

Draft Notes

CL 03 03 22B

Board	CIPFA/LASAAC Local Authority Accounting Code Board
Date	22 nd November 2021
Time	15:00 – 16:00
Venue	Microsoft Teams

Present

Chair	Conrad Hall (Chair)	<i>London Borough of Newham</i>
CIPFA Nominees	Deryck Evans	<i>Audit Wales</i>
	John Farrar	<i>Grant Thornton</i>
	Christine Golding	<i>Essex County Council</i>
	Joseph Holmes	<i>West Berkshire Council</i>
	Lucy Hume	<i>North Norfolk District Council</i>
	Collette Kane	<i>Northern Ireland Audit Office</i>
	JJ Tohill	<i>Mid-Ulster Council</i>
LASAAC Nominees	Nick Bennett	<i>Azets</i>
	Joseph McLachlan	<i>East Ayrshire Council</i>
	Paul O'Brien	<i>Audit Scotland</i>
	Gillian Woolman	<i>Audit Scotland (Vice Chair)</i>
Observers	Jenny Carter	<i>FRC</i>
	Matt Hemsley	<i>MHCLG</i>
	Emma Smith	<i>Welsh Government</i>
	Peter Worth	<i>Chair, former Local Authority Accounting Panel</i>
In attendance	Steven Cain	<i>CIPFA, Secretary</i>
	Richard Lloyd-Bithell	<i>CIPFA, Senior Technical Manager</i>

		Action
14	Apologies	
14.1	Apologies were received from: Alison Scott Liz Thomas Vikki Lewis Karen Sanderson	
15	Declarations of interest	
16.1	No declarations of interest were noted.	
16	Minutes of previous meeting 4 November 2021	
16.1	The draft minutes for the 4 November 2021 meeting (and accompanying corrected papers) were noted but not reviewed at this meeting. CIPFA/LASAAC noted that most of the new action points were on the current meeting agenda. In relation to setting a timeline for the action point on developing an example reframed chapter of the Code, RL-B explained that this will need to be considered in the light of an overarching 'CIPFA Connect' project to change the way in which all content is delivered. CIPFA will keep CIPFA/LASAAC informed on the findings of its research on how best to deliver the Code and other content.	CIPFA Secretariat
17	Feedback from FRAB 18 November 2021	
17.1	The Board noted the briefing paper on CIPFA/LASAAC related matters which was provided to FRAB.	CIPFA Secretariat
17.2	The Board noted FRAB's considerable concern over the state of audit completion (9% at deadline, 23% by mid November, and not expected to be clear by end of 2021).	
17.3	While non CIPFA/LASAAC papers for FRAB cannot generally be made available before agreement of FRAB minutes, Secretariat to investigate whether FRAB meeting <u>agendas</u> can be provided.	
17.4	Reports were provided to FRAB on progress with accounts and audit in the devolved administrations and the central government sector. The delays in these sectors were less problematic than local government in England. CIPFA/LASAAC reflected on the substantial difficulties which continue to be experienced by auditors and preparers, and the effects of delayed opinions on future reporting processes.	
17.5	Some NAO audit opinions for bodies funding Covid grants are accompanied by a number of limitations of scope due to insufficient evidence around fraud levels. Most of these modifications to audit opinion are expected to be cleared before next year as more information becomes available.	
17.6	CIPFA/LASAAC noted the FRAB discussion of IPSAS 42 which reinforced the Code position that no changes to reporting are required.	

		Action
17.7	Further information was provided on the proposal to develop an interpretation of IFRS 9, which was rejected by FRAB at this stage.	CIPFA Secretariat
17.8	CIPFA/LASAAC noted that CIPFA provided a presentation on Sustainability. Copy to be provided to CIPFA/LASAAC. A key takeaway from this was the desirability of assurance on sustainability reporting, a point also reinforced by the Working Group of which the CIPFA/LASAAC chair is a member.	
17.9	CIPFA/LASAAC also noted that the NHS FRAB member raised questions about whether it continues to be appropriate to apply the revaluation basis to public sector assets. The comments made in this discussion have some resonance with CIPFA/LASAAC discussions of materiality.	
17.10	The CIPFA/LASAAC chair also reflected on the FRAB review of its effectiveness, and whether CIPFA/LASAAC should carry out a similar review of its own effectiveness.	
18	ITC responses on PFI PPP Liability – decision on Code treatment	
18.1	CIPFA/LASAAC considered a paper on this and received comments from Secretariat, members of the PFI PPP working group and other Board members.	
18.2	Based on this review, the Board decided not to change the treatment of PFI PPP liability as set out in the ITC.	
19	ITC responses on Capital Financing Requirement Disclosures - Secretariat view of implications for the Code	
19.1	CIPFA/LASAAC considered a paper on this and agreed the line set out <ul style="list-style-type: none"> • The specific amendment in the ITC to be retained • Additional clarifying drafting 	CL Secretariat
19.2	The Chair noted the importance of providing adequate feedback to respondents. Especially where they have provided substantial comments which have not been progressed.	CL Secretariat
19.3	Having regard to this and agenda item 18, the Board directed the Secretariat to produce a full draft of the 2022/23 Code for Board approval prior to sending to FRAB. An out of meeting paper on this to be provided in December 2021.	CL Secretariat
20	Sustainability Reporting – Standing Agenda Item	
20.1	This item was discussed at 17.8 above.	
21	Any other business	
21.1	No matters were raised under AOB.	
22	Dates of future meetings	
22.1	CIPFA/LASAAC noted that dates of CIPFA/LASAAC meetings in 2022 are being determined and will be circulated shortly.	