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# **Guidance to the Whole of Government Accounts Year ended 31 March 2010**

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# Chapter 1 Introduction to WGA 2009/10

- 1.1. This guidance applies to central government bodies required to provide information for the 2009/10 Whole of Government Accounts (WGA). Their information is to be provided to the Treasury WGA team in an Excel spreadsheet called the C-Pack. The C-Pack is the WGA 2009/10 Consolidation Pack available on the Treasury WGA website with accompanying detailed guidance on how to complete it. The WGA team at the Treasury consolidate all the completed C-Packs, with information from the rest of the public sector, to prepare the consolidated financial statements for the whole of the Government of the United Kingdom of Great Britain and Northern Ireland.

## Whole of Government Accounts (WGA)

- 1.2. The Whole of Government Accounts are the consolidated financial statements for the whole of the Government of the United Kingdom of Great Britain and Northern Ireland.
- 1.3. Legislation has been laid which requires publication of the 2009/10 Whole of Government Accounts.
- 1.4. Her Majesty's Treasury prepares WGA for the whole of the UK public sector (central government, local government, health and public corporations) under section 9 of the Government Resources and Accounts Act 2000 (the GRAA). The Treasury is required to prepare in respect of each financial year a consolidated set of accounts for the entities which appear to the Treasury to exercise functions of a public nature, or to be entirely or substantially funded from public money.
- 1.5. The accounts are prepared on an accruals basis and must give a true and fair view of the UK public sector and conform to generally accepted accounting practice subject to such adaptations as are necessary in the context.
- 1.6. Sections 9 to 11 of the GRAA provide the statutory framework for preparing WGA, obtaining the necessary information, and for scrutiny by the Comptroller and Auditor General.

## Aims and benefits of WGA

- 1.7. The Government's aims in making the commitment to WGA were to provide improved data for fiscal planning, to increase transparency and to improve accountability to Parliament. WGA requires bodies within the public sector to prepare data on a consistent basis. It is thereby improving the comparability of financial data. WGA will increase the completeness of public sector financial data through the inclusion of provisions, contingent liabilities and so forth, and will be independently audited and certified by the Comptroller & Auditor General.
- 1.8. WGA will have the ability to provide additional and complementary information to that in national accounts, (which is currently used for fiscal management), for use by government, Parliament and the taxpayer, where the scope of the accounts is consistent with that of the national accounts.

## Policy background

- 1.9. In July 1998, the Treasury published a scoping study report into the development of Whole of Government Accounts. The report concluded that the Government should aim to develop a fully audited set of WGA based on Generally Accepted Accounting Practice (GAAP), adapted as necessary for the public sector context with the approval of the Financial Reporting Advisory Board, and covering the whole of the public sector as far as practically possible.
- 1.10. The scoping study report also concluded that fully reliable GAAP-based WGA would take some time to produce and that a staged approach should therefore be adopted, using a process of "dry runs" starting with a consolidation of central government bodies and funds (CGA). Following further research on the costs and practical considerations involved, the scope of the accounts extended to include health bodies, local authorities and public corporations, so that the accounts to cover the Whole of Government.

## Chapter 2 Summary: Critical information

2.1. Critical information summarised in this chapter include:

- Critical dates
- Key deliverables
- Key part of the WGA process
- Key thresholds
- Responsibilities / sign-off

### Critical dates

2.2. Achieving the pre-recess timetable for departmental accounts and the punctual completion of WGA returns is a crucial step toward delivery of Whole of Government Accounts for 2009/10, which will be the first audited and published account. Finance Directors are reminded that, as set out in Annex 4.1 of Managing Public Money, they are responsible for preparing consolidation data for WGA and for the accuracy of the data. To help departments' efforts to improve data quality, the deadlines for 2009/10 remain broadly similar to the previous year.

2.3. The WGA timetable applies to all central government bodies, including government departments, Non-departmental Public Bodies (NDPBs), public corporations (PCs), pension schemes and managed funds, and the key deadlines are:

WGA C-Packs to be submitted by ...	Submission	Audit Clearance
Central government departments and their NDPBs	30 July 2010	27 August 2010
Central government departments' sub-consolidation	10 September 2010	1 October 2010

### Key deliverables

2.4. The key deliverable is the C-Pack, and the upload of Resource Accounts data and CPID data into COINS.

2.5. Other forms which need to be completed are:

- Accounting test details (generated by the C-Pack)
- CG-01 – Agreement of Balances
- CG-02 – Notification of Completion of the WGA Agreement Process
- CG-03 – Confirmation of Minor Body Status
- CG-04 – Management Review Checklist
- CG-05 – Notification of Audit Completion

2.6. These forms are all available on the Treasury WGA website:

[http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)

2.7. There may be other deliverables which a body may need to provide in specific circumstances where relevant, such as lottery grant journals or grant-in-aid information. Please refer to all chapters relevant to you as they will detail additional deliverables which may be required.

### Key part of the WGA process

2.8. The key part of the WGA process is the elimination of transactions and balances between WGA bodies. These must be eliminated completely and accurately for the Whole of Government Accounts to give a true and fair view.

- 2.9. The importance of recording complete and accurate counter-party information cannot be overstressed, as it is the only way in which transactions and balances between WGA bodies can be identified and eliminated.

### Agreement thresholds

- 2.10. Central government departments, NDPB and administered funds must report and agree transactions streams and balances with other departments, NDPBs and administered funds above certain thresholds for the purposes of WGA. These thresholds are:

Counter-party:	Reporting threshold	Agreement threshold
Central government departments <sup>1</sup> , NDPBs and administered funds	£1 million	£5 million
Local authorities, NHS trusts and foundation trusts and public corporations	£1 million	No agreement is required <sup>2</sup>

<sup>1</sup> This includes bodies that are within the departmental resource account boundary such as primary care trusts and executive agencies

<sup>2</sup> No agreement is required but is recommended. Agreement of balances may be required for these bodies in future years.

- 2.11. We highly recommend that bodies do agree, as well as report, all balances and transactions over £1 million with central government department, NDPB and administered fund counter-parties.
- 2.12. This will reduce the number of reported counterparty transactions below £5 million that do not agree. When counterparty transactions do not agree, the difference between the reported amounts is posted to a suspense account, which was material for 2008/9, and if material for 2009/10 may lead to an audit qualification to the accounts. Additionally, agreeing balances and transactions over £1 million should reduce further work that the Treasury WGA team and you may have to carry out later in the year during the eliminations process.
- 2.13. The reporting and agreement thresholds are under review for 2010-11. The Treasury WGA team will continue to work with central government bodies and other stakeholders to cover specific issues that have arisen in previous dry run WGAs.

### Responsibilities

- 2.14. The Consolidation Officer should sign the WGA return. The Consolidation Officer is normally the Accounting Officer, and therefore the same person who signs the Resource Accounts should sign the WGA return. HM Treasury used to appoint Consolidation Officers individually. We no longer do this. Participating in WGA is part of their responsibilities as Accounting Officer.
- 2.15. The Consolidation Manager is normally the Finance Director or somebody nominated by them who is in charge of the day-to-day production of WGA information.
- 2.16. If the Accounting Officer is unavailable to sign off WGA returns, in the first instance we recommend that you send an email to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) outlining the situation. Generally we would suggest that, in order not to delay the C-Pack process, a person with delegated authority act on the Accounting Officer's behalf in their absence, and that the Accounting Officer sign the WGA returns later.

## Chapter 3 WGA process

- 3.1. Information included in this chapter:
- WGA process: steps for completion of the C-Pack and sub-consolidations.
  - The key deliverables are summarised for all bodies in the table on page 12.
  - A flowchart summarising the completion of the C-Pack is on page 13.
  - A flowchart summarising the completion of sub-consolidations is on page 14.

### **WGA process: steps for completion of the C-Pack and sub-consolidations**

- 3.2. The steps involved in the WGA process can be summarised as follows:
- Step 1: Provide financial information, based on resource accounts, in the C-Pack
- Step 2: Identify, agree and report balances and transactions with other WGA bodies in the C-Pack
- Step 3: Complete the C-Pack validation checks and accounting tests, and generate upload files
- Step 4: Review and sign-off the C-Pack, and submit the unaudited C-Pack
- Step 5: Audit of the C-Pack: process any audit journals and final sign-off
- Step 6: Departmental sub-consolidations
- Step 7: Audits of departmental sub-consolidations
- 3.3. For the timetable for each step, please refer to Chapter 4 'WGA timetable'.

#### **Step 1: Provide financial information, based on resource accounts, in the C-Pack**

- 3.4. Please refer to the C-Pack completion guidance, and Chapter 7 "WGA 2009/10: the C-Pack".

#### **Step 2: Identify, agree and report balances and transactions with other WGA bodies in the C-Pack**

- 3.5. Please refer to Chapter 9 'Transactions between WGA bodies' for more details.

#### **Step 3: Complete the C-Pack validation checks and accounting tests, and generate upload files**

- 3.6. All bodies should complete the C-Pack validation checks and accounting tests, and generate the Resource Account and CPID upload files. Please refer to the C-Pack completion guidance.
- 3.7. Note that once the two upload files are generated, you will not be able to generate revised Resource Account and CPID upload files. Any adjustments, whether identified by you or the auditor, should be made using the automated journal upload facility in the C-Pack as set out in the guidance notes for the completion of the C-Pack.
- 3.8. The accounting test details should be emailed to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).

**Step 4: Review and sign-off the C-Pack, and submit the unaudited C-Pack**

**(i) Review and sign-off the unaudited C-Pack**

- 3.9. When the C-Pack has been completed, the Consolidation Manager should:
- (1) sign the certificate at the bottom of the C-Pack balance sheet;
  - (2) print and sign the C-Pack financial statements (i.e. the Statement of Financial Position, Operating Cost Statement and Cash Flow Statement); and
  - (3) complete the management review checklist.
- 3.10. The management review checklist must be completed. It provides assurance that bodies are submitting WGA data that is in line with their resource accounts and that the quality of the data (particularly the counter-party data) is of the standard required to prepare Whole of Government Accounts that present a true and fair view.
- 3.11. The management review checklist is split into two parts. Part 1 should be completed by all central government bodies (including sub-consolidating departments in respect of the departmental submission). Part 2 should be completed by sub-consolidating departments in respect of their sub-consolidations.
- 3.12. The management review checklist should be completed by the Consolidation Manager and signed off by the Consolidation Officer.
- 3.13. Consolidation Officers should review the completed management review checklist and supporting working papers, and should check that all tasks on the checklist have been completed. They should initial the checklist to confirm that they have completed their review and that they are satisfied that it is supported by appropriate working papers. Finally, they should sign the checklist to confirm that they are satisfied that management review of the WGA submission has taken place.

**(ii) Submit the unaudited C-Pack**

- 3.14. The Consolidation Manager's certificate at the bottom of the C-Pack balance sheet, signed C-Pack financial statements, and the completed management review checklist should be handed to the auditors, as well as to either the sub-consolidating department or Treasury WGA team, with the completed C-Pack.
- 3.15. Preparers should also place hard copies on their audit file. These will form part of the working papers that the auditors will expect to review during their audit of the WGA submission. The auditors will look to the completed checklist as evidence that management have reviewed the WGA submissions. The completed C-Pack should be submitted to the appointed auditors for audit on the date agreed with the auditors, noting that the deadline for audit clearance is 27 August 2010.
- 3.16. All bodies should also submit the C-Pack Resource Account and CPID upload files as follows:

Body	Action	Due date
All bodies	Email the accounting test details to the Treasury WGA team at <a href="mailto:wga.team@hmtreasury.gsi.gov.uk">wga.team@hmtreasury.gsi.gov.uk</a> .	30 July 2010
All central government bodies (except NDPBs) with access to COINS	Submit Resource Account and CPID upload files into COINS.	30 July 2010
All central government bodies (except NDPBs) without access to COINS	Provide to the Treasury WGA team: (1) an electronic version of the C-Pack and the upload files, and (2) a hard copy of the Consolidation Manager's certificate and signed financial	30 July 2010



	statements in the C-Pack.	
NDPBs	Provide to the sub-consolidating department: (1) an electronic version of the C-Pack and the upload files, (2) the "Accrued GiA" worksheet if required, and (3) a hard copy of the Consolidation Manager's certificate and signed C-Pack financial statements.	30 July 2010
Sub-consolidating departments	Submit Resource Account and CPID upload files from NDPBs into COINS, and send a copy of the uploaded trial balance in COINS as confirmation of the upload to NDPBs.	6 August 2010

- 3.17. Sub-consolidating departments that have been provided with C-Packs to upload must submit the C-Pack Resource Account and CPID upload files into COINS by 6 August 2010. Prior to submission they should assess whether data provided by NDPBs is within expectations and that warnings have been explained satisfactorily.
- 3.18. Sub-consolidating departments that have uploaded other C-Packs must send a copy of the uploaded trial balance in COINS as confirmation of the upload to the C-Pack preparer. The C-Pack preparer will need to provide this to their WGA auditor.
- 3.19. Similarly, WGA bodies without access to COINS that relied on the Treasury WGA team to submit the upload files into COINS should receive a copy of the uploaded trial balance in COINS from the Treasury WGA team as confirmation of the upload. They will need to provide this to their WGA auditor.
- 3.20. The deliverables are summarised for all bodies in the table on page 12.

#### **Step 5: Audit of the C-Pack: process any audit journals and final sign-off**

- 3.21. There is a legal requirement that WGA submissions must be audited. The extent of the audit required will be determined by the National Audit Office. Bodies should talk to their auditors on this issue. The auditors of WGA submissions will provide their audit report to the NAO's Central WGA Team on completion of their audits.
- 3.22. Note that the NAO and other auditors have a strong preference for completing the audit work on the packs at the same time as the audit of bodies' statutory accounts. This practice aids efficiency for both the department and the auditors who will complete the audit of the pack at the same time as the audit of the statutory accounts.

##### **(i) Making adjustments and audit journals**

- 3.23. Once the packs have been submitted for audit and the two upload files generated you will not be able to generate revised Resource Account and CPID upload files. Any adjustments, whether identified by you or the auditor, should be made on the proforma worksheets in the C-Pack as set out in the guidance notes for the completion of the C-Pack. This will enable you to use the automated journal production facility that is included in the C-Pack. The automated journal production facility will produce two new journal upload files which need to be uploaded into COINS. As soon as the journal upload files are produced, bodies should upload them into COINS, or send them to their sub-consolidating department or the Treasury WGA team if appropriate. The sub-consolidating department or Treasury WGA team will be responsible for uploading them into

COINS and providing a revised trial balance from COINS to confirm the upload has been done correctly.

- 3.24. Instances will arise when sub-consolidating department may identify errors in the data submitted by NDPBs. In such instances the sub-consolidating departments should notify the NDPBs concerned so that they can make the necessary amendment as described above.
- 3.25. When audit adjustments have been agreed with the auditors, these should be processed by using the automated journal facility in the C-Pack described above. If you do not need to make journal adjustments, a nil return should be produced and signed off. Also see the guidance notes on the completion of the C-Pack.

#### **(ii) Final sign-off**

- 3.26. When the audit is completed, the auditors will authenticate the C-Pack confirming that it has been audited, by adding an indicator to the electronic version of the C-Pack. See guidance notes on the completion of the C-Pack. This provides assurance that the final audited C-Pack data uploaded into COINS is the final data agreed with the auditors.
- 3.27. When the audit is completed, bodies should complete form CG-05 'Notification of Audit Completion' and email it to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).
- 3.28. Consolidation Officers should sign the amended C-Pack financial statements and the Consolidation Officer's certificate at the bottom of the C-Pack balance sheet.
- 3.29. NDPBs should send the journal upload files, amended C-Pack financial statements, and sign-offs to their sub-consolidating departments. Other bodies without access to COINS should send the journal upload files, amended C-Pack financial statements, and sign-offs to the Treasury WGA team. Departments with access to COINS should upload the journal files into COINS and the CG-05 form to the Treasury. Departments should then obtain the trial balance from COINS to confirm the data in COINS is as it is in the C-Pack.
- 3.30. The deliverables are summarised in the table on page 12.
- 3.31. Details of any agreed audit adjustments that bodies are not able to upload into the ATM module of the COINS system (because, for example, they do not have access to the ATM module) should be attached to the CG-05 form and provided to the Treasury WGA team.
- 3.32. A flow-chart for completing the C-Packs is provided at the end of this chapter.

### **Step 6: Departmental sub-consolidations**

- 3.33. Sub-consolidating departments must submit their department's WGA data by 30 July 2010 as described in the paragraphs above. However, they are also required to sub-consolidate the data submitted by all bodies within their sub-group by 10 September 2010. The sub-consolidation process is described in the COINS manual, which is available on [www.coins.gsi.gov.uk](http://www.coins.gsi.gov.uk).
- 3.34. Sub-consolidating departments should complete the sub-consolidation of the data provided by bodies within their group and ensure eliminations (in the COINS ELM module) have been posted before the sub-consolidation pack is produced.
- 3.35. C-Packs from other bodies should not be amended by the sub-consolidating department, but should be returned to that body who should make adjustments. If the C-Pack needs to be unlocked so that corrections can be made, please contact the Treasury WGA Team.
- 3.36. Sub-consolidating departments should not wait for every WGA body in its group to have data in COINS before running the eliminator module. This has delayed sub-consolidations in the past which in turn has caused delays to the WGA process. Investigation of mismatches can begin as soon as two bodies in the group have uploaded data, although the investigation may not be finalised until every body has uploaded their data.

- 3.37. When sub-consolidating departments have completed the sub-consolidation of group data, Consolidation Managers should:
- (1) generate a COINS trial balance for the Group, which they should sign,
  - (2) generate a COINS CPID Report, an ELM matches report, and an ATM report, and
  - (3) complete Part 2 of the management review checklist. They should check that all tasks in have been completed and initial the management review checklist to confirm that they have completed their review and that they are satisfied that it is supported by appropriate working papers.
- 3.38. The Consolidation Officer should review the completed management review checklist and supporting working papers and sign Part 2 of the checklist to confirm that they are satisfied that management review of the sub-consolidation has taken place. The C-Pack and the reports should be made available to the auditors along with the completed Part 2 of the checklist. Part 2 of the checklist should also be copied to the Treasury WGA Team. The completed checklist will form part of the working papers that the auditors will expect to review during their audit of the WGA submission.
- 3.39. By 10 September 2010, sub-consolidating departments should send to the auditor:
- (1) COINS trial balance signed by the Consolidation Manager;
  - (2) Part 2 of the management review checklist signed by the Consolidation Officer; and
  - (3) CPID Report, an ELM matches report and an ATM report generated by the COINS system.
- 3.40. By 10 September 2010, sub-consolidating departments should also send a copy of the completed Part 2 of the Management Review to the Treasury WGA team.

#### **Step 7: Audits of departmental sub-consolidations**

- 3.41. Prior to the completion of the audit of the sub-consolidated WGA data any agreed audit adjustments should be processed and a revised COINS trial balance for the Group, including a revised CPID report and COINS ELM matches report should be produced. The Principal Consolidation Officers should sign the revised COINS trial balance for the Group. The signed COINS trial balance, and the revised CPID and ELM matches reports should be provided to the auditors. This is in line with the approach in place for Accounting Officers signing off resource accounts prior to audit sign off.
- 3.42. When the audit of the sub-consolidated group account is completed sub-consolidating departments should send the CG-05 "Notification of Audit Completion" form to the Treasury WGA team. Where agreed audit adjustments have not been processed departments should attach details of the adjustments to the "Notification of Audit Completion".
- 3.43. Sub-consolidating departments should process the audit adjustments, using the COINS Adjustment Tracking Module (ATM) to post audit adjustments received from NDPBs and agreed audit adjustments arising from the audit of the subconsolidated account. They should ensure eliminations in the COINS Eliminations Module (ELM) have been posted before the revised sub-consolidation pack is produced. Sub-consolidating departments should then produce a revised COINS trial balance, balance sheet, operating cost statement and CPID report, and update the management review checklist.
- 3.44. By 1 October 2010, the audit of the sub-consolidations should be complete and sub-consolidating departments should send to the Treasury WGA team:
- (1) The CG-05 form "Notification of Audit Completion" - confirming that the audit of the sub-consolidated account has been completed and providing details of any agreed audit adjustments that have not been processed;

- (2) A hard copy of the revised COINS trial balance balance sheet and operating cost statement signed by the Consolidation Officer; and
  - (3) A hard copy of the completed management checklist signed by the Consolidation Officer.
- 3.45.** A flow-chart for sub-consolidating departments is provided at the end of this chapter.

## C-Pack Completion: required deliverables

	NDPBs	Other WGA bodies without access to COINS	Other WGA bodies with access to COINS
<b>The deliverable is:</b>	<b>And should be sent to:</b>		
<b>DUE DATE: 30 July 2010 (Pre-audit)</b>			
1. Completed C-Pack workbook <sup>1</sup>	Sub-consolidating dept. and auditor	Treasury WGA Team and auditor	Auditor
2. Printed version of the C-Pack balance sheet and attached certificate signed by Consolidation Officer	Sub-consolidating dept. and auditor	Treasury WGA Team and auditor	Auditor
3. Resource account upload file and counter party identification upload file	Sub-consolidating dept.	Treasury WGA Team	Treasury WGA Team and auditor
4. Accounting test details	Treasury WGA Team	Treasury WGA Team	Treasury WGA Team
5. Part 1 of the Management Review Checklist	Sub-consolidating dept.	Treasury WGA Team and auditor	Treasury WGA Team and auditor
<b>DUE DATE: 27 August 2010 (post-audit)</b>			
1. Amended C-Pack workbook <sup>2</sup>	Sub-consolidating dept. and auditor	Treasury WGA Team and auditor	Auditor
2. Printed version of the amended C-Pack balance sheet and attached certificate signed by the Consolidation Officer <sup>3</sup>	Sub-consolidating dept. and auditor	Treasury WGA Team and auditor	Auditor
3. Resource accounts audit journal and CPID audit journal (Amending Submitted Data) <sup>4</sup>	Sub-consolidating dept. and auditor	Treasury WGA Team and auditor	Auditor
4. CG-05 "Notification of Audit Completion"	Sub-consolidating dept.	Treasury WGA Team	Treasury WGA Team

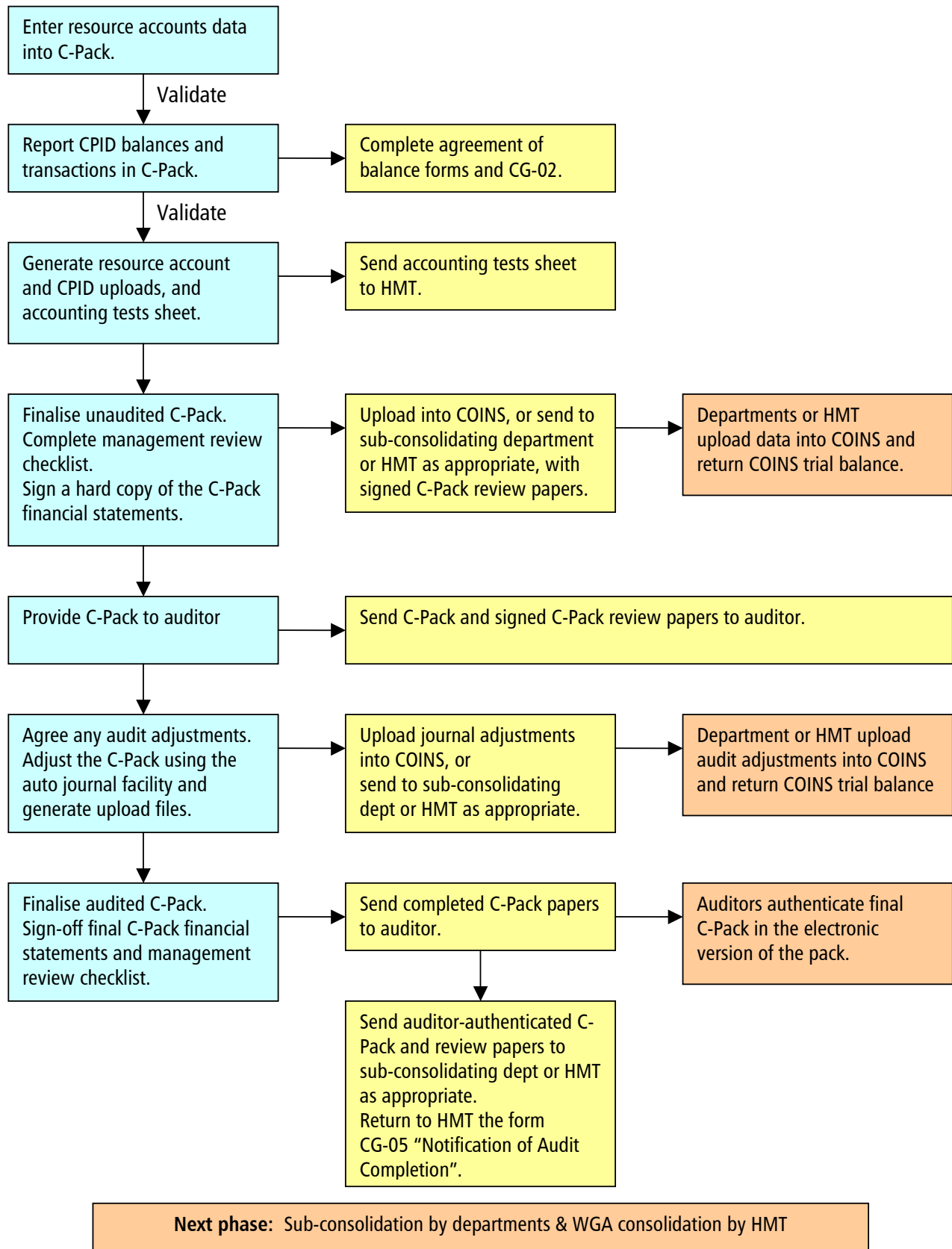
<sup>1</sup>NDPBs may also need to provide to their sub-consolidating department the "Accrued GiA" worksheet – refer to chapter 11 of this guidance.

<sup>2</sup>This should be the C-Pack that was sent to the auditor as amended to correct errors that you, your Sub-consolidating department (if applicable) and the auditor identified, and you agreed with the auditor should be made. You should record in the peach coloured cells on the right hand side of each proforma the corrections that you made so that there is a clear trail.

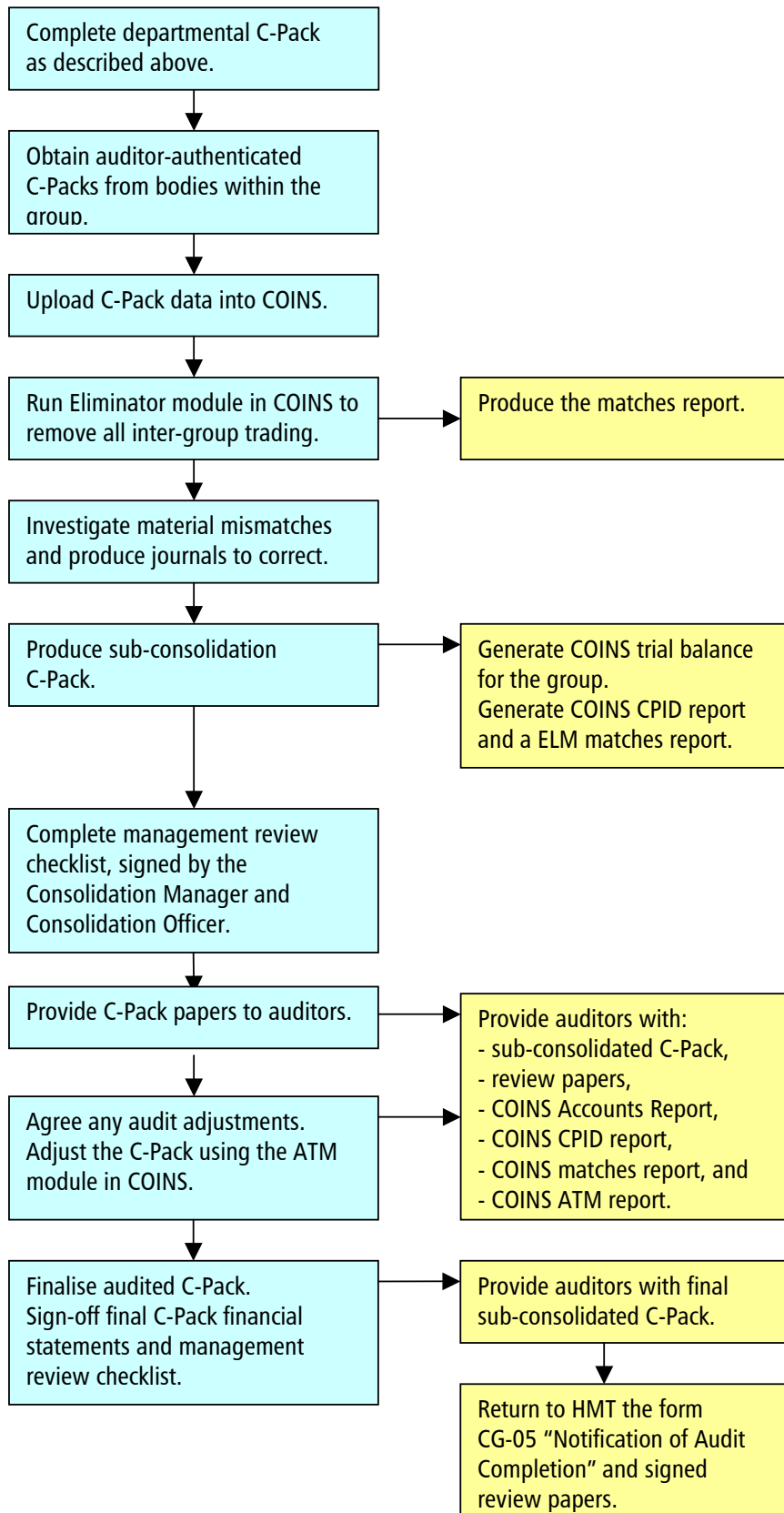
<sup>3</sup> If you did not make any adjustments you should send the original C-Pack and a copy of the balance sheet certificate signed by the Consolidation Officer to confirm that adjustments are not required.

<sup>4</sup>If you do not need to make journal adjustments, a nil return should be produced and signed off.

## Flowchart – completing the C-Pack



## Flowchart – completing sub-consolidations



## Chapter 4 WGA timetable

4.1. Information included in this chapter:

- Timetable for WGA submissions
- Closing COINS ATM date
- Other key dates

4.2. The WGA timetable applies to all central government bodies, and the key deadlines for submission of the WGA C-Packs are:

WGA submissions from...	Submission of C-Pack	Audit Clearance
Central government bodies	30 July 2010	27 August 2010
Central government departments' sub-consolidation	10 September 2010	1 October 2010

4.3. **It is essential that these deadlines be achieved in order that the overall process is not delayed.**

4.4. Note that the COINS ATM module will be closed on 5 November 2010. After that, no journal adjustments can be made by departments, and can only be made by the Treasury WGA team.

4.5. Generally, the deadlines are similar to last year to ensure that the submission of data coincides with the pre-recess target date for laying resource accounts.

4.6. The timetable above does not apply to the Devolved Administrations and their sponsored bodies, local authorities, and NHS trusts and foundation trusts, all of which are covered by separate arrangements with deadlines incorporated in specific performance agreements.

4.7. Other key dates are set out on the next page.

### Action Required

4.8. Consolidation Officers and Consolidation Managers should note these deadlines and ensure appropriate action is taken to meet deadlines.

4.9. Consolidation Managers should draw the contents of this note to the attention of all staff that will be involved in the preparation and submission of data for the Whole of Government Account.



## WGA key dates

Dates	Deadlines
April and May	Service providers should initiate agreement of transaction streams and balances with other WGA bodies (see Chapter 9 for more details)
7 May 2010	Details of WGA contacts to be provided to HMT (see Chapter 9 for more details)
21 May 2010	If a purchasing entity has not received a Agreement of Balances form from the service provider, they should initiate the agreement process (see Chapter 9 for more details)
21 May 2010	Final date for alterations to the minor bodies list for 2009/10, after which no further alterations will be accepted (see Chapter 5 for more details)
4 June 2010	Deadline for agreeing transactions and balances with other WGA bodies (see Chapter 9 for more details)
11 June 2010	Deadline for submission of CG-02 – “Notification of Completion of the WGA Agreement Process” form by central government bodies (see Chapter 9 for more details)
23 July 2010	Deadline for submission of CG-03 “Confirmation of Minor Body Status” form by any body that believes it should be treated as minor for 2010/11 (see Chapter 5 for more details)
30 July 2010	Deadline for WGA submissions by all central government bodies
27 August 2010	Deadline for the completion of the audit of WGA submissions by all central government bodies
27 August 2010	Deadline for submission of CG-05 “Confirmation of Audit Completion” by all central government bodies (refer chapter 3 for more details)
10 September 2010	Deadline for WGA submissions by sub-consolidating government departments
1 October 2010	Deadline for the completion of the audit of WGA submissions by sub-consolidating government departments
1 October 2010	Deadline for submission of CG-05 “Confirmation of Audit Completion” for the sub-consolidation of sub-consolidating departmental submissions (refer chapter 3 for more details)
5 November 2010	COINS ATM module will be closed (refer para.4.4 for more details)

## Chapter 5 WGA bodies

- 5.1. Information included in this chapter:
- List of WGA bodies
  - CPID
  - The WGA boundary
  - Designation order
  - Types of central government WGA bodies
  - Minor bodies

### List of WGA bodies

- 5.2. A list of all WGA bodies within the WGA boundary is on the Treasury WGA website: [http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)
- 5.3. This spreadsheet contains the WGA List of Bodies and Counter-Party Identifications (CPIDs) for 2009/10. It also provides details of new bodies or CPIDs added since 2008/9 and body names or CPIDs that have been deleted or replaced since 2008/9.

### Counter Party Identifier (CPID) code

- 5.4. Counter Party Identifier (CPID) code: Generally, each WGA body within the WGA boundary has a unique CPID code issued by HM Treasury. This CPID is used to identify other WGA bodies in the agreement process for agreeing transaction streams and balances between WGA bodies.
- 5.5. Some bodies may not have their own CPID and will take on another body's CPID. For example, a body may be part of a department. In this case, note that some CPIDs, in effect, represent a department's resource account, which may be a consolidation of the core department's account and the accounts of a number of executive agencies, which will not have their own CPIDs. For example, the Highways Agency is part of the Department for Transport.
- 5.6. Sub-consolidating departments should send an email to the Treasury WGA team to advise when a body enters or leaves their group.

### The WGA boundary

- 5.7. The Whole of Government Accounts are the consolidated financial statements for the whole of the Government of the United Kingdom of Great Britain and Northern Ireland.
- 5.8. Her Majesty's Treasury prepares WGA for the whole of the UK public sector (central government, local government and public corporations) under section 9 of the Government Resources and Accounts Act 2000 which requires the Treasury to prepare a consolidated set of accounts for a group of entities each of which appears to the Treasury to "exercise functions of a public nature, or [are] entirely or substantially funded from public money".
- 5.9. The WGA boundary is therefore not based on control and particularly is not based on control as set out in IAS 27 'Consolidated and separate financial statements'. It is simply a reporting boundary without reference to concepts of control, independence or charitable status.
- 5.10. When determining the WGA boundary, the Treasury identifies bodies which "exercise functions of a public nature, or [are] entirely or substantially funded from public money" by reference to the Office for National Statistics (ONS) classification of public bodies for the purposes of the national accounts.
- 5.11. Aligning the boundary of WGA with that of the public sector as defined for national accounts is an essential principle of the usefulness of WGA. One of the Government's primary aims in preparing WGA is to improve the comparability of financial data, which can be used for fiscal planning. Using the national accounts boundary for WGA allows users of the accounts, in particular Parliament, to

assess the performance of the public sector. Parliament is not concerned so much about consolidated accounts based on the concept of control but has a legitimate interest in knowing how public money is being spent. Further, this approach provides a stable and consistent base for the accounts, as ONS classification does not frequently change.

- 5.12. ONS independently assess the classification of bodies using Class (2000) 1 in line with European System of Accounts rules. The Class (2000) 1 sets out a number of tests, based on FRS2 (Subsidiary Undertakings) adapted for defining the public sector, to determine whether a body is part of the public sector. Where ONS has independently assessed that a body is public sector for national accounts, it will fall within the WGA boundary, subject to a few rare exceptions.
- 5.13. Public sector entities that are considered minor are excluded from the WGA consolidation. Minor bodies are those with a gross annual expenditure during the year, net book value of fixed assets at year-end and level of net assets at year-end all less than £10million. More details of minor bodies are provided below.
- 5.14. Note that Machinery of Government (MoG) changes (where a department structure changes as a result of changes to ministerial responsibilities) do not change the WGA boundary as they are internal government reorganisations. Details regarding machinery of Government changes can be found on the website of the Cabinet Office ([http://www.cabinetoffice.gov.uk/reports/government\\_changes.aspx](http://www.cabinetoffice.gov.uk/reports/government_changes.aspx)).

### **Designation Order**

- 5.15. The Whole of Government Accounts (Designation of Bodies) Order 2010 (the “Designation Order”) is the statutory instrument which identifies the bodies to be included in the consolidated WGA for the year ending 31 March 2010, subject to the comments below. The composition of central government and to a lesser extent public corporations changes each year as bodies are created, merged or dissolved. Therefore, the Designation Order must be made annually in respect of each set of accounts towards the end of the financial year or shortly thereafter to reflect the final scope of the WGA boundary.
- 5.16. Health sector bodies are not included in the Designation Order since the audited financial information they are required to provide under other legislation for summarised health accounts is also used for WGA purposes. Northern Ireland bodies that are subject to the requirements of the Government Resources and Accounts (Northern Ireland) Act 2001 are designated by the Northern Ireland Department of Finance and Personnel. Bodies whose activities are confined to Scotland are not covered by this order either since the Scottish Executive relies either on administrative powers or the Public Finance and Accountability Act (Scotland) 2001 to collect audited financial information from them.

### **Types of central government WGA bodies**

- 5.17. WGA covers the whole of the UK public sector: central government, local government and public corporations. Within central government, there are 3 common types of bodies: executive agencies, NDPBs and PCs.
- 5.18. Executive Agencies: These are well-defined business units that carry out services or functions. They can be set up or disbanded without legislation, and they are organisationally independent from the department, although they are shown in the departmental accounts. Legally, they act on behalf of the secretary of state and are indistinguishable from the department itself. Therefore they do not have their own CPID and instead take on the CPID of their department.
- 5.19. NDPBs: A non-departmental public body (NDPB) is a body which plays a role in the processes of national government, but is not a government department or part of one. NDPBs are established by statute and carry out administrative, regulatory and commercial functions. They employ their own staff and are allocated their own budgets. NDPBs are subject to external audit. NDPBs will have their own CPID.
- 5.20. PCs: Public corporations (PCs) undertake or deliver a public service in a given industry. They have substantial day-to-day operating independence and are governed by a board. Some public corporations, which are not self-financing, receive a subsidy or grant. PCs will have their own CPID.

## Minor bodies

- 5.21. Attached in Appendix 1 is a list of minor bodies for 2009/10.
- 5.22. Minor bodies do not need to complete a WGA C-Pack and do not have any WGA audit requirements. Minor bodies are also not required to participate in the agreement of balances and transactions process.
- 5.23. To qualify for minor body status, bodies must be below £10 million for all three criteria below:
  - a. Gross annual expenditure during the year
  - b. Net book value of fixed assets at year-end
  - c. Level of net assets at year-end.
- 5.24. Bodies that exceed the £10 million threshold for at least one of the three criteria will not be eligible for minor body status.
- 5.25. The categorisation of bodies is based primarily on their size in the preceding year (i.e. 2008/9 data for the 2009/10 year), using the information submitted to COINS.
- 5.26. However, where a body is expected to grow substantially between years then the Treasury WGA team should be contacted for a judgement on the continued application of minor body status. Similarly, the Treasury WGA team should be consulted if a body is expected to grow temporarily due to abnormal workloads or where machinery of government changes have taken place or are planned.
- 5.27. Bodies that take advantage of the minor body exemption will still be designated in the normal way.

## Minor Bodies: Actions Required

- 5.28. Bodies should review the minor bodies list and raise any queries with the Treasury WGA team. Bodies in Scotland, Wales and Northern Ireland should in the first instance consult the appropriate devolved administration contacts.
- 5.29. No alterations to the minor bodies list for 2009/10 will be accepted after 21 May 2010.
- 5.30. Bodies that believe they should be treated as minor for 2010-11 should complete the CG-03 "Confirmation of Minor Body Status" form. They should submit this form by 23 July 2010 to the Treasury WGA team ([wga.team@hmtreasury.gov.uk](mailto:wga.team@hmtreasury.gov.uk)) and a copy to their sub-consolidating department's Consolidation Manager.
- 5.31. The information on the CG-03 form will be used in calculating the body's entitlement to minor body status in 2010-11. Failure to submit by the deadline may affect their minor body status for 2010-11.

## Chapter 6 WGA 2009/10: what's new

- 6.1. Information included in this chapter:
- Changes to the 2009/10 the WGA process, the WGA C-Pack and forms.
- 6.2. The key changes and new features you will notice are:
- SCOA's
  - Pre-population of opening balances in the C-Pack
  - IFRS adoption and restatement of opening balances
  - Financial Instrument disclosures
  - New accounting tests in the C-Pack
  - New audit authentication feature in the C-Pack
  - New Agreement of Balance forms
  - Management review checklist
- 6.3. Note that changes to the C-Pack are highlighted here and further details are provided in the guidance on the completion of the C-Pack available separately on the WGA website at [http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm).
- 6.4. SCOA's - As a result of the adoption of IFRS and the need to prepare a consolidated set of accounts to be published, the list of SCOA codes has undergone a substantial review and changes have been made. There is a significant number of new SCOA codes, most of which are not trial balance codes but are where additional information is required to be disclosed in the accounts under IFRS. It is likely that most bodies will not need to use all the new SCOA's. A clear reconciliation of new and old codes is included in the spreadsheet detailing the list of WGA SCOA's for 2009/10.
- 6.5. Opening balances - The 2009/10 C-Pack includes some opening balances that are pre-populated, such as fixed assets, cash and the General Fund. These balances can be overwritten, in which case an explanation should be given. For 2010/11 and future years, the plan is to pre-populate all the opening balances sheet balances and they will be locked (i.e. not able to overwritten). For 2009/10 this level of detail is not required as full comparatives are not required to be disclosed in the published WGA, whereas they will be required in future years.
- 6.6. Adoption of IFRS - The 2009/10 WGA will be prepared under IFRS in line with central government departments, and this will impact the presentation of certain notes and disclosures. For example, terminology may change and the disclosures required for items such as leases and fixed assets may change. If a body has adopted IFRS for the first time, a reconciliation is required to restate the opening balance of taxpayers' equity from UK GAAP to IFRS.
- 6.7. Financial Instruments - There are new financial instruments disclosures, including financial guarantees and hedges. The WGA approach on financial instruments disclosures is to require basic information about balances from all bodies, and only require additional information about risk exposures for balances that are material to WGA.
- 6.8. Accounting tests - These have been revised and expanded to include, for example, a check that the cash flow statement balances.
- 6.9. Audit authentication - The 2009/10 C-Pack includes a new feature whereby the auditors can authenticate the pack, confirming that that particular electronic version is the version they have audited. When the audit is completed, the auditors will authenticate the C-Pack by adding an indicator to which only they can do. This provides assurance that the final audited C-Pack data uploaded into COINS is the final data agreed with the auditors. Further details are in the guidance notes on the completion of the C-Pack.

- 6.10. Agreement of Balances forms - The forms have been revised as a result of feedback and comments from the WGA Counter Party User Group, and to try to address the large number of mismatches affecting Central Government departments.
- 6.11. Management review checklist – Note that there will be more emphasis placed on, and a more robust review of, the management review checklists, as there will be a greater reliance on controls given the publication of these accounts.
- 6.12. Finally, there is other additional information requested to comply with the FReM, such as for PFI and capital commitments, and there are various other smaller changes to the C-Pack and the accompanying guidance as a result of feedback we've received, comments from the auditors, and due to needing a more rigorous review for the published accounts.

## Chapter 7 WGA 2009/10: the C-Pack

- 7.1. The general process for the collection and submission of WGA data is for bodies to fill out a Consolidation Pack. The output of the pack is two spreadsheets that contain resource account and CPID data. This data must then be uploaded into COINS.
- 7.2. This guidance highlights certain key points regarding the C-Pack and should be read in conjunction with the detailed Guidance on the Completion of the C-Pack which is available on the Treasury WGA website at [http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm).

### Critical components

- 7.3. The critical components to completing the C-Pack are SCOA codes, CPID codes, and match relationships. It is essential that the correct SCOA codes are used such that counter-parties are using SCOA codes in the same match relationship. If counter-parties are using SCOA codes in different match relationships, then this will give rise to a mismatch and the transaction or balance will not eliminate without further work and adjustments being required. Details of SCOA codes and their match relationships, indicated as initiating or receiving, are available on the Treasury WGA website ([http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)).

### Areas to focus on

- 7.4. In past years, there have been areas where the quality and accuracy of data submitted has created difficulties in preparing the Whole of Governments Accounts that represent a true and fair view. The three main areas are:
  - counter-party transactions;
  - the cash flow statement; and
  - opening balances.

There is a risk that, if the quality and accuracy of data submitted in these particular areas is not improved, the auditors will issue a qualified opinion in respect of these areas in the 2009/10 Whole of Governments Accounts.

Therefore we recommend that preparers focus on these areas and spend more time to ensure that the data submitted is accurate.

### Financial Instruments

- 7.5. New sheets are provided in the C-Pack to include details of financial instruments disclosures. Bodies should include in these sheets information that is consistent with the FReM, and with their resource accounts.
- 7.6. The Financial Instruments disclosures required are in line with the IFRS accounting standards:
  - IAS 32 Financial Instruments: Disclosure and Presentation
  - IAS 39 Financial Instruments: Measurement, Recognition and Derecognition
  - IFRS 7 Financial Instruments: Disclosures
- 7.7. Definitions and classifications of financial assets and liabilities can be found in these accounting standards. Financial guarantees are a common form of financial instrument and should be disclosed as such, rather than in provisions or elsewhere. There are new SCOA codes to deal with these disclosures, including for financial guarantees.
- 7.8. The disclosure of risk exposures arising from financial instruments is intended to capture material exposures for the purposes of WGA, and we have tried to simplify the disclosures since the 2008/9 WGA Financial Instruments workbook. For further details regarding completing this section of the 2009/10 C-Pack, please refer to the detailed Guidance on the Completion of the C-Pack.

### Private Finance Initiative (PFI)

- 7.9. New disclosures are included in the C-Pack in respect of private finance initiative (PFI) disclosures. Bodies should provide information that is consistent with the FReM, and with their resource accounts.
- 7.10. Note that commitments under PFI projects are required to be disclosed as follows: for each 5-year banding disclose the total payments (i.e. not an annual payment) for contracts expiring within that period. This is in line with the 2009/10 FReM, particularly paragraph 5.4.59.
- 7.11. For a worked-through example of PFI disclosures under the 2009/10 FReM, see FReM/HMT Accounting Guidance at: [http://www.hm-treasury.gov.uk/d/2009\\_10\\_frem\\_pfi\\_fair\\_val\\_calc.pdf](http://www.hm-treasury.gov.uk/d/2009_10_frem_pfi_fair_val_calc.pdf).
- 7.12. For further details regarding completing this section of the C-Pack, please refer to the detailed Guidance on the Completion of the C-Pack.

### Other key points to note

- 7.13. Other key points to note when completing the C-Pack:
- Decimals should not be used unless specifically required. If decimals are used, this may prevent the trial balance from balancing and therefore the upload files from being able to be uploaded into COINS.
  - Income and liabilities should be input as negative amounts, and expenditure and assets should be input as positive amounts. If this is not done, the C-Pack will not be completed correctly and validation checks and/or accounting tests will be failed.
  - Validation checks and accounting tests must be resolved in order to complete the packs.

### Queries

- 7.14. If you have any queries regarding the completion of the C-Pack, you can:
- refer to the specific C-Pack guidance on the WGA website [http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm),
  - check the FAQ on the WGA website; and
  - email the Treasury WGA team on [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).



## Chapter 8 WGA 2009/10: the forms

- 8.1. Information included in this chapter:
- CG-01 – Agreement of Balances
  - CG-02 – Notification of Completion of the WGA Agreement Process
  - CG-03 – Confirmation of Minor Body Status
  - CG-04 – Management Review Checklist
  - CG-05 – Notification of Audit Completion
- 8.2. These forms are all available on the Treasury WGA website:  
[http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm).

### **CG-01 – Agreement of Balances form**

- 8.3. This form is to document the agreement of transaction streams and balances between WGA bodies. Forms are available as an Excel workbook. They have been designed to help the agreement process and to provide evidence that balances and transaction streams have been agreed.
- 8.4. Consolidation Managers should ensure that the form is completed in respect of all balances and transactions above £5 million with other WGA bodies, as set out in Chapter 9 of this guidance.
- 8.5. Consolidation Managers should keep completed forms as part of their working papers. There is no need to return completed forms to HM Treasury.
- 8.6. The deadline for completion is 4 June 2010, but the process should be started as soon as possible.
- 8.7. Further guidance is in Chapter 9 of this guidance.

### **CG-02 – Notification of Completion of the WGA Agreement Process**

- 8.8. This form is to confirm that transaction streams and balances have been agreed with other WGA bodies and to detail where there have been any differences in the amounts to be agreed.
- 8.9. Consolidation Managers should complete the form.
- 8.10. Completed forms should be sent to the Treasury WGA Team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk). NDPBs should also send completed forms to their sub-consolidating departments.
- 8.11. The deadline for completion is 11 June 2010 (stand alone departments, pension schemes & NDPBs) or 18 June 2010 (sub-consolidating departments).
- 8.12. Further guidance is in Chapter 9 of this guidance.

### **CG-03 – Confirmation of Minor Body Status form**

- 8.13. This form is to confirm minor body status for 2010-11.
- 8.14. Consolidation Officers of minor bodies should complete the form.
- 8.15. Completed forms should be sent to the Treasury WGA Team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) and copied to the Sub-consolidating department's Consolidation Manager.
- 8.16. The deadline for completion is: 23 July 2010.
- 8.17. Further guidance is in Chapter 5 of this guidance.

#### **CG-04 – Management Review Checklist**

- 8.18. This form is to document management's review of the WGA submission.
- 8.19. Consolidation Managers should complete the form, and Consolidation Officers should sign it off.
- 8.20. Completed forms should be kept as evidence, and a copy sent to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).
- 8.21. The deadlines for completion are prior to submission of the WGA data to the auditor, i.e. by 30 July 2010, and by 10 September 2010 for sub-consolidations.
- 8.22. Further guidance is in Chapter 3 of this guidance.

#### **CG05 – Notification of Audit Completion form**

- 8.23. This form is to confirm that the WGA submissions and sub-consolidations have been audited and any required audit adjustments have been made. Details of any agreed audit adjustments that bodies are not able to upload into the ATM module of the COINS system (because, for example, they do not have access to the ATM module) should be attached to the form.
- 8.24. Consolidation Managers should complete the form.
- 8.25. Completed forms should be sent to the Treasury WGA Team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk). NDPBs should also send completed forms to their sub-consolidating departments.
- 8.26. The deadlines for completion are 27 August 2010, and 1 October 2010 for sub-consolidations.
- 8.27. Further guidance is in Chapter 3 of this guidance.

## Chapter 9 Transactions between WGA bodies

- **Transactions and balances between Whole of Government Accounts bodies must be eliminated completely and accurately for the accounts to give a true and fair view.**
- **The importance of recording complete and accurate counter-party information cannot be overstressed, as it is the only way in which transactions and balances between WGA bodies can be identified and eliminated.**

9.1. Information included in this chapter on transactions between WGA bodies:

- Key dates
- The forms to be completed – CG-01 Balance of Agreement form and CG-02 “Notification of Completion of the WGA Agreement Process” form
- How to agree balances and transaction streams – including the contact list
- Thresholds – for reporting and agreeing balances and transactions
- With whom to agree – including situations where a body has changed
- CPID codes –including when to use a parent CPID, what CPID to use when a body has changed, and what CPID code to use for taxes
- What to agree
- Resolution of significant differences
- Post-recess Resource Accounts
- Specific issues: VAT, Pension schemes and agreement process for pensions, agency transactions, reporting on a gross or net basis and recharged costs.
- FAQ
- Flowchart – Agreement of Balances process

9.2. This guidance seeks to ensure that WGA bodies adopt a common approach for reporting and agreeing balances and transaction streams with bodies that are within the WGA Boundary. The guidance sets out essential ground rules that must be followed. At the end of this chapter is a flowchart which summarises the Agreement of Balances process.

### The CPID Process: SCOA and match relationships

- 9.3. The basic principle is that WGA bodies should identify both transactions and balances with other WGA bodies.
- 9.4. The elimination process works on a number of match relationships and is automated in the HM Treasury Combined On line System (COINS). Once two reported transactions or balances match each other, the COINS elimination module will automatically reverse the entries to eliminate them.
- 9.5. It is essential that the correct SCOA codes are used such that both counter-parties are using SCOA codes in the same match relationship. If counter-parties are using SCOA codes in different match relationships, then this will give rise to a mismatch and the transaction or balance will not eliminate without further work and adjustments being required. Details of SCOA codes and their match

relationships, indicated as initiating or receiving, are available on the Treasury WGA website ([http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)).

### Actions Required

9.6. Consolidation Managers should:

- Note the contents of this guidance note;
- Ensure that staff responsible for agreeing balances and transactions are aware of the process for agreeing balances with other central government departments and bodies;
- Put systems in place to extract data from financial systems and for agreeing balances; and
- Note the deadlines for the completion of tasks specified in the guidance note and particularly the requirement to provide contact details and the return confirming that the agreement process was completed.

### Key dates

9.7. The table below sets out the key deadlines for agreeing balances and the required deliverables:

Dates	Deadlines
April and May	Service providers should initiate agreement of transaction streams and balances with other WGA bodies as soon as practicable after the year end
7 May 2010	Details of WGA contacts to be provided to HMT.  Details should be the contact details of the person responsible for agreeing transaction streams and balances, and should include name, email address and phone number. Please email the contact details to the Treasury WGA team at <a href="mailto:wga.team@hmtreasury.gsi.gov.uk">wga.team@hmtreasury.gsi.gov.uk</a> .
21 May 2010	If a purchasing entity has not received a Agreement of Balances form from the service provider, they should initiate the agreement process
4 June 2010	Deadline for agreeing transactions and balances with other WGA bodies
11 June 2010	Deadline for submission of CG-02 – “Notification of Completion of the WGA Agreement Process” form by WGA bodies
18 June 2010	Deadline for submission by sub-consolidating departments of all the CG-02 – “Notification of Completion of the WGA Agreement Process” forms from their NDPBs to the Treasury WGA team

### The forms to be completed

#### CG-01 – Agreement of Balances form

- 9.8. The CG-01 “Agreement of Balances” form is to document the agreement of transaction streams and balances between WGA bodies. Forms are available as an Excel workbook. They have been designed to help the agreement process and to provide evidence that balances and transaction streams have been agreed.
- 9.9. Consolidation Managers should ensure that the form is completed in respect of all balances and transactions above £5 million with other WGA bodies, as set out above. The form should then be kept as part of their working papers. There is no need to return completed forms to HM Treasury.
- 9.10. The deadline for completion is 4 June 2010, but the process should be started as soon as possible.

## *CG-02 – Notification of the Completion of the WGA Agreement Process*

- 9.11. The CG-02 “Notification of Completion of the WGA Agreement Process” form is to confirm that transaction streams and balances have been agreed with other WGA bodies and to detail where there have been any differences in the amounts to be agreed.
- 9.12. Consolidation Managers should complete the form and send it to the Treasury WGA Team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk). NDPBs should send completed forms to their sub-consolidating departments.
- 9.13. The deadline for completion is **11 June 2010** (stand alone departments, pension schemes & NDPBs).
- 9.14. Sub-consolidating departments should forward all the CG-02 forms from their NDPBs to the Treasury WGA Team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) by **18 June 2010**.

### **The agreement process**

- 9.15. In the following guidance, the WGA body that originates a transaction with another WGA body is referred to as the provider or initiating body, and the other WGA body is referred to as the purchaser or receiving body.
- 9.16. In general, the WGA body that originates a transaction with another WGA body (i.e. the provider) should use the Agreement of Balances form and take the lead in confirming both the balance outstanding at the year-end together with the total value of transactions between the bodies during the year. It will then fall to the receiving body (the purchaser) to agree the figures issued. If a purchaser does not receive a Agreement of Balances form from the service provider by **21 May 2010** the purchaser should initiate the process for agreeing balances soon after with the aim of completing the process by **4 June 2010**.
- 9.17. The Agreement of Balances form should include all balances relating to amounts owing from, or income for goods and services provided to, the other WGA body. It should be prepared and signed by the provider body before being forwarded to the relevant purchasing body.
- 9.18. Provider bodies should ensure when they complete the Agreement of Balances form that they include the SCOA code to which they are allocating the balance or the transaction. This is essential to help the receiving bodies ensure they use the appropriate SCOA codes that are in the same matching relationship as the ones used by the provider bodies.
- 9.19. To assist the agreement process, a listing of invoices and accruals that comprise the balance outstanding should be attached to the Agreement of Balances form. The listing should clearly set out those invoices, which were issued and entered into the accounting system before the year-end, and those invoices/other accruals entered after year-end relating to the previous year.
- 9.20. The other WGA body, i.e. the receiving body, should check and agree or disagree the balances on the confirmation list. If the entries are agreed, the Agreement of Balances form should be signed and returned to the originating body. If the balances cannot be agreed after reference to the attached listing of invoices and accruals, the issue must be resolved as set out below.
- 9.21. Once a balance has been agreed between two bodies it can only be amended with their joint agreement.
- 9.22. Agreement is regarded as being achieved when the difference between provider and purchaser is less than £200,000.
- 9.23. After the agreement process have been completed, the Consolidation Manager for each body should complete the CG-02 “Notification of Completion of the WGA Agreement Process” form to: (1) confirm that transaction streams and balances have been agreed; and (2) to detail where there have been any differences in the amounts to be agreed. The form should be sent to the Treasury WGA Team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk). NDPBs should also send completed forms to their sub-consolidating departments.

### Contact list for agreement of balances

- 9.24. The Treasury WGA team tries to maintain a current contact list for agreement of balance contacts. Please send them an email at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) if there are any changes to the current contact in your organisation for the WGA agreement of balance process.

### Thresholds

- 9.25. Central government departments, NDPB and administered funds must report and agree transactions streams and balances with other departments, NDPBs and administered funds above certain thresholds for the purposes of WGA. These thresholds are:

Counter-party:	Reporting threshold	Agreement threshold
Central government departments <sup>1</sup> , NDPBs and administered funds	£1 million	£5 million
Local authorities, NHS trusts and foundation trusts and public corporations	£1 million	No agreement is required <sup>2</sup>

<sup>1</sup> This includes bodies that are within the departmental resource account boundary such as primary care trusts and executive agencies

<sup>2</sup> No agreement is required but is recommended. Agreement of balances may be required in future years.

- 9.26. We highly recommend that bodies choose to agree, as well as report, all balances and transactions over £1 million with central government department, NDPB and administered fund counter-parties. This will reduce the number of matches below £5 million that do not agree. The difference between the reported amounts is posted to the WGA suspense account, which is material for 08-09 and may lead to an audit qualification. Agreeing balances and transactions over £1 million will reduce the burden on the WGA team, which will in turn reduce further WGA work you may have to carry out later in the year during the eliminations process.
- 9.27. Where a WGA body has a number of similar transactions and balances that individually would be under these thresholds but in aggregate would reach the threshold, then the body should report and/or agree these amounts.
- 9.28. The reporting and agreement thresholds are under review for 2010-11. In addition, the Treasury WGA team will continue to work with central government bodies and other stakeholders to cover specific issues that have arisen in previous dry run WGAs.

### Reporting thresholds

- 9.29. Central government departments, NDPBs and administered funds should report transaction streams and balances that are above £1 million with any counterparty within the WGA boundary. The £1 million threshold applies to the aggregate for each type of balance or transaction stream with a counter-party. For example, if a body has a number of debtor balances with a counterparty which are each below £1 million but when aggregated exceed £1 million, then the aggregate balance should be reported.
- 9.30. Bodies should reconcile the reported CPID amounts to the same SCOA used in their statutory account disclosures in the C-Pack. This is a check to improve the accuracy of reported counter-party data.
- 9.31. Some departments have a number of executive agencies incorporated within their resource accounts. Although intra group balances and transaction streams may be below the threshold individually, when aggregated they could result in the total balances and transaction streams being in excess of the £1 million threshold. In such instances departments will need to set a lower

reporting threshold for each of the agencies. The choice of threshold will depend on the number of agencies and their contribution to the consolidated departmental resource account. However, departments will need to show that the thresholds they have set do not result in a material understatement of counter-party transactions.

- 9.32. Where an entity has balances and transaction streams with a counterparty that consists of a department and its executive agencies the balances and the transaction streams should be aggregated and treated as if they were with the department. As a general guide if the executive agencies or bodies such as primary care trusts are included within the departmental resource account boundaries then any transactions with such bodies should be treated as if they were with the department.
- 9.33. Where executive agencies prepare separate information to feed into a department's resource accounts they will also need to identify any balances and transaction streams with other central government bodies. This will then be reported as part of the information from the relevant department. Some departments may have several agencies incorporated within their Resource accounts. The intra group balances from these bodies while under the threshold individually, may result in the total balance being above the threshold. Departments may decide therefore to set a lower CPID reporting threshold for these bodies.
- 9.34. Using the £1million reporting limit may be inappropriate for departments with a large number of agencies consolidated into the departmental accounts. For example, several of DfT's agencies might have balances of less than £1million with BIS. Cumulatively this would add up to a material amount that would not be reported. In this situation, it is the responsibility of departments to assign sensible reporting and agreement thresholds. Each department will require a different treatment so there is no general guidance on what suitable thresholds would be, but for advice and help contact the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).

#### **Agreement thresholds**

- 9.35. Central government departments, NDPBs and administered funds should formally agree transaction streams and balances that are above £5m with central government counterparties. The £5 million threshold applies to the aggregate of each type of balance or transaction stream with a counterparty. For example, if a body has a number of debtor balances with a counterparty which are each below £5 million but when aggregated exceed £5 million, then the aggregate balance should be agreed.
- 9.36. Some departments have a number of executive agencies or similar entities that are consolidated within their resource accounts. Although the balances and transaction streams of these agencies or entities may each be below the £5 million agreement threshold, when they are aggregated the total balances and transaction streams are greater than £5 million. For example, The Department for Children, Families and Schools (DCFS) have a number of transaction streams and balances with several NHS primary care trusts (PCT) that are included within the Department of Health resource account. Although the transaction streams and balances with each PCT are in the main less than £5 million, when they are aggregated they can amount to sums in excess of £100 million. Setting the agreement threshold at £5 million for each PCT is therefore inappropriate since the total of DCFS transaction streams or balances with PCTs will not be agreed. This will increase the risk of mismatches in the amounts reported. In such cases the choice of threshold will depend on circumstances such as the number of entities involved but it should enable both parties to agree about 80% of their transaction streams or balances. Based on past years' WGA data the agreement threshold for PCTs / DCFS should be set at £1 million.
- 9.37. Departments may set a threshold lower than £5 million for the agreement of balances and transaction streams within their departmental groups, if they believe this approach would materially improve their data quality. Bodies are also encouraged to undertake more frequent agreement processes throughout the year.

### When to agree: by 4 June 2010

- 9.38. Formal agreement of balances and transaction streams should occur **as soon as possible** after the year-end. The Agreement of Balances form should be sent out as soon as possible after this date so that the purchasing entity can investigate and confirm the balance to the providing body by **4 June 2010**. As more bodies continue to lay their accounts before Parliament before the summer recess, agreement of balances must be completed by **4 June 2010** at the latest.
- 9.39. If an anticipated Agreement of Balances form has not been received from the provider entity by **21 May 2010**, then the receiving or purchasing entity should initiate the process and forward a Agreement of Balances form with a view to completing the process by **4 June 2010**.

### With whom to agree

- 9.40. Agreement of all balances at 31 March 2010 and transaction streams in the year ending 31 March 2010 is required between all designated bodies (and funds administered by them) within the central government boundary.
- 9.41. Where bodies are allocated an individual Counter-Party Identifier (CPID) then agreement should take place between those individual bodies. For example if a DCMS NDPB needs to agree a balance with a DTI NDPB then the agreement process should be undertaken between the NDPBs themselves and not between DCMS and DTI.
- 9.42. A separate Agreement of Balances form is to be prepared and sent to each entity for which confirmation of balances and transaction streams is required. A list of contacts will be compiled by the Treasury WGA team and made available on the [Treasury WGA website](#).
- 9.43. Bodies are not required to agree balances and transactions with:
- minor bodies; and
  - local authorities, NHS trusts and foundation trusts, and public corporations
- 9.44. Bodies are not required to agree, or report, balances and transactions with minor bodies. Minor bodies are exempt from the requirement to provide information for WGA purposes. They are therefore not required to take part in the agreement process on either the provider or purchaser side. Transactions with minor bodies are treated as if they were with external bodies.
- 9.45. Bodies are not required to agree balances and transactions with local authorities, NHS trusts and foundation trusts, and public corporations. However, they should report balances and transaction streams that are greater than £1million when they submit their WGA data.
- 9.46. In addition, the Treasury's WGA Team will continue to work with central government bodies and other stakeholders to address specific issues that were identified as part of previous WGA dry runs. In Northern Ireland the Department of Finance and Personnel and in Wales the Welsh Assembly Government have made arrangements for all bodies (central government, health and local government) to agree balances and transaction streams to minimise the level of mismatches.

### *Situations where a body has changed*

- 9.47. If a WGA body has been dissolved, merged with another body or otherwise been replaced by another body, the successor body should contact other WGA bodies with which it has transactions and balances to inform them of the new CPID code for the new body. The new body should then submit report and agree balances and transactions for the whole of the current year using the new CPID code. For the purposes of this exercise, the "successor body" is that which has assumed the responsibility of preparing and publishing the statutory annual accounts.
- 9.48. Sub-consolidating departments should send an email to the Treasury WGA team to advise when a body enters or leaves their group.



## CPID codes

- 9.49. The COINS system eliminates balances and transactions between entities based on a Counter Party Identifier code (CPID). Every body and fund has its own unique CPID. These codes must be used when balances and transactions with other bodies within the WGA boundary are recorded in COINS.
- 9.50. A summary of the updated Standard Chart of Accounts (SCOA) for 2009/10 is available on the Treasury WGA website ([http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)). It includes details of all valid SCOAs for 2009/10 and changes since 2008/09. A full list of CPIDs for WGA bodies and funds who will submit 2009/10 data is also available.
- 9.51. Some SCOA codes have CPID codes attached to them automatically, where only one counter-party is possible. For example, tax SCOAs are “hard-coded” with the CPID for HM Revenue and Customs (IRT813) and SCOAs for payments to the Consolidated Fund are “hard-coded” with the CPID for the Consolidated Fund (COF888).

### *What CPID to use for taxes*

- 9.52. HM Revenue and Customs (HMRC) are responsible for the collection of taxes. HMRC produces two accounts – the Trust Statement, which records the taxes collected, and the Resource Account, which records the administrative costs of the department. Taxes and duties balances, including VAT, should be reported using IRT813.cpid, the code for the Trust Statement. Balances and transactions with the Department should be reported using ILR041.cpid.
- 9.53. National insurance is collected by HMRC and recorded in the Trust Statement. It is not collected by the National Insurance Fund. Therefore national insurance should be reported using IRT813.cpid, the code for the Trust Statement.

### *Situations where a parent CPID is used*

- 9.54. Some CPIDs, in effect, represent a department’s resource account, which may be a consolidation of the core department’s account and the accounts of a number of executive agencies, which will not have their own CPIDs. For example, the Department of Health resource account (DOH033) consists of the core department and some 150 primary care trusts (PCTs). Transactions and balances with the PCTs are treated as if they were with the Department of Health but counterparties are required to agree balances and transactions with PCTs directly instead of the Department. There are cases where Departments such the Department for Work and Pensions that prefer to manage the agreement process centrally (ie by the core Department) on behalf of all entities that are consolidated into the departmental resource accounts. The Treasury WGA team have not maintained a list of contacts for all executive agencies because of the number of agencies, frequent changes in the status of agencies and staff turnover. Therefore, the first contact will need to be made with (or by) the core department who may then choose to handle the agreement process themselves or to delegate it to the executive agency (or agencies) concerned.

### *Situations where a body has changed*

- 9.55. As stated earlier, if a WGA body has been dissolved, merged with another body or otherwise been replaced by another body, the CPID to be used for the whole of the current year is the new CPID for the new successor body.

## What to agree

- 9.56. Central government departments, NDPBs and administered funds are required to identify and agree all balances as at 31 March 2010 and transaction streams in the year ending 31 March 2010 with other designated bodies within central government. This will include any imprests or standing deposits.
- 9.57. Debtor and creditor balances with the same counter party should be reported gross and not netted off.
- 9.58. Designated bodies are not required to agree any tax balances or transaction streams such as VAT, income tax and national insurance contributions with Her Majesty’s Revenue and Customs though

these must be reported. However, non-tax transaction streams and balances with HMRC themselves must be agreed if over £5 million.

- 9.59. Accruals and invoiced amounts should be reported. Bodies are reminded that invoices may be dated and/or received after 1 April 2010 but relate to 2009/10. Similarly invoices dated April or May 2009 may relate to the previous year and should therefore be excluded when reporting transactions with other counterparties. Bodies should not confuse cash transactions with income / expenditure. For example, body A may receive cash on behalf of body B and then pay it over to body B without recording the receipt as income and the payment as expenditure in its operating cost statement. In such instances body A should not report the transactions. Similarly body B should treat the "income" as external.
- 9.60. The recorded balances will be made up of two elements:
- Creditors: invoices issued up to 31 March 2010, which must be agreed with the counter party; and
  - Accrued amounts: this can comprise invoices issued after the year-end, but relating to goods or services supplied in the previous year or accruals based on agreed documentation between two bodies. Departments may wish to specify a date by which such invoices must be issued within their own consolidation groups.

### **Resolution of significant differences**

- 9.61. A significant difference is defined as one that is greater than £200,000. If significant differences are detected between balances and/or transaction streams advised by the provider body and those recorded by the counterparty purchaser, then contact should be made by the counterparty advising that a significant difference is apparent. Both parties should work together to ascertain how and why the difference has occurred. If an error has occurred, then the entity holding the error should adjust their records. If the difference is due to timing, then the Agreement of Balances form should carry a brief note to this effect.
- 9.62. Where differences are identified individual bodies may be asked to revise their submissions. In some cases this could also have an impact on the statutory financial statements of the body concerned.
- 9.63. As part of the agreement process, adjustments may be required to adjust the balances initially recorded. Agreement is the responsibility of the transacting bodies. Where a dispute cannot be resolved the usual practice is that the entity owing money to another entity should always accrue for the amount notified to them (i.e. the purchaser's ledger is adjusted). However, there may be a small number of instances where differences between balances or transaction streams recorded by bodies cannot be resolved because of differences in the way the bodies account for them. Such differences should be reported to the Treasury WGA Team ([wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk)) as soon as the differences are known.

### **Post-recess Resource Accounts**

- 9.64. It is possible that some departments or bodies will not be able to agree balances and transaction streams in accordance with the timetable because they are unable to complete their resource or statutory accounts before the summer recess – i.e. they are "post-recess departments or bodies". The departments or bodies seeking agreement of balances or transaction streams with post-recess departments or bodies should:
- Complete the agreement process on draft data;
  - Ensure they submit their WGA data in accordance with the timetable without getting agreement from the post-recess departments or bodies;
  - Document clearly how they have estimated the balances or transaction streams to provide clear audit trails which supports both their resource / statutory accounts and WGA submissions; and

- Email the Treasury WGA Team (at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk)) with details of the balances or transaction streams they were unable to agree so that the Treasury WGA Team has early warning of potential mismatches.
- 9.65. Mismatches which arise following the submission of WGA data by post-recess departments or bodies should be investigated by both parties and appropriate action taken which could include the revision of future estimation techniques by one or both parties, or the restatement of 2009/10 transaction streams or balances by one or both parties. Any changes to data should be reflected in journal adjustments and notified to the auditor so that this can be considered.

#### **Specific issues: VAT**

- 9.66. The treatment of VAT depends on whether the transaction is in respect of a contracted out service for which the VAT is recoverable by the purchasing body, or the VAT is not recoverable. In the case of contracted out services both the income and expenditure amounts agreed by bodies should be net of VAT, as only the net amounts need to be eliminated from operating costs / income during the consolidation process. Both parties record the VAT element of transactions in control accounts, as are VAT recoveries by purchasing bodies or VAT payments made by service providers. The VAT transactions should not be recorded on the CPID input sheet in the Consolidation Pack. However, the VAT balance at 31 March 2010 should be identified and allocated to the IRT813.cpid since it needs to be eliminated on consolidation.
- 9.67. Where the VAT is not recoverable both the income and expenditure amounts agreed by bodies should be net of VAT. However, the purchasing body should also report the VAT paid and allocate it against the HMRC Trust Statement CPID (IRT813). Transactions and balances with HMRC do not require agreement - as noted above. VAT payments to HMRC or VAT refunds by HMRC that are made during the year should not be reported in WGA submissions or for that matter agreed with HMRC.
- 9.68. The two paragraphs above relate to transactions between bodies that are within the WGA boundary. Where transactions are with bodies outside the WGA boundary expenditure that is recorded inclusive of the VAT element in the body's accounts should be treated as an external transaction. However, if the expenditure is in respect of a VAT recoverable contracted out service the expenditure net of VAT is recorded in the accounts. The net amount should be treated as an external transaction.

#### **Specific issues: Pension schemes**

- 9.69. The Principal Civil Service Pension Scheme (PCSPS) will provide reports to Consolidation Managers containing details of pension contributions receivable during 2009/10 and those unpaid at 31 March 2010 to initiate the agreement process. As these figures are one of the key areas of elimination within WGA it is important that bodies reach agreement on these numbers. That is, bodies will have to confirm that they agree where the balances or transactions are over £5m and that differences do not exceed £200,000.
- 9.70. Those bodies that have transactions with the other WGA pension schemes (i.e. Armed Forces Pension Scheme, Judicial Pension Scheme, NHS Pension Scheme, Research Councils Pension Scheme, Teachers Pension Scheme and UKAEA Pension Scheme) should initiate the process themselves. Bodies are not required to report or agree transactions and balances with local government pension schemes since these are outside the WGA boundary.
- 9.71. The following table summarises the procedure related to the agreement process and the provision of counter-party information - from the point of view of both WGA bodies and Pension Schemes. No agreement is necessary for balances, as the scheme's figures will reflect those of the WGA body. However, departments will need to report such balances.

### Agreement process for pensions: Central Government Body

	Payroll provided externally / outsourced		Payroll provided in-house	
	Agreement?	Reported?	Agreement?	Reported?
Transaction Streams employer pension contributions	Yes	Pension fund.CPID	Yes	Pension fund.CPID
Balances Payable employer & employee contributions	No	No	No*	Pension fund.CPID

\* except for the PCSPS where balances are agreed, and the NHS pension scheme in respect of primary care trusts which are included in the DoH resource account, the core DoH and any other central government bodies which will include the devolved administrations, central government departments and NDPBs.

### Agreement process for pensions: Pension Scheme

	Payroll provided externally / outsourced		Payroll provided in-house	
	Agreement?	Reported?	Agreement?	Reported?
Transaction Streams employer pension contributions	Yes	Central Govt body.CPID	Yes	Central Govt body.CPID
Balances Payable employer & employee contributions	No	No	No*	Central Govt body.CPID

\* except for the PCSPS where balances are agreed, and the NHS pension scheme in respect of primary care trusts which are included in the DoH resource account, the core DoH and any other central government bodies which will include the devolved administrations, central government departments and NDPBs.

### Specific issues: Agency transactions

- 9.72. An agency transaction is where a body acts as an agent for another body. Agency transactions are quite common and have often given rise to mismatches in prior years when the counter-parties involved have used different CPIDs. If a body believes that it is involved in an agency transaction, it should contact the other WGA counter-parties involved in the agency transaction to ensure that the transaction has been consistently treated and reported for WGA purposes. Bodies should determine how the other counter-parties account for the transaction and agree how to report the transaction.
- 9.73. We recommend that all counter-parties involved recognise all parts of an agency transaction on a gross basis, and that if a body acting as agent has not recognised an amount or has recognised it on a net basis in its resource accounts, it amends its C-Pack to report the full amounts of all parts of the transaction and the full grossed up CPID amount. Comments should be included in the C-Pack to document the rationale for any amendment. This may mean that their WGA submission will not fully reflect their resource accounts, but it will ensure that the amounts are eliminated properly for the purposes of WGA. Note that this will only impact on the Whole of Government Accounts. If the counter-party acting as agent does not do this, and instead records the transaction in the C-Pack on a net basis, or not at all, then the other counter-party should not record a CPID. It is important to reach an agreement to ensure the transaction can be eliminated correctly. If bodies are unable to reach agreement on the appropriate adjustments, please document this in the CG-02 "Notification of Completion of the WGA Agreement Process" form to be sent to the Treasury WGA team so we can consider what adjustments are required to be made for the WGA consolidation.
- 9.74. **Recommendation:** All counter-parties to an agency transaction agree to gross-up, recognise and report the grossed-up value of all parts of the agency transactions in their C-Pack and CPID data.

- 9.75. An example of an agency transaction is where CLG pays Area Based Grants (ABGs) to local authorities, partly on behalf of other government departments. CLG therefore recovers some of the other government department element of the ABG. CLG includes in its resource accounts the net amount, i.e. only the proportion of the ABG which is funded from its budget. Local authorities include in their resource accounts the gross amount of ABG they receive and other government departments include their proportion of the ABG. We recommend in this instance that all counter-parties amend their C-Pack to record the gross amount of income or expenditure and that the gross amount is reported in the CPID data, to ensure that the transaction is eliminated fully. However, it is critical that all counter-parties agree the accounting treatment of the agency transaction and the reporting of the CPID data, to ensure that they are treating it consistently and eliminating CPID data correctly.

#### **Specific issues: Reporting on a net or gross basis**

- 9.76. In some situations, two counter-parties may recognise a balance or transaction in their accounts on a differing (gross or net) basis. If a body believes that its counter-party may have recognised the transaction or balance on a different basis, e.g. gross instead of net, then the bodies involved should contact each other to ensure that the transaction and/or balance has been consistently treated and reported for WGA purposes. We would recommend that the gross basis is used by both counter-parties, and that the body that has recognised the amount on a net basis makes an adjustment to gross it up in the C-Pack and report the grossed up CPID amount. This may mean that their WGA submission will not fully reflect their resource accounts, but this should not present any difficulties provided they are able to reconcile their WGA submission with their resource accounts. Note that this will only impact on the Whole of Government Accounts.
- 9.77. **Recommendation:** Both counter-parties agree to gross-up, recognise and report the transaction on a gross basis in their C-Pack and CPID data.

#### *Recharged Costs*

- 9.78. A common example where two counter-parties may recognise a balance or transaction in their accounts on a differing (gross or net) basis is when departments and NDPBs use services provided by other departments. Providers generally recover the cost of these services from users but the agreement of the recoveries made and how they are reported has been problematic since the providers do not always account for the recovered costs (i.e. provider's income) on the same basis as the users account for the costs recharged (i.e. purchaser's expenditure). For example, a department sublets office space to another department. The landlord department accounts for the rent it pays to the property owner on a net basis (i.e. gross rent paid by the department less the rent recovered from the tenant department) and so does not report the rent received from the tenant department. However, the tenant department records the rent paid to the landlord department as an expense and does report the rent paid to the landlord department. In this case, a mismatch arises.
- 9.79. We recommend that the service provider, e.g. the landlord department, accounts for the cost of the service on a gross basis and records the recovered costs as income from the service user, e.g. the tenant department. The service user should record the payment to the service provider as an expense. Both service provider and service user agree the transaction streams that are then eliminated. Although the approach will invariably mean that the WGA data is not in line with the departmental resource accounts it is necessary to correctly eliminate interdepartmental transactions and minimise the risk of mismatches or the misstatement of expenditure and income.
- 9.80. **Recommendation:** Service providers recognise and report in the C-Pack for the cost of the service on a gross basis as well as the recovered costs from the service user as income with an appropriate CPID. Service users should record the payment to the service provider as an expense with an appropriate CPID.

## FAQ

9.81. **Q: I cannot find a CPID code. Why is this and what should I do?**

A: Firstly check that the counterparty is within the WGA boundary (a list can be found at [http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)). The body you're looking for may be part of a department. In this case, note that some CPIDs, in effect, represent a department's resource account, which may be a consolidation of the core department's account and the accounts of a number of executive agencies, which will not have their own CPIDs. For example, the Highways Agency is part of the Department for Transport. If you still cannot find a CPID code, please send an email to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).

9.82. **Q: I cannot agree a balance with another department/body, what happens?**

A: If the difference is significant, i.e. about £200,000, complete the CG-02 "Notification of Completion of the WGA Agreement Process" form explaining the difference and email it to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).

9.83. **Q: Should I report and agree accruals?**

A: Yes, see the paragraphs 35 and 36 above on what to agree. In respect of NDPBs that account for their grant in aid and other grants on an accruals basis, they need to complete the "Accrued GiA" worksheet in the C-Pack. See chapter 11 for more guidance in relation to accruals for grants.

9.84. **Q: What Matches Report do I use? How do I access it?**

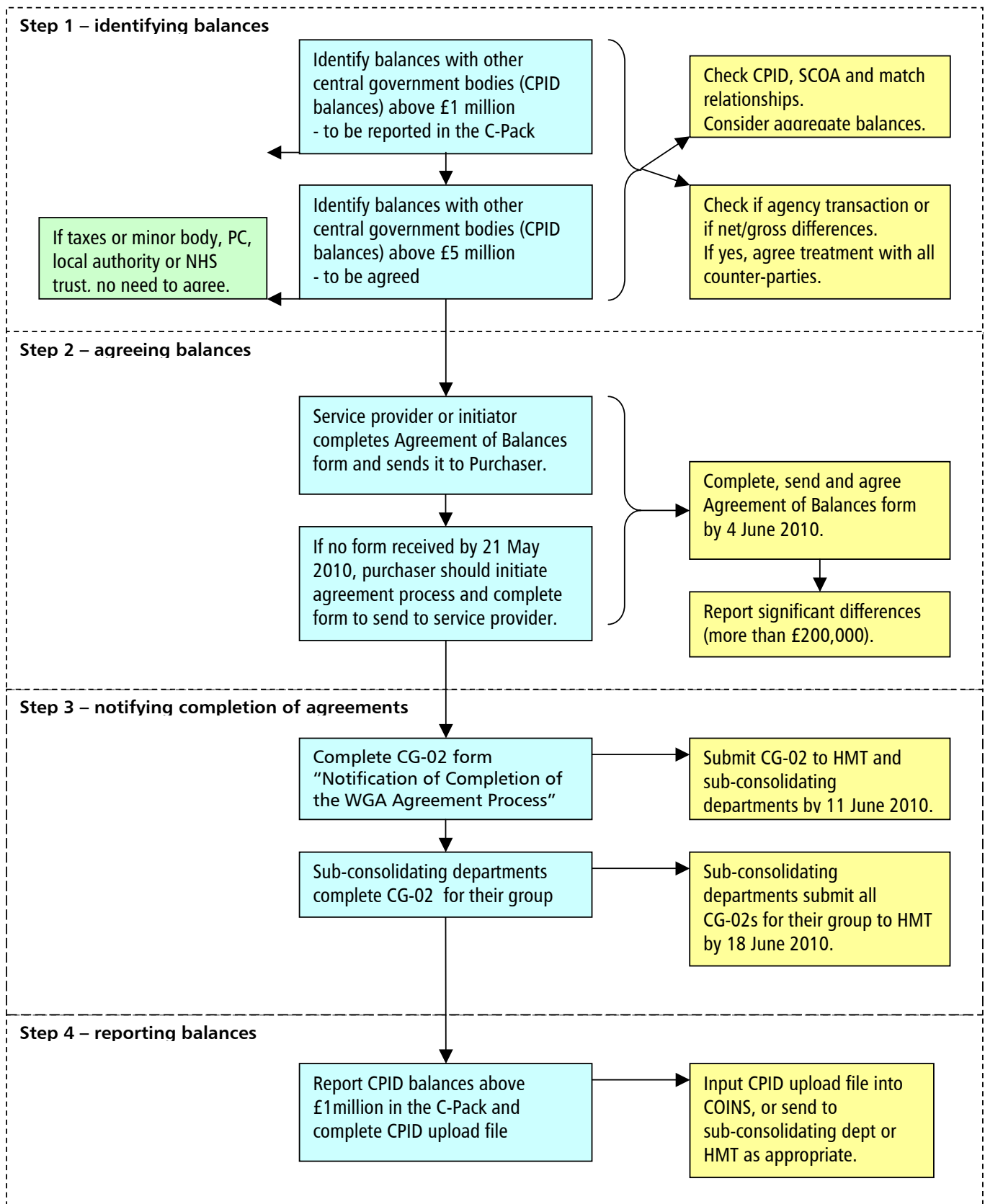
Several reports or tools have been referred to as the "matches report", and this may be confusing. So, to clarify the situation, an explanation of all the reports is provided below.

- (1) **CMAR ("Counterparty Matches Analysis Report")**
  - this is no longer available on COINS after feedback said it was too complex and was not easy to use.
- (2) **Matches Report**
  - easy to use matches analysis based on COINS data of all WGA bodies who have submitted CPID information; this essentially replaces the CMAR, providing the same information but better presented.
  - available on Civil Pages and from the Treasury WGA Team ([wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk))
- (3) **ELM matches report**
  - report used by sub-consolidators showing counterparty data reported by sub-consolidated bodies
  - available from COINS ELM module
- (4) **CPID report**
  - report showing counterparty data reported by one body
  - available from COINS CIM module.

The Matches Report has restricted availability because of the need to balance the requirement to keep data secure and our desire to make it available to those who need it. Therefore the current solution is: (1) WGA Team will make the Matches Report available on Civil Pages; (2) Please could departments forward it on to their NDPBs; and (3) WGA Team will send the report to WGA users who specifically ask for it. In the end, departments and NDPBs should have access to the Matches Report via Civil Pages, while bodies like PCs and local authorities who do not have automatic access can ask for the report from the Treasury WGA Team. In other words, whoever could access the old CMAR can access the new Matches Report, getting the same information but better presented.

In summary, the available reports are: the Matches Report for both 2008-9 and 2009-10 on the Civil Pages website and from the Treasury WGA Team, the ELM matches report produced by sub-consolidators using the COINS ELM module, and the CPID report available on COINS CIM module.

## Flowchart – Agreement of Balances process



## Chapter 10      CFERs: WGA treatment

- 10.1. Information included in this chapter:
  - Guidance for mapping CFERs
- 10.2. This chapter provides detailed guidance on how bodies should map CFERs for WGA purposes where they show CFERs and related Consolidated Fund transactions in their resource accounts.
- 10.3. CFERs are Consolidated Fund Extra Receipts. This arises when departments must surrender income to the Consolidated Fund. It arises in situations such as where income in a department exceeds the voted Appropriations in Aid.
- 10.4. It is essential that bodies follow the guidance since the accounting data provided is used to convert the Consolidated Fund from a cash basis to an accruals basis and to eliminate completely and correctly counter party transactions. These can be significant and could have a material impact on the truth and fairness of the WGA if they are incorrectly recorded.
- 10.5. There are four types of CFERs:
  - (1) Operating income that is not classified as appropriations in aid or exceeds the relevant limits for appropriations in aid approved in the Estimate
  - (2) Non-operating income that is not classified as appropriations in aid or exceeds the relevant limits for appropriations in aid approved in the Estimate
  - (3) Other amounts that are collectable by departments on behalf of the Consolidated Fund
  - (4) Excess cash receipts that have to be surrendered to the Consolidated Fund
- 10.6. This chapter summarises the approach for each type of CFER for bodies mapping their general ledger accounts to the SCOA's.
- 10.7. Bodies using the proforma approach for completing the Consolidation Pack should analyse their CFERs and related Consolidated Fund transactions as set out in the proforma worksheets.



**(1) CFERs: Operating income that is not classified as appropriations in aid or exceeds the relevant limits for appropriations in aid approved in the Estimate**

- 10.8. Operating income not classified as appropriations in aid arises from operating activities that are recorded in a department's operating cost statement but which the department is required to surrender to the Consolidated Fund. This may happen where there is no related expenditure in the same part of the budget in the Estimate Part II table.
- 10.9. Departments may also generate operating income that they cannot appropriate in aid because they have already appropriated in aid income up to the relevant limits approved in the Estimate. The excess has to be surrendered to the Consolidated Fund.
- 10.10. The accounting entries in both instances are set out below:

	Description	SCOA	Comments
DR CR	Cash  OCS income  <i>To record in the operating cost statement the income received by the department</i>	18510000 412xxxxx	In those instances where a department may accrue for income collected the double entry in year one is:  DR Debtors (18xxxxxx) CR OCS Income (412xxxxx)  When the department receives a payment the double entry is:  DR Cash (18510000) CR Debtors (18xxxxxx) The second double entry is made each time a payment is received. These entries can be spread over one or more years.
CR DR	Creditors General Fund  <i>To record the amount of income generated in year which must be surrendered to the Consolidated Fund because it is not classified as appropriation in aid</i>	21091120 31101100	Identifies the income received during the year which must be surrendered to the Consolidated Fund
DR CR	Creditors Cash  <i>To record cash received in the current year and paid over to the Consolidated Fund in the current year</i>	210911301 8510000	Identifies the cash received by the entity and paid over to the Consolidated Fund in the same year
DR CR	Creditors Cash  <i>To record cash received in the previous years and paid over to the Consolidated Fund in the current year</i>	210911401 8510000	Identifies the cash received by the department in previous years and paid over to the Consolidated Fund in the current year

- 10.11. The accounts used to record "operating income not classified as appropriations in aid" or "income in excess of appropriations in aid" transactions with the Consolidated Fund are cash (18510000), General Fund (31101100) and the following creditor accounts:

SCOA	Description	+ / -	Comments
21091001	Operating income not classified as appropriations in aid or operating income which exceeds appropriations in aid		This is not an entry level account. The net balance in this account at the year end will represent the cash/income received by the entity but not paid over to the Consolidated Fund
21091110	Opening balance	-	Only the balance carried forward from last year is recorded in this account. The balance in this account is transferred to 21091001 at the year end.
21091120	Operating income not classified as appropriations in aid collected during the year or operating income in excess of appropriations in aid	-	The balance in this account is transferred to 21091001 at the year end.
21091130	Payments to the Consolidated Fund - current year's operating income not classified as A in A or operating income which is excess A in A	+	The payments are made in the current year and they relate to income arising in the current year. The balance in this account is transferred to 21091001 at the year end.
21091140	Payments to the Consolidated Fund - prior years' operating income not classified as A in A or operating income which is excess A in A	+	The payments are made in the current year but relate to the creditor balance brought forward and recorded in 21091110. The balance in 21091140 is transferred to 21091001 at the year end.

**(2) CFERs: Non-operating income that is not classified as appropriations in aid or exceeds the relevant limits for appropriations in aid approved in the Estimate**

- 10.12. Non-operating income not classified as appropriations in aid arises from non-operating activities that are recorded on a department's balance sheet, such as the sale of assets or the receipt of loan principal repayments made by borrowers (Estimates Part III – second row). Other non-operating income not classified as appropriations in aid will also arise where the expenditure and the income generated by an activity are subject to non-operating Estimates treatment not withstanding that the income is recorded in the department's operating cost statement (i.e. profit / loss on disposal of assets, which appears on both the operating and non-operating side of the Estimate, and now score against the departmental capital budget)
- 10.13. Departments may generate non-operating income that cannot be appropriated in aid because the department has already appropriated in aid non-operating income up to the relevant limits approved in the Estimate. The excess has to be surrendered to the Consolidated Fund.
- 10.14. The accounting entries in both instances are set out below:

	Description	SCOA	Comments
DR CR CR DR	Cash Assets Disposal Account OCS (profit on sale of asset) <b>OCS (loss on sale of asset)</b>  <i>To record the proceeds from the sale of an asset</i>	18510000 1xxxxxxx 41214xxx 5141411x	There are a number of asset disposal and loan repayment accounts. The choice of account will depend of the type of asset disposed of or the entity which is making the loan repayment.
DR CR	Cash Loan Repayment Account  <b>To record loan principal repayments received by the department</b>	18510000 1xxxxxxx	In those instances where a department may accrue for non-operating income due the double entry in year one is:
DR CR	Cash OCS income  <i>To record non-operating revenue income received by the department</i>	18510000 412xxxxx	DR Debtors (18xxxxxx) CR appropriate a/c (xxxxxxx)  When the department receives a payment the double entry is: DR Cash (18510000) CR Debtors (18xxxxxx)
CR DR	Creditors General Fund  <b>To record:</b> <i>(a) amount of non-operating income arising from the sale of assets or loan repayments that is surrenderable to the CF because it is not classified as appropriation in aid, and</i> <i>(b) the amount of non-operating income generated which exceeds the amount appropriated in aid</i>	21091220 31101200	Identifies the income received during the year which must be surrendered to the Consolidated Fund
DR CR	Creditors Cash  <i>To record cash received in the</i>	210912301 8510000	Identifies the cash received by the department and paid over to the Consolidated Fund in the same year

	<i>current year and paid over to the Consolidated Fund in the current year</i>		
<b>DR CR</b>	Creditors Cash  <i>To record cash received in the previous years and paid over to the Consolidated Fund in the current year</i>	210912401 8510000	Identifies the cash received by the department in previous years and paid over to the Consolidated Fund in the current year

- 10.15. The accounts used to record “non-operating income not classified as appropriations in aid” or “income in excess of appropriations in aid” transactions with the Consolidated Fund are cash (18510000), General Fund (31101200) and the following creditor accounts:

<b>SCOA</b>	<b>Description</b>	<b>+ / -</b>	<b>Comments</b>
21091201	Non-operating income not classified as appropriations in aid or non-operating income in excess of appropriations in aid		This is not an entry level account. The net balance in this account at the year end will represent the cash/income received by the department but not paid over to the Consolidated Fund
21091210	Opening balance	-	Only the balance carried forward from last year is recorded in this account. The balance in this account is transferred to 21091201 at the year end.
21091220	Non-operating income not classified as appropriations in aid collected during the year or non-operating income in excess of appropriations in aid	-	The balance in this account is transferred to 21091201 at the year end.
21091230	Payments to the Consolidated Fund - current year's non-operating income not classified as A in A	+	The payments are made in the current year and they relate to income arising in the current year. The balance in this account is transferred to 21091201 at the year end.
21091240	Payments to the Consolidated Fund - prior years' non-operating income not classified as A in A	+	The payments are made in the current year but relate to the creditor balance brought forward and recorded in 21091210. The balance in 21091240 is transferred to 21091201 at the year end.

### (3) CFERs: Other amounts that are collectable by departments on behalf of the Consolidated Fund

- 10.16. Other amounts collectable on behalf of the Consolidated Fund (Estimates Part III – third row) are not recorded as income in a department’s Operating Cost Statement. Normally they will be outside of budgets also, unless the Chief Secretary to the Treasury has agreed to exceptional budgeting treatment. Examples of these monies are taxes or levies collected directly on behalf of the Consolidated Fund, fines imposed by the courts, and fines imposed by HMRC for the late payment (or non payment) of taxes.
- 10.17. The accounting entries are as follows:

	Description	SCOA	Comments
DR CR	Cash Creditors  <i>To record the income collected during the year on behalf of the Consolidated Fund. The income received is not recorded as income in the department’s Operating Cost Statement.</i>	18510000 21091320	In those instances where a department may accrue for income collected on behalf of the Consolidated Fund the double entry in year one is:  DR Debtors (18xxxxxx) CR Creditors (21091320)  When the department receives a payment the double entry is:  DR Cash (18510000) CR Debtors (18xxxxxx) The second double entry is made each time a payment is received by the department in respect of the debtor recognised in year one. These entries can be spread over one or more years.
DR CR	Creditors Cash  <i>To record cash collected by the department in the current year and paid over to the Consolidated Fund in the current year</i>	21091330 18510000	Identifies the cash collected by the department and paid over to the Consolidated Fund in the same year
DR CR	Creditors Cash  <i>To record cash paid to the Consolidated Fund in the current year which was collected in previous years</i>	21091340 18510000	Identifies the cash collected by the department in previous years and paid over to the Consolidated Fund in the current year

10.18. The accounts used to record "other amounts collectable on behalf of the Consolidated Fund" transactions with the Consolidated Fund are cash (18510000) and the following creditor accounts:

SCOA	Description	+ / -	Comments
21091301	Other amounts collected on behalf of the Consolidated Fund		This is not an entry level account. The net balance in this account at the year end will represent the cash/income collected by the department on behalf of the Consolidated Fund but not paid over to the Consolidated Fund
21091310	Opening balance – other amounts collected on behalf of the Consolidated Fund	-	Only the balance carried forward from last year is recorded in this account. The balance in this account is transferred to 21091301 at the year end.
21091320	Other amounts collected on behalf of the Consolidated Fund during the year	-	The balance in this account is transferred to 21091301 at the year end.
21091330	Payments to the Consolidated Fund - current year's amounts collected on behalf of the Consolidated Fund	+	The payments are made in the current year and they relate to income arising in the current year. The balance in this account is transferred to 21091301 at the year end.
21091340	Payments to the Consolidated Fund - prior years' amounts collected on behalf of the Consolidated Fund	+	The payments are made in the current year but relate to the creditor balance brought forward and recorded in 21091310. The balance in 21091340 is transferred to 21091301 at the year end.

#### (4) CFERs: Excess cash receipts that have to be surrendered to the Consolidated Fund

10.19. A department that has excess cash is required to surrender it to the Consolidated Fund (Estimates Part III – fourth row), as the net cash requirement cannot be less than a token £1,000. This is most likely to apply to regulatory bodies such as OFGEM, which derive their income from levies.

10.20. The accounting entries are:

	Description	SCOA	Comments
DR CR	Cash OCS income  <i>To record in the operating cost statement the income received by the entity</i>	18510000 41*****  (as appropriate)	
CR DR	Creditors General Fund  <i>To record the excess cash which the body is required to surrender to the Consolidated Fund</i>	21091420 31101400	Identifies the excess cash received during the year which must be surrendered to the Consolidated Fund
DR CR	Creditors Cash  <i>To record the excess cash received in the current year and paid over to the Consolidated Fund in the current year</i>	210914301 8510000	Identifies the excess cash received by the body and paid over to the Consolidated Fund in the same year
DR CR	Creditors Cash  <i>To record cash received in the previous years and paid over to the Consolidated Fund in the current year</i>	210914401 8510000	Identifies the excess cash received by the body in previous years and paid over to the Consolidated Fund in the current year

10.21. The accounts used to record "excess cash receipts to be surrendered to the consolidated Fund" transactions with the Consolidated Fund are cash (18510000), General Fund (31101400) and the following creditor accounts:

SCOA	Description	+ / -	Comments
21091401	Excess cash receipts to be surrendered to the Consolidated Fund		This is not an entry level account. The net balance in this account at the year end will represent the excess cash received by the body but not paid over to the Consolidated Fund
21091410	Opening balance	-	Only the balance carried forward from last year is recorded in this account. The balance in this account is transferred to 21091401 at the year end.
21091420	Excess cash receipts for the year	-	The balance in this account is transferred to 21091401 at the year end.
21091430	Payments to the Consolidated Fund - current year's Excess cash receipts for the year	+	Excess cash is surrendered in the current year and it relates to income arising in the current year. The balance in this account is transferred to 21091401 at the year end.
21091440	Payments to the Consolidated Fund - prior years' Excess cash receipts for the year	+	Excess cash is surrendered in the current year and it relates to the creditor balance brought forward and recorded in 21091410. The balance in 21091440 is transferred to 21091401 at the year end.



# Chapter 11 Grants: WGA treatment

- 11.1. Information included in this chapter:
  - WGA treatment of revenue and capital grants for NDPBs
- 11.2. The guidance in this chapter applies to Non Departmental Public Bodies (NDPBs), including those that are charities and companies.
- 11.3. NDPBs that are charities or companies will follow the accounting standards that apply to them for their resource accounts. However, for WGA purposes they should follow this guidance. This will mean that their WGA submissions will not fully reflect their resource accounts. This should not present any difficulties provided NDPBs are able to reconcile their WGA submissions with their resource accounts.
- 11.4. The FReM differentiates between revenue and capital grants. It makes allowances for NDPBs that are charities or companies and it removes the element of choice in the accounting treatment of grants and grant in aid received by NDPBs. The department responsible for the NDPB and the relevant authority must approve any alternative accounting treatment. Where an alternative treatment has been approved the NDPB should consult the responsible department who should contact the Treasury's WGA team to ensure a consistent WGA approach is adopted.

## Revenue Grants

- 11.5. NDPBs must treat grant in aid (GiA) and specific grants they receive from their sub-consolidating departments for revenue purposes as contributions from controlling parties, which give rise to a financial interest in the residual interest of the body, and hence they should account for them as financing. The impact of the change means that specific revenue grants and grant in aid received from sub-consolidating departments should be credited to an income and expenditure reserve (FReM; paragraph 4.2.15). For WGA purposes all such income should be credited to the standard chart of account code (SCOA) 31077000 and the relevant CPID code. NDPBs must ensure they agree the amount of grant received with the department/body providing the grant (Agreement of Balances Forms).
- 11.6. The FReM requires that a proposed alternative accounting treatment is approved by both the department responsible for the NDPB and the relevant authority. If an alternative accounting treatment has been approved the NDPB should, in the first instance, discuss the WGA implications with the responsible department who should then talk to the Treasury's WGA team to ensure the proposed treatment for WGA purposes is consistent with other bodies and that counterparty transactions are fully eliminated.
- 11.7. NDPBs that account for their grant in aid and other grants on an accruals basis will need to complete the "Accrued GiA" worksheet in the C-Pack which they must send to their sub-consolidating departments in accordance with the "Guidance Notes for the Completion of the Consolidation Pack". The completed "Accrued GiA" worksheet will then enable sub-consolidating departments to reverse the brought forward and carried forward debtors and creditors on behalf of their NDPBs. The reversal of these balances should be taken to SCOA 31077000. Sub-consolidating departments should make journal adjustments to the data supplied by the NDPBs to provide a clear audit trail.
- 11.8. In addition to grant in aid and specific revenue grants received from sub-consolidating departments some NDPBs receive grants from other departments or entities. In such circumstances NDPBs may treat the grant received as income. Similarly, the revenue generated by an NDPB when it provides a service to its sub-consolidating department (i.e. is analogous to an exchange transaction) may be treated as income. NDPBs should credit grant income received from departments that are not their sub-consolidating departments to SCOA 41209530 (other grant income - revenue). Revenue arising from the provision of services should be credited to SCOA 41203000 (sales of goods and services). If NDPBs account for grant received from departments other than their sub-consolidating departments on an accruals basis they should complete the "Accrued GiA" worksheet in the C-Pack

as in paragraph 6 above to enable the sub-consolidating department to make the necessary adjustments.

## Capital grants

- 11.9. Entities other than NDPBs that are charities (who should follow the requirements of the Charities SORP) or NDPBs that are companies (who should follow the requirements of SSAP4) should account for grants or grants in aid received as a contribution towards the cost of a fixed asset as follows (see FReM; paragraph 5.2.38):
- (1) grants for the purchase of a specific asset – should be credited to a government grant reserve (not to deferred income) and released to the income and expenditure account over the useful life of the asset in amounts equal to the depreciation charge in the asset and any impairment;
  - (2) grants for the purchase of fixed assets in general - should be credited to the income and expenditure reserve (SCOA 31077000). It will not be necessary to release amounts to the income and expenditure account to offset the depreciation charge.

### (1) Capital Grants for the General Purchase of Assets

- 11.10. Grants for the general purchase of fixed assets should be credited to income and expenditure reserve. Where appropriate, the amount of grant received should be agreed with the sub-consolidating department / body and allocated to the appropriate CPID code.

### (2) Capital Grants for the Purchase of Specific Assets

- 11.11. NDPBs that receive grants for the purchase of specific fixed assets will account for the assets and the receipt of the grant as noted below. NDPBs should agree the amount of grant they receive with their sub-consolidating department / body (Agreement of Balances Forms). NDPBs should ensure they complete the "Accrued GiA" worksheet in the C-Pack if they accrue grants received. NDPBs should also ensure they record the amount released from the government grant reserve to the operating cost statement in the appropriate cells in the C-Pack (cell C36 - 'O-INC' worksheet and cell F66 - 'Reserves' worksheet).
- 11.12. The paragraphs below provide details of the journals sub-consolidating departments should prepare to reverse balances in the government grant reserve account and any amounts released to the income and expenditure account. The purpose of the journals is to bring the government grant reserve transactions into line with Generally Accepted Accounting Practice as applied to WGA and to eliminate transactions that are within the WGA boundary.
- 11.13. Department A gives a capital grant of £100 to Body B so that it can acquire a fixed asset. The fixed asset is expected to have a 10 year life and the annual depreciation charge is £10. The accounting entries are:

#### Department A – year 1

Dr Expense (grant expenditure)	£100	Body B.cpid
Cr Cash	£100	External.cpid

*To record grant paid to body B*

#### Body B – year 1

Dr Cash	£100	External.cpid
Cr Government Grant Reserve	£100	Dept A.cpid

*To record grant received from Department A*

Dr Asset account	£100	no CPID required
Cr Cash	£100	no CPID required

*To record acquisition of asset by Body B ( if staged payments are made over a period of time, which may straddle a number of years, each payment will be Dr Asset account and Cr Cash).*

Note that the Body B CPID and Dept A CPID balances will be eliminated when the accounts of Dept A and Body B are consolidated in year 1. Additional adjustments are not required in year 1.

#### **Department A – year 2 and subsequent years**

The Department has recorded the capital grant it has paid to body B in year 1. As long as it does not pay any additional capital grant to Body B there are no transactions to record in both the department's resource accounts or in its WGA contribution.

#### **Body B – year 2 and subsequent years**

Dr Expense (in year depreciation)	£10	External.cpid
Cr Accumulated depreciation	£10	External.cpid

#### *To record annual depreciation*

Dr Gov grant reserve (35050000)	£10	External.cpid
Cr Income (41209600)	£10	External.cpid

*To record release from the reserve account an amount equal to the depreciation charge in accordance with the FReM.*

11.14. For Gov grant reserve (35050000), see cell F66 - 'Reserves' worksheet of the C-Pack.

11.15. For Income (41209600), see cell C36 - 'O-INC' worksheet of the C-Pack.

#### **Revaluation of assets and other transactions**

11.16. The revaluation of assets funded by government grants and any other transactions affecting such assets are accounted for through the government grant reserve account for both the annual resource accounts and the annual WGA submission.

#### **Journals to be submitted by sub-consolidating department in year 2 and subsequent years**

11.17. For WGA purposes the income released from the reserve in the second and subsequent years needs to be eliminated otherwise income will be overstated. This can only be achieved if Body B makes the following journal entry in its WGA submission:

Dr Income (41209600)	£10	External.cpid
Cr General fund (31223000)	£10	External.cpid

11.18. Body B will also need to transfer the government grant reserve balance at the end of the second and subsequent years to the general fund since on consolidation the government grant reserve is treated as part of the Government's general fund:

Dr Government grant reserve	balance	External.cpid
Cr General fund (31223000)	balance	External.cpid

11.19. These adjustments are not carried forward in the following year. They are just an end of year WGA adjustment to ensure that both income is not overstated and the government grant reserve is included within the Government's general fund balance. These entries are only required in year 2 and subsequent years – the acquisition of the asset was recognized in the accounts in year one.

11.20. The data for the journal can be found in cell F66 - 'Reserves' worksheet of the C-Pack and cell C36 - 'O-INC' worksheet.

## Chapter 12 Lottery: WGA treatment

- 12.1. Information included in this chapter:
- Guidance to simplify lottery grant eliminations
  - Flowchart – process for lottery grant journals
- 12.2. This guidance applies to both lottery grant recipients and lottery distributors. The approach simplifies arrangements for eliminating lottery transactions between bodies within the WGA boundary. The process is summarised in the flowchart at the end of this chapter which summarises the process for completing lottery grant journals.
- 12.3. Referred to as Appendix 2a, 2b and 2c to this guidance are three excel files which are available on the Treasury WGA website ([http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)). Appendix 2a provides an example of lottery transactions and balances for a distributor and a recipient. Appendix 2b and 2c are journal templates to enable lottery grant recipients and distributors to prepare the necessary adjustments.
- 12.4. Recipients and distributors must submit these Lottery adjustments to their auditors at the same time that the C-Pack is being audited.
- 12.5. Once audited and agreed with the auditors, the lottery adjustments should be emailed to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) by 27 August 2010.
- 12.6. The Treasury WGA Team will be responsible for processing the adjustments in COINS. The WGA submissions of lottery grant recipients and distributors should be similar to their resource accounts.

### Summary

- 12.7. This chapter provides guidance on how lottery grant transactions and balances should be disclosed by bodies when they complete the C-Pack and the additional information they must provide to their sub-consolidating departments so that the necessary adjustments can be made to eliminate fully lottery grant transactions and balances. The use of the term 'grant' means only grant awards with a signed contract. It does not apply to soft commitments made by lottery distributors. As well as disclosing the balances and transactions distributors and recipients will have to agree the cash amounts paid and received if they exceed £5 million. However, bodies must not list lottery grant transactions on the CPID input worksheet of the C-Pack as this would double count their eliminations.
- 12.8. Please note that the approach in this chapter applies to lottery grant transactions only. Transactions, such interest received from the Debt Management Office or the National Loans Fund in respect of invested Lottery Balances should be treated as any other balance or transaction
- 12.9. In essence, the approach uses journals to reverse out transactions between recipients and donors and replaces these transactions with the cash received and paid. When the accounts of both recipients and donors are consolidated, the cash movements are eliminated. Appendix 2a shows an example of how a transaction is reflected in both the recipient and donor accounts. It also shows the journal adjustments that both bodies are required to make to eliminate these transactions. Excel Journal Templates are provided to help bodies to prepare the adjustments. Once audited, these should be emailed to the Treasury WGA Team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) by 27 August 2010.
- 12.10. Bodies should not make any adjustments for lottery transactions when completing their C-Pack. The Excel Journal Templates are on the website so that bodies can provide the details required to generate the adjustments which the WGA Team will load into COINS.

### Appendix 2a: Example of Lottery transactions and balances

- 12.11. Appendix 2a of this guidance provides an example of lottery transactions and balances for a distributor and a recipient. It shows:

- extracts from the books of a lottery distributor and a lottery recipient in respect of an actual award over the lifetime of that award;
- the journals that the lottery recipient and distributor will need to provide their sub-consolidating department to make the necessary adjustments to eliminate transactions within the WGA boundary; and
- a summary of the profit and loss account and balance sheet after adjustments are made to confirm from a WGA point of view that transactions and balances are eliminated.

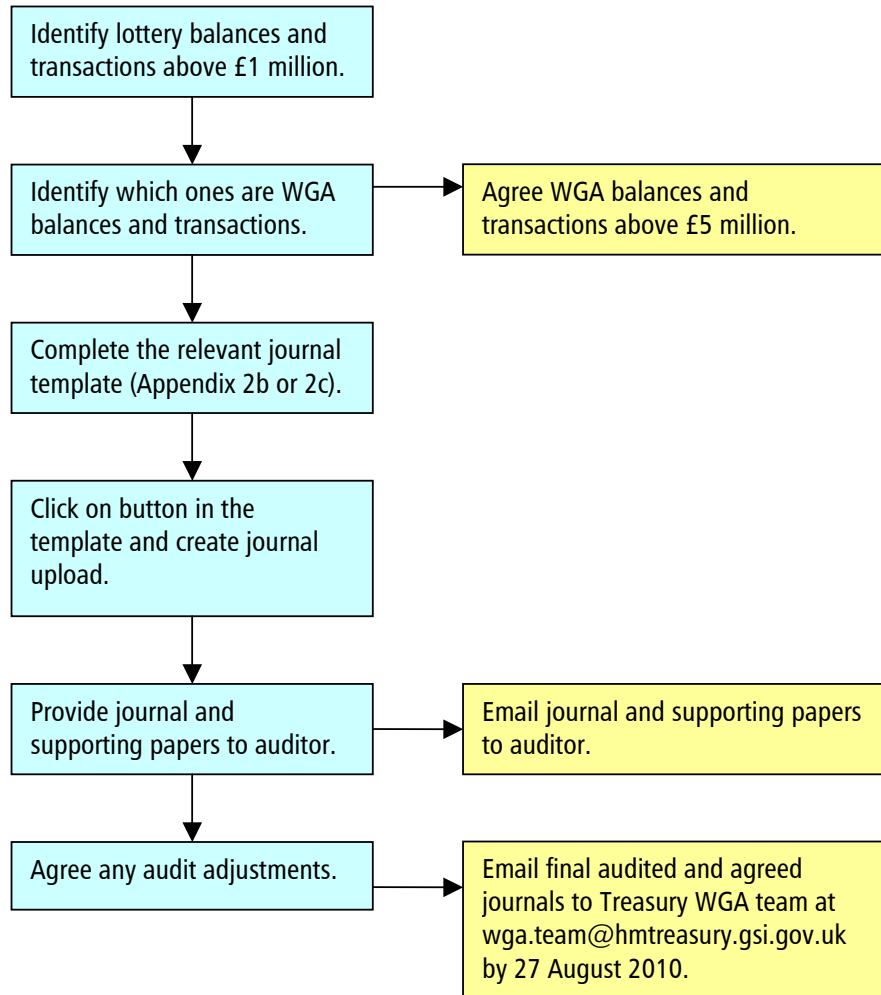
#### **Appendices 2b and 2c: Lottery journal templates**

- 12.12. Lottery distributors must complete the template at Appendix 2b of this guidance. The templates should be completed at an aggregate level. Entries on the template should be supported by schedules showing a detailed analysis of balances and transactions by recipient. Bodies must complete an agreement form for cash payments to a recipient in excess of £5 million (see Appendix 2 of DCM 01/09).
- 12.13. Lottery recipients must complete the template at Appendix 2c of this guidance. The templates should be completed at an aggregate level. Entries on the template should be supported by details of the balances and transactions with the lottery distributors. Bodies must complete an agreement form for cash receipts from a distributor in excess of £5 million (see Appendix 2 of DCM 01/09).
- 12.14. Only balances and transactions with WGA bodies should be entered into the template. Lottery distributors and recipients will need to split the figures on the face of the statutory accounts into WGA and non WGA elements and provide supporting evidence for this split.
- 12.15. Both the Lottery distributors and the recipients must complete their C-Packs without making any adjustments for lottery transactions or balances. In other words the C-Pack should be similar to the resource accounts of the distributors or recipients. Both distributors and recipients should not include lottery transactions and balances on their Counter Party Data Analysis Input Sheet in the C-Pack, since lottery transactions and balances will be eliminated when the WGA Team uploads the Lottery adjustments into COINS.
- 12.16. Distributors and recipients should ensure that when they submit their C-Pack for audit they should include an electronic copy of the completed template and a hard copy of the input sheet and the upload file. Distributors and recipients should note that the templates are password protected. Data can only be entered in the green cells. The input sheets have two columns of the right hand side to enable preparers and auditors to add comments, calculations or any other notes that may be useful for future reference. The approach is similar to that adopted in the C-Pack.

#### **Distributors' transactions and balances with the National Lottery Distribution Fund**

- 12.17. This guidance is not applicable to distributors' transactions and balances with the National Lottery Distribution Fund. These transactions should be reported in the same way as other balances.
- 12.18. Questions about this guidance should be directed in the first instance to the Consolidation Manager of the sub-consolidating department. Departmental Consolidation Managers should contact the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).

## Flowchart – Process for lottery grant journals



## Chapter 13 Charities: WGA treatment

- 13.1. Information included in this chapter:
- Specific guidance for charities completing the WGA C-Pack.
- 13.2. This chapter applies to bodies that prepare statutory accounts that comply with the Charities Statement on Recommended Practice (Charities SORP). It is in addition to the guidance that is included in all the other chapters.
- 13.3. Bodies that prepare statutory accounts that comply with the charities SORP need to present their data for WGA in a format that is compliant with UK GAAP. To this end, this chapter provides general guidance on how this can be achieved and particularly how the Consolidation Pack should be completed.
- 13.4. All bodies in the central government sector, and public corporations and trading funds that have been designated for WGA purposes are required to complete the C-Pack. The C-Pack can be populated by typing data directly into the proforma worksheets or by loading a trial balance. The latter approach requires bodies to map their local chart of accounts to the WGA standard chart of account (SCOAs).
- 13.5. The recommended approach for bodies that prepare Charities SORP statutory accounts is to complete the C-Pack by entering data directly into the proforma worksheets. The C-Pack does not differentiate between the different funds that charities are required to maintain such as Unrestricted, Restricted and Endowment Funds. The C-Pack treats all transactions as general fund or unrestricted fund transactions. Bodies that follow the Charities SORP should not attempt to split transactions between the various funds when entering data in the various C-Pack worksheets. However, when they complete the "Reserves" worksheet in the C-Pack they should make the necessary transfers from the general fund to the restricted reserves so that the reserves balances are in line with the statutory accounts.
- 13.6. The following pages show for each item in the statements how and where they should be included on the C-Pack worksheets. The aim is to provide general guidance. It cannot be comprehensive since all bodies will have some local variations. If bodies require more specific guidance they should consult the Treasury WGA team at [wga.team@hmtreasury.qsi.gov.uk](mailto:wga.team@hmtreasury.qsi.gov.uk).
- 13.7. A point to note is that the C-Pack will generate an Income and Expenditure Account, a Balance Sheet and notes that differ from the statutory accounts. To ensure bodies have a clear audit trail they should show their workings in the peach coloured cells to the right of each proforma worksheet in the C-Pack. Bodies that produce charity and consolidated group accounts should use the consolidated figures when completing the C-Pack.

## Charities: Consolidated Statement of Financial Activities for the year ended 31 March 2xxx

All transactions should be treated in the first instance as if they were all general fund transactions. When the C-Pack is completed transfers should be made on the "Reserves" worksheet from general fund to restricted and other reserves to reflect the reserves balances in the statutory accounts. Consolidated data should be used when completing the C-Pack.

Descriptions extracted from published accounts of a WGA body		Recommended WGA approach
	Note in statutory accounts	
<b>Incoming resources</b>		
Incoming resources from generated funds		
Grant-in-aid	3	Grant-in-aid should be shown in cell D22 on the "O-INC" worksheet of the C-Pack. If part of the grant is for capital purposes the capital element should be included in cell D22. The total grant (revenue and capital) received from the sub-consolidating department should be shown on the "CPID Input" sheet. The grant will be eliminated when the data is loaded into COINS by the sub-consolidating department. The grant-in-aid should be recorded as a negative amount.
Grants, gifts & donations	4	Grants, gifts and donations should be allocated as appropriate to cells D15 (other non trading income) and D41 (charity income) on the "O-INC" worksheet. Capital grants should be included in the analysis. Cell D22 should not be used when analysing grants, gifts and donations since this cell should only be used for grant-in-aid. Instances may arise when the grant etc is "income in kind". The amount should be recorded on the "O-INC" worksheet but an adjustment must also be made on the Cash Flow Statement (CFS) cell E45 to deduct the "non-cash" income. Income in kind should not be recorded under notional income. Grants, gifts and donations should be recorded as negative amounts.
Activities for generating funds – trading	5	Income from activities for generating funds should be allocated to cell D13 (sale of goods and services) on the "O-INC" worksheet. All income transactions should be recorded as negative amounts. Income arising from transfers from the government grant reserve or other capital grant reserve should be allocated to deferred grants income in cell C36 on the "O-INC" worksheet and adjusted as a non-cash transaction in the cash flow statement.
Investment income	6	Investment income should be recorded on the "INT" worksheet. Both income, such as interest and dividends received, and expenditure, such as interest on borrowing are recorded on this worksheet. Income should be recorded as negative whilst expenditure is positive.
Incoming resources from charitable activities	7	Typical sources of income will consist of admission fees, catering income, rents and fees for services such as consultancy. All such income should be recorded on the "O-INC" worksheet. Admission charges should be shown in cell D14 (fees, levies and charges), rents in cell D12 (other rentals), catering income and fees for services should be recorded in



Descriptions extracted from published accounts of a WGA body		Recommended WGA approach
		cell D13 (sale of goods and services). Income arising from transfers from the government grant reserve or other capital grant reserve should be allocated to deferred grants income in cell C36 on the "O-INC" worksheet and adjusted as a non-cash transaction in the cash flow statement.
<b>Total incoming resources</b>		
<b>Costs of generating funds – trading</b>	9	<p>The split between costs of generating funds – trading, charitable activities and governance is not used for WGA purposes. A subjective analysis of costs is required. The notes in the statutory accounts may provide the required breakdown of costs to complete the C-Pack. If the notes in the statutory accounts are not sufficiently detailed bodies may need to extract data from their accounting systems or working papers. The analysis required for the C-Pack is as follows:</p> <p>Staff costs  Salaries - cell D48 – "O-COST" worksheet  Social security costs - cell D49 – "O-COST" worksheet  Staff pensions - cell D50 – "O-COST" worksheet  Depreciation - cells C199 to C201 – "O-COST" worksheet  Other direct costs - other direct costs consist of a number of elements. Provided key elements such as revaluations (cells C213 to C219), audit costs (cells D300 &amp; D301) and rates (D309) are allocated to the appropriate cells the balance can be shown in cells D29 (purchase of goods and services) and cell D30 (other expenses) on the "O-COST" worksheet. If using the small bodies option cells D300, 301 and 309 are not available. Therefore allocate costs to D29 or D D30.</p>
<b>Net incoming resources available for charitable applications</b>		
<b>Charitable activities</b>		
Research and conservation	9	As "Costs of generating funds – trading"
Visitor activities	9	As "Costs of generating funds – trading"
<b>Governance costs</b>	9	As "Costs of generating funds – trading"
<b>Total charitable costs</b>		
<b>Notional cost of capital</b>	2	Notional cost of capital should be recorded in green cells C177:C183 on the "O-Cost" worksheet of the C-Pack
<b>Net incoming/(outgoing) resources after notional cost of capital</b>		
Reversal of notional cost of		As the C-Pack reverses notional costs automatically the

Descriptions extracted from published accounts of a WGA body		Recommended WGA approach
capital		reversal should not be entered in the C-Pack. However, in cell D186 on the "O-Cost" worksheet you have to choose the "Yes" option. This will reverse the notional cost of capital and it will make the necessary entry in cell D31 on the "I&E" worksheet
<b>Net incoming/(outgoing) resources</b>		
Gains on investment assets: Unrealised		Impairment or revaluation of investments should be shown on the "O-COST" worksheet in cells C209 – C210 and C218 – C219. "Unrealised losses" should be recorded as +ve amounts and unrealised gains as –ve amounts. Realised profits or losses on the sale of investments should be recorded on the "O-INC" worksheet.
Revaluation of tangible assets		The revaluation of tangible assets should be recorded on the "Reserves" worksheet cells C54 to C59
<b>Net movement in reserves</b>		
Reserves at 1 April		Reserves balances brought forward should be recorded on the "Reserves" worksheet.  The C-Pack treats the retained surplus / deficit for the year as a "General Fund" balance in cell D11 which is protected. Transfers should be made from the "General Fund" reserves to the other reserves so that they reflect the position in the statutory accounts. See Reserves below.
<b>Reserves at 31 March</b>	17	

## Charities: Consolidated Balance Sheet as at 31 March 2xxx

All balances should be treated as if they were all general fund balances with the exception of reserves which are covered below under "Reserves". The current year's balances are not entered on the "balance sheet" proforma in the C-Pack. The "balance sheet" is populated when the detailed proforma worksheets are completed. The table below provides guidance on which proforma worksheet in the C-Pack should be completed. Data must entered in the blue cells on the "balance sheet" to record changes to last year's carried forward balances.

Descriptions extracted from published accounts of a WGA body		Recommended WGA approach
	Notes in statutory accounts	
<b>Fixed assets</b>		
Tangible assets	12	Details of all tangible fixed assets should be entered on the "TFA" worksheet of the C-Pack. If using the small body option the asset categories are restricted to "other Land and Buildings", "Plant and Machinery", "Payments on Account", and "IT equipment". In such circumstances the assets held by the charity / body should be allocated to the category that is a best fit.
Investments	13	Details of investments held should be provided on the "FAI" worksheet C-Pack.
<b>Current assets</b>		
Stock of goods for resale		Details should be entered on the "Cash & WiP" worksheet of the C-Pack. If data is not available to show opening balances, additions, sales and closing balances show the opening balance and treat the net movement in stock balances as additions (if a net increase) or sales (if a reduction).
Debtors	15	Details should be entered on the "DRS(2)" worksheet of the C-Pack.
Cash at bank and in hand		Details should be entered on the "Cash & WiP" worksheet of the C-Pack.
Creditors: amounts falling due within one year	16	
<b>Net current assets</b>		
<b>Total assets less current liabilities</b>		Details should be entered on the "CRS(2)" worksheet of the C-Pack.
<b>Reserves</b>		
Unrestricted	17	See "Reserves" below
Restricted	17	See "Reserves" below
Endowment	17	See "Reserves" below

## Chapter 14 General comments and FAQ

14.1. Information included in this chapter:

- NAO feedback from 2008/9 WGA process
- Training
- Some FAQ
- Contact for remaining queries

### NAO feedback from 2008/9 WGA process

14.2. NAO raised a number of concerns with the 2008/9 WGA process. They included:

- inadequate quality assurance reviews were undertaken on some WGA returns before they were sent to the auditors, with the preparers' checklists not being completed in a number of cases. Typically, inadequate internal review leads to less robust submissions, weaker audit trails, more audit issues and more time being required to complete audits; and
- there needed to be more evidence supporting the robustness of processes to identify intra-government transactions and balances across central and local government (particularly for accruals), with little evidence of the inter-departmental agreement process being completed. As a result there were a large number of transactions that apparently should have been eliminated from the WGA but have not been.

14.3. The 2009/10 WGA process, C-Packs and forms have been amended to try to address concerns raised by NAO. In addition, it is critical for preparers of C-Packs to take note of the concerns outlined above when completing the 2009/10 WGA process. The risk of not addressing these concerns when completing the WGA process is that the 2009/10 Whole of Governments Accounts could be qualified.

### Training

14.4. WGA specific training is offered from May 2010. An email will be sent out to Consolidation Managers in April 2010 with dates and details. Also, you may send an email to the Treasury WGA team requesting WGA specific training.

### FAQ

14.5. *Q: When I go to the WGA guidance page at [http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm) the link to the C-Pack is to an old version - why is this and what can I do?*

A: This is because the page has been cached on your PC or firewall and you are seeing that old version. Hold down the CTRL key and click the refresh button on your browser toolbar. This will ensure you see the current version of the guidance page.

14.6. *Q: The C-Pack's macros do not work properly, why is this?*

A: Check that the Excel security level is set at 'medium' (Tools – Macro – Security). If security is set at high it will disable all macros thus making the spreadsheet unusable (further details can be found on page 2 of C-Pack guidance).

14.7. *Q: Which versions of Excel will the C-Pack work with?*

A: The C-Pack is supported by Excel 2000 (version 9.0) and later versions. If you have an earlier version of Excel, such as Excel 97, we would suggest that you speak with your IT department to see if they have a more recent version of Excel that you can use in order to complete the C-Pack. If you cannot access a more up to date version of Excel or have a particular issue with accessing the C-Pack, please email the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) for advice and we will investigate other possible solutions for you

14.8. *Q: The Accounting Officer is unavailable to sign off WGA returns, can someone else sign on their behalf?*

A: In the first instance we recommend that you send an email to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk) outlining the situation. Generally we would suggest that, in order not to delay the C-Pack process, a person with delegated authority act on the Accounting Officer's behalf in his or her's absence and that the Accounting Officer sign the WGA returns when they return.

#### **Contact for queries**

14.9. If you have questions about completion of the C-Pack please read the guidance and FAQ to see if they answer your question. If they do not, you can forward your question to the Treasury WGA team at [wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk).

# Acronyms

**BERR:** Department for Business, Enterprise and Regulatory Reform  
**BIS:** Department for Business, Innovation and Skills  
**C-Pack:** WGA Consolidation Pack  
**CLG:** Department for Communities and Local Government  
**CPID:** Counter-Party Identifier  
**COINS:** Combined On line System  
**CFERs:** Consolidated Fund Extra Receipts  
**DCMS:** Department for Culture, Media and Sport  
**DCSF:** Department for Children, Schools and Families  
**DECC:** Department of Energy and Climate Change  
**Defra:** Department for Environment, Food and Rural Affairs  
**DfID:** Department for International Development  
**DfT:** Department for Transport  
**DH:** Department of Health  
**DIUS:** Department for Innovation, Universities and Skills  
**DTI:** Department of Trade and Industry  
**DWP:** Department for Work and Pensions  
**ECGD:** Export Credit Guarantee Department  
**FCO:** Foreign and Commonwealth Office  
**FReM:** Government Financial Reporting Manual  
**GiA:** Grant in Aid  
**HMG:** HM Government  
**HMRC:** HM Revenue and Customs  
**HMT:** HM Treasury  
**IMF:** International Monetary Fund  
**MoD:** Ministry of Defence  
**MoG:** Machinery of Government (change)  
**MoJ:** Ministry of Justice  
**NAO:** National Audit Office  
**NDPB:** Non-Departmental Public Body  
**NHS:** National Health System  
**OECD:** Organisation for Economic Cooperation and Development  
**ONS:** Office for National Statistics  
**PC:** Public Corporation  
**PCT:** Primary Care Trust  
**PFI:** Private Finance Initiative  
**SCOA:** Standard Chart of Accounts  
**WGA:** Whole of Government Accounts

# Appendix 1: List of minor bodies

## List of minor bodies for the 2009/10 Whole of Government Accounts

The list below is based on information available in respect of 2008/9. Queries and requests for further bodies to be considered should be addressed to the Treasury's WGA team ([wga.team@hmtreasury.gsi.gov.uk](mailto:wga.team@hmtreasury.gsi.gov.uk)). No changes will be accepted to this list after Friday 21 May 2010.

### Cabinet Office

- Commission for the Compact Ltd

### Department for Business, Innovation and Skills

- Competition Appeal Tribunal
- Competition Service
- Design Council
- Film Industry Training Board for England and Wales
- Hearing Aid Council
- Investors in People UK
- Local Better Regulation Office
- Office for Fair Access
- Simpler Trade Procedures Board
- UFI Charitable Trust
- British Shipbuilders

### Department for Children, Schools and Families

- Office for the Children's Commissioner

### Department for Communities and Local Government

- Firebuy Limited
- Independent Housing Ombudsman
- Infrastructure Planning Commission
- Leasehold Advisory Service
- Standards Board for England
- Architects Registration Board
- London Pension Fund Authority
- Queen Elizabeth II Conference Centre

### Department for Culture, Media and Sport

- Architectural Heritage Fund
- Churches Conservation Trust
- Commission for Architecture and the Built Environment
- Football Licensing Authority
- National Lottery Commission
- Registrar of the Public Lending Right
- Sir John Soane's Museum
- UK Anti Doping

### Department for Energy and Climate Change

- Committee on Climate Change

#### **Department for Transport**

- Office of the PPP Arbiter
- Passenger Focus
- Railway Heritage Committee
- Renewable Fuels Agency

#### **Department for Work and Pensions**

- Pensions Advisory Service
- Pensions Ombudsman
- Working Ventures (UK) Ltd

#### **Department of Environment Food and Rural Affairs**

- Commission for Rural Communities
- Consumer Council for Water
- Gangmasters Licensing Authority
- Joint Nature Conservation Committee
- National Forest Company
- Sustainable Development Commission
- Covent Garden Market Authority

#### **Department of Health**

- Alcohol Education and Research Council
- Appointments Commission
- Council for Healthcare Regulatory Excellence
- Human Fertilisation and Embryology Authority
- Human Tissue Authority

#### **Foreign and Commonwealth Office**

- Great Britain-China Centre
- Marshall Aid Commemoration Commission
- Westminster Foundation for Democracy

#### **HM Treasury**

- UK Financial Investments Limited

#### **Home Office**

- Office of the Immigration Services Commissioner

#### **Ministry of Defence**

- Royal Marines Museum
- Royal Naval Museum
- Royal Navy Submarine Museum
- Fleet Air Arm Museum

#### **Ministry Of Justice**

- Commission for Judicial Appointments



- Criminal Cases Review Commission
- Legal Services Board
- Parole Board

#### **Northern Ireland Court Service**

- Northern Ireland Judicial Appointments Commission

#### **Northern Ireland Executive**

- Air Route Development (NI) Ltd
- Armagh Planetarium and Observatory
- Commission for Victims and Survivors for Northern Ireland
- Commissioner for Children and Young People for Northern Ireland
- Council for Catholic Maintained Schools
- Economic Research Institute of Northern Ireland
- Fisheries Conservancy Board
- General Consumer Council for Northern Ireland
- Health and Safety Executive for Northern Ireland
- Ilex Urban Regeneration Co Ltd
- Labour Relations Agency
- Livestock & Meat Commission
- Local Government Staff Commission for Northern Ireland
- Northern Ireland Events Company Limited
- Northern Ireland Guardian ad Litem Agency
- Northern Ireland Health Promotion Agency
- Northern Ireland Museums Council
- Northern Ireland Practice & Education Council for Nursing and Midwifery
- Northern Ireland Social Care Council
- Regulation and Quality and Improvement Authority
- Staff Commission for Education & Library Boards
- Youth Council for Northern Ireland

#### **Northern Ireland Office**

- Criminal Justice Inspection Northern Ireland
- Northern Ireland Human Rights Commission
- Northern Ireland Police Fund
- Northern Ireland Policing Board
- Police Ombudsman for Northern Ireland
- RUC George Cross Foundation

#### **Scottish Executive**

- Police Complaints Commissioner for Scotland
- Risk Management Authority
- Scottish Criminal Cases Review Commission
- Scottish Screen

#### **Scottish Local Government**

- Highlands and Islands Transport Partnership (HITRANS)
- North-East of Scotland Transport Partnership (NESTRANS)
- Shetland Transport Partnership
- South-West of Scotland Transport Partnership
- Tayside and Central Scotland Transport Partnership (TACTRAN)

**Welsh Assembly Government**

- Arts Council of Wales National Lottery
- Children's Commissioner for Wales
- Commissioner for Older People in Wales
- Local Government Boundary Commission for Wales
- Sports Council for Wales National Lottery
- Wales Centre for Health

## Appendix 2: Lottery grant templates

### Lottery Transactions and Balances: an example and templates for journal adjustments

- These appendices are to be read in conjunction with Chapter 11 “Lottery: WGA treatment” of this guidance. The appendices are excel files which are available on the Treasury WGA website ([http://www.hm-treasury.gov.uk/wga\\_guidance\\_index.htm](http://www.hm-treasury.gov.uk/wga_guidance_index.htm)).
- Appendix 2a provides an example of lottery transactions and balances for a lottery grant distributor and a recipient.
- Appendices 2b and Appendix 2c provides the journal templates to be used by the distributor and a recipient respectively. They are to enable both recipients and distributors to prepare the necessary adjustments.