



National Audit Office

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Helping the nation spend wisely

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ACCOUNTING OFFICER ASSESSMENTS: MINISTRY OF DEFENCE

It is normal practice for accounting officers to scrutinise significant plans to start or vary major projects, and then assess whether they measure up to the standards set out in the HM Treasury guide *Managing Public Money*. As you are aware, following NAO and PAC recommendations, from April 2017 the government committed to making available a summary of the key points from these assessments where they cover projects within the Government's Major Projects Portfolio. Annex one summarises the background to these assessments.

At the start of 2019, you received two Ministry of Defence assessments, covering the Warrior Capability Sustainment Project and the UK/France Teutates Programme. We have discussed these assessments with the MoD to better understand why they were conducted and how it plans to address the identified risks and challenges. Annex two summarises these two assessments. Based on these discussions, and what we know about these programmes, we have set out below recommendations which the Committee may want to take:

- **UK/France Teutates Programme:** In November 2010, the UK and France announced their intention to collaborate in respect of nuclear weapons and stockpile technology. In March 2018, MoD approved revised costs, to better reflect the programme's maturity, leading to the AO Assessment. *Recognising previous challenges, MoD has gone some way to addressing them with the build of facilities progressing. We will continue to monitor the programme, but sense progress has been made and that there is adequate scrutiny, particularly with IPA monitoring. We do not recommend the Committee takes specific action on this programme at this time.*
- **Warrior Capability Sustainment Project (WCSP):** As part of the Armoured infantry 2026 Programme, this project seeks to upgrade the current Warrior Infantry Fighting Vehicle to extend its in-service life and provide additional capability such as to enable firing while on the move. The AO assessment resulted from a forecast 3-year delay and cost increase of £227 million. *We propose to track progress across the Ministry's armoured vehicle procurement programme and are considering a value for money study in this area. Annex Two suggests some potential questions for the Committee, should it wish to express an interest in this area*

before that so as to establish a baseline to assess future performance.

Looking ahead, we will consider how to respond to further Accounting Officer Assessments on a case-by-case basis, considering our wider work programme and identified risks.

A handwritten signature in black ink, appearing to read 'Amyas C E Morse', written in a cursive style.

AMYAS C E MORSE