

**WHOLE OF
GOVERNMENT ACCOUNTS
2008-09**

**WGA 'L PACK'
FOR
LOCAL GOVERNMENT BODIES
IN
SCOTLAND**

GUIDANCE NOTES

Version: 1.0

CONTENTS

SECTION 1: <u>INTRODUCTION</u>	3
SECTION 2: <u>TIMETABLE & AUDIT REQUIREMENTS</u>	4
SECTION 3: <u>CHANGES & UPDATES IN 2008-09 FORM</u>	6
SECTION 4: <u>COVERAGE OF THE L PACK</u>	10
SECTION 5: <u>DEFINITIONS</u>	11
SECTION 6: <u>VALIDATION & DATA INTEGRITY CHECKS</u>	12
SECTION 7: <u>TREATMENT OF INTERNAL CHARGES</u>	15
SECTION 8: <u>TRANSACTIONS BETWEEN THE AUTHORITY AND OTHER PUBLIC BODIES</u>	16
SECTION 9: <u>PAGE BY PAGE GUIDANCE</u>	18
<u>OVERVIEW (1)</u>	18
<u>PRIOR YEAR RESTATEMENT SHEET (2)</u>	18
<u>INCOME AND EXPENDITURE ACCOUNT: NET COST OF SERVICES- SUBJECTIVE ANALYSIS (3)</u>	19
<u>INCOME AND EXPENDITURE ACCOUNT (4)</u>	22
<u>TANGIBLE FIXED ASSETS (5)</u>	25
<u>INTANGIBLE ASSETS (6)</u>	27
<u>INVESTMENTS (7)</u>	29
<u>CURRENT ASSETS (8)</u>	29
<u>LIABILITIES & PROVISIONS (9)</u>	30
<u>FRS 17 (10)</u>	32
<u>RESERVES (11)</u>	35
<u>BALANCE SHEET (12)</u>	37
<u>CASH FLOW (13)</u>	37
<u>ADDITIONAL DATA SHEET (14)</u>	38
<u>COUNTERPARTY DATA SHEET (15)</u>	39
<u>VALIDATION SHEET (16)</u>	42
<u>CPID CODES (18)</u>	42
<u>UPLOAD SHEETS (19) AND (20) AND SCOA</u>	43
SECTION 10: <u>OTHER SOURCES OF GUIDANCE & CONTACTS</u>	43
SECTION 11: <u>FREQUENTLY ASKED QUESTIONS</u>	44
ANNEX A: <u>GUIDANCE ON ONS STAFF STATISTICS</u>	46
ANNEX B: <u>SAMPLE SURVEY FOR ONS</u>	48
ANNEX C: <u>COLOUR CODED MATCH RELATIONSHIPS</u>	50

Section 1

INTRODUCTION

1. Background to Whole of Government Accounts

- 1.1. Preparing the Whole of Government Accounts (WGA) is necessary to meet the undertaking in the Code for Fiscal Stability to produce consolidated accounts for the whole public sector on the basis of Generally Accepted Accounting Practice (GAAP). Publishing audited WGA will also improve the transparency of government's finances.
- 1.2. WGA will increase the completeness of public sector financial data by showing information on items not currently in existing measures of public finance (such as provisions, contingent liabilities and future contract expenditure). In addition the WGA programme will progressively increase the amount of audited data included directly in the UK National Accounts, for example by replacing statistically modelled depreciation data with actual data.
- 1.3. The inclusion of local government in the WGA is important as local government controls over 50% of public sector fixed assets, accounts for about 25% of net public expenditure and represents 10% of UK GDP.
- 1.4. Following the announcement in the 2008 Budget that WGA will be produced on an International Financial Reporting Standards basis for 2009-10, HM Treasury, the Scottish Government and CIPFA-LASAAC are working on the implications for local government of this decision. Please continue to produce the L Pack in accordance with the current local Authority SORP and this guidance.
- 1.5. The 2008-09 exercise is the final proposed dry run year. The pack has been further refined, and a cash flow statement has been introduced.
- 1.6. We remain committed to introducing WGA in a way which minimises the burden on all concerned, but still achieves WGA consistent with GAAP.
- 1.7. Most of the data we require continues to be the same as that required for authorities' published accounts, with the additional requirement to collect information on major transaction streams and balances within the public sector to allow these to eliminate upon consolidation. Over time we remain committed to the aim to closely integrate WGA data collection with existing Scottish Government forms.

2. Section 2

TIMETABLE & AUDIT REQUIREMENTS

Deadline for Completion

- 2.1. The deadline for unaudited WGA L Pack being submitted to the Scottish Government for the 2008-09 WGA is 31 July 2009. The audited return must be with the Scottish Government no later than 30 October 2009
- 2.2. Authorities are required to prepare accounts and submit to the authority and auditors by 30 June 2009. We strongly recommend that authorities complete the WGA return at the same time as preparing their statement of accounts for presentation to the authority. Experience of central government shows that integrating the accounts preparation and WGA processes makes completion of WGA returns significantly easier.
- 2.3. Recognising that the deadline for submission to the Scottish Government of audited packs is 30 October 2009, we recommend authorities agree with their auditors as early as possible a date by which the final L Pack will be passed to the auditors. The Scottish Government requires an unaudited pack based on the unaudited accounts to be submitted to us by 31 July 2009 at the latest.
- 2.4. The Scottish Government's timetable for the receipt, review, load and submission onto the HMT Coins system and the completion of subsequent counter party eliminations for all Scottish local government bodies has been reduced to only 4 weeks. Please adhere to the timetable to enable us to achieve ours.

Audit Requirements

- 2.5. The Scottish Government has agreed with HM Treasury that the WGA L Pack prepared by local government bodies in Scotland will be audited.
- 2.6. A cash flow sheet has been introduced into the L Pack for 2008-09. This year, whilst the WGA return should be audited, we will not require an audit opinion on the cash flow sheet. Although under ongoing development, the cash flow is an essential part of the form, so please try to complete the sheet as fully as possible. Any comments or suggestions for changing this sheet are welcomed.
- 2.7. **To submit the audited L Pack**, the auditors should send the L Pack by email to the Scottish Government, copying in Audit Scotland at wgaauditteam@audit-scot.gov.uk . The L pack should be emailed to hazel.black@scotland.gsi.gov.uk, with the following subject field:

S Code_ Local Government body name_ Audit status_ WGA 2008-09

Where: **S code:** is available on the L pack

Local Government Body Name: please refrain from abbreviating too much.

(TACTRAN for Tayside and Central Scotland Transport Partnership is acceptable)

Audit Status: Either Audited or Unaudited

Please also save the L Pack using the above convention. This will assist us enormously to process all returns promptly and efficiently.

2.8. An electronic copy of the audit report should also be e-mailed to hazel.black@scotland.gsi.gov.uk

2.9. Please note that the Scottish Government does not usually liaise with the auditors. It is essential that the respective local government body works with their auditors to ensure that the audit of the L pack is completed as planned and delivered by the deadline.

2.10. **Those authorities whose audit is not complete by 30 October 2009 must advise the Scottish Government immediately.** For these bodies, once the audit of the L pack is completed, the auditor must submit the audited L pack, with a covering email stating that that the pack has now been audited and that it incorporates all audit adjustments. The authority should advise the Scottish Government and the auditor whether any changes have been made to the previously submitted unaudited L Pack and provide a summary of any changes over £1M.

3. Section 3

CHANGES & UPDATES IN 2008-09 L PACK

2008 SORP

3.1. There were no major changes to the SORP for this year.

Group Accounts & Local Authority Accounts

3.2. If an authority completes group accounts, they must also submit their WGA Return on a group basis. Entries that are required to complete group accounts only are marked in a blue font and can only be used if the "Group" status has been selected from the drop down menu on the Overview sheet.

Password Protection

3.3. The information contained within the L Pack is extracted and uploaded to COINS using a Macro. Password protection was introduced to the L Pack for 2007-08 to prevent amendments to the layout of the form which cause the macro to fail; such as inserting or deleting rows or columns, inserting additional sheets or entering data into incorrect cells. As we continued to receive a forms which cause the macro to fail by including decimals, copied and pasted data and links to other spreadsheets, we have extended this password protection and added a mechanism which means it is no longer possible to input decimals or links, or cut or copy and paste on the form.

3.4. If you identify an area that requires amendment to the form please send your form to Hazel Black at the Scottish Government so that we arrange to make the adjustments and return the form to you.

3.5. It is now possible to add extra rows to the counterparty sheet without contacting the Scottish Government as a macro has been developed to allow insertion of new rows.

Counter Party Information

3.6. The 2007-08 WGA exercise showed some improvements in the counterparty data provided. In particular the inclusion of the breakdown of revenue grants was invaluable. However there remain considerable variations between the amounts identified as counterparty information, both within the Scottish local government sector and between central government and local government bodies.

3.7. One key reason noted for these differences is the inconsistent way in which transactions are recorded. For example, one authority may record requisition income received, whilst the corresponding authority records the requisition paid as payment of goods and services. This type of error caused a number of transactions not to eliminate as the online system used to consolidate the accounts will only recognise two sides of a transaction if they fall into the same match relationship.

3.8. Another problem linked to this, is that we require any transactions with one organisation, that have a **total greater than £1 million within any match relationship**, to be included in the counterparty sheet. Some authorities have interpreted previous guidance as requiring only single transactions greater than £1m to be recorded, causing differences and no matches to arise.

3.9. To tackle both of these problems, we have colour-coded each of the match relationships on the face of the counterparty sheet (15). The list of colour coded relationships is available in Annex C. We strongly advise you when completing this section to consider other categories highlighted in the same colour – are there additional transactions to be included? - Does the corresponding entry for your transaction fall into a line description of the same colour? A more detailed explanation of the counterparty section can be found in section 8.

Cash Flow

3.10. A cash flow has been introduced for 2008-09. This is a derived cash flow (indirect method). We appreciate that the SORP practitioners' guidance notes allows a choice as to the direct and indirect method but we need the derived cash flow to be able successfully produce a consolidated cash flow as part of the overall Whole of Government Accounts. Additional information has been included throughout the L Pack to facilitate the creation of this cash flow, which is partially derived from elsewhere in the form. Full guidance on the completion of this sheet will be provided separately by HM Treasury.

3.11. The cash flow is subject to ongoing development in order to ensure that a fully working cash flow is available for inclusion in the L Pack for 2009-10. As this sheet is still under review we do not require an audit opinion on the cash flow, but do ask that authorities make every attempt to complete this sheet.

Prior Year Restatement sheet

3.12. The prior year restatement sheet was introduced in 2007-08 to capture the reasons for any significant changes in the opening balances. For WGA 2008-09 this sheet has been expanded and broken down into greater detail in order to facilitate the completion of a cash flow statement. These breakdowns are also reflected on other relevant sheets throughout the L Pack. (E.g. Liabilities and Provisions).

3.13. The key changes to note are:

- Current Liabilities section expanded into PWLB and other borrowing; bank overdraft; trade creditors; other creditors; other taxes and social security; government grants unapplied and receipts in advance and amounts owed to joint ventures
- Creditors due after more than one year including long term borrowing split into long term creditors and long term borrowings.

Additional Data Requirements

3.14. In order to produce the notes to the accounts some additional information is required, including summary details of commitments, contingent assets and liabilities. This year we have requested the number of whole time equivalent staff working as both employees and as agency staff at the balance sheet date.

3.15. We believe that all this information will already be available to local authorities as it is provided to ONS on a quarterly basis through the Quarterly Public Sector Employees Survey. The information required should be equivalent to that provided in Q2 (31 March) to the ONS. The ONS return

requiring this data and the relevant guidance notes are included in Annex A and Annex B for reference.

Data Integrity Checks and Validations

- 3.16. The validation sheet that highlights key validation checks for authorities and auditors to observe was further enhanced in 2007-08 to allow comments to be inserted to allow users to provide explanations where there was a departure from the “expected” validation test.
- 3.17. Following on from the success of the 2007-08 exercise, additional validation checks have been added to the form and incorporated into the Validation Sheet (16). Most notable, is the addition of 3 validation checks addressing the cash flow, including a requirement for the cash flow to balance. At this stage we appreciate that the cash flow may not balance, but ask authorities make a serious attempt to resolve this validation check.
- 3.18. One further validation has been added to confirm that the proportion of PWLB debt due to be paid within the year is the same on both the liabilities and provisions sheet and the additional information page.

Scottish Government Grants – Revenue and Capital Grants

- 3.19. The breakdown of revenue grants for DWP added to the 2007-08 L Pack was extremely useful in identifying key differences between local authorities and central government, and helped highlight those grants streams where significant differences were arising.
- 3.20. As the volume and value of counter party differences between central government and local government funding flows remains a significant issue, the form has been expanded to include a similar analysis for Scottish Government grants. This only covers the grants from the Scottish Government itself and does not extend to any of its Agencies or NDPBs which have their own CPIDs
- 3.21. For the I&E sheet the Scottish Government grants are broken down by revenue grants (within NCS) and capital grants. The General Capital Grant (GCG) was introduced from 1 April 2008. The terms of this grant allow, in certain circumstances, a local authority to provide grants to third parties to fund capital projects. The use of the grant in this way will be treated as a revenue expense and the grants will be treated as revenue income within NCS. Where the GCG has been used to fund third party capital projects the grant income should be recorded in the I&E sheet at row 65. This is automatically transferred to the counter party sheet and recorded against the Scottish Government CPID. Where any specific capital grant conditions allow the use of the grant in the same way as the General Capital Grant the grant income should be recorded in the I&E sheet at row 66.
- 3.22. Other central government grants within NCS should be recorded in the I&E at row 70. This includes Scottish Government Agencies and NDPBs. Details of Scottish government agencies can be found at <http://www.scotland.gov.uk/Topics/Government/public-bodies/government-scotland> and details of NDPBs can be found at <http://www.scotland.gov.uk/Topics/Government/public-bodies/Categories>

- 3.23. [Note: Scottish National Health bodies should be recorded as part of the Scottish Government](#) – I&E row for Scottish Government grants within NCS
- 3.24. For Liabilities and Provisions (Sheet 9) the General Capital Grant has been separately identified within the Government Grants deferred account. The sum of I&E row 65 and Liabilities and Provisions row 87 should equal the General Capital Grant the authority received for 2008-09 as the grant conditions require the grant to be fully used with no carry forward permitted.

4. Section 4

COVERAGE OF THE L PACK

4.1. This section highlights some key areas of local government finance which either require special treatment, or must be included or excluded.

Housing Revenue Account

4.2. The [HRA should be included in the WGA return](#). Transactions within HRA Net Cost of Services should be included on the Net Cost of Services sheet.

Council Tax and NDR

4.3. Council Tax and Business Rates will be picked up from the figures in the authority's Income and Expenditure Account.

Pensions Fund and Other External Funds

4.4. These [should not be included in the WGA return except where consolidated into the Authority's group accounts](#). Transactions between the authority and these funds do not constitute transactions with another public sector body for WGA purposes unless, exceptionally, an external fund has been specifically designated for WGA purposes. However [FRS 17 liabilities and expenses should be included](#) as recognised in the authorities own accounts.

Trading Accounts & Trading Operations

4.5. Trading [organisations included in the authority's own accounts should be included](#) in the WGA return.

4.6. Where a trading operation within the authority's own accounts provides services to third parties (trading operation types a, b and possibly c in accordance with the classification in Section 2 Annex D of BVACOP for Scotland the full income and expenditure of the operation should be reported. Where the operation trades with other public bodies the transaction streams and any year end balances should be reported as usual.

4.7. Trading organisations of BVACOP types c – e trade internally. Where the surplus or deficit of the trading operation would lead to material misstatement of Total Cost, paragraph D15 of BVACOP requires that the surplus is reapportioned to client Divisions of Service.

5. Section 5

DEFINITIONS

General Guidance

5.1. Other than as set out in this Guidance the accounting concepts and practices used in the local government WGA return are as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the UK 2008 (the SORP) and the Best Value Accounting Code of Practice (BVACOP).

Materiality & Input Conventions

5.2. For all data input into all sheets, except as noted below, you should apply the materiality that applies in the authority's statement of accounts.

5.3. Note that all inputs are in £'000s and must be whole numbers. [It is no longer possible to input decimals onto the form](#). The only exception to this rule is the percentage disclosures section on FRS17 (sheet 10). These should be input as [numbers without percentage signs](#), for example as 3.55. Do not enter pound signs or percentage signs. The same restrictions apply to copying and pasting, and to linking to other spreadsheets.

5.4. Numbers representing debit amounts should be input as positives and all numbers representing credit amounts should be input as negatives. That is, asset and expense data will normally be positive, while income, reserves and liabilities will normally be negative.

5.5. All cells are formatted with commas added so the numbers are shown as £X,000. Therefore £5 million will be shown as £5,000.

5.6. On the Additional Data sheet apply the following conventions:

- Cells for Contingent Liabilities and Post Balance Sheet Events should be completed only for total amounts over £1 million and to the nearest £1,000 (e.g. a Contingent Liability estimated at £1.5 million should be input as 1,500).
- Cells for capital debtors and creditors need only be completed for total amounts over £500,000 and to the nearest £1,000 (e.g. a capital creditor of £500,000 would be included as 500, a capital debtor of £300,000 need not be included).

5.7. Data on counter-party transaction streams or balances over [£1 million](#) by match relationship category; e.g. the total for income (or expenditure or debtors or creditors); should be included in the relevant section of the Counter-Party Data sheet to the nearest £1,000. Counterparty transaction streams should be reported on an accruals basis. [Further extensive guidance is provided in section 8 and from p.39.](#)

VAT

5.8. Irrecoverable VAT should be included in the relevant item of expenditure. In line with normal practice, payments from HM Revenue and Customs in relation to recoverable VAT should not be recognised as income. Any VAT debtor (or creditor) should be reported as a balance with HM Revenue and Customs as normal (see section 8 for further guidance).

6. Section 6

VALIDATION & DATA INTEGRITY CHECKS

6.1. The L Pack includes three types of data integrity/validation test, all of which are visible to authorities completing the return:

- Line signage checks
- Data integrity checks
- Primary validation tests

6.2. These checks are designed as an aid to authorities when completing the L Pack, and an aid to the Scottish Government when preparing the local government sub-consolidation. They will also be of use in auditing the L Pack.

Line Signage Checks

6.3. The L Pack convention is that numbers representing debit amounts should be input as positives and numbers representing credit amounts should be input as negatives. For many lines it is possible to anticipate the 'natural' balance for the account – for example all expense accounts should be debits and thus positive.

6.4. Where we consider that an input cell has a natural signage the return includes a formula that checks for the expected signage. Where the signage differs from that expected, the formula generates a warning in a cell near by. The message reads:

This number should be positive Or: **This number should be negative**

We recognise that there may be local circumstances where the 'natural' signage is not correct. Authorities may submit returns with line signage warnings; however **authorities should thoroughly check all signage warnings and correct all "inappropriate failures" before submitting the return.** The Scottish Government or HM Treasury may approach authorities with significant line signage warnings for confirmation that the balance is correct.

Data Integrity Checks

6.5. Any set of accounts contains many items where the amount shown in one statement or note should agree to an equivalent amount on another statement or note. For example, the expected return of assets reported on the face of the Income and Expenditure Account should equal the expected return on assets as reported in the FRS 17 note. For key figures these relationships are a good test of the integrity of the underlying accounting data. However, rounding or other factors can lead to the items not agreeing exactly.

6.6. We have therefore included a number of data integrity check boxes for key accounting relationships. Where amounts that are expected to agree differ, these boxes will provide a warning. For example where the expected return on assets figure differs between the I&E account and the FRS 17 note, the relevant box warns:

Should these two lines be the same amount?

6.7. This is the most common message; other wordings are similar. Where the message is not immediately next to the relevant cell the message specifies

6.8. Along with the above warning, a message appears as follows:

Do not submit to Scottish Government unless explanation is entered below

6.9. Authorities are requested to insert a brief explanation in the cell below this message.

6.10. In addition, a further reasonableness check exists on the FRS 17 note to ensure that the figures quoted are realistic. The warning message is:

Amount greater than 10% is this correct?

6.11. Authorities may submit returns with data integrity warnings. However **authorities should thoroughly check all data integrity warnings and correct all “inappropriate failures” before submitting the return.** The Scottish Government or HM Treasury may approach authorities with significant data integrity warnings for confirmation that the two figures affected are correct.

Primary Validations

Balance Sheet Validation

6.12. The L Pack must be based on the authority’s audited accounts; there should be no differences that effect the balancing of the accounts. The Balance Sheet is wholly derived from previous input sheets, and will balance if all items have been input correctly.

6.13. The Balance Sheet page includes the key validation check: **“does the balance sheet balance?”** If the Balance Sheet is out of balance the following warning appears:

Balance Sheet does not Balance; do NOT submit to Scottish Government

6.14. If the authority considers it has completed the return and the Balance Sheet is out of balance, the return should be checked carefully against the audited accounts and corrected as required. Do not submit returns if the Balance Sheet is out of balance. **Returns out of balance will be returned to the authority for correction.**

6.15. Where an unbalance return is sent simply to achieve the deadline, the L pack will be returned and the authority will be deemed to have **not achieved** the deadline.

6.16. If the balance sheet does balance, a message reading “Balance sheet Balances” is displayed. This does not confirm that the form has been correctly completed in other respects.

Cash Flow Validations

6.17. The Cash Flow sheet is new for this year and includes three additional validation checks. This year, if these validations fail and a clear attempt has been made to complete the cash flow fully, then the form may still be submitted to the Scottish Government.

6.18. As with the balance sheet, this includes the question, “Does the cash

flow balance?" If the cash flow does not balance a warning will show:

Increase/Decrease in Cash Does Not Agree to Movement in Cash

- 6.19. If the cash flow balances, the validation will state "Cash flow balances," and can be sent to the Scottish Government. Where the cash flow does not balance, please review the information provided against the audited accounts and resolve issues where possible.

7. Section 7

TREATMENT OF INTERNAL CHARGES

Background

- 7.1. A key aim of local authority accounting statements is to highlight the Total Cost of individual services. As such it is normal for overheads to be recharged to services and for these charges to be recorded by those services according to the origin of the recharge (e.g. finance department recharge). Recharges typically come from support departments and trading operations, but may be between two 'front-line' services.
- 7.2. It is the basic principle of consolidation that charges within the group should be eliminated leaving only the income and expenditure with the "outside world" in the consolidated statements. GAAP also requires certain disclosures (e.g. of staff costs) that require the 'true' total of an item to be shown not including recharges (i.e. disclosure of staff costs including finance staff as a staff cost not as a recharge). WGA aims to produce useful data for policy and National Accounts purposes, which require data in this format.
- 7.3. For all of these reasons [it is necessary that internal recharges are disregarded in preparing WGA, with all income and expenditure being accounted for according to its nature](#) (i.e. a "subjective classification"). Naturally materiality and cost-benefit considerations under FRS 18 apply.

Overall Approach

- 7.4. The process will remain the same as for previous years, in that [all items above Net Cost of Services should be analysed by the nature of the expenditure according to the BVACOP Recommended Subjective Analysis \(RSA\)](#).
- 7.5. Conceptually this is straightforward. It is not necessary to "reverse out" recharges between services. A 'cross-tab' of all cost centres above NCS would show income and expenditure for both front-line and support services. Direct costs to support service cost centres would be recorded by their nature, as this is the information support service managers require. A total for each BVACOP RSA Group should then provide the necessary data on external transactions, after recharge expenses have been off-set against income. No analysis between services is required.
- 7.6. One difficulty is that there is 'leakage' into and out of NCS because of recharges from and to trading operations. As noted in section 4 this does not materially affect the Total Cost of NCS. We will continue to accept that the income and expenditure of trading operations will not be stated according to its nature. Accordingly there is no requirement on authorities to remove recharges from/to trading operations. However if an authority can easily remove recharges from/to trading operations we would encourage it to do so. A comment box on the face of the L Pack has been added to clarify this requirement.

8. Section 8

TRANSACTIONS BETWEEN AN AUTHORITY AND OTHER PUBLIC BODIES (COUNTERPARTY ANALYSIS)

8.1. Advice on how to complete the counterparty information can be found on p.46

Overview of Counter Party Identification Codes (CPID)

8.2. Consolidated Accounts require transaction streams and balances between the bodies comprising the consolidation to be cancelled out (or eliminated) in order to present the overall financial position as if it were a single entity.

8.3. Accordingly, WGA requires transaction streams and balances between the bodies comprising the public sector to be identified and eliminated. The information needed to complete this is collected on the Counterparty Sheet (15) of the L Pack. WGA eliminations are facilitated by the identification of transaction streams and balances and the subsequent attachment of a Counter Party Identification (CPID) code to those transaction streams or balances. Transaction streams are defined as a stream of income or expense transactions conducted with a particular body over the year, recognised on an accruals basis. Balances are defined as those amounts outstanding as a debtor or creditor with a body at year end.

For example: Local Authority A received grant income from Local Authority B in four instalments over the year, to a total of £18,000K. At year end, Local Authority A was owed £1,500k from Local Authority B for grant income which is unpaid at the balance date. That is, Local Authority A would have a debtor on the balance sheet owing from Local Authority B for £1,500k.

8.4. In this instance, Local Authority A would record the CPID code of Local Authority B against the grant income line for £19,500k and also against the Short Term Debtors line for £1,500k.

8.5. At the WGA level, the consolidation system will search for a matching transaction and balance, and once found, these will be eliminated. For the above example, the consolidation system will search for a grant expense recorded by local Authority B for £19,500k with the CPID of Local Authority A and a creditor for £1,500k with the CPID of Local Authority A.

8.6. The elimination process works on a number of match relationships and in the example above the debtors should match to the creditors. This process is automated in the HM Treasury Combined On line System (COINS).

8.7. However there were many instances in the completion of the 2007-08 WGA L pack where there was not proper consideration to the actual relationship. This resulted in mismatches at the consolidation level necessitating correspondence with local government bodies to identify what the correct relationship should have been.

Identifying counterparties

8.8. The best way for an authority to identify balances and transaction streams will depend on factors such as the way the authority's systems are structured. Useful starting points include:

- The SORP requires that the Related Parties note include transactions with the rest of the public sector. The working papers for this note may be of use.
- Authorities adopting the full BVACOP Recommended Subjective Analysis should find the Third Party Payments group useful as it is structured by sector.
- The Scottish Government will provide a list of specific and special grants provided by the Scottish Government – but not Agencies or NDPBs.
- Certain items, such as PWLB debt or NI payments have fixed counterparties; these are built into the return.
- Authorities will of course also find searching their debtors and creditors ledgers a robust method of identifying counterparties although the transactions shown on these ledgers as occurring in the year will need adjusting to an accruals basis for WGA purposes.

8.9. We strongly advise that you complete the counterparty sheet at the same time as the production of your Statement of Accounts and the supporting audit track information. The workings for the Related Parties note and similar audit papers will highlight key transactions that should be included on the counterparty sheet and reduce the work required to complete this page.

Thresholds

8.10. No formal agreement is necessary between Local Government, Central Government, Health Boards etc. Amounts greater than £1 million with other public sector bodies must be reported, although no prior agreement is required. As part of your normal accounts preparation work we expect that authorities will agree material balances (including Grants) with key suppliers/customers. This is in accordance with best practice and should assure authorities of the integrity of their material balances. For WGA purposes, we will rely on the authority's own assurance and if a significant difference in balances appears between two Authorities, we may contact both Authorities to enquire as to the nature of the discrepancy.

8.11. If a body has a number of flows or balances with a particular counterparty, the £1m threshold will apply to the total if they all fall under the one description line in the form, or under one match relationship. Match relationships are colour coded on the counterparty sheet to highlight where consideration to other lines must be given. In all other instances, counterparties for transactions below £1 million may be ignored.

New developments in the 2008-09 L pack:

8.12. The addition of the breakdown of the DWP Government grants introduced in 2007-08 has been extremely helpful in identifying the areas where considerable differences were arising between local authorities and central departments.

8.13. This has now been extended to Scottish Government grants. The Scottish Government will provide information on these grants. The relevant section in the counter party sheet has been amended to “hard code” these grants in the Counterparty sheet and the values will be automatically transferred.

9. Section 9

PAGE BY PAGE GUIDANCE

OVERVIEW (sheet 1)

- 9.1. Please fill in grey cells. By selecting the name of your local authority from the pick list the authority code will auto-fill the name onto each sheet. Select Group or single entity from the drop down list – this determines whether certain 'Group Account Only' cells can be used. The 'Audit of L pack status' box will enable us to track progress easily; please ensure that the correct audit status is shown on any completed forms sent to the Scottish Government.
- 9.2. Please complete the contact details section at the bottom of the sheet – this is particularly important if we have any further queries on the L Pack as it will allow us to contact the most relevant person from your organisation first.

PRIOR YEAR RESTATEMENT (Sheet 2)

- 9.3. This sheet was introduced in 2007-08 to identify the differences between the opening and closing balances, in order to explain major movements in the overall General Fund. This year, additional lines have been added to the prior year sheet in order to provide all of the information needed for the new cash flow sheet (13). These breakdowns are also reflected on other relevant sheets throughout the L Pack, for example, on the Liabilities and Provisions sheet.
- 9.4. The key changes to note are:
- Current Liabilities section expanded into PWLB and other borrowing; bank overdraft; trade creditors; other creditors; other taxes and social security; government grants unapplied and receipts in advance and amounts owed to joint ventures
 - Creditors due after more than one year including long term borrowing split into long term creditors and long term borrowings.

INCOME AND EXPENDITURE ACCOUNT: NET COST OF SERVICES – SUBJECTIVE ANALYSIS (sheet 3)

- 9.5. The categories included on this sheet generally follow the structure of “Groups” in the BVACOP Recommended Subjective Analysis. Where necessary we have included additional detail, as explained below. The sheet has been updated with comment boxes which cross reference to the relevant section, Section 4, Chapter 9, in the BVACOP for clarity.
- 9.6. All income and expenditure within Net Cost of Services (NCS) in the authority’s Income and Expenditure Account should be included; including both the General Fund and Housing Revenue Account. The input for each line should include income and expenditure for all front-line and support services according to its nature. Key points to consider when completing this section are included below.

Employee Costs (BVACOP Group 1)

- 9.7. Include all employee costs charged to Net Cost of Services.
- 9.8. Details of Employers National Insurance Costs are required to allow the transaction with HM Revenue and Customs to be identified. NB – Employee National Insurance Contributions are a transaction between the employee and HM Revenue and Customs, i.e. they are ‘external’ to WGA. They should not be included in the intra-group transaction with HM Revenue and Customs.
- 9.9. Separate identification of transactions with unfunded centrally administered pension schemes (such as the Teachers’ scheme) will allow Employer’s Contributions to the relevant pension’s agency to be separately identified.
- 9.10. Note where there have been any payments as a result of the unequal pay back ruling these amounts should be included in the “employee expenses” section under direct employee costs.

Premises Costs (Group 2)

- 9.11. Business Rates should be disclosed separately in order that an appropriate adjustment can be made, – please note there is no need for the counterparty to be disclosed.

Supplies and Services (Group 4)

- 9.12. Include all expenses charged under these Groups. These Groups are treated as a single item in WGA; authorities are not required to produce a detailed analysis between these Groups.

Third Party Payments (Group 5)

- 9.13. A third party payment is a payment to an outside provider (or an internal delivery service unit of the authority defined as a trading operation in accordance with Section 3 of BVACOP) in return for the provision of a service.
- 9.14. Recharges from internal trading operations should be included within ‘Internal Units Within the Council’. Recharges from support services that are not defined as internal trading operations should be included in Support Services (Group 7) in accordance with BVACOP.

9.15. Payments to NHS Bodies should be recorded in the relevant cell, and counter party data entered in the counter party data sheet for payments greater than £1 million. [The counter-party for Scottish Health Bodies is the Scottish Government – CPID SCT075.](#)

9.16. Requisition payments to Joint Boards have been separately analysed within this group to assist in the automatic eliminations process. The SORP is not prescriptive, and requisitions can be shown above or below the net cost of services line. Therefore there are cells to accommodate requisitions both above and below the NCS line. WGA packs should be completed in line with authorities' accounts, with the relevant counter party data for amounts over £1 million entered in the counter party data sheet. Income from requisitions should be included in Requisition Income on sheet 4.

9.17. Analysing this Group into the BVACOP Sub-Groups representing the various parts of the public sector should help local authorities identify those transactions that are "internal" to WGA. Authorities may be able to use this analysis in identifying counter-party transactions for elimination purposes. Details of transactions with internal units are required for the reasons set out in Section 7.

Transfer Payments (Group 6)

9.18. Transfer payments are payments to individuals for which no goods or services are received by the authority. Include all transfer payments made by the authority whether chargeable to the General fund or HRA.

Support Services (Group 7)

9.19. Recharges from support services should be allocated or apportioned to front line services in accordance with the SORP and BVACOP. It is not necessary for authorities to analyse which support service 'originated' the debit.

9.20. Include all recharged expenses from support services here. Recharges from internal trading operations should be included in line 32 in accordance with BVACOP. Some authorities may operate a policy of coding the 'recharge credit' to the support service cost centre to this Group. This is acceptable for WGA purposes.

Depreciation and Impairment charges (Group 8)

9.21. The impacts of capital items on NCS should be included here. These have been sub-divided into the following categories:

- Depreciation, including amortisation of intangible assets
- Impairments, including impairments due to a change in market value as well due to the consumption of economic benefits.
- Amortisation of Government Grants Deferred
- Amortisation of non-government grants and contributions – this has been split out from government grants deferred (although no such split is required in BVACOP or the SORP). The reason to split this out is to ensure the government grants deferred can be matched to the liabilities and provisions sheet (and the counter party).

Income (Group 9)

- 9.22. All income credited to NCS should be included in this Group.
- 9.23. Government grants recognised within NCS should be identified as counterparty transactions. This section was increased in the 2007-08 exercise to include a greater analysis of the income streams down to Sub-group level. This will help authorities identify transactions internal to the WGA group. The grants included in the breakdown have been agreed with the Scottish Government:

Scottish Government:

All revenue Grants within NCS – as most grants are now rolled up into the General Revenue Grant the remaining ring-fenced grants require no further breakdown. The following ring-fenced grants would be recorded as income within NCS: **Determined to Succeed, Housing Support Grant, Hostels Grant, Improvement Service, Gaelic, Supported Employment, Fairer Scotland Fund.**

DWP:

Council Tax Benefit
Rent Allowance
HRA Rent Rebates
Non-HRA Rent Rebates
Housing Benefit & Council Tax Benefit Admin Grant

- 9.24. The Scottish Government will make available to local government bodies information of grants paid to local authorities. These will be posted on our website when ready and should prove a useful tool to assist in the identification and completion of counter party information.

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/LAacc/WGA>

- 9.25. There is no expectation that there should be any agreement of balances, but local government bodies should assure themselves of the completeness and accuracy of the information included in the counter party sheet. Whilst considerable improvement has been made by many authorities, the quality of data provided remains inconsistent and needs improvement.
- 9.26. Generally recharge income will be shown in this Group. It is important that this figure be separately identified for the reasons set out in Section 7.

Other Items (Group Accounts only)

- 9.27. To avoid double counting of Police and Fire Boards this years return requires separate disclosure of these items.

Net Cost of Services

- 9.28. This automatically generated total should be the same as the Net Cost of Services shown in the authority's own accounts. It is understood that when Auditors review the L Pack they apply a "consistent with" (the statement of accounts) opinion. Therefore, the Net Cost of Services figure is one of the Auditor's primary checks.

INCOME AND EXPENDITURE ACCOUNT: NET OPERATING EXPENDITURE AND SURPLUS/DEFICIT FOR THE YEAR (sheet 4)

9.29. All items included in the Income and Expenditure account should be reported here, in accordance with the authority's statutory accounts. This includes transactions on the Housing Revenue Account (HRA) and General Fund Services.

9.30. The L Pack should follow the reporting convention outlined in the SORP. The net cost of services figure is automatically transferred across from the Income and Expenditure Account subjective analysis – sheet 2.

Gains/Losses on Disposal of Fixed Assets

9.31. Include gains and losses as shown on the face of the authority's I&E. Please see Module 5 of the SORP Guidance Notes for the detailed accounting treatment.

Trading Operation Expenditure

9.32. Include the results of all trading operations, after any internal reapportionment required by BVACOP.

9.33. The SORP requires that the net trading outcome is reported on the face of the I&E Account. The WGA team would be delighted if the income and expenditure from trading could be included in the respective subjective analysis. If this is not feasible we ask that you provide the gross income and expenditure. This will allow us to provide some detail of authorities trading performance and will also facilitate the adjustment of internal recharges from support services included within Net Cost of Services and avoid some double counting (e.g. of FRS 17 costs).

Dividends receivable - Other

9.34. Include dividends receivable from all local authority investments in shares (other than the return on pension scheme assets reported under FRS 17).

Interest Payable and similar charges

9.35. This figure represents all interest payable on debt, including payments to other local authorities of interest on transferred debt and the Impact of the Financial Instruments accounting including premiums and discounts. (Refer to SORP Module 3 paras D21 and D22.) The premiums are accounted for here; nothing is included in the Balance Sheet - all movements are shown through the reserves. This includes gains and losses on the repurchase or early settlement of borrowing taken to revenue, and the amortisation on the gains and losses on repurchase and early settlement of borrowing. Note SORP Module 6 paras A14 - A18 inclusive - this amount should also include the interest receivable at the higher rate in respect of soft loans.

9.36. Payments to the Public Works Loan Board or other local authorities should be included here; and any relevant transactions streams and balances over £1million between the two bodies must be recorded on the Counterparty data sheet.

Interest and investment income

9.37. Include all interest and other investment income not received as dividends.

This includes financial assets as classified in the SORP. Include:

- **Loans and receivables:** any interest receivable, impairment losses and gain or loss on de-recognition.
- **Available for sale assets:** interest and dividend income, impairments and the gain or loss arising on de-recognition.

Expected Return on Pensions Assets

9.38. Include the total of each of these items charged to the I&E in accordance with the SORP. It is expected that the pensions interest cost would be a debit (i.e., a positive value) and the expected return on assets a credit.

Other Corporate Income

9.39. All other income included within Net Operating Expenditure in the authority's accounts.

Other Corporate Expenditure

9.40. All other expenditure included within Net Operating Expenditure in the authority's accounts.

Group Accounts Only

9.41. To avoid double counting the Police, Fire and Transport Partnerships will need to be reported separately as set out in the pack. Include the total of each of the following items in accordance with the SORP:

- (Profit)/Loss on Disposal of Group Entity Assets
- Share of Interest Payable of Associates & Joint Ventures
- (Gains)/Loss on Repurchase or Early Settlement of Borrowing
- Share of Interest & Investment Income of Associates & Joint Ventures
- Share of Pension Interest Cost & Expected returns of Associates & Joint Ventures
- Taxation Payable of Group Entities
- Share of Taxation Cost of Associates & Joint Ventures
- Minority Interest Share of Profits or Losses of Subsidiaries

9.42. These items will feature above Net Expenditure but before Reserve Movements and should be input with any amounts recorded in the Authority's own Group Accounts.

Net Operating Expenditure

9.43. This automatically generated total should be the same as the Net Operating Expenditure shown in the authority's own accounts.

Council Tax Income

9.44. Include the amount of Council Tax recognised in the Income and Expenditure Account.

General Revenue Grant, Distributed Non-Domestic Rates and Police Grant

9.45. The amount of grant receivable for the year should be reported as a transaction stream on the Counterparty Data sheet. Any balance outstanding at the year end should be reported as a debtor (creditor if overpaid).

Other General Grant

9.46. Include any other general (un-hypothecated) grant receivable from central government not included in the above and recognised in the authority's I&E below Net Operating Expenditure.

9.47. The amount of grant receivable for the year should be reported as a transaction stream on the Counterparty Data sheet. We would anticipate the majority of this total to be analysed on the counterparty sheet as all central governments are included within the WGA. Any balance outstanding at the year end should be reported as a debtor (creditor if overpaid).

Surplus/Deficit for the Year

9.48. This automatically generated total should be the same as the surplus/deficit shown in the authority's own accounts. Auditors will check this figure to ensure that the L Pack is consistent with the authority's statutory accounts.

TANGIBLE FIXED ASSETS (sheet 5)

Classification of Tangible Fixed Assets

9.49. The asset classes available in the return follow the Balance Sheet Format in the SORP. Authorities should include all tangible fixed assets in the relevant class in line with their accounts.

Valuation of Tangible Fixed Assets

9.50. Tangible fixed assets should be valued in accordance with the SORP, as included in the authority's accounts. Movements in the value, other than depreciation, should be grouped as follows:

- **Additions** should include all purchases of tangible fixed assets and recognition of any internally constructed assets.
- **Disposals** represent the writing out of the gross book value on the sale of tangible fixed assets or their transfer to another party. It does not include the writing-off of assets which no longer have readily ascertainable market value. Disposals of assets under construction are not recognised within the SORP, so the relevant cell has been greyed out.
- **Impairments** include all diminutions of value below the previous carrying value of the asset, other than depreciation; this includes the writing-off of assets. Investment properties **are not subject to impairment**; as per SSAP 19 they are held at the balance sheet at market value, and downward movements in value should be classified within revaluations.
- **Reclassifications** should be between classes of tangible asset.
- **Revaluations** both upwards and downwards should be included here. Note that as per the SORP, infrastructure and community assets are held at depreciated historical cost and **should not be revalued upwards**.
- **Other Movements** may be used for any other movements in the un-depreciated value of the asset. If an authority is unable to distinguish movements the undifferentiated movement should be included here.
- **Comment boxes** have been added to clarify where the boxes have been locked to prevent input. This was the source of many of the queries raised with the Scottish Government and HMT. The comments highlight the relevant guidance in the SORP that for example requires the infrastructure and community assets to be held at depreciated historical cost and not subject to revaluations – hence there is no facility on the form to do so.

Depreciation of Tangible Fixed Assets

9.51. Authorities will adopt different policies about depreciation in the year of acquisition and disposal, depreciation methods or asset lives. It is neither practical nor desirable to specify the depreciation policy to be followed for specific assets. For WGA, authorities should use the policies that apply in their statutory accounts.

9.52. WGA draws a distinction between the amount of depreciation due to the historical cost and current value of the asset. This allows WGA to be prepared to include an Accumulated Income and Expenditure Reserve incorporating only realised gains and losses in accordance with GAAP.

9.53. We recognise that analysing depreciation between these elements is not usual practice within local government as all depreciation is transferred to the Capital Adjustment Account. Authorities that can easily produce an

analysis between the current and historical cost elements of depreciation are encouraged to provide this information.

9.54. The total depreciation charge for the year should be analysed as follows:

- **Charge for the Year:** Ideally this is the charge for the year based on the un-revalued cost of the asset. Where it is not practicable to analyse between the historical cost depreciation and current value depreciation, both elements may be credited here.
- **Disposals:** The written-out balance of accumulated depreciation for all disposals should be debited here.
- **Reclassifications:** Debit here the reclassified balance of accumulated depreciation.
- **Revaluations:** Ideally this is the element of the charge for the year based on the revalued element of the book value of the asset. Where it is not practicable to analyse between the historic cost depreciation and current value depreciation, both elements may be credited here.
- **Other Movements:** may be used for any other movements in the amount of depreciation

Asset Financing

9.55. GAAP requires that WGA disclose, for each class of asset, the net book value of public sector assets financed by PFI and conventional finance leases. Only a relatively limited amount of information is required. This should be available from notes to the core financial statements. The totals of the asset financing section should equal the NBV of fixed assets as at 31 March 2009.

INTANGIBLE ASSETS (sheet 6)

Classification of Intangible Assets

9.56. The SORP states that local authorities will not have capitalised development expenditure, and goodwill will not apply in the single entity only statements. Hence we expect that for authorities reporting as single entities, intangible assets will consist mainly of purchased software licences (or internally developed software), other purchased franchises, licences and patents.

9.57. For those authorities producing Group accounts, companies may have additional categories of intangible asset within their accounts. For group accounts, two additional columns have been added to the note:

- Development Expenditure
- Goodwill

Valuation of Intangible Assets

9.58. Intangible fixed assets should be valued in accordance with the SORP as included in the authority's accounts.

9.59. Movements in value, other than amortisation, should be grouped as follows:

- **Additions:** should include all purchases of intangible fixed assets and recognition of any internally generated assets with readily ascertainable market value.
- **Disposals:** represent the writing out of the gross book value on the sale of intangible assets or their transfer to another party. It does not include the writing-off of assets which no longer have readily ascertainable market value.
- **Impairments:** include all diminutions of value below the previous carrying value of the asset, other than amortisation; this includes the writing-off of assets which no longer have readily ascertainable market value.
- **Reclassifications:** are likely to be between classes of intangible asset.
- **Revaluations:** of intangible assets are likely to be rare as these are only admissible in the SORP where there is a readily ascertainable market value. Where an authority does revalue an asset this should be included here.
- **Other Movements:** may be used for any other movements in the unamortised value of the asset. If an authority is unable to distinguish movements the undifferentiated movement should be included here.

Amortisation of Intangible Assets

9.60. It is likely that most intangible assets in local government will have finite lives and thus be subject to amortisation.

9.61. Authorities may adopt different policies about amortisation in the year of acquisition and disposal, amortisation methods or asset lives. It is neither practical nor desirable to specify the amortisation policy to be followed for specific assets. For WGA, authorities should use the policies that apply in their statutory accounts.

9.62. WGA draws a distinction between the amount of amortisation due to the historical cost and current value of the asset. This allows WGA to be prepared to include an Accumulated Income and Expenditure Reserve incorporating only realised gains and losses in accordance with GAAP.

9.63. We recognise that analysing amortisation between these elements is not usual practice within local government as all amortisation is transferred to the Capital Adjustment Account. Authorities that can easily produce an analysis between the current and historical cost elements of amortisation are encouraged to do so.

9.64. Where possible authorities should include any existing amortisation of deferred charges as the opening balance. The total amortisation charge for the year should be analysed as follows:

- **Charge for the Year:** Ideally this is the charge for the year based on the asset's un-revalued cost. Where it is not practical to analyse between the historic cost depreciation and current value depreciation both elements may be credited here.
- **Disposals:** The written-out balance of accumulated amortisation for all disposals should be debited here.
- **Reclassifications:** Debit here the reclassified balance of accumulated amortisation.
- **Revaluations:** Ideally this is the element of the charge for the year based on the revalued element of the book value of the asset. Where it is not feasible to analyse between the historic cost depreciation and current value depreciation, both elements may be credited here.
- **Other Movements:** can include any other movements in the amount of amortisation.

INVESTMENTS (sheet 7)

9.65. These pages detail local authority investments (other than investment properties which are on the fixed assets page). As per the changes in the 2007-08 SORP, premiums and discounts are no longer shown in the Balance Sheet, and hence no longer required in this note. They are shown in the I&E with movements shown in the reserves.

9.66. Greater detail on the accounting for financial instruments is included in Module 6 of the SORP guidance notes.

Long Term Investments

9.67. Investments should be analysed as follows:

- **Shares / equity held in Subsidiaries / Joint Ventures and associates.** This analysis is required for disclosure purposes. The information required should be available from the notes to the core financial statements. To avoid double counting Police, Fire and RTPs should be disclosed separately as requested. **Do not record liabilities held in Police, Fire or RTPs in this section. These must be recorded as liabilities and not investments.**
- **Other Investments** should include all other fixed asset investments except investment properties, which are included in Tangible Fixed Assets.

Current Asset Investments

9.68. Current asset investments should be analysed as follows:

- **Listed investments**, including investments listed on a recognised stock exchange.
- **Liquid Deposits** is the same as liquid resources as defined in the SORP Glossary. These are current asset investments held as readily disposable stores of value, i.e., disposable without curtailing or disrupting an authority's activities, and either readily convertible into known amounts of cash at or close to its carrying amount, or traded in an active market. Included overnight and short-term deposits with brokers here. Careful consideration should be given as to whether counter-party data is necessary to accurately reflect the authority's data as at 31 March 2009.
- **Other Current Asset Investments** includes all other unlisted non-fixed asset investments.

CURRENT ASSETS (sheet 8)

Stocks and Work-in-Progress

9.69. This is a standard disclosure under GAAP where the amounts are material.

Debtors

9.70. Analysis of debtors between tax and non-tax items is necessary to provide useable data on the level of uncollected tax. Debtors should be included net of provision for doubtful debts.

Cash Holdings

9.71. Include only positive cash balances with the authority's bankers. Overdrafts should be included in Creditors within one year – bank and other borrowings.

LIABILITIES AND PROVISIONS (sheet 9)

9.72. This sheet should be used for all current liabilities and any deferred discounts.

9.73. Please note that we ask for borrowings to be split between those due after one year and those amounts falling due within one year. This includes separating out the amount of a long-term loan or borrowing due to paid within one year.

Creditors – Amounts falling due within one year

9.74. Current liabilities should be analysed as follows:

- **PWLB Borrowing:** Separate analysis of LA borrowing from the PWLB should facilitate authorities' identification of balances and transactions within the public sector. Authorities will be able to identify this item from the Residual Maturity Letter provided by PWLB after the end of the year. The balance should be included here and disclosed on the Counterparty data sheet (this is completed automatically but may be overwritten if required). Repayments of debt and new borrowings are not recognised as income and expenditure and should not be reported as transactions on the Counterparty sheet.
- **Other borrowings:** Include borrowing from commercial lenders and other public sector bodies. Where borrowing is from another public sector body the balance should be included here and disclosed on the Counterparty data sheet. Where relevant, borrowing from the pension fund should be treated as borrowing from the private sector as the fund itself is outside the WGA boundary. Repayments of debt and new borrowings are not recognised as income and expenditure and should not be reported as transactions on the Counterparty sheet.
- **Bank Overdraft:** The bank overdraft has been split out from bank and other borrowings for the 2008-09 L Pack to facilitate the working of the cash flow.
- **Trade creditors:** This should include all balances arising from contractual commitments in respect of normal day to day acquisition of goods and services, other than those payable after one year. Where Trade and Other Creditors cannot be separately identified the unanalysed balance should be included here.
- **Amounts owed to joint ventures and associates:** This analysis is required for disclosure purposes. Details of any balances should be available to authorities either from preparing their own group accounts or in the working papers to their related party transactions notes.
- **Other tax and social security payable:** This balance should include all amounts payable in respect of employers and employees contributions and taxation. The relevant amount should be included here and disclosed on the Counterparty data sheet (this is completed automatically but may be overwritten if required).
- **Government Grants Unapplied:** This balance should include amounts relating to government grants unapplied at year end where material. The relevant counter party data for balances greater than £1 million should be entered in sheet 15.
- **Other creditors:** This should include all balances arising from contractual commitments that are not related to normal day to day acquisition of goods and services, and are payable within one year. Examples include unpaid salaries and capital creditors, and unapplied developer's contributions where appropriate. Where Trade and Other Creditors cannot be separately identified the unanalysed balance should be included in Trade Creditors.
- **Receipts in Advance:** should be included here where separately identifiable. Otherwise they may be included within Other Creditors (or Trade Creditors if

necessary). Receipts in advance from other public sector bodies should be included here and disclosed on the Counterparty Data Sheet.

Creditors – Amounts falling due after one year

9.75. Long-term liabilities should be analysed as follows:

- **PWLB Borrowing:** Separate analysis of LA borrowing from the PWLB should facilitate authorities' identification of balances and transactions within the public sector. Authorities will be able to identify this item from the annual listings supplied by PWLB. The balance should be included here and disclosed on the Counterparty sheet (this is completed automatically but may be overwritten if required). Repayments of debt and new borrowings are not recognised as income and expenditure and should not be reported on the Counterparty sheet.
- **Bank and other borrowings:** Bank and other borrowings should include borrowing from commercial lenders and other public sector bodies. Where borrowing is from the public sector the balance should be included here and disclosed on the counterparty sheet. Borrowing from the pension fund should be treated as borrowing from the private sector as the fund is outside the WGA boundary. Repayments of debt and new borrowings are not recognised as income and expenditure and should not be reported on the Counterparty sheet.
- **Trade Creditors:** This should include all balances arising from contractual commitments in respect of normal day to day acquisition of goods and services, other than those payable within one year. Where Trade and Other Creditors cannot be separately identified the unanalysed balance should be included here.
- **Deferred Liability – Transferred Debt:** Transferred debt arising from local government reorganisation has been separated out on to a separate line within long term debtors, because of the materiality of these balances, and so as to highlight the need for values to be entered into the counter party data sheet.
- **Other creditors:** This should include all balances arising from contractual commitments that are not related to normal acquisition of goods and services that are not payable within one year. Where Trade and Other Creditors cannot be separately identified the balance should be included in Trade Creditors.

Provisions

9.76. Provisions should be considered as follows:

- **Other provisions:** Movements in other provisions are required for disclosure and to calculate the cash flow. For these reasons it is important that the amount provided in year and the utilisation of provision is accurate.

Deferred Income other than Government Grants

9.77. Deferred income other than government grants may come from a number of sources, such as developer's contributions. Amounts received in the year should be included as increases and amounts applied shown as released (similar to that for government grants).

FRS 17 (sheet 10)

- 9.78. Public sector pensions have been of considerable public interest since the introduction of FRS 17. WGA reflects this, providing the fullest possible disclosures.
- 9.79. The analysis of movements in the FRS 17 liability is required for disclosure purposes and to allow the FRS 17 cost recognised in WGA to be properly analysed between the I&E and Statement of Total Recognised Gains and Losses. An analysis of FRS 17 costs and liabilities between unfunded and funded schemes is required for policy and disclosure purposes.
- 9.80. All schemes should be accounted for as required by the SORP. Therefore, the Teachers' scheme should be accounted for on a "defined contribution" basis. The material unfunded schemes are the Police and Firefighters schemes, with the Local Government Pension Scheme as the main funded scheme. Any other schemes that are locally material should also be included.
- 9.81. The definition of all items on this sheet is in accordance with the SORP. The amounts included for each scheme should reflect the amounts included in the authority's own accounts.
- 9.82. All FRS 17 liability / asset movements and disclosure items required for WGA can be drawn from the notes to the authority's accounts.

Signage

- 9.83. A significant number of errors were noted in relation to incorrect signage of FRS 17 entries. The validation cells have been made more prominent, but for information, the expected signs are listed below:

Entries on the FRS 17 Note (Movements on the FRS 17 Liability/Asset):

- Current Service Cost: Negative (credit)
- Past Service Cost: Negative (credit)
- Gains/Losses on settlements and curtailments: Positive or Negative
- Interest Cost: Negative (credit)
- Payment of Pensions: Positive (debit)
- Expected Return on assets: Positive (debit)

Entries on the Income and Expenditure Account

- Pension Interest Cost: Positive (debit)
- Expected Return on Pensions Assets: Negative (credit)

Note

Additional information is required using the following format for rows 30-43: **Input as a number without the percentage sign, using as many decimals as relevant.**

If the rate is 2.5%, please record as 2.5; for 2.326%, record as 2.326; for 10% record as 10. **Do not enter 2.5% as .025**

- 9.84. Rows 36 to 38 will also follow this input format. However the input required is the proportion of the scheme invested in Equities, Bonds and Other. Therefore, the total of the 3 cells should add to 100. Again, these

numbers should be entered without the percentage sign. E.g., 40%; 50%; 10% must be included as 40; 50; 10.

RESERVES (sheet 11)

9.85. Local authorities maintain a number of specialised reserves to meet accounting needs related to the capital and revenue control regimes. While these reserves are necessary adaptations to GAAP in a local authority context, they are generally not required at WGA level. We will therefore adjust local authority reserves to a GAAP basis, where possible, on consolidation.

General Guidance

9.86. Movements in reserves should be included in the most appropriate line. This is particularly important where the appropriation represents a movement that is an adaptation from GAAP. [Transfers between reserves](#) should be included in the relevant line of the reserves sheet, wherever possible. Any movements that cannot be separately identified, or for which a specific line has not been provided, may be included in Other Movements.

Main change in the 2008-09 Reserves Sheet:

9.87. The reserve sheet now includes a line for revenue expenditure funded from capital under statute. This has been introduced as a result of the changes in the treatment of deferred charges, which can be found in SORP Module 3, E13 and E14. Where the expenditure is financed from revenue the charge should be left to score against the bottom line and not reversed out in this line.

Brought Forward Balances

9.88. The balances brought forward from 2007-08 should be entered here.

Statement of Movement on the General Fund Balance

9.89. Recognising that the Statement of Movement on the General Fund Balance reflects movements between the General Fund and other reserves, we have chosen to include this statement within this sheet. Each line reflects the SORP guidance and should net to nil. [This is highlighted in the validation checks](#). We have tried to ensure that the naming convention is aligned with the SORP guidance notes for practitioners (pages 113-116).

Amortisation of intangible Fixed Assets, Depreciation of Fixed Assets and Impairment of Fixed Assets

9.90. All amounts of amortisation and depreciation charged to the I&E account should be reversed out here, with a corresponding entry in the capital adjustment account. Include all impairments i.e. impairments due to a clear consumption of economic benefits and/or loss in market value.

Government Grants Deferred Amortisation

9.91. No amount of GGD should be left as a credit against the General Fund balance. There should be a matching entry for this reversal in the capital adjustment account.

Revenue expenditure funded from capital under statute

9.92. Any amounts relating to the charging to the I&E of this category of

expenditure will need to be reversed out under this heading where the expenditure is being financed from capital resources. Where the expenditure is to be financed from revenue, the charge is left to score against the bottom line and not reversed out here. Detailed guidance is provided in the SORP guidance notes Module 5 section K

Net Gain/Loss on Disposal of Fixed Assets

9.93. The net of the adjustments to the revaluation reserve, usable capital receipts/capital fund reserve, (and where applicable, the capital adjustment account); used to neutralise the effect of recognising gains/losses on the sale of fixed assets will be shown as a matching, reversing entry here. Local authorities had a particular difficulty with this line. **The actual value of capital receipts should be recorded on this line and not in 'other movements'. See SORP Guidance Notes page 595 'dealing with gains and losses in the Statement of Movement on the general Fund'**

Difference between Statutory debit/credit and amount recognised as income and expenditure in respect of financial instruments

9.94. Generally the General Fund Balance will reflect the interest expenses and income; impairment losses and gains/losses arising on de-recognition of financial instruments, in accordance with the debits and credits made to the Income and Expenditure Account. However specific statutory provisions apply to allow for the effects of some soft loans to be adjusted to contractual amounts payable and for premiums and discounts arising on the early repayment of debt to be spread over a number of financial years. Further guidance is included in the SORP guidance notes module 6 and Scottish Government Circular 4 of 2007 – link to circular <http://www.scotland.gov.uk/Topics/Government/local-government/17999/11203>

Net Charges Made for Retirement Benefits in Accordance with FRS 17

9.95. This item will comprise the reversal of all amounts charged to the I&E for current service cost, past service cost, settlements and curtailments, interest cost and expected return on assets. The matching entry will be in the 'FRS 17 reserve.'

Statutory provision for the repayment of debt for capital financing

9.96. This is the statutory provision for the repayment of debt, as calculated under the relevant statutory provisions. This amount is not included in the I&E but is required to be included by statute when calculating the movement on the general fund balance for the year. The matching entry will be a credit to the capital adjustment account.

Capital Expenditure Charged In-Year to the General Fund Balance

9.97. There are a number of ways to describe capital expenditure financed from revenue, including Revenue Contribution to Capital Outlay (RCCO); Direct Revenue Financing (DRF); Capital Expenditure from a Revenue Account (CERA); Capital Expenditure Financed from Revenue (CEFR) or Capital expenditure Financed by Contributions from Revenue (CFCR).

9.98. This amount represents any contribution to capital expenditure charged

to the general fund balance. This amount is not included in the I&E but is required to be included by statute when calculating the movement on the general fund balance for the year. The matching entry will be a credit to the capital adjustment account.

- 9.99. Our assumption is that this will reflect the use of revenue resources for capital financing in year. Revenue resources earmarked in reserves for future capital purposes remain reserves and we expect that these will be included in Transfers to/from Reserves.

Employer's contributions payable to the pension fund and retirement benefits paid directly to the pensioners.

- 9.100. This will comprise the debit of employer's contributions payable to the pension fund for the year, in relation to the defined benefit schemes to which the authority contributes and the retirement benefits paid direct. No counter party data is required for these transactions.

Transfer of HRA Balance

- 9.101. Transfers to or from the HRA and the General Fund to keep the HRA balance as a separate balance from the General Fund.

Voluntary Revenue Provision for Capital Financing

- 9.102. Any provision for repayment of debt over and above the statutory amount should be recorded here, with a matching entry to the capital adjustment account under 'additional voluntary set aside.'

Transfer to or from other Statutory Reserves

- 9.103. Movements on reserves will be matched with entries on the reserves sheet.

Net Additional Amount to be credited to the General Fund Balance, Increase/Decrease in the General Fund Balance

- 9.104. This automatically generated amount should be the same as the amounts shown in the authority's own accounts.

RESERVES (headings)

Revaluation Reserve

- 9.105. This records the unrealised revaluation gains arising (since 1st April 2007) from holding the fixed assets. However, for groups the balance brought forward should include the balances included in the group revaluation reserve for the previous year – these two have been amalgamated.

- 9.106. Note, further to the LAAP Bulletin 73 (point 49) local government bodies which operate an investment revaluation reserve for investment properties should include any movements in the revaluation reserve. This is in alignment with the accounting for investments in central government.

Capital Adjustment Account

- 9.107. The capital adjustment account is not a GAAP concept. The balance on this account represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that

has been financed in accordance with statutory requirements.

- **Revaluations/impairments:** Debit the reversal out of the General Fund.
- **Transfer to/from Other Reserves:** Treat any appropriations from the I&E and the use of capital receipts as transfers from other reserves; these should net to zero.
- **Other movements:** All other movements should be included in line with the general guidance above.

Capital Receipts/ Capital Fund

9.108. Please note:

- **Capital expenditure financed from capital receipts:** The use of capital receipts or the capital fund to finance capital expenditure should be recorded here.

HRA Balance

9.109. To reflect the ring-fence for the HRA balance

Other Statutory Reserves

9.110. These include the Repairs and renewals, insurance fund and any other reserves permitted under statute e.g. harbour reserves for Orkney and Shetland

General Fund

9.111. All residual transactions on the I&E should be reflected in this reserve. Any Transfer to/from Other Reserves or Other movements should be included in line with the general guidance above.

Available for Sales Financial Instruments Reserve and Financial Instruments Adjustment Account

9.112. This is similar to the requirements governing fixed assets. Financial assets are required to be carried at fair value (unless they have fixed or determinable payments but are not quoted in an active market). Note the outcome of proper accounting practices for the Income and Expenditure Account is different from that required for assessing the impact of local taxes.

The Financial Instruments Adjustment Account

9.113. This provides a balancing mechanism between the different rates at which the gains or losses (such as premiums on the early repayment of debt) are recognised under the SORP and are required by statute to be met from the General Fund.

Available for Sales Financial Instruments Reserve

9.114. This records the unrealised gains arising from holding available for sale investments, plus any unrealised losses that have not arisen from impairment of the assets.

FRS 17 Reserve

9.115. The pensions reserve is an adjustment that manages the effects of FRS 17 charges made to the Income and Expenditure Account against the statutory requirements for meeting the cost of retirement benefits from local taxes, as well as absorbing the impact of actuarial gains and losses. The movements in the FRS 17 reserve should mirror those in the authority's own

accounts.

Group Accounts Only

Reserves of Group Entities

9.116. The movements in the reserve should mirror those in the authority's own group accounts and should include the opening balance plus a total for any other movements.

Minority Interest

9.117. The balance of this account can be placed against the opening balance line in the sheet.

BALANCE SHEET (sheet 12)

9.118. This page requires no input; it is automatically completed from the Balance Sheet notes on the preceding sheets.

9.119. If the Balance Sheet is out of Balance the following warning appears:

Balance Sheet does not Balance; do NOT submit to Scottish Government

9.120. If the authority considers it has completed the return and the Balance Sheet is out of balance the return should be checked carefully against the audited accounts and corrected as required.

9.121. **Authorities must not submit returns if the Balance Sheet is out of balance. Returns that are out of balance will be returned to the authority for correction.**

9.122. Passing the balance sheet validation should not be taken as confirmation that the form has been correctly completed in other respects.

CASH FLOW (sheet 13)

9.123. **Separate advice provided by HMT**

ADDITIONAL DATA SHEET (sheet 14)

9.124. This sheet is used to collect data for disclosure or adjustments that cannot be collected as part of the balanced WGA account.

Maturity Profile of Debt

9.125. The maturity of public sector debt is an important issue for users of published accounts, especially in relation to treasury management needs for the public sector, and is required by FRS 13. To make this disclosure meaningful, data is required on an eliminated basis. Rather than ask authorities to break down the reported counter-party transaction by disclosure group, it is easier to ask for a summary statement. We recognise that authorities are not required to analyse their own debt maturity note by the creditor's economic sector; only a good approximation is required.

Maturity Profile of Commitments

9.126. This data is required for the notes to the accounts.

Contingent Assets/Liabilities

9.127. Please note that at the WGA level we are only interested in contingent liabilities greater than £500 million. Given the scale of WGA we do not anticipate local authorities having significant Contingent Liabilities. However these are areas of acute interest in public sector accounts. Please adopt the usual signage conventions - i.e. contingent liabilities should be negative. If it is necessary to include these items within WGA narrative disclosures we will contact the relevant authorities for further details.

Narrative Disclosures

9.128. Authorities need only disclose total balances for items over £1m. As a result, we do not anticipate local authorities having significant Post Balance Sheet Events. Please adopt the usual signage conventions; post balance sheet events should be treated as debits or credits depending on their effect. If it is necessary for these items to be included within WGA narrative disclosures we will contact the relevant authorities for further details.

Adjustment Data – Capital Creditors & Debtors

9.129. It is a requirement of GAAP based accounts that a cash flow statement be prepared. Adjusting creditors and debtors for any accrual capital transactions allows for a correct cash capital transactions number to be produced for cash flow purposes.

9.130. Bad debts written off are required separately for Council Tax and NDR to allow the correct amount of each tax to be recognised in WGA.

COUNTER PARTY DATA SHEET (sheet 15)

Introduction

9.131. The counter party data sheet facilitates the recording of counter party identifier (CPID) information. It is an integral part of the form as it is the only way we can identify intra-group transactions and balances. [This information is essential](#) as it enables us to eliminate “internal” trading when consolidating all local authority accounts.

9.132. The amounts entered in the earlier worksheets against each of the description lines have been linked through to the Counter Party Data sheet in Column B. Users are required to split out any components of these totals which may relate to other public sector bodies. A complete list of public sector bodies included within the WGA can be found in sheet 18 of the L Pack.

Completing the form

9.133. Not all data lines in the WGA form will require CPID information. If the counterparty is outside of the government boundary, (E.g. private firms), or is a “book” entry only (E.g. capital charges), then **no counterparty information is required**. Please leave the cell blank, do not enter a dash. [For further detail on whether or not a transaction should be included on the counterparty sheet, please see further in this section, and read section 8.](#)

9.134. Where counterparty information is required, enter the amount in Column C and the appropriate CPID code in Column D, if it has not already been hard coded. The adjoining cell in Column E will be automatically populated with the CPID description when a CPID code is input in Column D. The complete list of counterparty identify codes is contained in the CPID (18) worksheet tab.

A	B	C	D	E	F
Account Description	Total Amount £'000	CPID Amount £'000	CPID Code	CPID Description	WGA VALIDATION CHECKS
Net Cost of Services:					
Employers NIC	250		IRT813	HM Revenue and Customs taxes and duties	
Contributions - centrally administered unfunded schemes	500	- 400	STP913	Scottish Teachers Pension Scheme	
		100			Incorrect signage

(A) Describes the relevant transaction line from the form.

(B) This is the total brought forward from previous sheets (relevant cells) in the L Pack.

(C) Input the amount relevant to the counterparty here. In some cases it will be the whole amount – where these are generic we have tried to automate this process for you. Note the threshold for these transactions.

(D) Enter the counterparty code. The list is available on sheet 18 CPID In some cases (e.g., Teachers Pension Scheme, HM Revenue and Customs this is automatically added)

- (E) This column automatically shows the counterparty represented by the code input in col. D
- (F) Please make sure no validations show here. The box should have no red writing.

9.135. If an invalid CPID is entered in column D then #NA will appear in column E. Do not submit your form with an invalid CPID. Please contact us if you are unsure of any codes, and we will locate the correct CPID. Hazel.blacks@scotland.gsi.gov.uk

Key points to note

9.136. When completing the counterparty information, the following points are of particular note and require consideration:

1. Consider all lines which may require input and ascertain if your entity holds any part of this balance or transaction stream with another government body.
2. **How do I know if the counterparty data is needed?** We require you to note the counterparty for any transactions greater than £1 million with any other WGA body. We also require counterparty information for individual balances of less than £1m in several different lines when the following conditions are met:
 - They are of the same transaction type (income, expenditure, debtor, creditor, reserves)
 - They fall into one match relationship
 - They are greater than £1million when totalled.We have colour coded each match relationship differently on sheet 15, so that it is possible to see which transaction descriptions fall into which match relationship. (In addition Annex C lists the match relationships and colour codes)
3. It is no longer possible to input decimals, copy and paste any figures or link to other spreadsheets. We have introduced a macro for WGA 2008-09 to stop their inclusion as they prevent the extraction of data and its upload onto COINS. This is important otherwise this causes many “referencing” errors causing the primary validations to fail, preventing the automatic upload of the information onto the HMT Coins system.
4. A new macro has been introduced that allows you to insert additional rows as needed into the counterparty sheet. Place your cursor into the relevant area in column A and click the “Insert Rows” button in the top left hand corner of the sheet. If this fails to work, please email us stating the number of additional lines required and where. We will add in the extra rows and return the form to you. WGA.Team@hm-treasury.gov.uk
5. In some cases, Columns C and D will automatically populate. This will only happen if the counterparty is responsible for the full amount. For example, PWLB Borrowing will always correspond to a counterparty of cpid PWL846, (the Public Works Loan Board), and the full amount. Here, no action is required.
6. Additionally, there are some instances where Column D will automatically populate, but not Column C. Here, we have suggested likely counterparties to be considered. E.g. interest payable is likely to have an amount attributable to PWLB, but there may be other entities you need to include as well. **Always type**

in the amount attributable to the entity in Column D, and consider any other relevant bodies.

General Omissions

9.137. Many of the local government bodies simply did not include any counterparty information which resulted in numerous mismatches and significant remedial work was required to identify whether the original information was included in error, this was an omission from the recipient or the incorrect recipient had been included.

Match Relationships

9.138. All match relationships have been colour coded. Consider all transaction lines within in each colour code and include any that total more than £1m with any counterparty. Note that each colour may be dispersed throughout the sheet, and may not appear all in one block. For example, total transport related expenditure; total purchases of supplies and services and other premises related expenditure are all included as one match relationship.

Signage

9.139. Amounts entered in column C should follow the same sign convention as the total in column B. e.g. if the Total Premises, Transport & Supplies expenditure in column B is a debit £100,000, then any CPID amounts recorded will also be debit. - They will be entered as positive numbers. The reverse will apply if the lines relate to credit balances, as these will be entered as negative. A validation message stating "incorrect signage" will appear where this is not the case.

CPID breakdown totals

9.140. Typically, the total of the CPID breakdown should not exceed the total in Column B. If the CPID breakdown total in Column C is greater than the line balance in Column B, then a validation error message will highlight in Column F stating 'CPID breakdown incorrect'.

9.141. The total breakdown in Column C for each of the relevant lines does not need to equal the total amount in Column B, except in certain cases. Where this is the case the entries will be populated.

Scope

9.142. As a general rule, bodies such as housing associations and charities fall outside the scope of WGA, and so do not require identifying on the counterparty sheet.

9.143. Some bodies are recorded against the Scottish Government and do not have their own counterparty identifier code. For example, Health Boards are recorded as the Scottish Government.

Joint Committees & Similar Joint Arrangements

9.144. Where a joint committee has been designated for inclusion in WGA (and so attributed a cpid code); transaction streams and balances should be treated in the same way as any other transactions in WGA. Where no cpid exists, it should be treated as outside of the public sector, and the counterparty not recorded.

Agency arrangements & delegated functions

9.145. If an authority is acting as agent of another public body, or is the principal in an agency agreement, it should report all income and expenditure in relation to the agency as recognised in its accounts. It should also record any relevant counterparty information between the two bodies.

Line Guides

9.146. This section highlights key description lines where mistakes are commonly made or where additional information is useful.

Employer's NIC

9.147. The amount must include all NI contributions made by employers, including for staff employed in trading operations and subsidiaries, accordingly we recognise the total counterparty amount could exceed the amount disclosed in the I&E.

Third Party Payments – Scottish NHS Bodies

9.148. These are all part of the Scottish Government and therefore carry the cpid: SCT075.

Government Grants Income

9.149. The Scottish Government will assist with the identification of bodies as required.

Details of Scottish government agencies can be found at

<http://www.scotland.gov.uk/Topics/Government/public-bodies/government-scotland>

and details of NDPBs can be found at

<http://www.scotland.gov.uk/Topics/Government/public-bodies/Categories>

Group Accounts

9.150. The following lines are open to group accounts only:

Share of Interest Payable of Associates & Joint Ventures

(Gains)/Loss on Re-purchase or Early Settlement of Borrowing

Share of Interest & Investment Income of Associates & Joint Ventures

Share of Pension Interest Cost & Expected returns of Associates & Joint Ventures

Taxation Payable of Group Entities

Share of Taxation Cost of Associates & Joint Ventures

Minority Interest Share of Profits or Losses of Subsidiaries

VALIDATION (16)

9.151. The first three validation checks must be cleared before the pack is submitted to the Scottish Government. If after repeated attempts you are unable to clear these then please refer the issue to the Scottish Government (hazel.blackl@scotland.gsi.gov.uk. It is helpful if the L pack is sent too. Details of the various checks are set out in Section 6.

CPID (18)

9.152. This sheet lists all organisations that fall within the WGA boundary for 2008-09 and includes the counterparty ID (CPID) that should be used in the Counter Party Data Sheet (sheet 15).

UPLOAD ACCOUNTS (19) and UPLOAD CPID (20) and SCOA

9.153. These sheets are used by the Scottish Government to load the data onto the HMT COINS system.

9.154. The SCOA (Standard Chart of Accounts) code sheet has been included in the form for information. Each of the account codes match to these SCOA codes in the HMT Combined On-Line System (COINS) and are then uploaded into the HM Treasury general ledger.

10. **Section 10**

OTHER SOURCES OF GUIDANCE & CONTACTS

Other Sources of Guidance

10.1. For guidance on the accounting practices to be adopted in completing the returns authorities should refer to the 2008 SORP and BVACOP in the first instance. (Note the version applicable will be issued covering 2008-09 and 2009-10.

10.2. Authorities may also find the 2008 SORP Guidance Notes useful.

Contacts

10.3. If there are any queries about the timetable and/or completion of the form these should be addressed to the Scottish Government:

E-Mail: hazel.black@scotland.gsi.gov.uk

10.4. If there are any queries relating to the **cash flow** these should be addressed to HMT. Email: WGA.Team@HM-Treasury.gov.uk

10.5. Upon completion of the form this should be forwarded to the Scottish Government. Please observe the naming convention as outlined in section 2.
E-Mail: hazel.black@scotland.gsi.gov.uk

10.6. General queries about the WGA programme should be addressed to the WGA team at the address below:

WGA Team Inbox, HM Treasury

E-Mail: WGA.Team@HM-Treasury.gov.uk

10.7. Authorities that subscribe to the CIPFA/IPF Finance Advisory Network may contact their Regional FAN advisor. CIPFA members may also contact the CIPFA Technical Enquiry Service for Guidance on the application of the SORP or BVACOP:

Phone: 0207 543 5888

E-Mail: technical.enquiry@cipfa.org

11. Section 11

FREQUENTLY ASKED QUESTIONS

1. Is this the final version of the L Pack?

The version of the L Pack issued on 1 June 2009 is intended to be the final version of the WGA return. Before issuing the L Pack it is sent for management review where we hope that any outstanding errors are picked up. Unfortunately, we cannot guarantee that all issues will have been identified and corrected. For this reason, it is possible that a later version may be uploaded onto the Scottish Government's website, if significant issues are found. If a revised version is issued, we will email the named WGA contact in each authority to ensure that they are aware of any changes. The latest version of the form will always be available on our website:

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/LAacc/WGA>

We strongly recommend that this is saved as a favourite and periodically reviewed. We hope to add in other information that may be of assistance to you in the completion of the form.

2. If I have started completing the L Pack and the Scottish Government make a change to the form do I have to complete the new form?

No. If there is a change to the form then the Scottish Government will accept the form that you have started to complete. Any changes that are made will be noted in the track changes sheet (21) of the revised pack, and included in an email to all authorities. You may note that certain checks/validations fail on your version because of outstanding errors on the L Pack, amended in later versions. You should assure yourselves that the form would work without failing validation checks if the L Pack errors were not in place, and then proceed with audit and submission as normal. Please note in your email which version of the L Pack you have used and highlight any validation failures that remain as a result of the errors to the L Pack.

3. Why do the Scottish Government keep making changes to the form?

The Scottish Government will only make changes to the form where significant issues are identified that impact on the completion of the form. We give careful consideration for the need to make changes and weigh up the impact of leaving things unchanged. The aim is to make things as clear as possible to the completer of the returns. Any changes made are highlighted in the track changes sheet (21) of the L pack together with the date the change was made. Note for 2008-09 we have tried to highlight all the changes that have been made to the form from the 2007-08: updating for SORP changes, issues identified by local government/ourselves in the completion for the form and other developments.

4. What is the deadline for the returns?

The deadline for the unaudited L pack is **31 July 2009**. **The deadline for all audited packs is 30 October 2009**

All completed returns should be sent to hazel.black@scotland.gsi.gov.uk. Please follow the naming convention so that it is easier for us to process upon receipt. The subject field and file name should state:

S Code_ Local Government body name_ Audit status_ WGA 2008-09.

5. What should we do if the audit of the L Pack will not be completed on the L pack by the deadline?

Please advise the Scottish Government immediately by emailing hazel.black@scotland.gsi.gov.uk. Explain the reason for the delay and provide an indication as to when the audited return is likely to be completed.

Annex A: Guidance notes accompanying the ONS quarterly public sector employees survey questionnaire

Guidance Notes for completing the Quarterly Public Sector Employees Survey Questionnaire

Introduction

The Quarterly Public Sector Employees Survey is the main data source for measuring the number of employees in the public sector. The definitions used for this survey have been agreed by an interdepartmental committee to help bring greater consistency across different sources of public sector statistics.

Employees

Please report the number of employees with an employment contract who are being paid by the organisation, rather than the number of jobs/posts. There is a difference between counting employees (which is a measure of people) compared to jobs or posts (where one person may have more than one job). For example, where an individual works for a local authority run leisure centre they may work as a lifeguard and a fitness instructor. If an employee has more than one job within your organisation please categorise the employee based on the characteristics of the post in which the employee works the most hours i.e. permanent/casual, full-time/part-time

Include:

- Overseas workers, for example, those employees working in the Armed Forces, Diplomatic Service and the British Council serving abroad. However, exclude locally engaged staff as these are not considered UK residents
- Employees on secondment or loan **only** if your organisation is paying for the majority (more than 50 per cent) or all of their wages. If the costs are split equally, the sending rather than the receiving organisation should count the employee. Employees seconded in from the private sector should be included if your organisation is paying for the majority or all of their wages. However, please exclude employees seconded out to the private sector
- Workers who only work part of the year (e.g. those on casual or annualised hours contracts) if they are being paid at the reference point
- All those on paid maternity or paternity leave
- All those on paid sick leave (being paid either in full or part)
- All those on paid special leave
- Those employees on short-term unpaid leave (for example for bereavement, or parental leave) if they are absent
- On the reference date and they are on leave for a period less than their pay period.

Exclude:

- Workers who only work part of the year (e.g. those on casual or annualised hours contracts) if they are **not** being paid at the reference point
- Self-employed, contract workers and agency workers not paid directly from the payroll
- Those employees on unpaid leave if they are on leave for a period longer than their pay period
- All those on career breaks
- All those on unpaid leave.

Employee Status - Permanent, Temporary, Casual and Fixed Term

Include:

- Permanent employees, temporary employees, casual employees and employees with a fixed-term contract.
- Employees with fixed-term contracts of more than 12 months as permanent employees (regardless of the amount of time remaining on the contract)
- Employees with fixed-term contracts of 12 months or less as temporary employees, and report together with casual employees.

Part Time Employees

Part-time employees should be defined as those who work less than standard contracted hours, that is, your organisation's normal weekly hours.

Full Time Equivalent (FTE)

Exclude:

- Full-time employees from your calculations.
- Paid and unpaid overtime from FTE calculations.
- Contracted hours are used for the basis to calculate FTE. The number of hours worked should be those that the employee is contracted to work for each week, so breaks should be excluded in the calculations.
- Contracted hours of those people on leave (e.g. maternity leave) should be those that they were working before they left.

You may find it useful to take a copy of the questionnaire for future reference or to answer any queries that may arise.

Annex B: Sample ONS questionnaire for the quarterly public sector employee survey

Quarterly public sector employee survey

Quarterly Public Sector Employees Survey

Purpose of the Survey
 The purpose of this survey is to collect information on the number of employees in the public sector. The information is used to monitor change in the level and structure of public sector employment, for productivity and macro-economic analysis, to provide accountability to Parliament and support policy making.

Coverage
 Please complete this questionnaire for the organisation specified on the front page.

How to Complete the Questionnaire

This questionnaire will be scanned, therefore please:

- complete in black ink
- ensure letters and numbers are printed and centred within each box
- please write a single zero where the values are nil
- do not use commas or dashes
- do not cross sevens or zeros

For example 700

Who counts as an employee?
 An employee is anyone aged 16 years or over that your organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme. Each employee should have a contract of employment.

Include:

- agency workers paid directly from the organisation payroll(s)
- those temporarily absent but still on the payroll(s), for example on maternity leave.

Exclude:

- agency workers paid directly from the agency payroll
- the self-employed
- voluntary workers
- former employees only receiving a pension
- directors who do not receive a salary.

For further advice on who to include and exclude please telephone

Section A. Permanent Employees
 Permanent employees are those that have a contract with no agreed expiry date or a fixed term contract of more than 12 months (regardless of the amount of time remaining on the contract).
 Include all functions of your organisation, for example, education, social services and public administration.

1. how many male permanent employees were:

Full-time	<input style="width: 20px; height: 15px; border: 1px solid black;" type="text" value="551"/>	551	
Part-time Working less than your organisation's normal weekly hours	<input style="width: 20px; height: 15px; border: 1px solid black;" type="text" value="552"/>	552	
Full-time equivalents Exclude full-time employees from the following calculation Full-time equivalents are calculated by converting part-time employees' hours into those worked by full-time employees. For example, if a part-time employee worked 10 hours per week and the full-time working week in your organisation was 37 hours then the part-time employee would equate to 0.27 full-time equivalents (10 divided by 37) Please round your total full-time equivalents to the nearest whole number	<input style="width: 20px; height: 15px; border: 1px solid black;" type="text" value="561"/>	561	

NFI

NFI

NFI

2. how many female permanent employees were:

Full-time	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	553	NFI
Part-time	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	554	NFI
Working less than your organisation's normal weekly hours	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	562	NFI
Full-time equivalents	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

Section B. Temporary/Casual Employees

Temporary/Casual employees are those that have a fixed term contract of 12 months or less or are employed on a casual basis. Include all functions of your organisation, for example, education, social services and public administration.

3. how many male temporary/casual employees were:

Full-time	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	651	NFI
Part-time	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	652	NFI
Working less than your organisation's normal weekly hours	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	661	NFI
Full-time equivalents	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

4. how many female temporary/casual employees were:

Full-time	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	653	NFI
Part-time	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	654	NFI
Working less than your organisation's normal weekly hours	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	662	NFI
Full-time equivalents	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

Section C. Education Employees

We require further information on your education employees. Include all education establishments.

5. did your organisation have education employees?

For example, teachers, caretakers and school crossing patrol employees.

Please one box only

Yes → Go to question 6

No → Go to Section D 600

MRK

Annex C: Colour coding of match relationships in the Counterparty Sheet

The table below shows each of the match relationships that have more than 1 transaction description contributing to the overall eliminations for that relationship. If any transactions fall into a highlighted line, please consider if you have any other payments or receipts in fields of the same colour with the same organisation. Where a collection of figures in one colour code give a total balance of greater than £1 million, and the transactions are of the same nature (e.g., all income), the counterparty must be disclosed, even if the individual transactions are less than £1 million.

MR	Description	Colour	Number of lines included
MR0101	General Debtors and Creditors (including provisions)	Rose	10
MR0102	Loans and Deposits - Balances	Aqua	7
MR0201	Income and Expenditure (includes deferred income)	Pale Blue	17
MR0202	Income and Expenditure (grant in aid, grants etc)	Tan	8
MR0203	Corporation Tax	Lilac	2
MR0206	Interest	Orange	2
MR0601	Pensions Transactions	Light Green	2