



HM Treasury

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Dame Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
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04/10/2022

Dear Dame Meg,

Whole of Government Accounts (WGA)

I wrote to you in March 2022 to set out the recovery plan for WGA, setting out a base case that the 2020-21 WGA would be published in March 2023, and said that I would provide a further update in Autumn 2022. Some of the risks to the base case that I previously set out have since crystallised, and a March 2023 publication now looks unlikely.

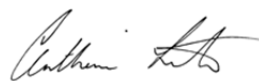
We opened the OSCAR II system for 2020-21 WGA submissions in April 2022 and the group audit instructions became available in July 2022. New system capacity issues have emerged over the summer months and at times some entities have had difficulty in accessing and using the system. These performance issues have impacted all processes that use OSCAR II and have not been isolated to WGA; they are different to the WGA-specific problems that we faced in preparing the 2019-20 WGA which have not re-emerged this year.

In light of the performance issues we moved the data submission deadline back from 31st August to 30th September 2022. System performance has improved over the last month but we continue to monitor it closely and work with our supplier, Deloitte, to address capacity constraints. A little over one third of entities met the 30th September deadline and we expect many others to submit data shortly. However, a number of departments have notified us that they will not be able to submit audited data until the end of October 2022, which is of course disappointing, and we are engaging with them to expedite their returns. The situation in the local government sector, however, continues to be very uncertain with many local authorities having yet to complete their 2020-21 accounts audit due to a specific issue with evidencing reported balances in respect of local roads infrastructure.

We will be revisiting our planning assumptions in light of the data submission landscape over October and after further discussions with the NAO to make sure the updated timetable is realistic. We will write thereafter with a revised timetable for WGA 2020-21 and 2021-22. I expect the publication dates to be later than the timelines previously set out but we will look to continue to make year on year progress in recovering the timetable. As ever, I am fully committed to continuous improvement in the quality of the publication itself, and look forward to responding to the Committee's feedback in your forthcoming report on WGA 2019-20.

I am copying this letter to the Comptroller and Auditor General.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Catherine Little', written in a cursive style.

Catherine Little