

## CIPFA – Better Reporting Group

### Background

One of CIPFA's core aims is to lead the domestic and global debate on good public financial management and governance. Through this work it aims to build trust and deliver excellence in public financial management. CIPFA has a role as a standard-setter in public finance and recognises the need to be a strong advocate for sound public financial management, having a positive influence and impact on practice. CIPFA does this in partnership with the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) which represents Scottish local government financial reporting requirements through its joint operation of the CIPFA/LASAAC Local Authority Accounting Code Board (CIPFA-LASAAC), principally in the development of the Code.

To support this work, CIPFA/LASAAC Local Authority Accounting Code Board (CIPFA/LASAAC) has set a strategic plan and there are areas where it would welcome support from practitioners and users. There are also several areas where technical guidance can be provided to support local authority accounts preparers particularly on improved presentation.

The Better Reporting Group will sit as a permanent working group reporting to CIPFA/LASAAC. It may also undertake other projects outside the remit set by CIPFA/LASAAC at the discretion of its Chair.

### Terms of Reference

The Better Reporting Group is established as a permanent working group with members of stakeholder groups including accounts users that have expressed an interest in local authority accounts presentation and financial reporting standards. The key purpose of Better Reporting Group is to support CIPFA/LASAAC on the improvement of local authority and related wider public sector financial reporting.

The Better Reporting Group's terms of reference are:

- To support the work and delivery of the CIPFA/LASAAC strategic plan in relation to improvements in technical accounting and financial reporting projects, thereby assisting local authorities to present the key messages in local authority financial statements.
- To seek good practice examples and illustrations in the production of local authority financial statements. To identify best practice in financial reporting more broadly, including beyond the local authority arena, and to consider how it may inform the work of the Group.
- To explore with users of financial reports how local authorities may best present the key messages.
- To consider how the accessibility of local authority financial statements may be improved.

- To consider the use of the Code of Practice on Local Authority Accounting in the United Kingdom and whether it serves CIPFA/LASAAC's strategic priorities.
- To provide technical commentary and feedback to support the continued development of the Code of Practice on Local Authority Accounting in the United Kingdom. Where necessary to consider individual projects for improvement though it is noted that any proposals for changes to the Code will be a matter for CIPFA/LASAAC.
- To support practitioners in applying standards in a proportionate manner that benefits users of the accounts by providing technical advice and guidance via CIPFA.

Note:

Publication of the Code requires the approval of both CIPFA (through report to CIPFA's Public Finance and Management Board) and LASAAC. The due process for the development of the Code also requires consideration of the advice of the Government's Financial Reporting Advisory Board.

The preparation maintenance and development of the Code is based on UK adopted International Financial Reporting Standards and International Accounting Standards as adapted for public sector circumstances. In meeting its terms of reference above Better Reporting Group's key aim is to ensure financial reporting in local authority financial statements meets user's needs.

## Composition

The composition of Better Reporting Group is:

- Chair (see section below)
- 8 nominations including appropriate representation from key stakeholders including users and the devolved administrations in Scotland, Wales and Northern Ireland.
- 3 of those nominations should be members from CIPFA/LASAAC.

'Users' for this purpose can include, but is not necessarily limited to, representatives from local government, representatives of a wider public interest, including regulators, and users of financial statements, audit reports or actuarial information.

The Chair of Better Reporting Group should be approved by the CIPFA/LASAAC Board. The Chair may be invited to attend CIPFA/LASAAC meetings as required.

A Vice Chair is elected by nominated members of the Better Reporting Group from amongst themselves.

Better Reporting Group may elect to co-opt independent members as voting members; such co-options to be agreed by Better Reporting Group by a simple majority vote. Staff from the CIPFA Secretariat also attend and provide support to Better Reporting Group.

A quorum for meetings is expected to be five and above, including the chair or appointed deputy (usually the vice chair). Meetings can proceed where the quorum is not met, however decisions will be recommendations only and taken to the next full meeting that meets the quorum.

## Co-Opted Members

Better Reporting Group may co-opt additional members. Unless otherwise determined by Better Reporting Group co-opted members will have the same rights as members for their period of co-option.

Such co-option may be for a variety of reasons including:

- specific short-term purposes, such as project-based work, where the involvement of those with specific skills, knowledge or expertise is appropriate.

Co-options should be made considering whether the co-option:

- Supports the achievement of Better Reporting Group's terms of reference noted above.
- Provides appropriate stakeholder or technical representation that would otherwise be lacking.
- Provides additional knowledge or expertise that is required.
- Maintains an appropriate balance of representation.

Co-opted members are appointed on a personal basis. Substitutes are not permitted.

## Feedback groups

To allow for wider stakeholder engagement, Better Reporting Group may establish feedback groups composed of local authority accounts users. The feedback groups will be formed to gather input and perspectives from local authority accounts users on specific areas of interest. The groups will provide valuable insights to inform the development and improvement of local authority and wider public sector financial reporting. All information shared within the feedback groups will be treated as confidential.

Feedback group members will not be members of the Better Reporting Group.

## Period of Membership

It is anticipated that membership of Better Reporting Group will be flexible and re-selections will be permitted. Better Reporting Group may review a co-opted member's participation at any time and will do so at least annually.

## Member Non-Attendance

Where repeated non-attendance of a member is considered to adversely affect the achievement of Better Reporting Group's objectives, the Chair will discuss the matter with the member.

An appointed stakeholder representative or co-opted member of Better Reporting Group shall vacate office automatically if she/he fails to attend three consecutive meetings without the prior leave of the committee.

## Administration

Better Reporting Group will meet a minimum of five times each year (subject to there being sufficient business to discuss). Meeting dates shall be agreed in advance.

Members will be given not less than 7 days' notice of any emergency meetings of Better Reporting Group.

Members and co-opted members may be expected to undertake research and other tasks between meetings. Specific responsibilities will be determined at meetings and aligned with the project or area under consideration.

The agenda and papers for each meeting will be issued by the secretary, electronically, at least one week prior to the date of the actual meeting.

The security of papers and other information is the responsibility of all members. Better Reporting Group's papers and conclusions should be treated as confidential until they are agreed to be made publicly available, for example through the CIPFA website.

The draft notes and actions of the meeting will be issued to members as soon as possible after the meeting. The draft notes and actions will be formally approved by members via email prior to the following meeting.

The Better Reporting Group may review and update these terms of reference from time to time as it deems necessary. However, the maximum period for a full formal review of these Terms of Reference shall be no longer than three years.

## Better Reporting Group August 2024