

Report

To: CIPFA LASAAC

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Date: 06 November 2024

Subject: Better Reporting Group update

Purpose

The purpose of this report is to provide an update on the Better Reporting Group to CIPFA LASAAC.

1. Introduction

1.1 It's widely acknowledged that longer term work is required to address the systemic challenges that have led to the current local audit backlog. The Better Reporting Group (BRG) was re-launched earlier this year to focus on longer term reforms to financial reporting based on the needs of accounts users. Following various iterations, the updated terms of reference for the BRG have now been approved by the Board in September 2024 to achieve this.

2. Better Reporting Group meetings since June

2.1 Since the main board meeting in June there have been two BRG meetings held on:

- 18 July 2024
- 24 September 2024

The papers for these meetings have been included at Annex A and Annex B to this report.

2.2 Before the group continues with deeper dives into more technical areas, their latest discussions have focussed on setting the foundations for this work, such as:

- Identifying who the users of local government accounts are and their needs;
- Discussing the overall mission and purpose of the BRG;
- Identifying and prioritising future BRG projects and topic areas.

3. Local Authority Accounting Conference

3.1 More recently there was an interactive session covering the BRG and longer-term reforms at the Local Authority Conference Webinar on 16 October, with the slides included at Annex C.

3.2 The conference was well attended with approximately 100 attendees from across the sector and included questions on users of the accounts, prioritising projects and invited attendees to express their interest in getting involved. Responses to the questions have been included at Annex D.

4. Local Audit Liaison Committee

4.1 System partners understandably have a keen interest in the work of the Better Reporting Group and its outcomes. At the Local Audit Liaison Committee on 17 October there were agreed actions for CIPFA which have been included at Annex A of this report, alongside the current position.

5. Next steps

5.1 Following earlier meetings and the local authority accounting conference webinar, the next steps are to agree the first projects to start in the New Year. These projects are likely to include:

- Statutory adjustments
- Pensions reporting

5.2 Work is also underway on building a specific webpage for the Better Reporting Group on the CIPFA website to provide a landing point for stakeholders to see the latest developments and how they can get involved.

Recommendations

CIPFA LASAAC is asked to note the Better Reporting Group update and make any comments it sees fit.

Annex A – Actions in relation to the Better Reporting Group from 17 October Local Audit Liaison Committee.

CIPFA to confirm to LALC members how it will get a diverse range of contributions to its Better Reporting Group focusing on long term reform to the financial reporting framework; which:

Action	Current position
Allows key representatives of system partners on LALC to contribute ideas and test concepts.	CIPFA plan to have meetings with system partners following meetings of the Better Reporting Group to inform them of progress and provide an opportunity for them to contribute ideas and request concepts to be tested by the group.
Leverages the knowledge, expertise, capacity and buy-in from the Local Government and Police Treasurer societies.	Some societies have previously been approached when setting up the Better Reporting Group. However, the Better Reporting Group Secretariat will make further approaches for volunteers from Local Government and Police Treasurer societies.
Draws on learning from reforms to corporate reporting (via the FRC's Regulatory Standards and Corporate Reporting Review functions).	The Better Reporting Group Secretariat will need to consider this point in more detail and determine the most suitable way forwards.
Captures views on an ongoing basis of experienced finance professionals and policy makers to make sure that any reforms meet the public interest test, are understandable and viewed as pragmatic and proportionate.	As noted above, the Better Reporting Group will recruit volunteers through societies and through wider recruitment initiatives using CIPFA's various communication channels. Additionally, regular meetings with system partners as set out above would facilitate policy makers involvement.
Confirms as soon as practicable its key priorities/ big ticket items and a realistic aim for implementation – for example whether it is for 25/26 or 26/27 Code. Identify areas that could be implemented for 25/26 to “signal” to sector that change is happening.	The focus has been on identifying projects to start in 2025. Once projects have been determined, estimated timescales will follow.
CIPFA will determine and set out to LALC members where it requires specific support from system partners to enable this to be put in place as soon as practicable	This will be considered at the planning stage for each project but is likely to be dynamic as each project progresses. For some it will be more straightforward than others to determine early on where specific support will be required from system partners. For example, statutory adjustments are likely to require specific support.