
**Intergovernmental Working Group of Experts on
International
Standards of Accounting and Reporting
(ISAR)**

36th SESSION

30 October – 1 November 2019
Room XIX, Palais des Nations, Geneva

Friday, 1 November 2019
Morning Session

**Agenda item 4. Review of current developments in
international standards of accounting and reporting in the
public and private sectors**

Presented by

Vicky Rock

Director for Public Spending at Her Majesty's Treasury, United Kingdom

Kev Pertaub

Head, Whole of Government Accounts, Her Majesty's Treasury, United
Kingdom

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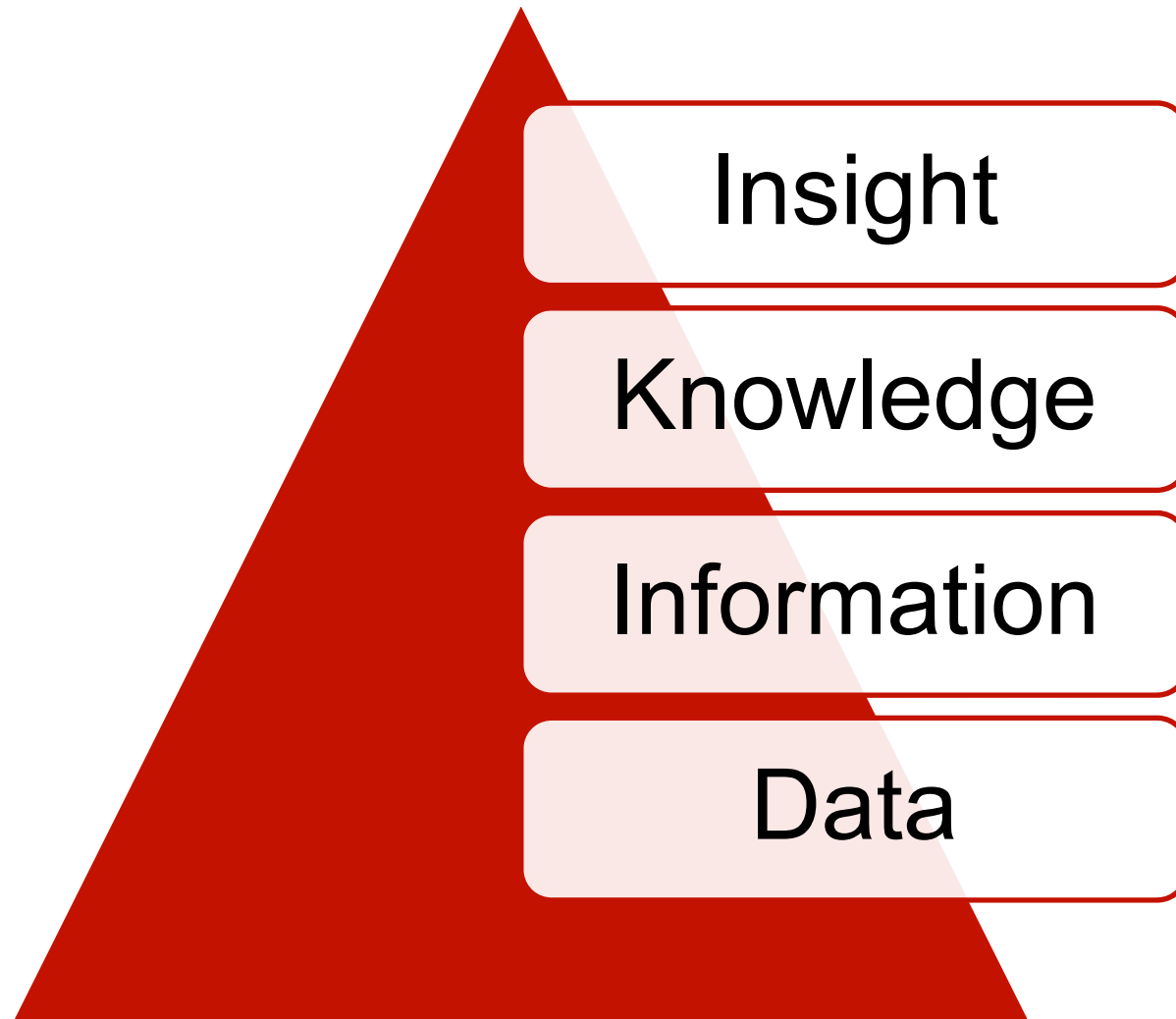


HM Treasury

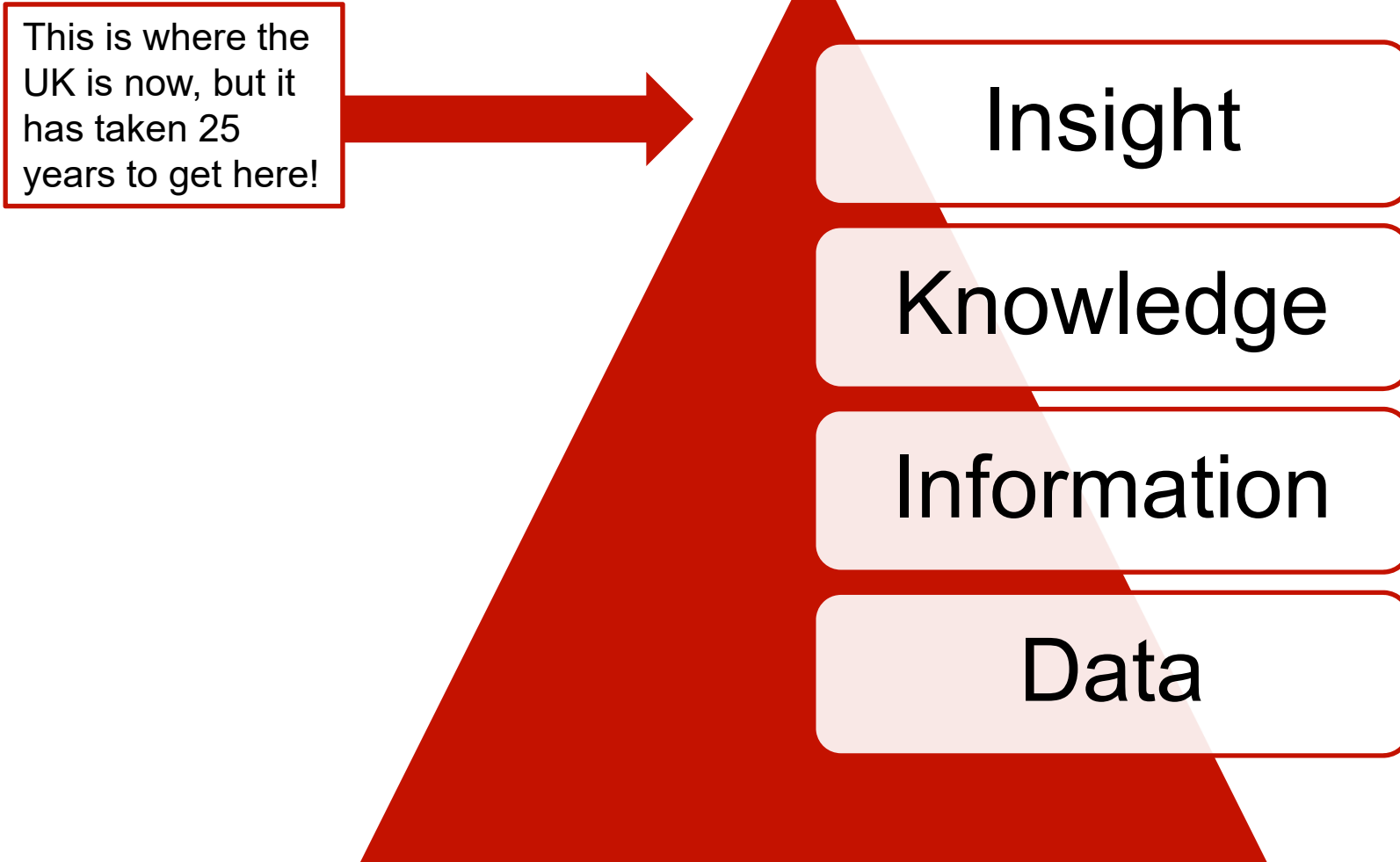
Building financial reporting capacity

The UK's perspective

The UK's financial reporting journey



The UK's financial reporting journey



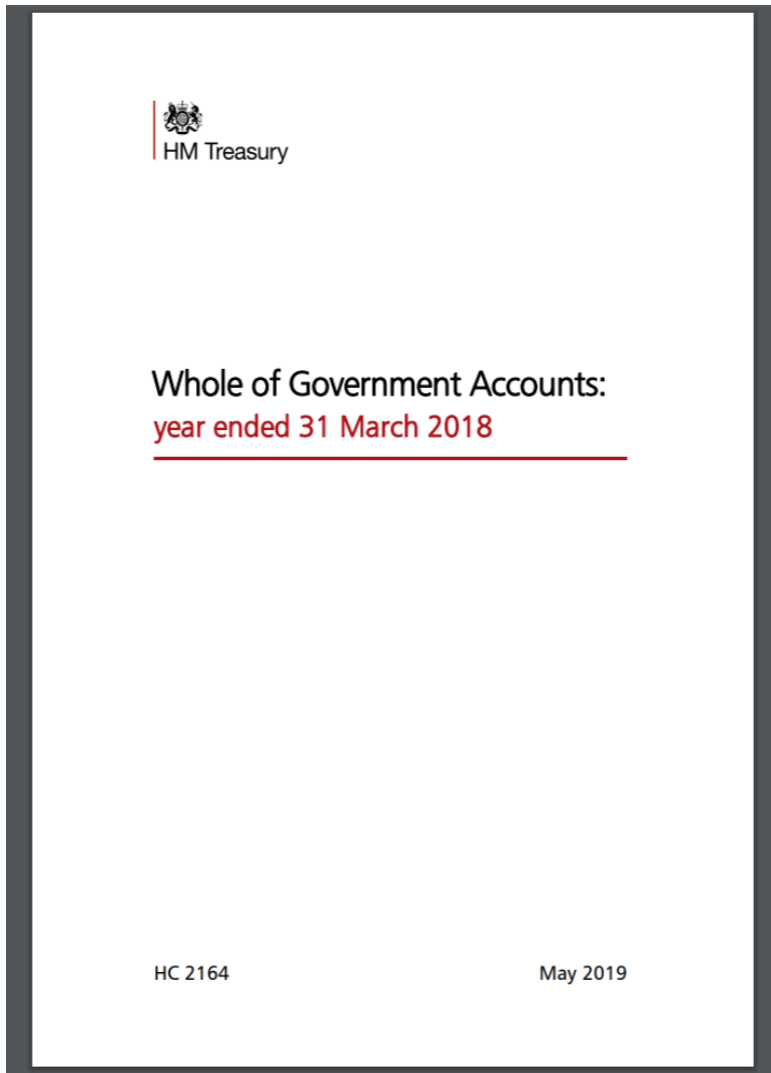
Drivers to timely preparation of financial reports

- Political support and meeting expectations of Parliament and citizens
- Robust transactional/monthly/quarterly controls
- Timely introduction of changes to the framework
- Mid year audit interventions
- Effective support from Treasury on issues of judgement
- Timely approval for transactions that require approval
- Clear deadlines for provision of management information that align between internal and Treasury reporting
- Laying of Central government accounts pre summer recess

Building human capacity-the UK experience

- Recruitment and retention are vital to maintaining good finance skills
- Centrally developed training and guidance, especially for new accounting standards
- Transfers/secondments/loans allow staff to develop skills 'on the job'
- Multiple institutes-ACA, ACCA, CIMA, CIPFA. Allows for flexibility of learning and a broad range of skills.
- Blend statistical and financial expertise
- Cross finance functional agenda
- Ensure senior leaders have finance skills

UK WGA-a snapshot



WGA 2017-18 consolidates over 8,000 entities. Main financial headlines:

- Income of £760.7 billion
- Expenditure of £814.8 billion
- Assets of £2,013.8 billion
- Liabilities of £4,579.2 billion

Scope of UK WGA

UK Government

Central
Government
Departments

Local
Government

Devolved
Administrations

Public
Corporations

- HMT
- DWP
- FCO

Councils,
Unitary
Authorities

Wales,
Scotland,
Northern
Ireland

BBC

Whole of Government Accounts-Benefits

- A consolidated balance sheet for the public sector supports the development of wisdom
- Provides a snapshot of financial risk across the public sector
- Underlying data used for improving Official Statistics and policy development
- Allows scrutiny of the overall public financial position by Parliament
- Increased understanding and emphasis on the balance sheet

Whole of Government Accounts-Challenges

- Buy in from stakeholders-Officials, Parliament, Auditors, the public
- Engagement from preparers to provide high quality and timely information
- Timely provision of accounts, currently takes 15 months, looking to bring down to 12
- Audit challenges-justifying assumptions, balancing detail of disclosure vs length of account
- Application of new standards has to be done in a consistent way across all WGA bodies
- Development of systems and controls
- Limitations of framework (e.g. social benefits)
- Consistency of data and standards

Summary and conclusion

- The UK has taken a long time to develop its financial reporting framework
- But it is now in a position to drive real insight and wisdom
- This wisdom will be vital to managing the public finance challenges of the 21st century

We are proud of WGA, its contribution to transparency and effective decision making. We will continue to improve WGA, but it will have to adapt to the challenges and opportunities of the future.