

Whole of Government Accounts summary

Presentation to FRAB 24th June 2021

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Structure of presentation

- WGA 2018-19 timetable and matters of interest
- 2019-20 challenges and timetable
- Stakeholders and users
- Planned improvements for 2019-20
- Next year: WGA 2020-21
- Questions

WGA and usual timetable

What is WGA?

- A uniquely comprehensive view of the public sector's financial position and performance
- Audited by the NAO
- Consolidates the UK public sector in line with International Financial Reporting Standards
- WGA is made up of over 9,000 entities including central government departments, local authorities, devolved administrations, the NHS, academy schools and public corporations

WGA 2018-19 timetable and matters of interest

Timetable for WGA 2018-19

June 2019 Central government accounts deadline

July / Sept 2019 Local authority accounts deadline

July 2019 Cycle 1 WGA data deadline (unaudited)

Sept 2019 Cycle 2 WGA data deadline (audited)

July 2020 WGA laid in Parliament

WGA 2018-19 timetable and matters of interest

Matters of interest in WGA 2018-19

Covid-19

- Summary of measures and potential financial implications within the Performance Report
- Further details of these measures included with the events after the reporting period note

EU Exit

- Valuation of the financial settlement set out in the Performance Report
- Similar information included within the events after the reporting period note

2019-20 challenges and timetable

Challenges of WGA 2019-20

Covid-19

- Delays to publication of Central Government accounts
- Exacerbated Local Authority accounts delays and audit issues

OSCAR II

- Contributors learning new system
- Some teething problems identified as data submitted

2019-20 challenges and timetable

Timetable for WGA 2019-20

Sept 2020* Central government accounts deadline

Nov 2020 Local authority accounts deadline

Sept 2020 Cycle 1 WGA data deadline (unaudited)

Dec 2020* Cycle 2 WGA data deadline (audited)

NB: * Last central government accounts published Jan 2021

* Some Cycle 2 data for central government remains outstanding

Stakeholders and users

Key stakeholders

Public Accounts Committee

- Annual hearing on WGA
- Produce report making recommendations
- Private hearing to discuss improvements

HMT Audit Committee

Review WGA accounts before publication



Stakeholders and users

Utilisation of WGA

- Balance Sheet Analysis
- Office for Budget Responsibility (OBR)
- NAO publications
- CIPFA publication
- Office of National Statistics (ONS)
- UK Government Investments (UKGI)
- Cabinet Office (esp re: public bodies)

Update Performance Report to reflect best practice

- Carry out a full review against the principles set out in the Financial Reporting Review
- Emphasise these principles to contributors to ensure the document is cohesive in tone and content

Update Performance Report to reflect best practice

- Using clear language, design choices and graphics
 - Standing text will be reviewed to ensure it uses clear and simple language
 - Use of headings and subsections to allow users to easily find the specific information they require

Update Performance Report to reflect best practice

- Visual presentation of data
 - Visual summaries of each key area to provide an effective overview
 - Infographics, rather than text, will be the primary way to present information

Chart 1.GG: Successes of the Balance Sheet Review in 2018-19 and 2019-20

Controlling contingent Asset sales and loans Balance sheet reporting liabilities Introduced new Asset Sales The ONS began producing Published a new report that seeks Disclosure Guidance¹, requiring comprehensive balance sheet to improve CL management departments to show a sale statistics, providing more with a focus on increased delivers VFM and improves the frequent and timely in-year expertise, compensation, sustainability of public finances. data on the Government's balance incentives and risk ownership3 sheet2. Continued use of stricter controls over new CLs. Debt owed to government Intangible assets Introduced new debt The building blocks of Budget announcement of new unit management measures for and fund to unlock value from **BSR** success public sector intangibles. £150bn departments and arms since length bodies in the of 'knowledge assets' have been March 2019 2019/20 Consolidated Budgeting recognised in the public sector5. Upcoming report to provide detail. Guidance4 Reducing inflation Use of broader Student loan sales exposure **Balance sheet metrics** Following changes in accounting The government is considering a Reduced the proportion of standards, loan sales now have framework to examine multiple metrics for evaluating asset index-linked ailt significant negative sales and other balance sheet issuance in the 2019/20 impact on public sector net borrowing. The government transactions. This includes using the financing remit. balance sheet to decide fiscal

will no longer proceed with these

sales

sustainability

Best practice example from WGA 2018-19



Update Performance Report to reflect best practice

- Presentation of context and trends, including use of 5 year trend data
 - Trend data will be included for all key figures, to place the movement from 2018-19 in context

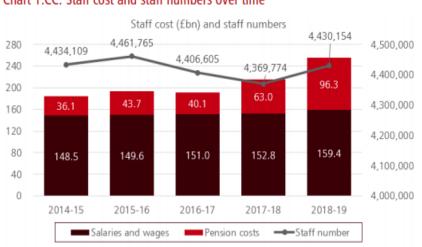


Chart 1.CC: Staff cost and staff numbers over time

Best practice example from WGA 2018-19

Public Accounts Committee recommendations

- Include estimated expenditures on EU Exit and Covid-19
- Set out HMT's approach to managing fiscal risk, including in the Local Government sector
- Draw on OBR projections to bring a forward-looking element into the Performance Report, and give additional context to key liabilities
- Present a snapshot of the work of the Government Finance Function

HMT Audit Committee areas of interest

- Maturity of debt
- Maturity of provisions
- Effect of future interest rate movements
- Climate change

Next year: WGA 2020-21

Plan for WGA 2020-21

- Timetable will again be impacted by:
 - Central government departments laying accounts later than usual
 - Ongoing issues with timely production of local authority accounts
- Planned improvements:
 - Improve the experience for users, including by updating and improving the Data Collection Tool
 - Consolidation and audit timetable will be brought forward with the hope of publishing earlier than 2019-20 (subject to timely data)

Any Questions?