the use of public money and stewardship of assets.

Section 7, subsection 2 of the GRAA and Section 2, subsection 3 of the Exchequer and Audit Departments (E&AD) Act 1921 also applies.

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requiring that whilst you hold the appointment of Principal Accounting Officer, you will be responsible for the preparation of the HM Revenue & Customs Trust Statement Accounts in respect of taxes, duties, National Insurance contributions and Student Loan Recoveries administered by HM Revenue & Customs, and their transmission to the Comptroller and Auditor General in a form stipulated in the specific accounts direction for the Trust Statement.

Section 2, subsections 1 and 2 of the E&AD Act 1921, requires the Comptroller and Auditor General to examine the accounts of HM Revenue & Customs to ascertain that adequate regulations and procedures have been framed to secure effective checks on the assessment, collection and proper allocation of revenue, and that they are being duly carried out; and together with this report on the resource accounts of the departments, present to the House of Commons a report on the results of any such examination. Your appointment as Principal Accounting Officer of HM Revenue & Customs carries with it the additional responsibilities and duties in connection with these reports to the House of Commons.

Section 161, subsection 2 of the Social Security Administration Act 1992, and Section 141 of the Social Security Administration (Northern Ireland) Act 1992 requires that whilst you hold the appointment of Principal Accounting Officer, you will be responsible for the preparation of the National Insurance Fund (GB), and the Northern Ireland National Insurance Fund accounts, and their transmission to the Comptroller and Auditor General.

As part of the HM Revenue & Customs accounts, you will be required to provide a governance statement as part of the HM Revenue & Customs Annual Report and Accounts. Essentially, the governance statement should give assurances about performance and insight on the HM Revenue & Customs risk profile, the responses to the identified and emerging risks, and how any risks have been successfully tackled.

In essence, as an Accounting Officer, you must be able to assure Parliament and the public of high standards of probity in the management of public funds. This will include the HM Revenue & Customs governance statement; your organisation’s governance, decision-making and financial management assurances when considering, promoting and safeguarding regularity, propriety, affordability, sustainability, risk, and value for money across the public sector; and accounting accurately and transparently, for your organisation’s financial position and transactions.
Managing Public Money sets out the responsibilities of an Accounting Officer. As part of these responsibilities, the Committee of Public Accounts (PAC) may invite you to attend as a witness to give evidence at Committee hearings. As you already know, appearing as a witness before the Committee is not optional. It is only with specific agreement from the Committee Chair that an Accounting Officer may defer their attendance or send a substitute. As Accounting Officer for the collection of the Scottish element of income tax, you may also be invited to give evidence to Committees of the Scottish Parliament concerning the operation of the Scottish part of income tax revenue and the expenditure incurred in its collection.

I am copying this letter to the Comptroller and Auditor General, the Clerk of the Committee of Public Accounts, the Clerk of the Public Audit Committee of the Scottish Parliament, Penny Ciniewicz, Chief Executive in the Valuation Office Agency and Edward Troup, HMRC Tax Assurance Commissioner.

N I Macpherson