HM TREASURY

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Meg Hillier MP
Chair of the Committee of Public Accounts
House of Commons
London SW1A 0AA
Via email

Dear Ms Hillier,

Whole of Government Accounts (WGA) 2019-20

I wrote to the Committee in January outlining that we were unfortunately unable to provide the C&AG with a draft version of the 2019-20 WGA by the required legislative deadline of 28th February 2021. Since then we have been working closely with public sector entities and the NAO to get the data submissions required to progress consolidation work. The position on data submissions is set out in the table in the annex to this letter. We are just reaching the point where we have sufficient audited returns to commence the consolidation work. Under our planned timetable for the WGA production process this would likely result in the account being laid in the new year, after the legislative deadline of 31st December[1]. Late data submissions, resulting from the impact of COVID and accentuated by implementation issues in using the new OSCAR 2 system, is the principal cause of the delay.

In my last letter I highlighted the trade-off between the quality and timeliness of the account, and we discussed this further in the private session we held with you. We are engaging with the NAO on the shape of a reconfigured timetable that could deliver the account before the legislative deadline, and will provide a further update to you after the summer recess. It appears likely that an account delivered by the legislative deadline may have additional qualifications driven, for example, by the time available to resolve mismatches in data between entities, where the intra-public sector balances need to be eliminated to produce the consolidated position. This 'eliminations' process is an extensive and time intensive element of the production process each year.

[1] Article 2(c) of the Whole of Government Accounts (Specified Dates) Order 2010 (SI 2010/570)

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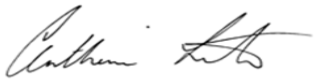
We have also considered more radical options for the acceleration of publication, including producing a skeleton account or publishing a draft account but also fully recognise that such options, though faster, come with significant drawbacks.

Beyond the next WGA publication, we are expecting, like central government departmental accounts, to have a two-year recovery cycle to get the WGA back to pre-COVID timings. We are planning to deliver the 2020-21 account in Autumn 2022, and then to return to pre-summer recess 2023 for the 2021-22 account, though this will be dependent on the effectiveness of the recovery of underlying entities.

The Treasury is grateful to the Committee for its continued support for the Whole of Government Accounts and greatly values feedback from the Committee.

Yours sincerely



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Annex 1

Audited returns received

Value of Audited Returns Received as a % of Key Balances	Total
Assets	73.92%
Liabilities	90.15%
Income	93.57%
Expenditure	92.61%