



HM TREASURY

Whole of Government Accounts

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March 2011

UNCLASSIFIED



What is WGA?

- Set of consolidated financial statements for the public sector (including central government, devolved administrations, local authorities, NHS and public corporations)
- Based on International Financial Reporting Standards
- Will look and feel like a set of private sector accounts with a management commentary, financial statements, disclosure notes and audit opinion
- First accounts will be for 2009-10, which we will publish during 2011
- Most ambitious set of accounts in the world in terms of public sector coverage – at the forefront on transparency internationally
- Early years likely to be qualified – but this is the start of a journey



Why produce WGA

- The only audited set of data across the public sector
- Improving transparency and accountability to Parliament and to the taxpayer
- New measure of the government's financial position, including provisions, PFI and contingent liabilities, to complement existing measures
- Potential to support longer term fiscal forecasting and management
- Comparability across different parts of the public sector, and with the private sector, as financials produced on a consistent basis



What's new in WGA

- Brings the UK public sector accounts together in one place
- Based on the audited accounts of public sector bodies (already published), but WGA consolidates these, removing transactions and balances with other parts of government
- It will include assets and liabilities which are not part of measures used for the purpose of national statistics, due to measurement and conceptual differences. The WGA net balance sheet position will not, for example, match PSND
- Makes transparent PFI, pension liabilities and government guarantees



Characteristics of WGA

- It is not a group account but is, instead, a set of consolidated financial statements – there is therefore no parent
- WGA includes only bodies classified to the public sector
- There are a number of different accounting frameworks in operation
- Treasury does not have direct levers over many of the bodies in WGA, which have their own legislative status
- Minor bodies are not included



WGA Risks and Issues

- Timeliness
- Quality
- Counterparty transactions and balances
- Convergence of accounting policies
- Boundary for WGA
- Completeness
- External reaction



Engagement from the preparer community

- Embed WGA into the year end process and timetable
- Adjust systems more easily to report transactions and balances with other parts of the public sector
- Can you agree with others?
- Understand how your numbers will be reported in WGA
- Who will be interested in WGA?