



Accounting Officer Memorandum

Financial Transaction Processing (FTP) Project

It is normal practice for accounting officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament when an accounting officer has agreed an assessment of projects within the Government's Major Projects Portfolio.

Background and context

HM Courts and Tribunals Service (HMCTS) receives fee and other income from court users, which need to be accounted for in an efficient and effective manner by the Financial Transaction Processing (FTP) middle office service. This system brings data inputs from courts and tribunals to the Ministry of Justice (MoJ)'s main financial reporting system via Shared Services Connected Limited (SSCL). It handles a high volumes of tasks - receipting, payments, validation, reconciliation, and consolidation - averaging 10 million transactions (over £3bn) annually. It is integral to HMCTS financial control and supports the department's £750m annual fee income.

The FTP project was set up to procure a strategic, efficient, and future-proof solution through open competition to replace existing arrangements. The contract has been with a single supplier for a substantial period of time. The project will take an open tender approach.

The project is seeking to leverage advances in technology for a more cost-effective FTP middle office service, addressing outdated systems and improving business productivity.

As at October 2024, the project is at outline business case (OBC) stage and the latest operational commencement date for the new contract is December 26.

Assessment against the accounting officer standards

Regularity

HMCTS has the legislative authority to spend money on administrative support to Courts and Tribunals and authority to spend is covered by paragraph 1 of the ambit to the 24-25 Appropriation Act.



The procurement of the new strategic FTP middle office service contract does not require any new legislation and we do not anticipate any issues in maintaining compliance with applicable legislation and legal principles. We are therefore content that there are no issues of regularity.

Propriety

The project is run in accordance with the Government Functional Standard for Project Delivery and robust governance arrangements are in place. There is a dedicated project board with defined terms of reference. It is led by a suitably qualified Senior Responsible Officer. The project is part of the HMCTS Change Portfolio, overseen by the HMCTS Change Portfolio Committee, and is part of the MoJ Portfolio.

The anticipated approvals and assurance route of the project aligns with the wider MoJ, Cabinet Office and HM Treasury requirements.

We have considered whether there is an enhanced risk of fraud as a result of the proposed approach; there are no significant inherent risks to fraud arising through this contract.

Value for Money

The business case assesses the cost and benefits of the project, and the options available, with the proposed option representing the best VFM option.

A modernised and efficient provision, promoting the effective use of modern finance technology is anticipated to reduce the cost of the future provision, with value for money being assured through competitive tender for this service.

Project costs inside the current Spending Review period (SR21) are affordable. For project and future service costs sitting outside this, post financial year 2024/2025, HMCTS will prioritise this project and the future service in the Spending Review planning process and future allocations rounds.

Feasibility

The ability of the project to deliver the recommended option is feasible and supported by the latest IPA review of the project, which gave a green delivery confidence assessment. The project is well resourced, with appropriate skills and expertise to deliver this activity successfully. There is a viable route to market, which appears achievable in the time frame.

The project timeline has been risk adjusted and takes account of key activity.

Conclusion

On balance all four of the Accounting Officer responsibilities are satisfied and there are no material Accounting Officer issues or risks identified. We will revisit this assessment at FBC stage.

As the Accounting Officer for HMCTS I considered this assessment of the Financial Transaction Processing project and approved it in April 2024.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them.

This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

A copy has also been provided to the Principal Accounting Officer for the Ministry of Justice, who has seen my assessment and endorsed my decision on the basis of my assurance that my Accounting Officer responsibilities are met.

Nick Goodwin
CEO HM Courts and Tribunals Service
21/10/2024

