

**QUESTIONS AND ANSWERS FROM THE 2012-13 WGA LG TRAINING SESSIONS****(Relevant to *English* Local Authorities)****1. When will the final Data Collection Tool (DCT) be ready for authorities? (some wish to populate alongside their draft accounts pro-forma)**

Unfortunately, there are still some technical issues to resolve with regards to the DCT and some minor fixes to complete with regards to the migration of the WGA website to GOV.UK.

HMT are striving to resolve these issues with their business partners as quickly as they possibly can and are aiming to have the central government tool published (on GOV.UK) imminently, with guidance to follow, and the local government tool published soon after. HMT apologise for this delay and ask for your patience and understanding whilst they try resolving all these issues to ensure you are provided with a good quality and robust product.

This is the first year WGA are using a new tool and new accounting system so this form of delay will not roll into future years of the WGA process. HMT suggest for those wanting to start populating the DCT, to use the 2011-12 L Pack as the information required (besides HIA) has not changed and once the DCT has been published to transfer data across into the new tool.

**2. What is the date of submission of the unaudited DCT?**

The date is wrong on the WebPages – which states the 31<sup>st</sup> July 2013. HMT have confirmed the Local Government deadline has been extended to the 7<sup>th</sup> August 2013. This has been amended by HMT and they are awaiting the update to be reflected accordingly.

**3. Saving the DCT - Could authorities be given the ability to save the DCT directly on the HMT / DCLG website?**

This will not be possible due to the move to the GOV.UK WebPages.

**4. Which versions of Excel will it work with? What changes to Macros in Excel are required?**

The DCT will work with any version of Excel from 2003 onwards. Please remember to set your parameters in Excel before downloading the DCT. Guidance to do this will be available on the relevant WebPages.

**5. Will there be an issue with file size?**

File size may still be a problem for some authorities (download is about 15MB), as due to the macros it is likely that a zipped version won't be much smaller. If this is a problem for your authority, please contact HMT as a workaround is available.

**6. Will the DCT still work on Office 2000?**

Provided the authority has Excel 2003 (or a newer version) the DCT has been designed to work.

**7. Can the DCT be set up as a 'shared spreadsheet'? (so more than one person can update at once)**

This is not possible, but other colleagues could open a copy as 'read-only' (without enabling the macros) if all they wanted to do was look at the form to assess what information is required.

**8. Can grants received, where no outstanding conditions exist, go in via the Balance Sheet?**

HMT recommends that grants where no conditions exist are entered directly into CIES. 2012/13 Code (paragraph 2.3.2.9) states that grants and contributions relating to capital and revenue expenditure shall be accounted for on an accruals basis, and recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition(s) (as opposed to restrictions) relating to initial recognition that the authority has not satisfied. Grants and contributions that satisfy the recognition criteria in paragraph 2.3.2.8 but which have a condition attached that remains to be satisfied are recognised initially in the relevant Grants Receipts in Advance Account.

**9. Is it necessary to split Land and Buildings in Plant, Property & Equipment (PPE)?**

If you have this information available from your Fixed Asset Register please split it. It addresses a NAO issue about the reasonableness of the split.

**10. How detailed should the reserves analysis be?**

WGA only has limited reserves' analysis; therefore, authorities should not be too worried about anything that doesn't seem to be accommodated. [Feedback at the training sessions indicated that auditors were checking at a more detailed level and so that isn't the best use of their time.] WGA only shows General Fund and Revaluation Reserve, so a pragmatic approach is that the key figures should be completed accurately and authorities should not worry too much about the rest. HMT are trying to get the message cascaded through the NAO to local auditors about what they should be concentrating on – i.e. the material items and not the minute detail.

**11. In the staff numbers data there may be significant gains and losses as a result of staff transferring due to shared services arrangements, does this distort anything?**

It is only the total number of staff that is important, so the fact that one authority is losing staff and another gaining them isn't critical, providing there isn't any double-counting in the total.

**12. Do non-highways authorities have to submit any requested data on Depreciated Replacement Cost (DRC)?**

No, if this information is not relevant to your authority then please complete the Highways Infrastructure Assets (HIA) tab in the DCT by filling in the cells with 'N/A' and filling all the boxes with zeroes.

**13. Where HIA is not applicable, is there any way of avoiding having to put 'N/A' and filling all the boxes with zeroes? Can the DCT be programmed to identify which authorities would not have to submit HIA data and so the sheet doesn't appear at all?**

No, sadly this is not possible. Please can non-highways authorities indicate they are not required to provide this data by filling in the cells with 'N/A' and filling all the boxes with zeroes.

**14. From the training sessions it became evident that there are differing views on readiness and availability of HIA data under DRC: is the information available? If so, who would have it? Is there an easy way to calculate it? [Some authorities felt their highways' engineers would struggle whereas others felt they were in a position to do this. In addition, any prior year restatements may be a challenging issue to resolve.]**

HMT advise that this tab is not subject to audit in 2012-13. This information is required as part of the move towards valuing the highways infrastructure assets on a DRC basis in the future. Preliminary work has highlighted that such a transition is not going to be easy, which is why 2012-13 is a dry-run prior to DRC replacing historic cost in the WGA balance sheet in the future. It is important to note that Highways Infrastructure Assets should still be recorded at Historic Cost in the PPE note of the 2012-13 DCT that feed into the Balance Sheet. DRC details will only be captured separately on the Highways Infrastructure Additional Information tab.

**15. Can comments be added to the DCT? (i.e. have two columns to the right of the tables where the preparer and auditor can enter explanations?)**

HMT will add comments boxes to the bottom of every tab in the DCT.

**16. Can the various data tabs be numbered?**

This will be taken into consideration from 2013-14 onwards but will not form part of the 2012-13 DCT.

**17. Can any cells that feed into other cells be highlighted (through shading or with comments) to say where the figures in that cell feed in elsewhere in the DCT?**

This is already done in the DCT. Cells which are fed from different tabs are locked and shaded.

**18. Can the pension costs in the CIES be formula linked to the Pension Liabilities tab?**

This will be taken into consideration from 2013-14 onwards but will not form part of the 2012-13 DCT. However, there is a validation in the DCT as a check to ensure the figures reconcile.

**19. Is it possible for the grant data to be pre-populated with Central Government data (for authorities to review and adjust where necessary) instead of authorities having to enter this data?**

On wider discussion in the training sessions, it was felt that the current basis of having authorities input data into those cells is probably best on balance.

**20. Is it possible for an additional line to be added to the cash flow for a non-cash movement reconciliation for 'revaluation losses'?**

This will be taken into consideration from 2013-14 onwards but will not form part of the 2012-13 DCT. Therefore, in the interim please use the 'Other non-cash movement' row.

**21. An authority raised the point that trading accounts are not analysed subjectively in net cost of services (included objectively in CIES) so depreciation, current service costs, etc. won't match between PPE and pension assets and liabilities respectively.**

HMT confirmed that this was a legitimate discrepancy that should be explained in the validation column (column K) in the K.Validation\_Errors tab.

**22. Are any current service costs a part of unfunded pension schemes?**

On the pension assets and liabilities tab, HMT made the point that no current service cost is unfunded, even if the auditors insist it is. HMT are not bothered about accruals for unfunded schemes as it is not material.

**23. How should an authority treat grants with conditions to ensure internal elimination? For example if an authority receives a grant of £100k, of which £60k has no unmet conditions, how should this be treated?**

The government department providing the grant will treat the full amount as expenditure in the year (e.g. £100k). The authority should record the amount without condition in the NCS/CIES as relevant (e.g. £60k) and any amount carried forward with condition in the 'additions' line of Receipts in Advance in the LP-Liabilities & Provs tab (e.g. £40k).

The consolidation will then add the amount taken to the CIES with the amount in the Receipt in Advance addition and eliminate against the amount paid out by government. HMT ask that authorities don't put the total amount received in the year into the Receipts in Advance 'additions' (i.e. the £100k) and then put the amount taken immediately to CI&ES through the 'amount released to CI&ES' (i.e. the £60k) as HMT would then have to do a double elimination.

This may be the way local authority balance sheet grant controls work but for WGA, take the immediately recognised amount straight to the CIES (£60k), not through Receipts in Advance (which should only show the remaining £40k with condition as an addition).

**24. Queries were raised about whether certain listed grants in the WGA were specific or non-specific and whether they should be included in the Cost of Services or in Non-specific grant income?**

HMT advise to include them in WGA in the same place as included in the statutory accounts.

**25. What is the materiality threshold for Provisions by type?**

HMT are not interested in provisions being categorised by type if they are less than £50m. This message needs to filter through to the auditors.

**26. Can HMT provide details of the NAO Audit Gateway Tests? (i.e. the tests that the DCT must pass before Audit will begin work on it)?**

This will be included in the published guidance as it was in 2011-12.

**27. Are PCC bodies single or group accounting entities for WGA purposes?**

They are single entities, but for police bodies it is only the group position that is being collected through WGA.

**28. Should the non-adjusting disclosure of the 2013/14 Business Rate Retention provision issue disclosed in 2012/13 Events after Balance Sheet Date be disclosed as a Post Balance Sheet event in the DCT?**

Yes, if it is over £100m. Please also provide an explanation in the comments' box.

**29. MiRS / Reserves sheet – Some authorities commented that some of the cells they wanted to enter data in were ‘greyed out’ in previous years, so had to ‘fudge’ the data to enable the reserves to reconcile to the published accounts.**

For WGA purposes the split of reserves is less critical given there are only two WGA reserves relevant for local authorities. Authorities should be able to use the ‘Transfer to other Reserves’ and ‘Other Movements’ rows for WGA purposes (providing they don’t put all the movements under ‘Other Movements’ as auditors will not accept this).

**30. Do the lines for debtors and creditors in the Cash Flow Statement (CFS) include both revenue and capital, or should the capital accruals be shown elsewhere?**

Include capital accruals within these lines or else the CFS will not balance.

**31. Why is the ‘Heritage Asset’ information included within PPE on the WGA form? [The CIPFA Code confirms that ‘Heritage Assets’ is a separate heading in its own right (covered by a different accounting standard) and having to combine the two leads to presentational differences for auditors that could easily be avoided (see 2012/13 Guidance Notes page 173 – “Heritage assets - This is a separate class of asset (land, building, or artefact/exhibit) that is held principally for its contribution to knowledge or culture and meets the definition of a heritage asset.”)]**

HMT accept this is a different category of assets in their own right, however, in WGA they are included within the PPE element of the accounts.

**32. In respect of rows that appear in the DCT tabs but do not apply to all authorities (e.g. group accounts, Transferred Debt, etc) – is there a requirement to enter zeroes or can they simply be ignored?**

They can be ignored provided the return passes the hard validations (and explanations for the soft validations are given) and the DCT passes audit.

**33. Can depreciation on ‘Heritage Assets’ be captured in the DCT?**

The DCT for 2012-13 does not allow for this, therefore, please include depreciation for this asset class, if applicable, in the depreciation for ‘Buildings’. This may require an adjustment to opening balances in the adjustment rows. This will be taken into consideration from 2013-14 onwards.

**34. What information will authorities receive from DCLG and other Government Departments in respect of grants? How will this information be communicated?**

HMT preference is for DCLG to email the information to authorities. Authorities should have received some communications about DCLG grants to date. Please can authorities contact Michael Ning ([wga.queries@communities.gsi.gov.uk](mailto:wga.queries@communities.gsi.gov.uk)) at DCLG to confirm their details if they have not received these communications.

HMT and DCLG will endeavour to send out the mismatches report to authorities to resolve mismatches with other WGA bodies once the draft data has been received following the 7<sup>th</sup> August 2013 deadline. (This will include PWLB mismatches) Last year it was circulated to the auditors by the NAO before authorities received it. The NAO doesn’t have access to OSCAR, so

it shouldn't happen this year. It is unlikely that DCLG/HMT will be able to produce individual report for each authority, as it would take too long.

The most pragmatic approach is for HMT/DCLG to provide a list of all authority data and then for individual authorities to filter on their authority's information. This report will be issued with instructions on how to extract your authority's data.

**35. Many academies have the same or similar name; although it won't affect WGA as they are all given the same CPID code. Could they be differentiated in the CPID list so similar ones are not muddled?**

HMT have updated the CPID list, which is available on the HMT WebPages, to show location identifiers where applicable.

The link to the HMT Webpage is: <https://www.gov.uk/government/publications/whole-of-government-accounts-guidance-for-preparers-2012-to-2013>

**36. If CPID error is due to errors in the validated data, can a preparer go back a stage to correct it? If they do, will it overwrite any CPID data already entered as in the validations tab?**

This should not be the case in the DCT, it will not overwrite data already there, but a suggested 'workaround' in the event that it does could be to save a copy of the DCT prior to re-validating and then if you need to correct the data you can paste back in the CPID analysis already completed.

**37. An authority said they like to share the CPID data at an early stage to get other staff to complete their relevant elements, but this may not be feasible if the CPID sheet is only available after all the data has been validated. Is there any 'workaround' so the CPID sheet could be available earlier in the process?**

HMT to investigate with developers if it might be possible to create a separate sheet of CPID amounts that can be shared.

**38. If the Instigator body is always the local authority, can this be pre-populated?**

No. This sheet is also utilised by Central Government bodies and they are required to provide the granular detail of the entities within their departmental boundaries who incurred these transactions.

**39. Can some of the CPID details be hard-coded (e.g. Revenue Support Grant is pre-populated with COM085 for grant paid by DCLG)?**

This has been raised with the developer but may not be a part of the DCT in 2012-13. However, there are validations in place to advise where an amount in the resource accounts should have been allocated against a relevant CPID and this will be flagged when trying to lock the DCT for cycle 1.

**40. What should an authority do if the grants' information provided by DCLG doesn't match their own?**

It is just as plausible that the error may be at the DCLG/Central Government department end in coding the payment out, if authority is sure they haven't received the amounts shown. Please contact the relevant counter-party (in the first instance) or DCLG.

**41. Are there new CPIDs for the new PCC bodies?**

Yes. PCC DCTs will be populated with the old Police Authority's closing balances from 2011-12 as this year's opening balances; therefore restatement adjustments may be needed.

**42. The CPID list isn't currently split into the categories of sub-consolidations as it was previously (e.g. Central Government, Local Government, and Public Bodies etc.) - could this be done to aid authorities in completing their debtors and creditors' disclosure notes in the accounts?**

The CPID list published on the HMT WebPages does have a column in the spreadsheet which shows the category a body falls into in WGA.

**43. Where should an authority include European Grants in the DCT?**

Please include in either of the following rows in the DCT where appropriate:

- a. EU Current grants – LP-I&E NCS Subjective analysis;
- b. Other Government Grants (non-capital) – LP-CI&E; or
- c. (Another appropriate income/grant row in the relevant tab)

**44. Does the CPID sheet force preparers to enter amounts to reduce the number of mismatches?**

There are some validations built into the DCT to ensure known account codes have counter party information allocated against them. For example, National Insurance Contributions need to be 100% allocated to HM Revenue and Customs (IRT813).

**45. In the CPID analysis, can there be several lines allocated to the same CPID in respect of the same item? So, if the amount for DCLG is made up of several smaller amounts can a preparer enter several rows of numbers allocated to the DCLG CPID, or will the spreadsheet only expect one total per unique CPID?**

Yes, the DCT allows this granularity of information for the eliminations' process.

**46. What is the materiality threshold that authorities should follow in deciding whether or not to include CPID data?**

HMT require any transactions with one organisation that have a **total** greater than £1 million within any **Match Relationship**, to be included in the counter party tab. Some authorities have interpreted previous guidance as requiring only single transactions greater than £1m to be recorded, causing differences and no matches to arise.

If the value for the Match Relationship is below the £1 million threshold, authorities are requested NOT to disclose, as this increases the number of mismatches that need to be addressed.

**47. What is the cut-off point below which authorities won't be subject to a full WGA audit?**

NAO decide this and not HMT, however, HMT do get sight of the NAO list but cannot influence the NAO's decisions.

**48. Will the DCT allow values exceeding the amount in the resource account data to be allocated to a CPID? (An authority at a training session said they may legitimately need to do this as a result of a PFI arrangement with another authority)**

This has been confirmed with the developers that this will not be allowed in the DCT and will be a hard validation to be resolved before the DCT will lock. Please contact HMT directly if this issue affects your authority.

**49. How should authorities reflect Fire/Police Pension Top-up Grant in the DCT, as this is income received from Central Government but doesn't go through the authority's CIES (effectively shown in memorandum accounts)?**

Treat as external to WGA.

**50. What is the submission process where the DCT is not formally audited?**

Authorities subject to full audit is a matter for the NAO to set with local auditors, however, local auditors are still required to carry out some reasonableness checks and so the auditors would still have to sign it off **and submit it to DCLG** – all DCTs must go to auditors at end of cycle 1 and once cycle 2 has been completed all auditors must submit the DCT to DCLG on behalf of the authority.

A suggestion is to ask auditors to copy in the authority when doing this so that they are aware it has been submitted.

**51. Who submits the final version (locked and audited) - the authority or the auditor?**

It should be the auditor; to provide a consistent methodology and to avoid any misunderstandings.

**52. What guidance will authorities receive?**

Instructions for setting up the relevant parameters in Excel and full guidance for completion of the DCT (which will include recommended order of completion).

**53. Will the submission deadlines be extended if there are serious issues found with the DCT?**

Any issues found with the DCT that can have easy fixes applied will be done so on an individual basis by HMT. There is significant stress testing of the DCT going on at the moment. If a serious issue without an easy fix is discovered, the deadline positions would have to be considered. The initial draft figures are required one week later than last year so authorities will still have about six weeks to complete and submit their data, albeit HMT are sensitive to the delays and the other competing demands on staff time (final accounts, auditors, RO Forms, and annual leave).

**54. Do Academies complete the DCT?**

No, DfE have their own proforma for collecting the information.