



HM Treasury

Financial Reporting Advisory Board Paper

Minutes of the 143rd FRAB meeting and matters arising

Issue:	For information – minutes of the last 143 rd meeting held on 25 th March 2021 and matters arising.
Impact on guidance:	N/A
IAS/IFRS adaptation?	N/A
IPSAS compliant?	N/A
Interpretation for the public-sector context?	N/A
Alignment with National Accounts	N/A
Impact on budgets/estimates?	N/A
Recommendation:	The Board has already provided comments on the minutes of the 143 rd meeting by email but to note the matters arising
Timing:	N/A

Detail

1. To note the minutes of the 143rd FRAB meeting which were circulated, and comments received by email after the meeting (Annex A)
2. Matters arising are noted below:

Matters arising

Paragraph	Issue	Action
2	HMT to update the November minutes, as some attendees were missed	The minutes were updated.
3	Request for the FRC to provide an update on the establishment of the UK Endorsement Board	See agenda item FRAB 144 (12)
6	Board requested sight of the PES paper in relation to discount rates available on OneFinance	Relevant members were provided access to paper.

23	Health sector colleagues to issue an out of meeting paper setting out additional technical analysis on PPE, vaccines, testing kits and ventilators	Done. Paper circulated to members on 29 th March.
28	Health sector colleagues to bring a paper on accounting issues coming out of the white paper	Ongoing. Expected at the next November or March meeting.
31	CIPFA/LASAAC colleagues to share an out of meeting paper on housing concessions for the 2021-22 and 2022-23 code	Done. Paper circulated to members on 19 th April.
49 & 51	HMT to bring a paper on sustainability reporting with a drafted copy of the terms of reference for the proposed sustainability working group	See agenda item 13 – FRAB 144 (13)
60	Board raised the need for HMT to explore the objectives of discounts rates (IFRS 17)	Ongoing. Will return to FRAB in November 2021 with update.
69	HMT to circulate an updated grantor accounting paper, following comments from members	Done. Paper circulated on 15 th April and final version circulated on 10 th May.
79	HMT to distribute an updated version of the strategy and action plan, following comments from members	See agenda item FRAB 144 (15)
84	The Chair and Secretariat to discuss how the meetings should be structured moving forward	Ongoing. A differently structured meeting planned for November.
87	Board induction pack to be updated with members invited to submit role profiles	Board pack updated – see agenda item FRAB 144 (15)

Annex A

Financial Reporting Advisory Board Meeting March 2021: Minutes

Location: Virtual

Time: 12:00pm – 04:30pm

Attendees:

Lynn Pamment (Chair)	Ian Ratcliffe	Larry Honeysett	Chris Wilcox (HMT)
Aileen Wright	Ian Webber	Michael Metcalf	Libby Cella (HMT)
Andrea Pryde	James Osborne	Michael Sunderland	Max Greenwood (HMT)
Bob Richards	Jenny Carter	Pam Beadman	Sally King (HMT)
Conrad Hall	Jen Nichols	Richard Barker	Sudesh Chander (HMT)
Fiona Kordiak	Joseph McLachlan	Stuart Stevenson	Vikki Lewis (Secretariat, HMT)
Gareth Caller	Karen Sanderson	Suzanne Walsh	
Gawain Evans	Karl Havers	Sarah Sheen (CIPFA)	
Iain King	Kathryn Allen	Steven Cain (CIPFA)	

Notes and apologies:

Andy Brittain – Jen Nichols deputising on his behalf
Craig Mackinlay – Unable to attend

Agenda:

	Item	Presented by	Time	Paper
1.	Welcome, minutes and matters arising	Chair	12:00	FRAB 143 (01)
2.	Update on the 2020-21 ARAs reporting cycle	Max Greenwood	12:10	FRAB 143 (02)
3.	NAO update on the 2020-21 audit cycle and key issues arising	James Osborne	12:30	FRAB 143 (03)
4.	DHSC Accounting Manual 2020-21 post consultation version, 2021-22 GAM & health sector update	Jen Nichols & Ian Ratcliff	12:50	FRAB 143 (04)
5.	2021-22 CIPFA/LASAAC Code, consultation on housing & local government update	Sarah Sheen & Karen Sanderson	13:15	FRAB 143 (05)
6.	CIPFA/LASAAC Chair's update	Conrad Hall	13:45	Verbal update
7.	Climate change reporting	Richard Barker	14:00	FRAB 143 (07)
	BREAK		14:20	
8.	IFRS 17 implementation update	Sudesh Chander	14:30	FRAB 143 (08)

9.	Grantor accounting	Sudesh Chander	14:50	FRAB 143 (09)
10.	2019-20 Best practice report	Libby Cella	15:10	FRAB 143 (10)
11.	IFRS Narrow scope amendments	Chris Willcox	15:25	FRAB 143 (11)
12.	FRAB strategy and action plan	Chair	15:35	FRAB 143 (12)
13.	FRAB forward agenda	Vikki Lewis	16:00	FRAB 143 (13)
14.	FRAB Board members' induction pack	Vikki Lewis	16:10	FRAB 143 (14)
15.	AOB	Chair	16: 20	
	<i>Papers to note only:</i>			
16.	IFRS Interpretations Committee – summary of announcements			FRAB 143 (16)
17.	User Preparer Advisory Group – summary of last meeting			FRAB 143 (17)
18.	Relevant Authority Working Group - summary of last meeting			FRAB 143 (18)

Agenda Item 1: Welcome, minutes and matters arising

1. The Chair welcomed members to the 143rd FRAB meeting and welcomed Suzanne Walsh as the representative from the Northern Ireland Audit Office, who will be joining the Board in June. The Board received a paper from HM Treasury prior to the meeting, including the minutes from the last meeting and the matters arising.
2. The Board approved the previous meeting's minutes and the matters arising. One small clarification was made in order to reflect all attendees at the previous meeting. HM Treasury apologised for the oversight and agreed to update the minutes accordingly.
3. The Chair highlighted that the UK Endorsement Board is now in effect and asked if an update on the matter could be provided by the FRC at the next meeting.

Agenda Item 2: Update on the 2020-21 ARAs reporting cycle

4. HM Treasury provided a short overview of the paper, which analysed the results from the Resource Accounts Special Interest Group (RASIG) network survey. This included a disparity between some departments wanting to lay pre-recess, while others require additional time due to COVID-19 reporting pressures. HM Treasury highlighted that extending the reporting flexibility shown in 2019-20 to 2020-21 supports the conclusions drawn from the survey results. It was confirmed that the COVID-19 strategic review will be published on GOV.UK in the coming weeks.
5. The Board questioned the likely timing for the publication of the 2019-20 WGA. HM Treasury advised that publication in the autumn has been agreed with PAC in a meeting with members of the Committee. As there are still issues with local government data, a tight window in September due to recess and continuing discussions with the NAO, an autumn deadline is the most realistic timeframe for the publication.

6. The Board expressed interest in being given sight of the PES papers published on OneFinance in relation to the guidance on discount rates and it was agreed that a copy would be shared with members.
7. The Board appreciated the creation of the paper presented and agreed that it effectively presented the course of action.
8. The Chair shared her observation to the Board that she had expected 2020-21 to be an easier process for accounts production and was surprised at the number of departments planning to lay post-recess. The Chair encouraged departments to recover their position of returning to laying annual reports and accounts by the administrative deadline before the summer recess as soon as possible.
9. Some preparer members of the Board expressed an ambition to do so, however, raised the degree of inter-dependency on other issues as a result of the pandemic such as increased risk due to the volume of new processes and schemes implemented. The continued impact of lockdown and remote working has resulted in departments position to lay being practically unchanged from last year.
10. The Board had a mutual agreement that both 2020-21 and 2021-22 will act as a transition period to return to a pre-recess timetable. The Board acknowledged additional dependencies to the process including the audit limitations on physically verifying asset valuations and attending site visits.

Agenda Item 3: NAO update on the 2020-21 audit cycle and key issues arising

11. The NAO briefly talked the Board through the presentation that has been circulated prior to the meeting, as the majority of issues were raised within the previous agenda item. The challenges around enhanced risks, external dependencies, continued remote working and the knock-on impact of the delay in laying the 2019-20 ARAs were reiterated.
12. Audit Wales, Audit Scotland and the Northern Ireland Audit Office confirmed they were in similar positions. Furthermore, Audit Scotland explained the inability to attend stock counts due to the lockdown rules in place.
13. The Board was informed of a 3- tranche approach to audited accounts delivery developed by the NAO. This includes: tranche 1 being bodies able to deliver the accounts pre-recess in 2020-21, tranche 2 being pre-recess not being achievable in 2020-21, however bodies will aim for pre-recess in 2021-22 and lastly, tranche 3 being bodies who will require a 2-year recovery to return to a normal timetable.
14. The NAO explained the key audit issues for 2020-21, which overlap the FRAB agenda in terms of challenging areas. It has been recognised that the risk of fraud and error is expected to be higher, that audit work will need to look at the recognition and measurement of new liabilities, and that issues around going concern may occur for some specific sectors. The NAO also highlighted increasing challenges of applying IFRS 9 where government is entering into financial instruments when there is no market price readily available. There may be a need to consider a public sector interpretation or adaptation to the Standard in instances where a deferral would be allowed under the Standard such when there is a difference between transaction price and market price (but where one does not exist).
15. The Board questioned the timetable and whether for those accounts delayed beyond recess, it is a result of audit capacity and audit issues or the readiness of the departments. The NAO confirmed that there is a combination of issues, and these are organisation specific. The NAO also noted that it has secured additional resources from Parliament to meet the audit capacity requirements in 2021-22.

Agenda Item 4: DHSC Accounting Manual 2020-21 post consultation version, 2021-22 GAM & health sector update

16. Health sector colleagues provided the Board with a paper on the update to the 2021-22 GAM and a post-consultation draft for approval. It was confirmed that the intention is to publish the guidance mirroring the timetable of last year, which has already incorporated earlier feedback from the Board.
17. Health sector colleagues outlined the main changes to the draft, which included an inclusion of guidance for centrally procured items (identifying whether NHS bodies are acting as agents or principals and clarifying whether donation treatments come under IAS 20). There were also changes to guidance on going concern. It was also highlighted that the GAM has become less repetitive and more streamlined. Health sector colleagues sought approval on the contents of the paper and requested the Board to provide any further comments.
18. The Chair addressed that there are still discussions ongoing with the NAO and questioned the potential risk of there being further changes to the GAM. Health sector colleagues explained that there is an element of risk, however the NAO has confirmed contentment with the principles set out in the GAM. The NAO recommended having issues of a higher complexity set out in a separate guidance to support users, for example interpretation of specific principles in practice.
19. The Board expressed concern on how the guidance for the centrally procured items was established. It was clarified that the rationale comes down to the degree of direction and control on the way the product is used, and the relative speed (are the products used quickly once out of the core department). Health sector colleagues referred to IAS 2 and the principles within the conceptual framework as a reference point on how inventory is defined. The Board enquired whether FRAB would be responsible for signing this off, as there is a question on the prescribed requirement through the manual vs. the guidance.
20. The Board agreed with the principle of the paragraph on going concern (4.23) - as if services are continuing then preparers should be using the going concern basis of accounting, however questioned the clarity of the drafting. Health sector colleagues acknowledged the point raised and agreed that the context within the disclosures needs to provide comprehensive explanations.
21. The Board proposed whether the GAM should be principles-based, with supplementary guidance picking up on individual schemes. It was outlined that the role of the GAM is to prescribe treatment where standards are not clear, to ensure consistency in treatment throughout the group for large material items.
22. A point was raised on the possibility of the NAO's view on issues set out in the paper differing from the Board's, and what the mechanism will be if a judgement that is believed to not be appropriate is already included within the GAM.
23. Health sector colleagues suggested that an out of meeting paper setting out the additional technical analysis of the treatment of the issues currently in discussion with the NAO in relation to PPE, vaccines, testing kits and ventilators is shared with the Board. The aim is to finalise the GAM by the end of April.
24. The Board supported the proposal of the paper and will be content to approve the GAM for publication, subject to agreement on the treatment of these issues.
25. Discussion progressed on to a more general update from the health sector, highlighting the recent publication of the 2019-20 ARAs and the completion of the the 2019-20 WGA return. It was also confirmed that the department had been able to meet their interim reporting timetable for 2020-21.
26. 2020-21 challenges were discussed, including the step change in operational delivery in the core department and the significant increase in inventory due to COVID-19 related purchasing. Despite the scale of challenges, health sector colleagues expressed a desire to

lay 2020-21 accounts in October-November 2021, for a chance of laying pre-recess from 2021-22 onwards.

27. Health sector colleagues outlined to the Board the entities three main focuses, including IFRS 16 implementation from April 2022, the White Paper published by the government, and the short & medium-term recovery of the NHS.
28. The Board endorsed the focus on the White Paper and developing integrated care systems. As a forward timeline, a suggestion was made to put issues to the Board to consider. Health sector colleagues agreed to bring a paper on accounting issues coming out of the white paper for either the November 2021 or March 2022 meeting.

Agenda Item 5: 2021-22 CIPFA/LASAAC Code consultation on housing & local government update

29. The Board received an update from CIPFA colleagues on the 2021-22 code. It was highlighted that the Board agreed the 2020-21 Code in respect of Transport for London and the 2021-22 Code to date, therefore the remaining changes are for the 2021-22 and 2022-23 Codes.
30. CIPFA colleagues provided the Board with an update on the HRA consultation, which was a key discussion point at the previous FRAB meeting. Although, this is yet to be considered by CIPFA/LASAAC, it was confirmed to have been considered by the housing sub-group. It was outlined to the Board that there were only 12 responses from the housing tenancies consultation, in which the majority was in support of the changes. As a result, recommendations will be made to CIPFA/LASAAC to test assumptions on IFRS 16 in the 22-23 Code for a second opportunity for feedback.
31. The Board was informed that an out of meeting paper on housing concessions for the 2021-22 and 2022-23 code will be shared, once CIPFA/LASAAC have considered this.
32. The Board was updated on the second issue CIPFA is consulting on, which is rent concessions. Due to the minimal responses received, the Code will not be changed for 2020-21 and 2021-22.
33. The Board approved the minor changes being proposed and will expect to receive an out of meeting paper in the due course.
34. The most significant projects being prioritising from the CIPFA/LASAAC strategic plan was highlighted, including: materiality, users, measurement of PPE and pensions, complexity of accounts, and complexities of statutory adjustments. This will also include other projects concerning PFI, IFRS 17 and IFRS 16.
35. The Board questioned the PPP working group project, and what involvement HM Treasury or other public sector bodies have to ensure consistency. Members from the Board were welcomed to participate within the group if desired.
36. The Board also provided an observation on the project where materiality is considering measurement, as it appears to be an adaptation and will need to be consistent across the public sector. The action was clarified to have been taken, due to the significant problems on measurement of PPE within the sector, stemming from the Redmond Review. The Board was sympathetic to the challenges and would be kept up to date at each stage.
37. CIPFA colleagues talked the Board through an update on the local government sector. The key findings were outlined from an informal survey carried out on local authorities to understand the impact of the pandemic and to determine whether additional guidance is needed for 2020-21.

38. The Board was informed that CIPFA is conducting a global piece of research on sustainability reporting within the public sector and will be involving local authorities amongst many other organisations. The report is anticipated to be published in July.

Agenda Item 6: CIPFA/LASAAC Chair's update

39. The Board received a verbal update from the CIPFA/LASAAC Chair on the pressing fundamental focus points, including: COVID-19 impact on the sector, local authority accounts, financial sustainability, and future funding uncertainty.
40. The CIPFA/LASAAC Chair highlighted that many of the main areas had been touched upon already in the discussion on the previous item but stressed the current financial pressures and risks to financial sustainability faced by many local authorities, including the requirement to balance the provision of housing services with the uptake of higher risk building projects.
41. There is ongoing concern around the ability of the sector to meet the reporting deadline of 30th September with around half of local authorities not meeting it in 2019-20.
42. Local authorities face significant challenges on effective and transparent reporting to stakeholders and in particular in respect of the financial pressures they are facing and in terms of risk management to secure economic recovery. This is exacerbated by the difficulties the local government audit sector is under.
43. These have been reflected in the CIPFA/LASAAC strategic plan and will remain key areas of priority and emphasis.
44. The Board recognised that it is clearly a very challenging time for the local government sector and was grateful for the update, asking to be kept informed of the issues through the year.

Agenda Item 7: Climate change reporting

45. The paper on climate change reporting that had been circulated prior to the meeting was introduced by Richard Barker.
46. It was stressed that sustainability reporting covers many areas beyond the Climate Change Act and a proposal was given to establish a working group to consider the broader issues that could impact on sustainability reporting in the public sector. The importance of including an appropriate composition of expertise within the membership was agreed.
47. The Board discussed some of the matters which could influence sustainability reporting in the public sector, including Net Zero commitments and the appropriateness of recognition under IAS 37, the impact on the wider reporting agenda, and considering impairments in a public sector context for example where impairment is not calculated on a net cash flow basis.
48. Representatives from the Welsh government explained that the Social Services and Well-being Act already provides a legal framework which considers sustainability reporting and that the requirements would have to be considered for future disclosure.
49. HM Treasury advised of its responsibility to produce the annual sustainability reporting guidance (SRG) and that a project is already underway to consider the wider landscape of sustainability reporting areas and will bring an update to the Board on at the next meeting. The Board expressed support for the proposal of establishing a working group and agreed it would be appropriate after the next meeting, once members can reflect further on the paper brought to this meeting and the upcoming paper in June.

50. The Board emphasised the need to align with the private sector reporting as far as practicable rather than adopting different principles, in order to promote consistency. It was agreed by members that providing public sector specific solutions is unnecessary, unless there are clearly recognisable public sector specific issues. Additionally, the Board discussed whether these issues should be included within the ARAs in a summarised format, or alternatively create a separate detailed report.
51. The Board tentatively approved the proposal to establish a working group. The Chair requested that HM Treasury bring a paper to the next meeting, including a drafted copy of the terms of reference for the proposed working group.

Agenda Item 8: IFRS 17 implementation update

52. The Board received an update from HM Treasury on the implementation of IFRS 17, including feedback on the two technical working group meetings held since the previous Board meeting. The discussions have been centred on a wide range of issues with a key focus on the scope of the Standard in the public sector. HM Treasury invited members to comment on the work to date and address the questions posed by HM Treasury to the Board in the paper.
53. The Board explored the application of the IPSAS 42 approach to scope out social benefits from IFRS 17 as described in the paper. HM Treasury clarified they were using the definition of social benefits in IPSAS 42 to identify transactions to scope out of IFRS 17 (as there is no better definition of social benefits in the FReM) rather than the principles and requirements of IPSAS 42, but the TWG did not agree that using the IPSAS 42 definition of social benefits was the most appropriate way to scope out social benefits from IFRS 17.
54. The Board expressed support for the focus of on scope at this initial stage, as IFRS 17 will be a significant standard. However, it was raised that there are underlying difficulties in considering what needs to be scoped out of IFRS 17, and how this relates to obligations reported under other accounting standards. It was agreed by members that this needs to be considered on a broader scale, whilst including more nuance and examining the nature of non-exchange transactions (though some Board members did note that a transaction being non-exchange should not be a determining factor in whether it is scoped out of the Standard).
55. The Board agreed that the most appropriate route would be using a principles-based approach, rather than a specific list of exemptions (although an initial list could help to identify the right principles in the early stages of work on the Standard). It was identified that if a list was introduced, this would result in the need for refinements becoming an annual discussion due to the difficulties of determining a complete list. It was outlined that IPSASB are issuing 3 new standards by the end of the year, which could be a useful comparator.
56. The Board commented that there needs to be a clear articulation regarding why certain transaction streams are scoped out of the Standard. For example, if HM Treasury intends to scope out social benefits and healthcare from the Standard then there needs to be a clear rationale regarding what makes these transaction streams different from other insurance transactions within the scope of the Standard.
57. The Board was invited to comment on the next section of the paper regarding the definition of a 'contract', and whether the proposed adaptation/ interpretation is appropriate. The Board agreed with the proposal and discussed the need to be consistent but recognised the challenge that IFRS standards themselves are not consistent on how they define contracts

(for instance, if looking at IFRS9 and IFRS 15). A view was expressed on the need for clarity on what should be scoped in and out, and why.

58. The discussion progressed on to remote contingent liabilities and potential dual reporting of some insurance liabilities following the introduction of IFRS 17 (as some insurance liabilities will also meet the definition of remote contingent liabilities, e.g. certain indemnities issued by government departments to make infrastructure projects commercially viable). The Board highlighted their preference to avoid dual reporting, however if this is not possible, the remote contingent liability disclosure and IFRS 17 accounting should cross refer to each other to ensure users of accounts understand the full picture.
59. The Board was content with the government as an insurer of last report section within the paper.
60. The Board discussed the final section of the paper on discount rates, and the decision to develop a central discount rate for entities to use. The Board raised the need for HM Treasury to explore the objectives of discount rates.
61. The Board accentuated the problems with IFRS and national accounts and questioned whether HM Treasury are liaising with the ONS. HM Treasury assured the Board that there is ongoing contact with the ONS and will keep members up to date with any changes. The Board referenced back to the timing of recovering back to the normal laying schedule and raised that the IFRS 17 implementation follows closely after, which will be a constraint for departments. The Chair agreed that the timing of implementation needs to be kept under close review.

Agenda Item 9: Grantor accounting

62. HM Treasury presented a paper and draft application guidance on Grantor accounting, following discussion at the November 2020 FRAB meeting which explored the need for public sector specific accounting guidance for the giving of grants to third parties. Grantor accounting issues were highlighted as a result of the COVID-19 grant support schemes announced in March 2020 being a significant accounting issue for a small number of entities for their 2019-20 statutory accounts. The Board was informed feedback had already been sought and received on the paper from BEIS and the Relevant Authorities Working Group (RAWG). The Board was invited to comment on the paper and provide views on the best way to take this guidance forward and comment on the questions posed in the paper.
63. The Board agreed that the Application Guidance is useful overall and provides a framework for users on the accounting treatment of payment of grants. The Board also expressed support for consolidating all relevant guidance on grantor accounting in one place as a useful tool.
64. Nevertheless, the Board discussed concern that the current guidance may be too generic, which could result in the position and views of preparers remaining unchanged. There were opposing views on whether the guidance should be more directive to provide more specific support to preparers when considering the accounting treatment of government announcements and grant awards. However, some members were minded that generic guidance on this topic is inevitable to allow judgement for individual circumstances as they arise.
65. After discussion, the Board agreed that guidance would be useful despite some members preference for the guidance to go further but more consideration should be given to additional detail on both the creation of a present obligation and executory contracts.

Support to include examples was given but with emphasis that they would be illustrative and a rule book for application would not be created.

66. Further discussion was had on ensuring the guidance included application of all relevant standards which may apply including whether a financial instrument existed rather than a provision. Discussion continued around constructive obligations being often misunderstood due to the ability for government to reverse decisions or commitments made in policy announcements. This is because the existing FReM adaptation legislation falls within financial instrument accounting, and therefore a provision may not be created until the intention is legislated for.
67. The Board suggested that it would be useful to be specific regarding where there is a need to fulfil conditions in future years, and whether this creates a present obligation.
68. Some contention remained but all agreed that the principles need to be clear and that members must be comfortable with the guidance before it is issued.
69. Members were asked to provide any further comments on the paper directly to HM Treasury by the end of March and an updated paper would be circulated once these had been taken into consideration.
70. HM Treasury informed the Board that the ambition is to have the guidance issued for the 2020-21 financial year but that if no consensus could be reached it will be taken into the following financial year.

Agenda Item 10: 2019-20 Best Practice report

71. HM Treasury circulated the Government Financial Reporting Review Best Practice Examples Report 2019-20 prior to the meeting and gave a short overview of the publication's contents. HM Treasury encouraged the Board to provide feedback on the examples used, and whether they had any suggestions for improvement in the future.
72. The Board appreciated the ongoing creation of these reports and agreed that the document will be very useful when producing the 2020-21 ARAs and encouraged HM Treasury to seek more visibility on it.

Agenda Item 11: IFRS Narrow scope amendments

73. The Board received a brief update from HM Treasury on the IFRS narrow scope amendments now in effect.
74. The Board questioned HM Treasury regarding the phase 2 amendment. This is because it seemed that it will affect IFRS 16 and to clarify whether it is actually relevant to government accounts. HM Treasury assured the Board that this will be monitored, and if this is required it will be applied.

Agenda Item 12: FRAB strategy and action plan

75. The Chair introduced a paper that had been circulated prior to the meeting, proposing a draft FRAB strategy, risk register and action plan, which had developed as a result of the effectiveness review in November 2020. The Board was requested to comment on the draft strategy.
76. Members were supportive of the documents and agreed with items incorporated within the risk register. Some additional risks for inclusion were raised being new transaction types, for example the ongoing impact of COVID-19, property transactions to the Government

Property Agency (GPA); and ongoing consideration whether financial reporting maintains the best standards. A view was also expressed that there could be more methods to mitigate risks, as well as providing sufficient lead time to implementing new standards as well as scrutiny of implementation.

77. The Board also provided an observation that within the strategic aims, numbers 2-4 may be better suited as subsets of advising. The Board highlighted the importance of having a clear understanding on what is built into the work plan.
78. The Board voiced support for the paper and agreed that it provides a helpful summary.
79. HM Treasury agreed to distribute an updated version of the strategy and action plan, taking into consideration comments from members. It was also confirmed that the strategy will be included within the 2020-21 FRAB report.

Agenda Item 13: FRAB forward agenda

80. HM Treasury presented the forward work plan paper and requested any comments or additions from members. The Chair also welcomed the Board to provide their views on how the meetings should be structured moving forward.
81. The Board discussed the idea of the meeting being held across the whole day, with more breaks embodied. The challenges of virtual meetings particularly of this length was a point of discussion.
82. The Board considered an alternative approach in which there would be additional meetings held across the year, with reduced durations. It was outlined that this would result in less out of meeting papers and help progress issues on a shorter timescale. However, a view was expressed that this approach had been used in the past, and it became apparent that issues persisted when meetings were so frequent.
83. The Board sympathised that it would be difficult for the secretariat to resource the meetings if the frequency was to increase, and a fundamental part of the strategy is to provide clear, in-depth papers which take time. A suggestion was made to hold shorter meetings whilst working virtually, and longer meetings when in person.
84. The Chair agreed that sufficient break time will be built in for the next meeting, and this subject will be discussed with the secretariat in order to create a sensible way forward.

Agenda Item 14: FRAB Board members' induction pack

85. HM Treasury introduced a paper that had been circulated prior to the meeting, containing a drafted version of the FRAB induction pack, outlining that this was an action that resulted from the effectiveness review. The Board was reassured that this is an internal document, and the intention is that this will not be published. The Board was invited to comment on the paper, and to provide suggestions where appropriate.
86. The Board expressed support for the paper and agreed that consolidating all of the information together is a useful tool for new members of FRAB. A view was highlighted that defining each category of role is important to note and providing a short biography of each member would be beneficial, especially as we are currently working virtually. Similarly, a suggestion was made to highlight the support available to members where material is not familiar and include a glossary of common acronyms.

87. HM Treasury thanked the Board for comments and highlighted that the induction pack will be updated accordingly. It was agreed that members will be requested to provide a short biography and perspective of their role to incorporate within the pack.

Agenda Item 15: AOB

88. The Board was informed by the Chair that there is a need to establish a nominations committee. The Chair requested that volunteers need to contact her directly if they are interested.
89. Proposals on the use of new software called 'Board Intelligence' was shared. The aim is to ameliorate the process of the Board accessing papers prior to the meeting. The secretariat expressed hope to have this set up by the November meeting, subject to all members being granted access. An issue was raised by the Board on the limitation of not being able to print papers out, in which the secretariat highlighted that particular papers can be sent via email on request to allow for printing.

Agenda Item 16: IFRS Interpretations Committee – summary of announcements

90. The Board noted the paper and appreciated the summary from the IFRS Interpretations Committee meetings.

Agenda Item 17: User Preparer Advisory Group – summary of last meeting

91. The Board noted the update paper and looked forward to receiving a future update on the work of the UPAG.

Agenda Item 18: Relevant Authority Working Group - summary of last meeting

92. The Board noted the update paper and looked forward to receiving a future update on the work of the RAWG.

Final Comments

93. The Chair thanked members for attending the meeting and looked forward to the next meeting currently scheduled for June 2021.