

Draft Notes

CL 03 06 22B

Board	CIPFA LASAAC Local Authority Accounting Code Board
Date	13 April 2022
Time	11:00 to 12:00
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>
	Collette Kane	<i>Northern Ireland Audit Office</i>
	Paul Mayers	<i>National Audit Office</i>
	JJ Tohill	<i>Mid-Ulster Council</i>
LASAAC Nominees	Nick Bennett	<i>Azets</i>
	Hugh Dunn	<i>City of Edinburgh Council</i>
	Joseph McLachlan	<i>East Ayrshire Council</i>
	Paul O'Brien	<i>Audit Scotland</i>
Co-opted Members	Gillian Woolman	<i>Audit Scotland (Vice Chair)</i>
Observers	Jenny Carter	<i>FRC</i>
	Elanor Davies	<i>Scottish Government</i>
	Vikki Lewis	<i>HM Treasury</i>
	Jeff Glass	<i>Department of Communities (NI)</i>
	Matt Hemsley	<i>DLUHC</i>
	Emma Smith	<i>Welsh Government</i>
	Michael Sunderland	<i>HM Treasury</i>

In attendance	Alan Bermingham	<i>CIPFA Secretariat</i>
	Steven Cain	<i>CIPFA Secretariat</i>
	Sarah Sheen	<i>CIPFA Secretariat Advisor</i>
	Karen Sanderson	<i>CIPFA Director, Public Financial Management</i>
	Richard Lloyd-Bithell	<i>CIPFA, Senior Technical Manager</i>

		Action
1	Apologies	
1.1	Apologies were received from Hugh Dunn explaining that he would need to join the meeting late	
2	Declarations of interest	
2.1	No declarations of interest were noted.	
3	Readout on CIPFA/LASAAC items on FRAB agenda	
3.1	The Board noted that submissions were made to FRAB on - Approval of the 2022/23 Code (text based on IFRS 16) - IFRS 16 Leases deferral - Infrastructure Assets	CL Secretariat
3.2	Some drafting improvements to the 2022/23 Code were provided by a FRAB member which will in due course be incorporated into the draft. A concern was raised by one FRAB member over the new wording around Social Benefits. This was not pursued during the FRAB meeting. <i>(Subsequent to the FRAB meeting the Secretariat met with the FRAB member, noting that the intention of the new wording was to align with the central government treatment. The FRAB member noted that changes had been requested to the FReM wording on Social Benefits. The Secretariat agreed to consider any changes made to the FReM to see if consequential changes to the Code would be appropriate.)</i>	CL Secretariat CL Secretariat
3.3	The Board noted the FRAB discussion of IFRS 16 <i>Leases</i> deferral. With a small majority, the FRAB chair provided advice; that advice was communicated to the Board between meetings giving rise to an amended approach to deferral which allowed 'early adoption'	
3.4	Hugh Dunn provided a readout of LASAAC's discussion which, notwithstanding that Board's earlier position approved the revised approach to IFRS 16. That meeting <ul style="list-style-type: none"> Discussed LASAAC's preference for inclusion of IFRS 16 material in the main text of the Code, but noted that they were satisfied with Secretariat's explanation as to why this might be required Was clear that adoption in advance of mandatory implementation in the Code was not 'early' adoption 	

		Action
3.5	<ul style="list-style-type: none"> Supported FRAB's advice that adoption should be encouraged but that encouragement needed to be done sensitively without putting pressure on authorities to adopt <p>Mike Sunderland noted that there would be WGA implications from IFRS 16 deferral, while also noting that substantial issues also arise from late completion of audits.</p>	
4	Readout on other items on FRAB agenda	
4.1	The Board noted that in English health sector, legislation has not yet been passed to create integrated care boards; it is anticipated that this will be passed on about 1 July, which will necessitate part year accounts for relevant bodies, and will have implications for local audit.	CL Secretariat
4.2	<p>The Board noted that the FRAB item on the government response to audit delays mainly repeated measures announced in December. That can be found at https://www.gov.uk/guidance/measures-to-improve-local-audit-delays. Progress since then has been slower than anticipated because the audit policy team have been working on issues in relation to Ukraine.</p> <p>The significant difference in remuneration rates in England and Scotland was noted by the Board. The Secretariat also noted potential issues around the introduction of the revised ISA 315 and that it might be beneficial to share experiences on the existing ISA 315.</p>	
4.3	Michael Sunderland explained that it was making progress with the Thematic Review. Although slightly delayed, Treasury still hoped to obtain preliminary findings which will be shared at the June FRAB meeting, while providing a completed report to the November FRAB meeting.	
4.4	Michael Sunderland also provided further explanation on changes to audit thresholds for WGA which will reduce the level of work required. Karen Sanderson noted that the timetable for WGA is likely to be challenging for many local authorities.	
4.5	<p>The Best Practice Report referred to at FRAB has been linked to from the CIPFA LASAAC webpage. Vikki Lewis provided a link to the latest report (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1066956/Best_Practice_Report_2020-2021.pdf).</p> <p>The CIPFA/LASAAC webpages will be updated to link to the most recent report.</p>	
4.6	Karen Sanderson explained that FRAB's Sustainability working group had its second meeting. Having spent some time determining which matters it will focus on, the group has determined that it will provide guidance on the effect of climate on assets and liabilities	
4.7	The Board noted that the governments response to the BEIS consultation had not yet been issued but was expected soon. Matters of interest for the public sector are	

		Action
	<ul style="list-style-type: none"> • Whether any changed definition of Public Interest Entities (PIEs) would be reflected in increased (or decreased) numbers of PIEs in the public sector • whether changed requirements for PIEs will be mirrored more widely in the public sector (that is, in public sector entities which are not PIEs) 	
5	Next steps on IFRS 16 deferral (including readout from LASAAC)	
5.1	This paper was not formally discussed except to the extent that it was covered under Agenda Item 3	
6	Progress and next steps on Infrastructure Assets	
6.1	This item was noted but not discussed.	
7	Any other business	
7.1	The Chair asked the Board to reflect on how future meetings will be progressed and the balance of online and face to face meetings.	