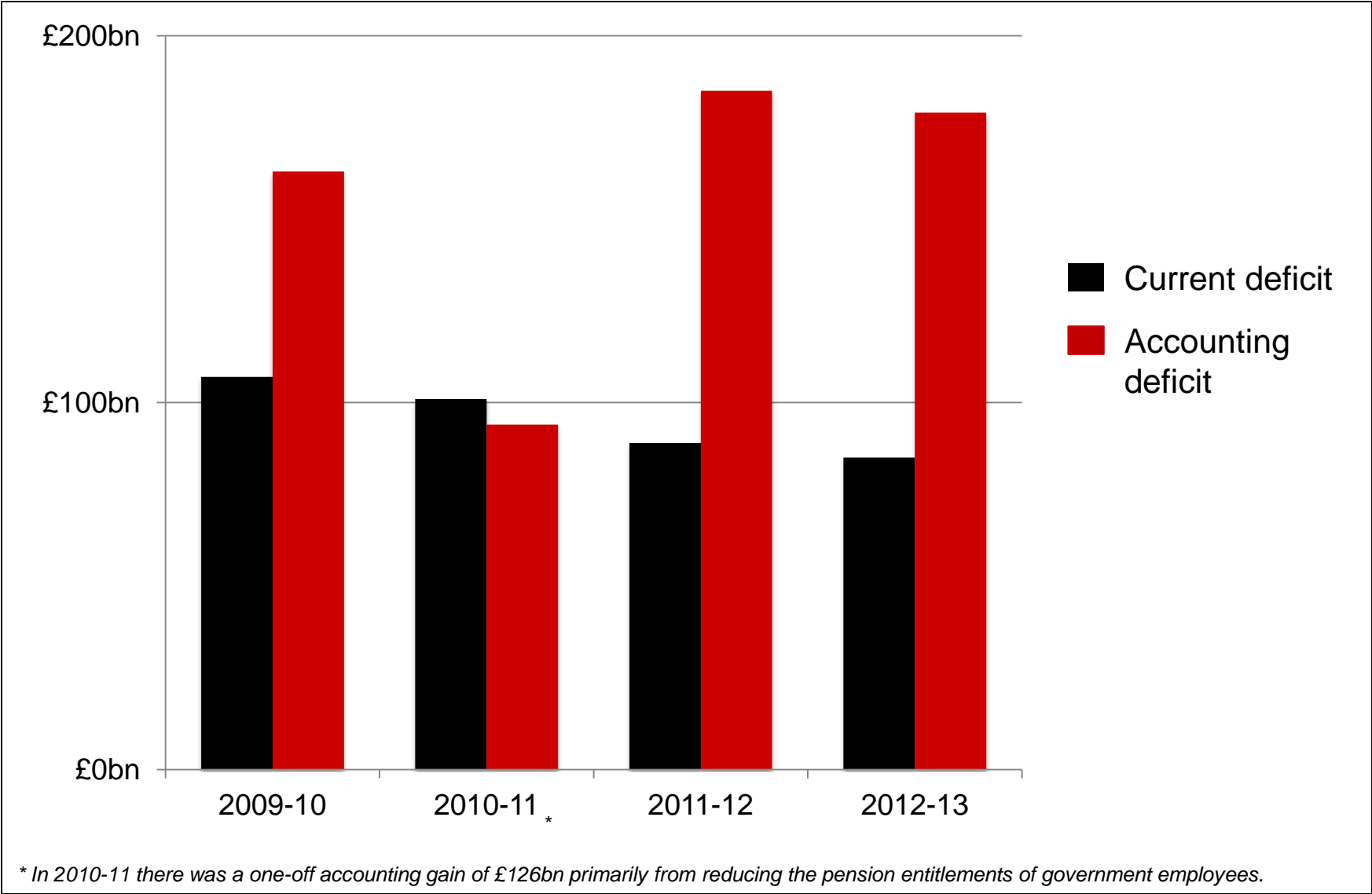




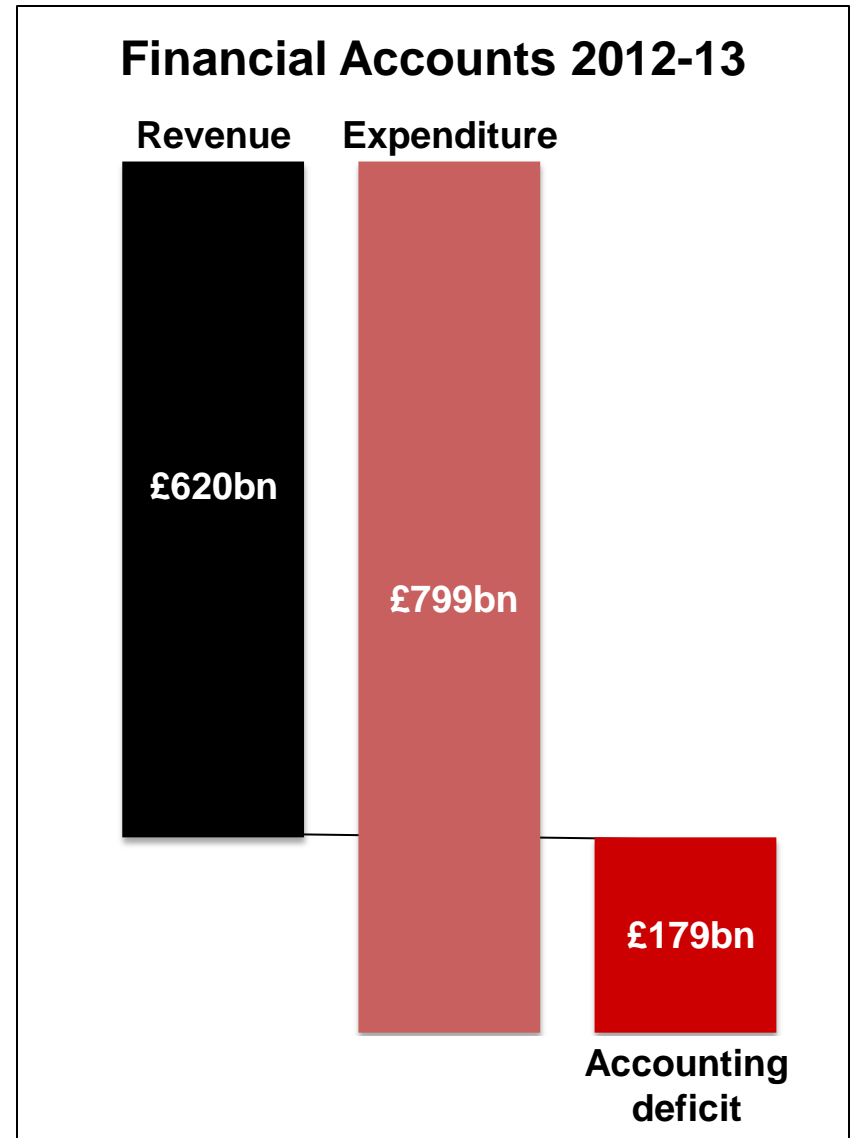
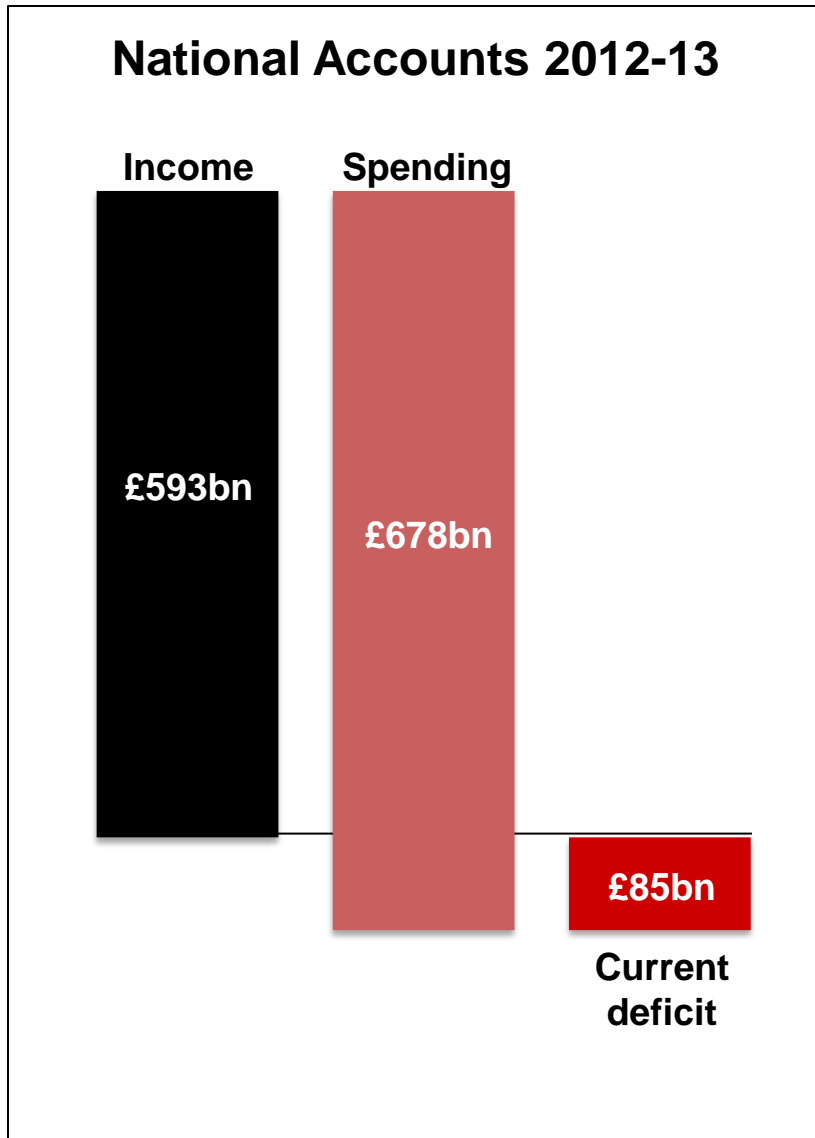
The Government's financial accounts

Robert Hodgkinson, Executive Director, Technical
4 February 2015

Four years from 2009-10 to 2012-13

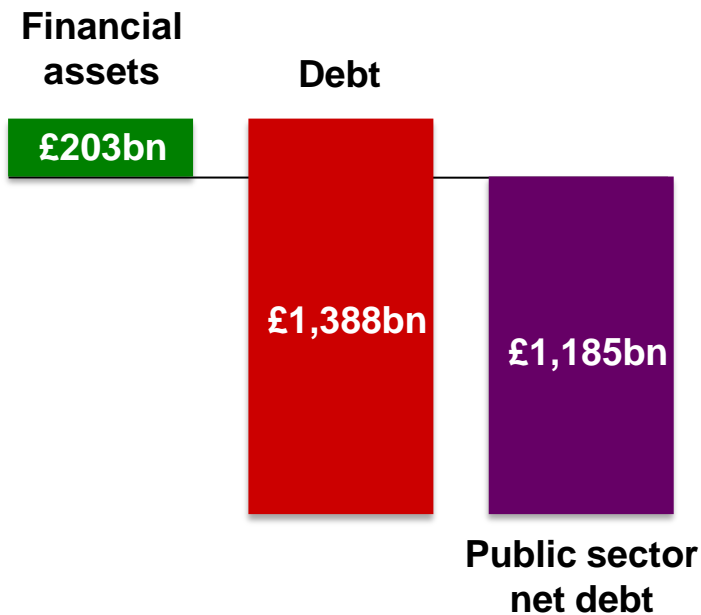


Different deficits

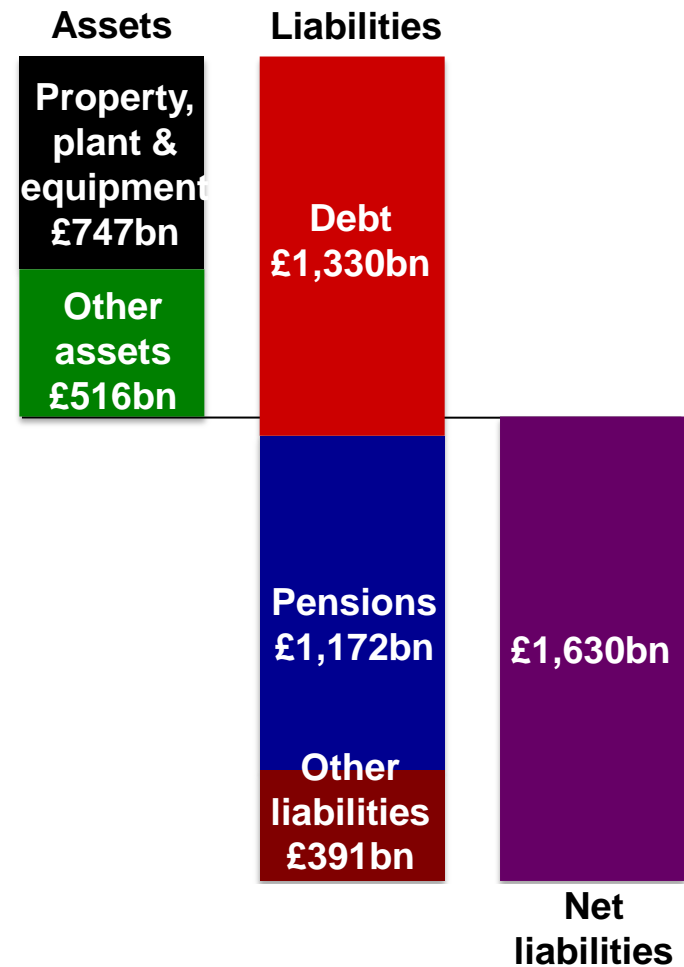


Very different financial positions

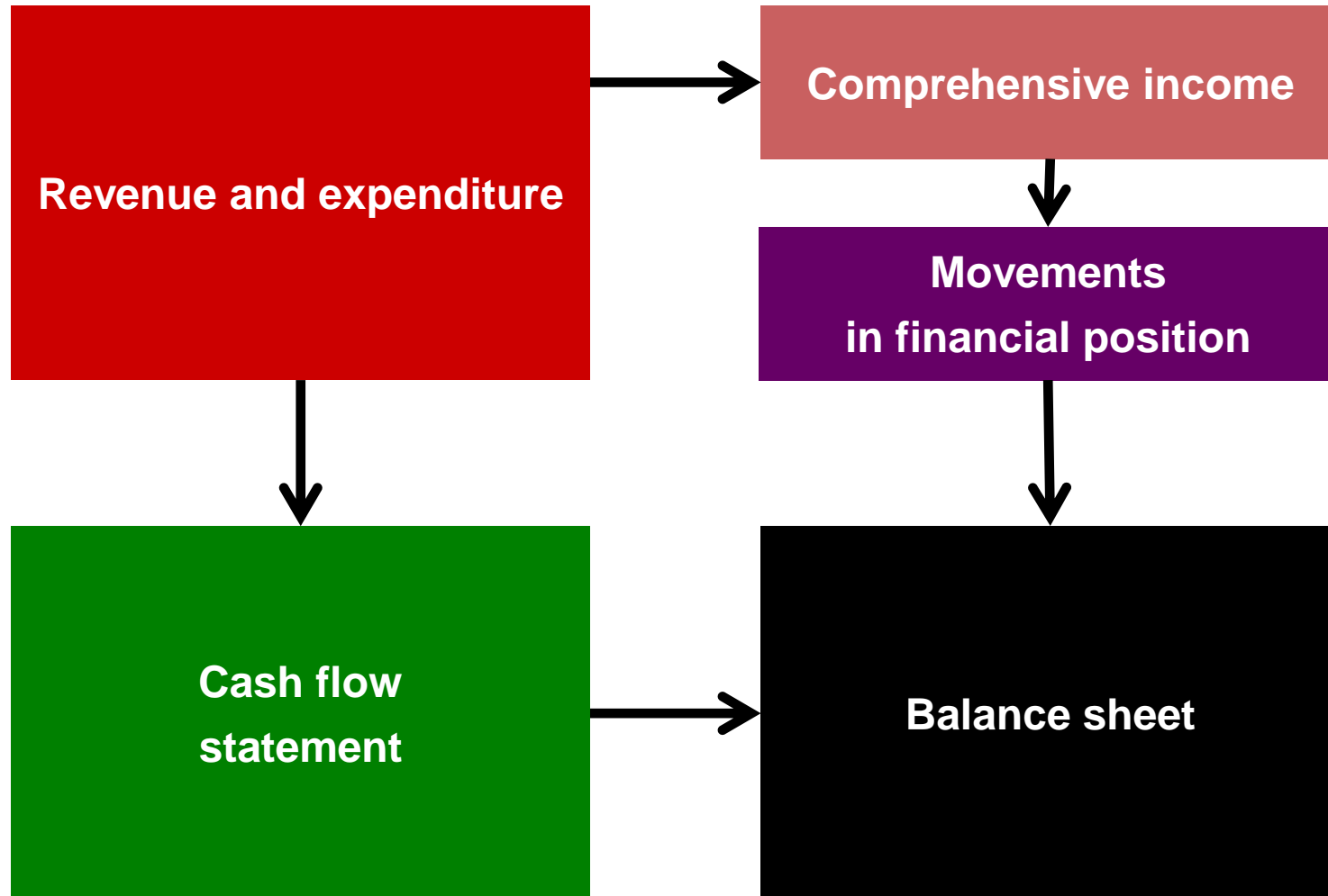
National Accounts 2012-13



Financial Accounts 2012-13



Integrated financial accounts



Benefits of financial accounting

Better financial decisions

- Provide more comprehensive financial information than the public finance numbers in the National Accounts
- Support long-term financial planning by government – for example for public sector pensions and nuclear decommissioning
- Improve financial analysis using techniques developed in the private sector

Better accountability

- Hold the Government to account for the management of its balance sheet as well as for its revenue and expenditure
- Restrict the ability of organisations to use financial engineering to manipulate reported results
- Use the same financial language as millions of people and businesses outside government

Evidence of progress?

Yes

- Producing financial accounts at all levels of government
- Moving towards full compliance with accounting standards
- Starting to build up a track record
- Reporting on Whole of Government Accounts to Public Accounts Committee

But

- WGA for 2012-13 took 15 months to produce with a plan to reduce to 9 months for 2014-15
- Principal financial dialogue within the UK Government remains on a National Accounts basis
- Government does not yet provide briefings on its numbers similar to those given by listed companies
- Very little media or public discussion

Summary

- 2012-13 financial accounting deficit of £179 billion rather than £85 billion
- Benefits of accounting for a wide range of government assets and liabilities
- Opportunity to improve public discussion of government finances



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