



HM TREASURY

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Dear Consolidation Manager

WHOLE OF GOVERNMENT ACCOUNTS (WGA) 2008-09 GUIDANCE FOR CENTRAL GOVERNMENT DEPARTMENTS AND BODIES FOR 2008-09

Application

This DCM letter applies to all designated central government bodies with the exception of bodies that are designated by the Northern Ireland Department of Finance and Personnel who issue their own guidance. Guidance in individual sections highlights which requirements apply in particular cases.

Summary

Attached to this letter is the guidance for designated central government bodies for 2008-09 WGA. Each section provides details of the application of the contents of the section, a brief summary of the section, actions required and detailed instructions. The sections can be accessed via this link - http://www.hm-treasury.gov.uk/wga_guidance_index.htm

- Section 1 - small and minor bodies
- Section 2 - timetable for the sub-consolidation of accounts of central government departments and bodies
- Section 3 - consolidation packs, data submission and audit sign off
- Section 4 - agreement of transaction streams and balances by central government departments and bodies
- Section 5 - accounting treatment for CFERS and related consolidated fund transactions
- Section 6 - treatment of grant in aid transactions and other grants
- Section 7 - lottery eliminations
- Section 8 - bodies preparing charity accounts
- Appendix 1 - schedule of designated central government bodies
- Appendix 2 - forms for 2007-08
- Appendix 3 - list of bodies and CPIDs



- Appendix 4 - list of SCOA changes
- Appendix 5 - list of match relationships

Guidance Notes

The Guidance attached applies to central government departments, NDPBS or similar bodies, and funds. It sets out the timetable for the submission of WGA data, the agreement of balances and transaction streams, the designation of small and minor bodies, the accounting treatment for consolidated fund transactions and grant in aid, and a pack of forms which bodies are required to complete including a checklist to aid management review of submitted WGA data.

2007-08 dry run

2007-08 was the third year for which consolidated dry-run statements for the whole public sector were submitted for audit. We are now in the final stages of the audit process on the 2007-08 dry run. This is a major achievement for all of us. We appreciate the efforts that you made in preparing WGA and we are grateful for the contributions we have received, especially from those bodies that achieved improvements in timeliness and quality. However, these improvements have been offset by a drop in data quality provided by a number of bodies. The key issues noted below, need to be addressed this year if we are to avoid potential audit qualifications:

- a number of bodies failed to identify counterparty transactions completely and accurately;
- delays by a number of bodies had an adverse impact on the overall timetable;
- errors in mapping of chart of account codes have led to a number of material consolidation errors and internal accounting inconsistencies which have prevented the production of a cash flow statement; and
- unexplained differences between closing balances reported in 2006-07 and opening balances in 2007-08.

We held a number of communications forums during March and April which were informative and helpful and we welcome the constructive feedback we have received. We will continue to engage with key stakeholders in the coming months with a view to addressing the issues raised and to make improvements.

Changes in 2008-09

This year we have revised the data collection pack, which all central government bodies must use to collect and submit data for WGA. The new pack replaces two packs, the C Pack and the S pack. The new pack contains a number of features which we believe will help to improve data quality. It contains a number of enhanced validation tests, it asks for details of changes to the balances carried forward from the previous year and it includes a cash flow statement which should help in the production of a balanced cash flow statement for the whole of the public sector. The pack also includes an automated journal production facility which should simplify the process for making amendments to submitted data. We

have also revised the data submission and audit sign off arrangements which are set out in detail in Section 3 of the guidance notes.

The pack was trialed last year by the Welsh Assembly Government and its sponsored bodies, the Ministry of Defence, the Department of Culture, Media and Sport and the Department of Health. We are grateful for their contribution to the process and the comments that they made have been taken into account in the version which is now available for all bodies to use this year. The pack is available from the WGA Guidance page on the HM Treasury public website along with detailed guidance on the use of the pack.

Further Information

We have taken on board some of the comments made by bodies and will continue to develop the guidance. If you have any comments about the changes and how we can develop the guidance further please write to me at wga.team@hm-treasury.gov.uk

I would like to thank everyone who contributes to the WGA process for your hard work and commitment. I hope to meet more of you over the next year.

A copy of this letter and annexes goes to the NAO

Yours faithfully

Karen Sanderson