

Draft Notes

CL 03 11 23B

Board	CIPFA/LASAAC Local Authority Accounting Code Board
Date	6 July 2023
Time	14:00-15:00
Venue	Microsoft Teams

Present	CHECK	
Chair	Conrad Hall (Chair)	<i>LB Newham</i>
CIPFA Nominees	John Farrar	<i>Grant Thornton</i>
	Mark Green	<i>Maidstone BC</i>
	Paul Mayers	<i>National Audit Office</i>
	Daniel Omisore	<i>LB Camden</i>
	Alison Scott	<i>Three Rivers DC and Watford BC</i>
	Liz Thomas	<i>Flintshire County Council</i>
	JJ Tohill	<i>Mid Ulster DC</i>
LASAAC Nominees	Nick Bennett	<i>Azets</i>

Observers	Jenny Carter	<i>FRC</i>
	Sudesh Chander	<i>HM Treasury</i>
	Elanor Davies	<i>Scottish Government</i>
	Jeff Glass	<i>Department for Communities (NI)</i>
	Emma Smith	<i>Welsh Government</i>
In attendance	Iain Murray	<i>CIPFA, Director of Public Financial Management</i>
	Alan Bermingham	<i>CIPFA, Secretariat</i>
	Steven Cain	<i>CIPFA, Secretariat</i>
	Sarah Sheen	<i>CIPFA, Secretariat Advisor</i>

		Action
1	Welcome, introductions, comments and apologies for absence.	
	Apologies were received from CIPFA LASAAC members Jake Bacchus, Gary Devlin, Christine Golding, Joseph Holmes, Colette Kane, Joe McLaughlin and Alison Scott. Apologies were also received from	
2	Declarations of interest	
2.1	No declarations of interest were noted.	
3	Note on past member	
3.1	The Board noted with sadness the passing of Tim Day, a long time member of CIPFA LASAAC and Chair of the Local Authority Accounting Panel. A sad loss to the local authority finance community. SS and CH noted both his supportive qualities and his capacity to quickly address key issues.	
	Item for review and discussion	
4	CIPFA LASAAC / LG items at FRAB	
4.1	SS provided a readout of the LG presentations to the FRAB meeting, which reflected on <ul style="list-style-type: none"> • Difficulties in some local authorities such as Woking • the PAC report • DLUHC hearing attended by CL and FRAB Chairs and CIPFA CEO • the general local government environment • FRAB were very supportive of the ITC. • FRAB noted the clear message that IFRS 16 will be implemented 	

		Action
4.2	<p>FRAB raised the issue of going concern reporting, noting the difference between being a going concern and using the going concern basis of reporting.</p> <p>CH was unsure that FRAB were content with the articulation of the position in the Code. FRAB wanted CL to consider whether the Code did enough to give enough emphasis to disclosures which might be required to be clear about significant funding problems, while still reporting on a going concern basis.</p> <p>CH suggested that CIPFA LASAAC needed to reflect on this and determine its position. Even if that may be that the Code should stick to the statutory position, while expecting local authorities in difficult circumstances to report on threats to or lack of financial resilience in the narrative report.</p> <p>JJT noted the desirability of having parameters under which difficult reporting on fiscal challenges should be carried out, but also noted the likely resistance to such requirements in the current environment, especially in Northern Ireland, due to political fallout.</p> <p>IM noted a FRAB members concern that the Code is not sufficiently clear on disclosure of material uncertainties.</p> <p>SC noted that quite a wide range of views were expressed, and that this issue was seen as more urgent due to delays</p> <p>SS noted that CIPFA LASAAC has reviewed this before, and suggested that the Board should not challenge the going concern basis or the IAS 1 disclosures. The focus should be on disclosure of financial resilience in the narrative report, included in the proposals for performance reporting.</p> <p>NB suggested that there might be merit in including in the accounting code some of the matters required to be considered by auditors under their codes of practice. FRAB might also not be aware of the specific auditor responsibilities.</p> <p>DO strongly echoed SS view that the going concern is appropriate and the reporting approach should be to comment on financial resilience in the narrative report.</p> <p>CH noted that this is however a matter that the Board will need to consider in its work plan in order that it can report back to the FRAB.</p>	Going concern issue needs to be in CIPFA LASAAC work plan.
5	Amendments to the Code consultation for approval	
5.1	SS noted that the ITC drafting for the IAS 1 amendment had been refined following comments by a FRAB member. Also that having regard to IPSAS matters, the Secretariat will review whether the definition of social benefits in the Code is consistent with the FReM	Secretariat to review before Code finalisation November 2023.
5.2	The Chair directed members to provide their approval (or not) for the revised ITC by close on 7 July. It was noted that the ITC will not be issued until after the special meeting on 17 July in case further amendments need to be made.	Board members by 7 July 2023
6	Readout of other FRAB papers and discussions	
6.1	SS provided a readout of the other FRAB papers and discussions, noting issues raised in the devolved administration around infrastructure.	

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6.2	SS and JF noted in passing that there had been some progress in certifying accounts aided by the Code provisions on infrastructure assets)	
6.3	SCh from HM Treasury provided information on IFRS 17 guidance In relation to FRAB information on new standards, FRED 82 and FRED 83 will be relevant for local authority companies. The main proposals are reporting for revenue and leases that are more analogous to IFRS 15 and IFRS 16.	
7	AOB	
7.1	It was noted that Mark Green and Daniel Omisore's membership of CIPFA LASAAC has been ratified by PFMB and they are now full voting members.	