



Financial Reporting Advisory Board

Whole of Government Accounts Update 2023-24

Issue:	An update on Whole of Government Accounts (WGA) 2023-24.
Impact on guidance:	N/A
IAS/IFRS adaptation?	N/A
Impact on WGA?	Update on WGA
IPSAS compliant?	N/A
Interpretation for the public-sector context?	N/A
Impact on budgetary regime and Estimates?	N/A
Alignment with National Accounts	N/A
Recommendation:	We seek FRAB's views on future plans for WGA.
Timing:	Ongoing. WGA 2023-24 publication is planned for July 2025.

DETAIL

WGA recovery plan

1. Whole of Government Accounts is a comprehensive consolidation of the entire UK public sector, comprising over 10,000 bodies and prepared using IFRS. The current WGA being prepared is the 15th WGA. The timeliness of WGA has been a significant area of interest particularly for the Public Accounts Committee. Since Covid WGA has been looking to recover to its pre-Covid timetable of being published by the summer recess the year after the balance sheet date.
2. HMT continues work to return Whole of Government Accounts (WGA) to normal timetables. In line with the WGA recovery plan, WGA 2022-23 was published in November and 2023-24 is due to be published in July. 2024-25 is scheduled for June 2026.
3. Work on the Whole of Government Accounts (WGA) 2023-24 has been delayed by late submission of data by entities that are material to the consolidation. Data collection was kept open to include them, delaying consolidation from 2 December 2024 to 17 January 2025. This delay has been mitigated by a flexible, concurrent audit approach and a

separate team for producing the Performance Report. As always, there remains potential points of delay in any annual production of WGA. Whether this relates to IT delivery systems, communications with departments and the NAO, and availability of resource either internally or externally. We will always work proactively to ensure risks can be mitigated ahead of time, or response can be as quick as possible.

4. System issues with the consolidation caused a further delay to 3 February 2025 before journals could be posted. HMT has committed to update Public Accounts Committee (PAC) at Easter with an update on progress and whether a July publication remains achievable.

Disclaimer of opinion on the WGA 2022-23

5. Since 2015, the completeness of English local authority WGA data has declined. This was primarily due to a backlog of accounts and audit in the sector. In 2020-21 and 2021-22, the NAO qualified WGA due to missing data.
6. The level of missing data worsened for 2022-23 and the NAO disclaimed their opinion for the first time. Missing data due to backlogs in English local authority accounts and audit meant there was inadequate assurance over material balances for the NAO to form an opinion. The NAO still [described](#) the WGA as “a vital tool in the management and scrutiny of public spending.”
7. Legislation has been enacted to require English local authority accounts to be finalised by backstop dates, even if disclaimed (with some exemptions where there are significant disagreements). This is already having an effect in enabling the sector to focus on more recent accounts which has improved WGA reporting, with a slight increase in the number of English local authorities submitting data for 2023-24. It is reassuring to see the trend improve.

Use and impact of WGA

8. HMT’s view is that WGA remains a valuable and reliable source of information for a wide range of stakeholders, e.g. PAC. The disclaimed opinion does not indicate that WGA is no longer useful or of low quality. WGA remains a world leading publication as most other countries only consolidate accounts at a federal level – the UK can report on public corporations and, increasingly, local authorities. Disclosure of missing data estimates the impact: assets 6.7%, liabilities 2.8%, income 4.2%, expenditure 7.8%. WGA is likely 90%+ complete. HM T does however acknowledge the seriousness of the disclaimer and is working with stakeholders (primarily MHCLG) on the longer-term resolution of these issues.
9. WGA’s primary purpose is transparency and enabling Parliament to hold government to account for public sector financial position and performance. HMT held a pre-PAC briefing with PAC members this year to support this and is assessing options for ensuring ongoing impact of WGA for Parliament.
10. The PAC hearing was held on 23 January. The witnesses were Director, Public spending, Director General Public spending (And WGA Accounting Officer) and Permanent Secretary (from HMT) alongside the Deputy Director for Local Government audit and Director General for Local Government, Communities and growth from MHCLG. The committee challenged HMT on how WGA is being used, particularly on the management of large liabilities. There were further questions on the non-coterminous year ends qualification that arises from the consolidation of the Academies sector. The

Committee also challenged on the local government audit issues, and the response from central government to rebuild assurance in the sector.

11. Outreach to secondary user groups is also essential. HMT is looking at options to reduce dependence on pdf accounts which are technical to interpret. A data and analytics dashboard is planned for this summer to allow users of WGA to explore 15-year trends in WGA data. Internally, this data will be made available to HMT policy makers through the Hawkeye platform. This allows them to chart WGA data alongside other measures such as fiscal statistics to support evidence-based policy making. The feasibility of other options is being assessed, including sharing detailed data, entity level data (if permitted) or benchmarking. This will take more time to consider as the data is not already in the public domain. More general outreach is also proving successful. A government finance function workshop highlighting the “treasure trove” of data in WGA was very well attended and the resources from this are being promoted to the higher education sector. HMT is exploring options for other user groups to encourage the use and impact of WGA.
12. HMT is interested in FRAB’s views as to whether planned outreach activities prioritise the right user groups and content to maximise WGA impact.

Short and long term future of WGA

13. In the short term, there are two key priorities for WGA:

Table 1: Short term WGA priorities

Deliver recovery plan	Data completeness and quality
<ul style="list-style-type: none"> WGA 2023-24 in July 2025. WGA 2024-25 in June 2026. 	<ul style="list-style-type: none"> Address missing data and enable NAO to give a normal accounts opinion. Where practical, address long standing qualifications.

14. As noted, the timetable for WGA 2023-24 is challenging due to late data submissions from significant central government entities but is currently on track.

15. For 2024-25 HMT is clarifying that draft accounts for Cycle 1 can be submitted from the first version sent to audit (central government) or the draft published online (local government) to encourage entities to provide some data and not wait until their entity accounts are finalised before beginning WGA. Late entity accounts should not prevent WGA participation.

16. HMT is collaborating with the Ministry of Housing and Local Government to utilise their communication and compliance channels to increase English LAs' engagement with WGA as they emerge from the accounts and audit backlog.

17. Where practical, we will continue to address long standing qualifications of the audit opinion. The Natwest boundary qualification will cease to be relevant in due course as a result of the government's reduced shareholding. Some qualifications are likely to persist where it is not considered value for money to remove them e.g. for academies' non-coterminous year end, improvements to align budgeting currently demonstrate better value for money and the sector does not have capacity to address both concurrently. In the long term, the aspiration continues to be the removal of qualifications wherever it represents proportionality and value for money to do so.

Table 2: Long term WGA priorities

Oscar - user experience	Oscar - consolidation systems	Accessibility of Information	The future product
c. 1,700 contributors submit data to WGA. Improvements to the submission process will improve compliance and efficiency.	Continued work to stabilise and maintain existing consolidation systems and to consider modern options for the future.	As described under "Use and impact of WGA" HMT is working to improve the accessibility of the information in WGA and promote its use.	HMT is assessing the feasibility of radical changes to achieve faster reporting or reform the WGA product.

18. Future product –HMT is assessing the feasibility of radical changes to achieve faster reporting and better serve stakeholder needs. The original feasibility study for WGA was

undertaken during the 1990's, and advancements in technology and a significantly different landscape suggest that this is a good time to rethink the product more broadly to ensure it remains relevant and useful. The current WGA framework is set out in legislation, and therefore significant changes in scope may require changes to that legislation.

- The timeliness of WGA remains highly salient. Entity accounts have various users parallel and separate to WGA. Whilst a full corporate group model is unlikely to be feasible, aspects of corporate approaches become increasingly possible as systems improve over time. E.g. WGA could be redesigned to focus on material group balances first. Encouraging submission of draft cycle 1 data and reviewing the differences between draft and final for 2024-25 will help inform this assessment. This would require significant change in the behaviour of preparers and component auditors, as well as changes in the WGA consolidation systems and process. If WGA contributors are able to return to a reliable pre-recess (for central government) and summer (for local government) publication of statutory accounts, then the fastest WGA can be realistically produced is 12 months from the year end. This has been achieved once before. Further improvements to timeliness would require more substantial changes to the nature of the WGA product.
- Publishing draft accounts, or changing the scope of WGA (noting however that the scope of WGA is what makes it unique and part of the reason for its utility to Parliament).
- Working with the NAO to understand options for the group audit approach, particularly in light of the new ISA 600 standard.
- Real time reporting is being considered in various areas of government finance e.g. procurement. It is not currently possible to report real time on assets and liabilities that are valued at year end but it could be possible to introduce real time balance sheet reporting for central government. Balance sheet management is already covered by separate processes across central government; debtor management, cashflow forecasting, timeliness of supplier payments, contingent liabilities, fiscal statistics etc so it may not represent value for money. Alternatively, WGA could be supplemented by other forms of realtime reporting, which allows for the core WGA itself to be stripped back and made more simple.
- HMT is interested in FRAB's views on the options for the long-term future of WGA, especially whether there is appetite for a radical review of the design of WGA.

Action points

19. HMT seeks feedback from FRAB on the future of the WGA product:

- HMT is interested in FRAB's views as to whether planned outreach activities prioritise the right user groups and content to maximise WGA impact.
- HMT is interested in FRAB's views on the options for the long term future of WGA, especially whether there is appetite for a radical review of the design or scope of WGA,

HM Treasury
20th March 2025