

Notes

CL 03 04 24D

Board	CIPFA LASAAC Local Authority Accounting Code Board
Date	27 March 2024
Time	14:30-16:00
Venue	Microsoft Teams

Members	Conrad Hall (Chair)	<i>London Borough of Newham</i>
CIPFA Nominees	John Farrar	<i>Grant Thornton</i>
	Christine Golding	<i>Essex County Council</i>
	Mark Green	<i>Maidstone Borough Council</i>
	Kate Havard	<i>Audit Wales</i>
	Paul Mayers	<i>National Audit Office</i>
	Alison Scott	<i>Three Rivers DC and Watford BC</i>
	JJ Tohill	<i>Mid-Ulster Council</i>
LASAAC Nominees	Nick Bennett	<i>Azets</i>
	Gary Devlin	<i>Azets (Vice Chair)</i>
	Paul O'Brien	<i>Audit Scotland</i>
LASAAC Reserve	Ian Lorimer	<i>Angus Council</i>
Observers	Louise Armstrong	<i>HM Treasury</i>
	Elanor Davies	<i>Scottish Government</i>
	Charlotte Goodrich	<i>HM Treasury</i>
	Matt Hemsley	<i>DLUHC</i>
	Emma Smith	<i>Welsh Government</i>

	Agenda item	Action
1	<p>Welcome, introductions, and apologies for absence.</p> <p>Apologies have been received from:</p> <p><u>Board members</u></p> <ul style="list-style-type: none"> • Joe McLachlan • Joseph Holmes • Colette Kane • Daniel Omisore <p><u>Observers</u></p> <ul style="list-style-type: none"> • Mohammed Sajid • Jeff Glass • Jenny Carter 	
2	<p>Declarations of interest.</p> <p>None.</p>	
	Items for decision or review	
3	CIPFA LASAAC / LG items at FRAB	
3.1	The most recent CIPFA LASAAC business had been taken to FRAB outside of the normal meetings and therefore the FRAB agenda didn't contain much by way of local government items.	
3.2	The Board noted that FRAB discussed the current financial reporting and audit issues being experienced in England. FRAB are still focussed on high quality financial reporting but are understanding of the current situation in local authority financial reporting and audit. However, a concern was raised that FRAB's discussions have been primarily focussed on how preparers have been contributing to the audit backlogs and there has been less attention given to auditors.	
3.3	CG noted her disagreement with FRAB's views on this and other members of the board shared concerns about how future relationships between preparers and auditors will develop. On the final point IM noted that a key issue is that there may be insufficient trust between many authorities and their auditor at the moment.	
3.4	Communications by the board were discussed and it was acknowledged that a post consultation communication plan will be required.	The secretariat to devise a post consultation communication plan.

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4	Readout of other FRAB papers and discussions	
4.1	The Board noted that there had been minimal changes to the GAM.	Secretariat, Chair to set time in future agenda's to discuss sustainability reporting.
4.2	The Board noted that there were two key agenda items most relevant to the work of CIPFA LASAAC. TCFD climate change disclosures and the output from the HMT Thematic review.	
4.3	TCFD work has progressed significantly and it's clear that there will be a standard set of expectations for government bodies. It was noted by the Board that the work done so far will be incredibly helpful for implementation in local government, including adopting a staged approach to implementation.	
4.4	<p>There were some key takeaways from the update on TCFD, which were:</p> <ul style="list-style-type: none"> • What could be standardised and what would require local decisions. • Treasury were looking at either implementing this in 24/25 or 25/26. This timescale would prove challenging for CIPFA LASAAC. • There has been application guidance issued on TCFD and in England it is being done in 3 stages starting from 23/24 and building up to full disclosure in 25/26. However, the Scottish government are likely to be a year behind the first year of implementation and Wales are slightly ahead. • FRAB's role in local authority sustainability reporting needs to be considered as part of the longer-term discussion on the CIPFA LASAAC terms of reference. • There are also thresholds in the private sector when sustainability reporting is mandated and it's likely there would be something similar when implementing sustainability reporting in Local Authorities. • It was agreed that there is a need to start setting more Board time to cover TCFD. 	
4.5	The Board noted that discussions on the HMT Thematic review highlighted a common theme in standard setting, which is the difficulty of how much you would want to prescribe for the accounts to resolve challenges from auditors regarding estimates.	
4.6	HM Treasury are considering commissioning work by the VOA as guidance on what indices could be used rather than prescribing this in the FReM. The NAO do something similar in providing guidance for auditors.	

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4.7	This links to the CIPFA LASAAC consultation looking at indexation. However, it might not move as quickly as needed and system partners might need to do something a bit sooner.	
5	Update on the Code consultation	
5.1	CH discussed the process for the consultation and was hopeful that around the end of April, the Board will be able to confirm the position for the sector.	
5.2	If any Code amendments are made, the Board noted that it will be important to gather feedback on if they are working such as through the NAO and PSAA. The Board noted that it would be useful to understand at the June meeting where the sector is at.	
5.3	Just over 50 responses to the consultation had been received so far and the Board were provided with a brief overview of some themes coming out of the consultation so far.	
6	Any Other Business	
6.1	MG suggested the Board progress the effectiveness review at the April meeting and have sight of the BRG terms of reference.	Secretariat to extend the April meeting and include the effectiveness review on the agenda and supply the board with the BRG terms of reference.