

**Advance Briefing for Public Accounts Committee**  
**2014 Annual Report and Appropriation Accounts of the C&AG**

**Chapter 5 Management of Government Grants**

The requirements for the management of grants are on an administrative basis and are reviewed periodically by the Department of Public Expenditure and Reform.

In September 2014, the Department of Public Expenditure and Reform issued new a circular 13/2014 *Management of and Accountability for Grants from Exchequer Funds* setting out a revised framework for management and accountability arrangements for grants from the Vote of a Government Department or Body.

The circular outlines the public financial management principles, procedures, and additional reporting requirements to be followed in the management of grant funding provided through the voted expenditure of Government Departments and Offices. The overarching principle is that there should be transparency and accountability in the management of public money.

With effect from 1st January 2015 all funding in the Grant and Grant in Aid Category is reclassified as Grants. The principal distinction in the payment process for grants and grants-in-aid is that grants are required to be paid on the basis of vouched expenditure and any amounts unexpended at year end are surrendered to the Exchequer.

Departments/Grantors should ensure that the principles and procedures reflected in the new requirements are applied in a meaningful and effective way in respect of any grants under their remit. They are required to take a proactive approach to ensuring that the terms and conditions for grants are appropriate to the local conditions in the sector in which they operate, while ensuring effective management and accountability of public money.

As well as outlining the responsibilities of those issuing grants, the circular includes a new 'Statement of Principles' for grantees, outlining four principles which apply to those in receipt of grant funding either directly or indirectly from Exchequer sources. They included clarity, fairness, governance and value for money.