



HM Treasury

Financial Reporting Advisory Board

User and Preparer Advisory Group update

Issue:	To provide the Board with a summary of the fifth meeting of the User and Preparer Advisory Group held on 7 th April 2022.
Impact on guidance:	N/A
IAS/IFRS adaptation?	N/A
Impact on WGA?	N/A
IPSAS compliant?	N/A
Interpretation for the public sector context?	N/A
Impact on budgetary and Estimates regimes?	N/A
Alignment with National Accounts	N/A
Recommendation:	The Board is invited to note the discussion points from the fifth meeting of the User and Preparer Advisory Group.
Timing:	Ongoing.

DETAIL

Background

1. The User and Preparer Advisory Group is a forum for users and preparers of government financial reporting to discuss developments within the financial reporting landscape.
2. The Group aims to meet three times a year. This meeting was the first in 2022 and held on 7th April.

3. FRAB agreed there would be no direct governance relationship between FRAB and the Group, but that FRAB would receive sight of the discussion points from each meeting and the forward plan.
4. Discussion at the Board effectiveness review meeting on 6th November 2020, noted the importance of access to feedback from users and the User Preparer Advisory Group is one route of access.

Summary and recommendation

5. The Group's discussion at this meeting was proportioned between updates from HM Treasury and updates from members. The group received updates from HM Treasury on the WGA, FRAB, central government reporting and timetable, GFR actions and Sustainability reporting. Members presented updates on the local government issues, a Full Fact update and an academic perspective to government financial reporting.
6. The group learnt of the challenges involved in preparing the 2019-20 WGA and the outlook on the 2020-21, 2021-22 and 2022-23 WGA process. The Group questioned whether a pre-audited set of WGA accounts could be published, like was done in the early stages of WGA preparation in 2010.
7. The Group was informed on the continuing delays to the Local government accounts and measures in place to aid improving the situation. Detail was also shared on the emergency consultation to delay IFRS 16 in local government for a fixed period of 2 years, however the final decision was not released at this stage.
8. The Group expressed particular interest on what the position would be for local authorities if they are unable to secure auditors.
9. The Group heard recommendations from Full Fact on how government financial reporting could be improved to be most effective and transparent for users of accounts. HM Treasury is cooperating with Full Fact on these recommendations.
10. The Group raised concerns that timeliness of reporting is a damaging feature in terms of the ability to communicate information and the usefulness of government accounts is much less when significantly delayed.
11. HM Treasury requested input as to the direction HM Treasury should take as it continues addressing the commitments made in the Government Financial Reporting Review.
12. The draft minutes from the meeting are shared with the Board below (Appendix 1) however, please note whilst these have been shared with the Group's members, they are still to be formally agreed by the User Preparer Advisory Group and are being shared in confidence. Once formally agreed by UPAG at the next meeting, they will be published on gov.uk.
13. The Board is invited to note the contents of this paper but is also invited to make any comments on the discussion points from the fifth meeting of the User and Preparer Advisory Group.