

Draft Notes

CL 03 03 25C

Board	CIPFA LASAAC Local Authority Accounting Code Board
Date	17 January 2025
Time	12:30-13:30
Venue	Microsoft Teams

Members	Conrad Hall (Chair)	<i>London Borough of Newham</i>
CIPFA Nominees	Sarah Edwards	<i>Pembrokeshire County Council</i>
	John Farrar	<i>Grant Thornton</i>
	Christine Golding	<i>Essex County Council</i>
	Mark Green	<i>Maidstone Borough Council</i>
	Collette Kane	<i>Northern Ireland Audit Office</i>
	Paul Mayers	<i>National Audit Office</i>
	Daniel Omisore	<i>London Borough of Camden</i>
	Alison Scott	<i>Three Rivers DC and Watford BC</i>
LASAAC Nominees	Gary Devlin	<i>Azets</i>
	Joseph McLachlan	<i>East Ayrshire Council</i>
	Paul O'Brien	<i>Audit Scotland</i>
Observers	Michael Brook	<i>MHCLG</i>
	Jenny Carter	<i>FRC</i>
	Elanor Davies	<i>Scottish Government</i>
	Andrew Evans	<i>HM Treasury</i>
	Ben Robertson	<i>MHCLG</i>
	Emma Smith	<i>Welsh Government</i>

In attendance	Iain Murray	<i>CIPFA</i>
	Alan Bermingham	<i>CIPFA</i>
	David Lyford-Tilley	<i>CIPFA</i>
	Hazel Watton	<i>CIPFA</i>

The Code of Conduct requires members to be honest and open with regard to conflicts of interest (either real or perceived). Members must not use their position for personal gain in either business, political or social relationships. Therefore, a member who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.

	Agenda item	Action Point
1	Welcome, introductions, and apologies for absence.	
	Apologies were received from: Kate Havard Jeff Glass Kevin Pertaub Mohammed Sajid	
2	Declarations of interest.	
	There were no declarations of interest except to the extent that all members have an interest in the preparation and audit of local authority accounts.	
3	Consultation on local audit reform	
	<p>The Secretariat introduced the agenda item noting the broad proposals in the consultation are to establish the Local Audit Office as a system leader, assigning auditors and setting the audit code. There are also proposals regarding the financial reporting process, including responsibility for setting the accounting Code.</p> <p>The Board discussed the consultation on local audit reform, a summary of points raised during the discussion were:</p> <ul style="list-style-type: none"> • The Board noted central government have determined IFRS as the basis for public sector accounting which therefore forms the basis for the Code. Transferring responsibility for the accounting Code wouldn't be addressing this constraint. • The Board raised statutory overrides as another issue in local authority financial reporting such as the DSG and pooled investment fund overrides. 	

	Agenda item	Action Point
	<ul style="list-style-type: none"> • The Board expressed concerns regarding a single body having responsibility for financial reporting and audit. • The Board had concerns regarding difficulties maintaining a UK wide accounting Code if responsibility was transferred to the LAO. • The Board discussed to what extent the local audit backlogs in England are driven by accounting and audit issues. There are not the same issues in the devolved administrations which would suggest it is not an accounting issue. Although some are slightly behind due to outstanding asset valuation issues. • The Board acknowledged the impact the local audit backlogs in England are having on the WGA, alongside other qualifications to the WGA across central government. • The Board acknowledged there is also an opportunity to look at what they can improve, and this begins with the upcoming effectiveness review. • The Board noted capacity of local authorities is also an issue and resource intensive activities such as transactional testing during the audit are the most time-consuming elements, not compliance with the Code. • The Board expressed concerns on how transferring responsibility for the Local Authority Accounting Code would impact the other codes and guidance CIPFA produce. Currently local authorities have access to a rich source of support and knowledge because of this interconnectivity. • The Board also noted that there is momentum with CIPFA LASAAC and the BRG which would be lost if responsibilities were subsequently transferred to the LAO. The Board were keen to keep making progress ahead of creation of the new LAO. • The Secretariat noted the CIPFA response is addressing all questions in the consultation and the Board agreed to focus their response on the financial reporting elements of the consultation. • The Secretariat will share CIPFA's draft response to the consultation with the Board for comments. Options for the Board's response to the consultation include endorsing the CIPFA response or depending on comments received, possibly having a separate submission. The Secretariat will agree the submission with the Chair. 	<p>The Secretariat to share draft response with the Board for comments and agree submission with the Chair.</p>

	Agenda item	Action Point
4	Any Other Business	
	None.	
5	<p>Dates of next Board meetings:</p> <ul style="list-style-type: none"> • 28 January 2025 (Single Issue Meeting) • 5 March 2025 • 4 June 2025 • 5 November 2025 (face to face) <p>Board members are requested to check that they have received Outlook schedulers for the meetings which have been scheduled</p>	