

## Whole of Government Accounts

Whole of Government Accounts (WGA) are the consolidated financial statements for the whole of the UK public sector. HM Treasury published the 2009-10 WGA for the first time in November 2011.

The National Audit Office and the Public Accounts Committee have acknowledged that this is a landmark event, which has substantially furthered the cause of transparency and accountability over public spending. However, the C&AG qualified his audit opinion on the WGA 2009-10 and concluded that the accounts need to be significantly improved, if they are to play a full part in comprehensive and meaningful analysis of the government's financial position.

All preparers of consolidation packs which feed into the consolidated statements have a part to play in improving the quality of the data included in the WGA.

This Fact Sheet provides a summary of how preparers can improve the quality of the information submitted, tips to avoid problems found by the Treasury and external auditors in 2010-11 and what preparers should be providing to their external auditors to support the audit process. The Fact Sheet could also be used by audit committees, to highlight their role in ensuring management are discharging their responsibilities.

The WGA for 2009-10, including the C&AG's report on accounts can be found at: [http://www.hm-treasury.gov.uk/psr\\_government\\_accounts.htm](http://www.hm-treasury.gov.uk/psr_government_accounts.htm)

### Process for bodies consolidated into the WGA

The Treasury requires WGA bodies to complete a "C-Pack" (an Excel spreadsheet used to collect accounting information for consolidation). The Treasury consolidates the data to prepare WGA for the UK.

More information on the process and the Treasury's instructions on the completion and submission of the C-Packs can be found at [http://www.hm-treasury.gov.uk/wga\\_guidance\\_centralgov.htm](http://www.hm-treasury.gov.uk/wga_guidance_centralgov.htm)

### The impact of the changes to Departmental Resource Accounts boundary

The changes to the Departmental Resource Accounts boundary to include Non-Departmental Public Bodies (NDPBs) means that NDPBs will no longer have to prepare a full C-Pack; instead they will only have to submit details of transactions and balances with other WGA bodies outside the departmental group to the consolidating Department. The Department will no longer prepare a sub-consolidation but instead a consolidated C-Pack for the Departmental Resource Account.

This brings opportunities for efficiencies to be made in the audit process, due to the same information being required to support intra-group transactions and balances, both in the Department's consolidation return and the WGA return. In future, we would encourage NDPB preparers to provide WGA information for audit at the same time as their main accounts or departmental consolidation pack audits

### Issues found in the 2010-11 process

We have identified areas where improvements need to be made in the quality of data provided on the C-Pack returns (see **Box 1**) and suggestions that may help organisations to make improvements.

#### BOX 1

##### Improvements are needed in process and quality

*Timely preparation of C-Packs* - The deadline for C-Pack upload and start of the audit is 31 July 2012 and audit completion by 24 August 2012. Any problems with meeting the timetable should be notified to the Treasury and your auditors at any early stage.

*Management review* - The Treasury provides a management review checklist. This should be completed by the body before the C-Pack is presented for audit.

*Consistent mapping from year to year* - Preparers should compare last year's audited C-Pack with this year's draft C-Pack to identify inconsistencies. These should be investigated and appropriate amendments should be made to the 2011-12 C-Pack (in the current or prior year, as appropriate).

*2011-12 opening balances should match 2010-11 closing balances* - Preparers should ensure that the opening balances in the C-pack match the previous year's closing balances. Where they do not, explanations should be sought from Treasury.

*All additional information in the C-pack must be completed* - Preparers should check that all sheets in the C-Pack have been completed, as appropriate.

*Counter party information (CPIDs) must be complete and accurate* - Preparers should:

- Agree CPID balances and transactions over £5m with other central government bodies.
- Include CPIDs from information in the audited financial statements (e.g. intra-government receivables and payables notes, grants).
- Review the purchase and sales ledgers to identify CPIDs.
- Ensure where balance sheet CPIDs are included that there are corresponding income or expenditure CPIDs, as appropriate.
- Review the 2010-11 Matches Report, sent by the Treasury, to identify issues which may recur in 2011-12.

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## BOX 2

### How bodies can improve quality

#### Preparers should:

- Review the WGA and C-Pack Completion Guides which are available from the Treasury's website.
- Ensure they understand these and attend training and briefings arranged by the Treasury, as required.
- Ensure that the steps above in Box 1 are taken and evidence provided in the audit pack.

#### The Finance Director/Consolidation Manager should:

- Undertake a review of the draft figures, for example, questioning inconsistencies in the C-Pack with information in the accounts, considering any nil balances or omissions based on their wider knowledge of the business.
- Ensure the C-Pack, evidence and explanations are available to auditors on a timely basis in line with the HM Treasury timetable.

#### Accounting Officers/Consolidation Officer should:

- Ensure that the WGA process has been undertaken robustly within their organisation and that sufficient review has been undertaken.
- Review and sign the completed management review checklist.
- Sign the Statement of Financial Position and attached certificate from the C-pack (pre and post audit).

#### The Audit Committee should:

- Be aware of the WGA preparation processes within their organisation and the controls around this process.
- Seek views of auditors and ensure progress reports and audit reports are sent to the Audit Committee where appropriate.

### Roles and responsibilities for ensuring a good quality C-Pack

The Treasury provide guidance on the process and the roles of the Consolidation Manager and Consolidation Officer.

However, staff involved in all stages of the preparation and review have a part to play in this process. The Audit Committee can also play an important role in this process of improving quality (see **Box 2**). The Accounting Officer and Audit Committee may wish to assume greater oversight if there were delays or significant issues during last year's audit process.

The Treasury provided some information in an annex to WGA in 2009-10, which highlighted those bodies who did not provide returns and those which were not included due to poor quality. The Treasury is considering extending this in the future to include late delivery and to include more information on poor quality submissions.

#### Preparing for audit

Auditors will communicate their requirements to bodies.

However, as a minimum, organisations should provide auditors with these documents at the start of the audit:

- The C-Pack uploaded onto the Treasury IT system (COINS).
- COINS Reports (to prove upload).
- Management review checklist (reviewed and signed by the Consolidation Officer).
- Analysis showing how lines in the audited financial statements have been mapped to lines of the C-Pack, or how the Trial Balance used to prepare the audited financial statements has been mapped to account lines (SCOAs) in the C-Pack.

- Evidence to support the CPID details disclosed, including accounting system reports and counter-party agreement forms (CG-01 forms),
- Evidence of the body's review of the Treasury's Matches Reports to identify the transactions and balances disclosed in their C-Pack compared to those disclosed by other WGA bodies.
- Any evidence of discussions with the Treasury.

#### Will you pass the audit gateway tests?

Auditors have been told not to proceed with WGA audits until the following tests have been passed. The Treasury endorses this stance because it makes their task of preparing WGA much more efficient.

- has a correct version of the C-Pack been filled in?
- is the C-Pack consistent with COINS?
- is the C-Pack consistent with the audited financial statements?
- is the Treasury management review checklist complete?
- is an evidence/supporting information pack available to auditors? (see list of documents above)

#### Additional guidance

For more guidance contact your auditors or the Treasury WGA team: [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) or visit the Treasury website at [http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm).