



HM Treasury

## Financial Reporting Advisory Board

### User and Preparer Advisory Group update

Issue:	To provide the Board with a summary of the sixth meeting of the User and Preparer Advisory Group held on 12th October 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 sixth 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. This meeting was the second meeting in 2022 and held on 12<sup>th</sup> October.
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 6<sup>th</sup> 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 received updates from HM Treasury on the Central government reporting cycle and WGA, current and future thematic reviews, sustainability reporting and IFRS 17. Members presented updates on the local government position and IPSASB/ICAEW.
6. The Group learnt of the 2020-21 WGA position concerning DCT returns, and members flagged the ongoing issues with the Oscar II system.
7. Concerns were raised on the growing requirements on smaller entities which are contributing to the resourcing and timeliness challenges they face. This includes specific requirements in the PES paper and also for sustainability reporting.
8. The group was informed of the local government position in respect of accounting for infrastructure assets and the temporary solutions taken to FRAB in September aimed at improving the situation. The group learnt that FRAB were supportive of the removal of the mandatory disclosure (in respect of gross cost and accumulated depreciation), however, were not content to approve the assumption in respect of derecognition. CIPFA also confirmed the three long-term solution options, sharing that stakeholders did not support maintaining the temporary solution.
9. The group shared feedback on the thematic review on the valuation of non-investment assets approach, highlighting that decisions should be made considering users' needs, not just preparers'.
10. A survey was circulated to the group prior to the meeting requesting each member to rank different thematic review suggestions in order of what they believe is the highest priority. This was a key agenda item at the meeting, where members shared further views and came to a consensus on the top 5 highest priorities that they viewed as most important to consider as part of future thematic reviews.
11. The complexity of IFRS 17 was discussed, including the significant challenges in the private sector, so departments were encouraged to engage with experts where possible.
12. This was the Chair's - Andrew Buchanan - final meeting after nearly 3 years, and he shared that it was a pleasure to be involved in the group. HM Treasury is currently in the process of appointing a new UPAG Chair.
13. 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.
14. 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 sixth meeting of the User and Preparer Advisory Group.