HM Treasury

Financial Reporting Advisory Board Paper

Minutes of the 149th FRAB meeting and matters arising

Issue:	For information – minutes of the last 149th meeting held on 30th March 2023 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 149th meeting by email but to note the matters arising
Timing:	N/A

Detail

1. To note the minutes of the 149th FRAB meeting held on 30th March 2023 which were circulated, and comments received by email after the meeting (Annex A).
2. Matters arising are noted below:

Paragraph	Issue	Action
70	HM Treasury will update the Gantt chart for WGA timelines and will bring the updated version to the November 2023 FRAB meeting, after considering the PAC recommendations following the hearing for the 20-21 accounts.	To be included in November FRAB materials

87	HM Treasury to address the treatment of 'day 1 differences/losses' under IFRS 9 explicitly addressed in the CBG.	To be included in CBG update for 2024
88	HM Treasury will circulate the outcome of the IFRS 9 agenda item to the same groups who were part of the consultation, and to the Resource Accounts Special Interest Group.	Cleared: HM Treasury circulated
89	HM Treasury committed to reviewing the new wording in the IFRS 9 adaptation to ensure it was clear that the intention was only losses to crystallise earlier, not gains. The Board approved the adaptation subject to this change.	Cleared: HM Treasury suggested amended wording to resolve NAO concerns and amendment was agreed with NAO in April 2023.
111	HM Treasury agreed to reflect on the discussion around IFRS 17 guidance, in particular Section C – remote contingent liabilities; Section D intra-government agreements; and Section F, provide more information and return to the issue at a future meeting.	Cleared: by issuance of the June 2023 FRAB paper on IFRS 17
136	The Chair suggested that FRAB should provide a letter to the DLUHC Select Committee enquiry to raise awareness of what has already been highlighted and discussed by FRAB in relation to local government audits and financial reporting.	Cleared: The Chair attended the Select Committee meeting on 5th June to give an oral update instead.
196	HM Treasury agreed to ensure that the FRAB Strategy action plan and risk register is updated to include the IFRS-16 post-implementation review.	Cleared: Added to action plan, forward plan, and risk register
197	The Chair confirmed UPAG can now be dropped from the Action Plan as it has become a standing item.	Cleared: Removed from on-going action plan
200	HM Treasury agreed with the Board to split business-as-usual and ongoing actions, so that there will be two sections in the Action Plan for the next version	Cleared: Action plan split into two sections
201	HM Treasury agreed to review the FRAB Strategy, action plan, risk register for actions that have not yet been addressed and still require a completion date.	Cleared: Document reviewed
203	The Chair also raised that for June FRAB, there will be an update from standard setters so need to ensure	Cleared: Added to June agenda

	there is sufficient time on the agenda for that.	
204	HM Treasury to include agenda item on new IPSASB requirements with a comparison to current FReM requirements.	Cleared: Added to June agenda
205	Board to review Item 6 of the Risk Register to see where certain of areas of expertise are required for specific engagement.	Board to review at June 2023 FRAB meeting
208	Board should continue to reflect on and provide feedback on Annual Report	Board to discuss at June 2023 FRAB meeting. There will also be an opportunity to provide comment during the Board Effectiveness Review.
209	Review if any Relevant Authorities have applied to be a member of the Nominations Committee	HM Treasury to discuss with Nominations Committee

Annex A

Financial Reporting Advisory Board Meeting March 2023: Minutes

Location: HM Treasury (virtual)

Time: 10:00am-4:00pm

Attendees:

Aileen Wright
Alex Knight
Andrea Pryde
Bob Richards
Charlotte Goodrich
Christine Golding
Iain Murray
Ian Ratcliffe
Ian Webber
James Osborne
Jen Nichols
Jennifer Griffiths
Jenny Carter
Jessica Seymour
Karl Havers
Kathryn Allen
Kim Jenkins
Lynn Pamment
Mike Metcalf
Pam Beadman
Sarah Sheen
Shiva Shivakumar
Steven Cain
Stuart Stevenson
Suzanne Walsh
Hannah Oliver
Libby Cella
Max Greenwood
Sally King
Sarah Logsdail
Shikha Sharma
Sudesh Chander
Sarah Geisman

Guest speakers:

Neil Harris – FRC
Mark Stocks – Grant Thornton

Notes and Apologies:

Conrad Hall
Andy Brittain – unable to attend, Jen Nichols deputised
Mike Sunderland – unable to attend, Jennifer Griffiths deputised

Agenda

	Item	Presented by	Time	Paper
1.	Welcome, minutes and matters arising	Chair	10:00	FRAB 149 (01)
2.	Devolved Administrations - reflections on the 2021-22 reporting cycle and 2022-23 forward look	Kim Jenkins, Stuart Stevenson & Aileen Wright	10:10	Verbal
3.	DHSC health sector update and GAM Post consultation version	Jen Nichols (DHSC) & Ian Ratcliffe	10:25	FRAB 149 (03)
4.	NAO and NIAO update	James Osborne & Suzanne Walsh	10:55	Verbal
5.	WGA update	Shikha Sharma	11:15	FRAB 149 (05)

6.	IFRS 9 update	Sarah Logsdail	11:25	FRAB 149 (06)
7.	IFRS 17 application guidance	Sudesh Chander	11:45	FRAB 149 (07)
	Lunch (45 mins)		12:15	
8.	CIPFA/LASAAC Chair update and CIPFA/LASAAC Code	Sarah Sheen, Steven Cain & Conrad Hall	13:00	FRAB 149 (08)
9.	Local government update	Iain Murray	13:25	Verbal
10.	System Lead, FRC's Director of Local Audit update	Neil Harris	13:40	FRAB 149 (10)
11.	Local Auditor update	Mark Stocks (Grant Thornton)	14:10	Verbal
	Break (10 mins)		14:30	
12.	Performance Report thematic review	Sarah Logsdail	14:40	FRAB 149 (12)
13.	Sustainability reporting update	Max Greenwood	15:00	FRAB 149 (13)
14.	FRAB Strategy, action plan, risk register	HMT/Chair	15:20	FRAB 149 (14)
15.	AOB	Chair	15:55	Verbal
	Papers to note only			
16.	IFRS Interpretations Committee summary of announcements			FRAB 149 (16)
17.	IFRS Issued but not yet effected and narrow scope amendments			FRAB 149 (17)
18.	User Preparer Advisory Group update			FRAB 149 (18)
19.	Relevant Authority Working Group update			FRAB 149 (19)

Agenda item 1: Welcome, minutes and matters arising

1. The Chair welcomed members to the 149th FRAB meeting and invited any comments on the minutes of the previous meeting and matters arising, which had already been circulated. No comments were given by the Board.

Agenda item 2: Devolved Administrations - reflections on the 2021-22 reporting cycle and 2022-23 forward look

2. The Welsh Government reported to FRAB that the 2021-22 accounts have been laid in December but later than originally timetabled and reflected that the qualifications received, which had rolled over from prior years, should not reoccur in 2022-23.
3. The Welsh Government then reported on their 2022-23 preparation, noting that planning work has been carried out for IFRS 16 but that they are mindful of the impact on timing when implementing a new standard, especially in relation to NHS Wales which has 1000 leases to transition.

4. The Welsh Government reported that the audit timetable will not be able to recover as hoped due to the combined impact of ISA315 and IFRS 16 in 2022-23. The Welsh Government accounts are expected to be laid by the end of November, and similarly local government audits will not be able to complete until the end of November.
5. These dates are not compatible with Whole of Government Accounts planning timetables so the Welsh Government will be working on this improve alignment.
6. A Board member asked if delays in audit are to do with issues in valuing infrastructure assets. The Welsh Government confirmed it was a factor in 2021-22 but not 2022-23.
7. Northern Ireland reported that the majority of their 2021-22 accounts were laid by 1st July 2022 and most entities are on track to meet WGA's cycle 2 deadlines.
8. Reflecting forwards to 2022-23, Clear Line of Sight implementation was expected to add some additional delays, but preparation work had been completed to identify any potential issues before they arise and 75% of NI Departments are confident that they will meet the summer recess laying deadline.
9. Northern Ireland noted that the public sector finance profession in Northern Ireland is under pressure due to the lack of government, budget, and delayed reforms but financial reporting is proving to be resilient under difficult circumstances.
10. The Scottish Government reported that their 2021-22 accounts were laid in early December which was an improvement of a few weeks on the pandemic-impacted financial years, but not the improvement that was hoped for.
11. 2021-22 was the first year in which Scottish bodies missed the statutory deadline and this was due to a mix of issues that arose.
12. The Scottish Government then looked forwards to 2022-23 and raised concerns around IFRS 16 implementation and that some bodies do not yet have an audit timetable which has been raised with Audit Scotland.
13. Concerns were raised around being able to meet the proposed WGA timetable and changes are expected due to ministerial movement.
14. Audit Scotland are being engaged with in what they see as the immediate priorities as the challenges appear to be practical in nature around scheduling, rather than on reporting issues, with the notable exception of IFRS 16.

Agenda item 3: DHSC health sector update and GAM Post consultation version

15. The Department for Health and Social Care (DHSC) reported that their 2021-22 accounts had been laid in January 2023, which was not the timetable improvement that had been hoped for but noted that the process had been smoother than in the prior year. Delays were caused by a small number of component entities that were material to the group.
16. DHSC accounts continue to show a qualified position, with a few new qualifications being introduced but it is an improving picture with several historical qualifications being lifted.
17. DHSC then detailed the reasons for the new qualifications, including a one-off qualification, which was a result of a prior period error in the clinical negligence provision that was not identified before Supplementary Estimates and so resulted in an excess vote as additional AME cover couldn't be secured.

18. Looking forward to 2022-23 accounts, DHSC recognised it will be a challenging year because of IFRS 16 implementation as there are material levels of intra-group leasing arrangements and a significant reconfiguration of the group's accounting boundary as a result of the Health and Social Care Act 2022.
19. DHSC reported that the core entity is looking to produce accounts within 3 weeks of the historical pre-recess timeline, showing a recovery from the impacts of the pandemic. NHS bodies are looking to return to a deadline close to the summer recess but there is no exact date yet.
20. NHS England confirmed that 2021-22 accounts were laid in January 2023 and were finalised with 3 Trusts audits still outstanding. There was no clear reason for the audit delays experienced and it was not planned for NHS England to lay accounts without the audits being completed.
21. NHS England then reported that, for 2022-23 accounts, work is being done to identify where local audit delays will occur and work is being done with the NAO to see if NHS England's accounts could be finalised without those local assurances.
22. IFRS 16 has been managed carefully, with transition reporting required from bodies in September 2022 and a soft close performed as at 31st December 2022 to work through any issues in anticipation for the financial year end, although NHS England noted the challenges around eliminating intra-group transactions relating to IFRS 16.
23. The Integrated Care Boards (Establishment) Order 2022 (ICB) came into force in July 2022 which has resulted in preparation of part year accounts within the NHS England group, but the main focus has been on managing the lack of local audit capacity.
24. 2022-23 NHS England accounts will see a lot of changes due to organisational mergers and a restructure of the new NHS England entity with a significant reduction in posts.
25. NHS England also reported on the work being done on objective setting and financial planning for 2023-24.
26. A Board member asked if there were any lessons to be learnt around DHSC's clinical negligence provision qualification in 2021-22.
27. DHSC acknowledged the qualification itself was due to the excess vote, but the cause of the problem was an issue with the estimation methodology used by NHS Resolution and lessons learnt were discussed, primarily focusing on the regularity of comparing estimates to recent historic reality and ensuring that data sources being used are the best data sources available.
28. The Board member then clarified if the restatement caused by the prior period error coming to light went back many years, which DHSC confirmed it did. The member then asked if there were any lessons to be learnt around how long it took for the error to be found.
29. DHSC confirmed the lesson learnt was to routinely compare reality with estimation techniques moving forwards and noted that the error was found by an outsourced audit firm in the first year that NAO had outsourced this audit.
30. A Board member asked if local audit pressures in health sector are due to the same auditors doing local authority audits and health sector audits and the extent to which there are delays in one sector's audits impacts the others, or if the issues in local audit are health specific.

31. NHS England confirmed there are no health specific issues except for the ICB introduction mid-year and noted some auditors say that local government delivery is delayed by health, others say that health delivery is delayed by local government. Both health and local government are interdependent and NHS England, DHSC and DLUHC work closely on these issues.
32. The Chair noted GAM is to be published in April and that the Board is being asked to approve GAM for publication.
33. DHSC then summarised the main areas of change for the 2023-24 GAM compared to the prior year including changes because of the Health and Social Care Act 2022.
34. A Board member asked about the level of engagement DHSC receives from health bodies when consulting them about GAM.
35. DHSC reported that they consult widely and receive good and helpful engagement on a consistent basis, that they consider representative of the group. NHS England noted also that some accounting firms also provide high quality responses to consultations on GAM.
36. The Chair noted that there were no other questions, and the members then approved the 2023-24 GAM.

Agenda item 4: NAO and NIAO update

37. The NAO gave an update on the timeliness of the laying of accounts, qualifications in the 21-22 audit cycle and issues around ISA 315.
38. The NAO is aiming to achieve 70% of certifications pre-recess for the 22-23 audit cycle, which would be significant improvement on last year, and 80% for 23-24, which would be back to broadly pre-pandemic levels.
39. There are some challenges for this year's audit cycle, such as the implementation of IFRS 16, the knock-on impacts of local audit delays and the implementation of ISA 315.
40. Following on from the update at the November 2022 FRAB meeting, the laying timetables for all departments have now been confirmed. DfE and MoJ are aiming to lay pre-recess and DCMS, BEIS and Defra are working to accelerated timetables compared to the previous year but will be laying post-recess.
41. Achieving pre-recess for MoJ is contingent on the limitation of scope for LGPS assurances because the timetable for the pensions assurances for the group will not be available for a pre-recess timetable.
42. The PAC met recently to discuss timeliness of local audit and they were supportive of a proposal to move towards earlier reporting with the use of limitations of scope in certain appropriate circumstances. The NAO are discussing this with bodies and accounting officers as to whether they would want to take this approach forward.
43. The NAO are expecting a similar number of qualifications for the 21-22 audit cycle, currently around 19 compared to 18 in the 20-21 year.
44. There are no specific themes emerging from qualifications, although there is a concentration of qualifications in health bodies, and the NAO are monitoring for any key trends.
45. In general, there has been a slight increase in true and fair qualifications and a reduction in regularity qualifications. The regularity qualification reduction largely

being around a reduction in Excess Votes, which were linked to Covid fraud in previous years.

46. The NAO are in a good position for the work needed to deliver ISA 315, after significant investment in the planning phase and methodological changes
47. There will be a change in the assessment of risks as a result of ISA 315 implementation due to a more granular risk assessment approach, with asset impairment more likely to attract significant risk designation for example.
48. The Northern Ireland Audit Office (NIAO) also gave an update on audit issues in the Devolved Administrations. The biggest challenge currently is the implementation of ISA 315 across the three nations.
49. Wales Audit Office are currently liaising with audited bodies in terms of what ISA 315 means for them.
50. In relation to infrastructure assets, all government bodies took the statutory override, and so Wales AO is conscious of the need to identify a more permanent solution.
51. In relation to timing of the audits, NHS will be the end of end of July, Local Government and pensions will be end of November and central government will be working towards statutory dates.
52. NIAO wrote to their government bodies outlining frequently asked questions in relation to ISA 315.
53. NI departments are also continuing to face difficulties due to operating without an Assembly, which has a knock-on impact on audits.
54. The Clear line of Sight review of financial process implementation is also ongoing in NI, which includes a dry run for the 21-22 financial year audits, and the consolidated accounts will have to be audited this year as well.
55. In NI, 70% of audits are expected to be completed by summer recess, and the Departments for Education, Agriculture, and Economy will not meet the recess deadline.
56. The NIAO have the resources to deliver the expected pre-recess audits and are looking at resourcing post-recess to deliver outstanding audits, working towards the statutory local government deadline of September.
57. There was no update from Audit Scotland.

Agenda item 5: WGA update

58. The Whole of Government Accounts (WGA) team from HMT gave an update on the 20-21 accounts cycle and the recovery plan to improve the timing of publication for future years.
59. The PAC have been updated on the timing and the 20-21 WGA is on track to meet timetable of publishing in Q3 of 2023. The team is currently working on the analytical review phase of the 20-21 WGA.
60. At the November 2022 FRAB meeting, the WGA team set out the recovery plan, which included three core elements focusing on planning, resource, and management assurance approach.
61. In terms of planning, a specialist project manager has now been recruited on a permanent basis to help with overall project management of the WGA.

62. Assurance advisory support is also being sought to enhance the assurance process, which will also include local government.
63. In terms of resourcing, additional resourcing has also been brought in to help with production speed.
64. The approach of running two years in parallel for the 19-20 and 20-21 WGA worked well, so will be taken forward for future years.
65. The focus for the 21-22 cycle is data collection, and OSCAR II opened for submission at the end of January.
66. Cycle one deadline for submission was the end of January, with 66% of central government departments and 46% of local government bodies meeting this deadline.
67. These submissions represented 90% of significant components, which was a significant improvement on the prior financial year cycle.
68. The cycle two deadline is the end of March, with 5% submission rates as at 20th March for both central and local government bodies.
69. A Board member questioned whether departments laying post-recess would have knock-on delays for the recovery plan. HMT responded that they are supporting the goal to achieve pre-recess but will work individual bodies if there are delays and then work the impact of any delays into the WGA timeline.
70. A Board member also questioned whether the process could be improved with further help, such as from a private sector consultant. HMT confirmed they are currently working with PWC, and work has just started with the project manager. They are also taking PAC recommendations into account.
71. HMT confirmed that they will update the Gantt chart for timelines and will bring the updated version to the November 2023 FRAB meeting, after taking into account the PAC recommendations following the hearing for the 20-21 accounts.
72. A Board member raised concerns over the quality of checking balances within the timescales being presented. HMT noted the comment.
73. Another Board member questioned how HMT can take into account elements of the process that they cannot control. HMT responded that the aim is still to reduce to 15 months as far as possible by focussing on improving the processes that HMT can control.
74. A Board member raised that from an audit perspective, the acceleration of timetable for submission increases the likelihood that this will diverge from audit timetable, due to auditor availability. The NAO added that the key would be clarity so that resources can be scheduled as needed and a longer-term plan and sticking to the timetable is helpful for this.
75. The NIAO agreed that advance notice is needed due to other work and resourcing pressures.
76. A Board member questioned if WGA could think more strategically about their data requests. Other members agreed that earlier data clarity helps to embed in data flows and processes.
77. Preparer members also raised that they also faced issues with Interim Account Audits clashing with the WGA February and March 2023 deadlines but were supportive of engaging as much as possible and working with auditors to facilitate both processes.

Agenda item 6: IFRS 9 update

78. HM Treasury introduced a paper recommending a new IFRS 9 adaptation. This follows an update provided on this topic at the November 2022 meeting, and consultation with departments - which did not uncover any technical or conceptual issues with the proposed adaptation.
79. It was noted that this adaptation will bring a significant value of financial instruments on balance sheet, which are currently off-balance sheet and outside the scope of Estimates.
80. The adaptation set out within the paper was 'where an entity issues a financial instrument, other than a financial guarantee, below fair value and where no active market or observable equivalent exists such that it would follow B5.1.2A section (b), then the entity should instead measure the instrument at initial recognition at fair value.'
81. HM Treasury proposed amending the text of the adaptation from 'below fair value' to 'at an amount that is different to fair value' following a Board member comment received between the circulation of the paper and the meeting. This was intended to allow the adaptation to be applied to both financial assets and liabilities, which was the original intention.
82. It was noted by two Board members that for those entities which apply the Companies Act to their accounting, they may not have expected there to be a difference when compared to applying this adaptation.
83. In response to Board member queries, HM Treasury confirmed a number of points.
84. The treatment of student loans would be aligned with this adaptation, based on published information in the Department for Education's accounts.
85. Retrospective application would be applicable to this adaptation.
86. Budgeting would follow normal Consolidated Budgeting Guidance (CBG) principles, that departments should not be better or worse off as the result of an accounting policy change made by HM Treasury. It was noted that the treatment of 'day 1 differences/losses' was not explicitly addressed in the CBG, and that HM Treasury can look to address this in the next edition of CBG.
87. HM Treasury will circulate the outcome of this agenda item to the same groups who were part of the consultation, and to the Resource Accounts Special Interest Group. This will ensure this is known prior to the next update to the FReM.
88. A query was raised as to whether the revised wording of 'an amount that is different to fair value' could allow for earlier crystallisation of gains. HM Treasury clarified that this was not their intention; the intention was only for losses to crystallise earlier. HM Treasury committed to checking this new wording to ensure it met the intention.
89. The adaptation was approved subject to achieving precision in the revised wording in a way which achieves the intended aim of application to losses, but not to gains. Wording will be checked with the NAO once finalised.

Agenda item 7: IFRS 17 application guidance

90. HM Treasury introduced the updated IFRS 17 application guidance, noting that several changes had been made when compared to the version the Board had seen in

November 2022. This followed the consultation on the exposure draft undertaken in January and February 2023. The paper set out areas for FRAB's consideration in Sections B-F.

91. HM Treasury sought FRAB's views on the specific questions raised in the paper, and FRAB's support to publish the updated application guidance following the meeting.
92. There were no comments on those changes covered in Section B of the paper and not expanded on later in the paper.
93. Section C related to remote contingent liabilities. HM Treasury sought views on a proposal to remove the requirement to disclose insurance contract liabilities which also met the definition of a remote contingent liability in the accountability report. These liabilities would be accounted for under IFRS 17 within the financial statements.
94. A Board member raised a concern that this could limit disclosures around liabilities which had a very low likelihood of crystallisation, but a high impact should they crystallise.
95. HM Treasury observed that Parliament receives separate notification of such liabilities via Written Ministerial Statements. There are also disclosures required under IFRS 17 including around sensitivity analysis and estimation uncertainty. Additionally, there are other types of low probability liabilities which do not require disclosure in the accountability report, such as financial guarantee contracts below probability of crystallising.
96. It was noted by Board members and HM Treasury that remote contingent liabilities are those outside the recognition and disclosure requirements of IAS 37 and disclosed in the accountability report instead. This therefore raised the question of whether remote contingent liability reporting in the accountability report should still be a requirement for those obligations which are scoped into another financial reporting standard, in this case IFRS 17.
97. A Board member was keen to understand the level of disclosure IFRS 17 would offer to low likelihood/high impact obligations in practice, and thus the level of transparency provided. Another Board member observed that IFRS 17 has expanded disclosure requirements compared to older standards such as IAS 37, and thus offers some protection against lack of transparency. In addition, IAS 1 requires disclosure of things that are materially important.
98. The Board member representing Parliament commented on the desirable aspect (in terms of Parliamentary accountability) of disclosures in the accountability report being collected in one place, as opposed to needing to additionally look up records of Written Ministerial Statements.
99. Another Board member expressed support for the proposal. This was due to the fact that disclosing the same obligation under different measurement bases in the accountability report and the financial statements may be confusing to users of the accounts, without a reconciliation being provided.
100. The Chair enquired as to whether HM Treasury had considered requiring these obligations be reported in both places and that a reconciliation be provided.
101. HM Treasury stated that they had considered this, although a desire to minimise duplication and the length of annual reports and accounts had stood against this.

However, having heard the comments raised in the meeting, HM Treasury were willing to reconsider.

102. HM Treasury agreed with the Chair that they would discuss the issue further with the Board member representing Parliament and bring a proposal back to the next Board meeting.
103. The next item discussed was Section D – intra-government agreements. HM Treasury sought views on a proposal to include intra-government agreements which are not enforceable by laws and regulations within the scope of IFRS 17. The Board were asked to agree this in principle, subject to further consultation with departments not identifying any unintended consequences or issues associated with introducing this adaptation.
104. HM Treasury noted that this proposal had come about rather late in the process, as a result of comments on the exposure draft querying why the definition of a contract was not expanded to include intra-government agreements, as with IFRS 16. HM Treasury had been able to carry out some consultation over the past week. Most responses had indicated that widening the scope would not have a significant impact on departments' ability to adopt the standard by the target date.
105. HM Treasury observed that the rationale for this proposal was driven by a difference in how central government entities form agreements with each other, as opposed to private sector entities. Intra central government agreements may display all the characteristics of a contract including enforceability, with the exception that they are not legally enforceable: due to the legal principle of indivisibility of the Crown.
106. A Board member expressed their view that the FReM should not automatically aim to align the use of the word contract across central government implementation of different IFRS standards as the word 'contract' can mean different things in different standards. They sought clarity as to the exact proposed scope.
107. HM Treasury clarified that the intended scope is to apply central government adapted IFRS 17 to all agreements which would be IFRS 17 insurance contracts, with the one exception that they are not legally enforceable.
108. A Board member noted that the short period for consultation may have limited the time for respondents to assess their intra government arrangements and thus conclude whether this change would have a significant impact or not. A question was also raised as to how far indivisibility of the Crown extends and whether this would capture central government entities below the level of department. They therefore raised concerns about inclusion of the adaptation on intra government agreements within the published application guidance at this point in time.
109. The Chair noted that there is a risk that given the current wording, this could capture any arrangement between two public sector entities that is enforceable but not legally enforceable. Another Board member also raised questions around how a central government entity would determine what falls within the boundary of what this proposal is targeting, and how much work this may create.
110. HM Treasury acknowledged the points made and their desire to conclude the consultation process to identify any unintended consequences. HM Treasury advised they may need to revisit the wording and include additional guidance.

111. A Board member queried the definition of enforceability in intra-government insurance transactions, as well as its application where crystallisation may not result in a cash payment. They expressed that they were in favour of treating binding and non-binding transactions separately.
112. A Board member queried the extent to which insurance type arrangements currently exist between government entities, and how they are accounted for if they do exist. HM Treasury advised they were not aware of a large scale of intra government arrangements which would be scoped in under IFRS 17, however that there is also an element of future proofing if the desire is for such arrangements to be captured by IFRS 17 should they arise.
113. A Board member expressed their view that the case for expanding the scope to cover intra government arrangements was not as strong as it was with IFRS 16. They felt this would introduce additional complexity and judgement for preparers and auditors. If many of these arrangements were within departmental groups rather than between departmental groups, they felt the case for this proposal would be weaker. Therefore, it would be helpful to understand more about which arrangements would be captured in practice to assess the strength of the case for the proposal.
114. A Board member expressed the view that the case for the proposal is stronger if it scopes in arrangements which would otherwise not be accounted for under another IFRS, to provide transparency to the users of accounts. They also echoed other members views that further information about what would be in scope would be needed.
115. Points were also made regarding the need for the language used in the proposed adaptation to precisely reflect the intended scope, for instance whether it should refer to agreements between entities or departments, and what is encompassed by the word agreement. The Chair noted that IPSASB define a term 'binding arrangements' in relation to agreements in the public sector, which it may be worth HM Treasury looking into.
116. The Chair suggested that HM Treasury should reflect on the discussion, provide more information and that the Board would return to the issue at a future meeting. HM Treasury agreed to this suggestion.
117. Section E of the paper was covered next. This is in relation to a particular disclosure for discount rates set out in paragraph 120 of IFRS 17. HM Treasury proposed that the requirements of IFRS 17 paragraph 120 should be removed where the HM Treasury discount rates are used by entities.
118. There were no comments or objections raised. The Board were content to endorse the proposal in Section E.
119. Finally, Section F of the paper was covered. This raised questions for the Board regarding transition arrangements.
120. The first topic in Section F concerned a proposal to include a practical expedient for onerous and breakeven insurance contracts, measuring the insurance contract liabilities at transition at fulfilment cashflows.
121. One Board member observed that they were not in agreement with the argument set forth in the paper that an alternative option to the practical expedient, a simplified transition approach similar to IFRS 15 and IFRS 16, was too far removed from the

requirements of IFRS 17. They felt that an approach permitted under IFRS 17 would not be too far removed from its requirements.

122. A Board member queried the reasoning behind the practical expedient being optional rather than mandatory. If in certain cases, not applying the practical expedient would provide an inappropriate answer, they expressed support for mandating the approach in those defined circumstances. HM Treasury explained that on balance, and given the complex nature of IFRS 17, it was felt preferable to keep options open for entities to use the transition approach which produced the best financial reporting.
123. Another Board member enquired as to any consolidation difficulties an optional approach may cause for the Whole of Government Accounts. HM Treasury responded that this would be a risk which would need to be managed. HM Treasury felt that this could also be an issue faced for group consolidations in the private sector, due to IFRS 17 allowing decisions to be taken on the restatement approach by groups of insurance contracts.
124. A Board members acknowledged the challenge of achieving consistent reporting for IFRS 17 given the inherent variety of insurance contracts. They expressed their support for the optional practical expedient instead being used as an ‘override’ which must be applied in certain circumstances.
125. The Chair suggested that HM Treasury should reflect on the discussion and bring an updated item back to the Board. HM Treasury agreed with this suggestion.
126. The second topic in Section F concerned a proposal to keep the measurement adaptation to the fair value approach. No comments or objections were raised to this proposal.
127. HM Treasury advised that they would do more work on the items for which agreement was not reached and revert to the Board either at a future meeting or via an out of meeting paper on certain items where appropriate. In particular, they would engage with the Board parliamentary observer member and the NAO regarding Section C – remote contingent liabilities, and for Section D intra-government agreements, there was further work to be done including on defining Crown bodies and the scope and type of agreements included. For the practical expedient item in Section F, there was more work to be done on the rationale and how practical expedients may be mandated.

Agenda item 8: CIPFA/LASAAC Chair update and CIPFA/LASAAC Code

128. The CIPFA representative introduced the paper and provided further detail on more recent developments. The Code will remain broadly unchanged for 2024/25 with the exception of IFRS 16-related requirements, as well as relevant changes to financial reporting standards and legislation which will be included in the Appendix. CIPFA indicated the need to use lessons learnt from NHS bodies on IFRS 16 implementation.
129. Furthermore, the CIPFA representative also raised the CIPFA LASAAC strategic work plan which looks beyond the minimum requirements and considers performance reporting and summary financial information – recommended in the Redmond Review. The Better Reporting Group is reviewing best practice, the implementation of IFRS 16 and the presentation of statutory adjustments in the accounts. CIPFA is also considering restructuring the Code, in parallel to its presentation on CIPFA’s electronic

platform. The CIPFA Board is reviewing its terms of reference and plans to perform its own effectiveness review.

130. CIPFA continues work on infrastructure assets via a newly constituted Task and Finish Group (TFG). A minor correction was noted in the paper on para. 9 where TFG membership has extended from highways experts and accounts preparers to a wider group with representation from across central government departments. After ongoing discussions, TFG keeps returning to the same conclusion that Discounted Replacement Cost (DRC) is likely the best option and is now performing an impact assessment to consider the resource and wider implications. On 27 April 2023, CIPFA LASAAC has a single-issue meeting to consider TFG's DRC proposal and will report back to FRAB at the June 2023 meeting.
131. In response to the PFI/PPP-related FReM changes, CIPFA is similarly updating the Code version for 2022-23 and 2023-24. However, the IFRS 16 guidance will be permissive rather than mandated and the overall impact is expected to be low. CIPFA is only aware of three authorities applying IFRS 16 from 1 April 2023 and two authorities that have PFI/PPP transactions. If there are any differences between the FReM and the Code, these will likely be eliminated by intergroup transactions for WGA purposes.
132. CIPFA has also been considering IFRS 17 although there are different application issues for local authorities. CIPFA advised the Board to expect a limited application to local authorities, but the Board will be kept up to date. The Chair opened the discussion for questions and comments.
133. The Board parliamentary observer member highlighted that, earlier in March 2023, the House of Commons Department for Levelling-Up Housing and Communities (DLUHC) Select Committee launched an enquiry into audits and financial reporting with a focus on the user perspective and the understandability, accessibility and proportionality of reporting requirements. They raised that this may inform future development of The Code and questioned if FRAB wanted to make an evidence submission to the committee.
134. The CIPFA representative also vocalised the importance of this enquiry, confirming that they have already spoken to committee representatives and that they planned on making an evidence submission.
135. The Chair also raised that FRAB may want to provide views to the committee and asked members to reflect on this before this is covered again later in the agenda.
136. Another member queried the legislative developments in Appendix A, and whether the deadline for publishing local authority accounts for the next six years fits with the current WGA timetable. The CIPFA representative said that she would assume that WGA is aware of the timetable as this was driven by a decision from DLUHC a long time ago to stabilise the audit market. Prompted by the same member, CIPFA also briefly explained the amendment for local authorities undertaking pooled investments driven by the legislative statutory override whereby the related fair value movements are kept in separate unusable reserves for a short period.
137. The member also questioned the timetable for the aforementioned enquiry – which was confirmed as 17 April. While the user representative offered to talk to the committee to confirm whether there was any flexibility on the tight deadline, the Chair said that a letter to raise awareness of what has already been highlighted and

discussed by FRAB may be more appropriate. CIPFA representatives said that this may be useful. Furthermore, the FRAB annual report may be another way to raise awareness. FRAB Chair also said that she would be happy to go and talk to them.

138. The Board parliamentary observer member declared a conflict of interest. While he is not directly involved in the enquiry, he line manages the individual who reports to it. Consequently, he confirmed that he would abstain from providing views on the submission. Another member voiced that while pointing to existing material may be useful, a succinct cover letter may be more appropriate.

Agenda item 9: Local government update

139. The CIPFA representative began by explaining that local government audit delays are starting to have a knock-on impact on the rest of central government. The Public Accounts Committee's session on the timeliness of local government reporting demonstrated that there is a need for deeper understanding of underlying issues. While changes to the measurement of infrastructure assets have provided a short-term solution for certain local authorities; other local authority accounts remain unsigned even though they had not been directly impacted by the issue. In the short term, the focus should be on clearing the backlog. Then the longer-term focus needs to be on workforce strategy, including the local audit diploma, and improving the capacity at the key audit partner level. Current delays are having a negative impact on CIPFA's financial reporting work. Even if additional resources were available, the current market lacks suitably trained local government preparers and auditors.
140. For the DLUHC Select Committee, CIPFA is planning joint work with ICAEW to consider the users of the local government accounts and their needs which will draw from roundtable events with practitioners and users. The group will consider the need to set high standards in financial reporting, as well as the need for transparency - noting that the accounts may not be the most appropriate vehicle.
141. The CIPFA representative noted other recent changes including the increase in local government reserves. CIPFA is in discussions with DLUHC, with a separate roundtable planned, to consider the effectiveness of the #RO and #RA forms at capturing information for stakeholders at an individual local authority and national level, and whether they are fit for purpose.
142. Furthermore, CIPFA issued a bulletin on accounting for local authority reserves. CIPFA also issued the year-end bulletin for account preparers which highlights current issues, as well as provides a refresher on past issues (e.g., property valuations). Addendums may be issued to address specific issues including pensions.
143. CIPFA raised concerns to the Board that the current reporting period is a triannual review year for actuaries to perform more in-depth analysis of pension valuations. This has driven some auditors to consider whether there is a need to reassess the IAS19 figures for outstanding accounts based on more up-to-date data. CIPFA is considering options.
144. CIPFA's Financial Reporting Forum plans to establish a working group to respond to the HMT Thematic Review on non-investment asset valuation from a local government perspective.

145. The CIPFA representative updated the Board that the large number of unaudited opinions are causing gaps that are impacting the wider system – with alternative arrangements having to be sought (e.g., grant accounts).
146. In response to high-profile failures, covered in the national media/trade press, CIPFA has strengthened the CPD requirements and annual declarations for their own professionals (Chief Financial Officers, Finance Directors and s151 Officers). CIPFA has initiated discussions with DLUHC over the accessibility of The Code - including its price. A member voiced support for this work.
147. A member asked whether local government practitioners had raised concerns over CIPFA's additional requests to which the CIPFA representative explained that practitioners are receptive to support and keen for more support and guidance. CIPFA is concerned with capacity and there is a level of fatigue. Ensuring proportionality while also addressing shorter-term development points and ensuring preparers are kept up to date is important. There have been rumours about a further deferral of IFRS 16; however, CIPFA colleagues have disparaged these directly and reiterated the implementation date of 31 March 2024 in their issued guidance. While the problems and causes are relatively easy to identify, it is much harder to identify workable solutions that will have an impact in a timely manner.
148. Another member asked whether the increase in local authority reserves was positive (e.g., more financial resilience) or negative (e.g., collecting council tax early, poor budgeting). The CIPFA representative said this was likely mixed. Local government received significant funding for COVID-19, some of which remained unused. There are also timing differences, while some local authorities are building in a level of contingency (e.g., the recent increase in insurance premiums). While available data shows macro trends, CIPFA doesn't have access to data on a micro level. The RO and RA Forms categorise between usable and unusable reserves, however, do not go into further detail. This is being considered in CIPFA's aforementioned review.

Agenda item 10: System Lead, FRC's Director of Local Audit update

149. The Financial Reporting Council (FRC) speaker started by explaining the key network groups they had attended, where the role of the FRC in the shadow local audit system leadership role was discussed. This included:
    a. Initial views on short-, medium-, and longer-term priorities.
    b. An overview of the FRC's progress undertaking the shadow local audit system leader role.
    c. Understanding whether areas of action were missed or unintended consequences of their priorities
150. The FRC intends to set out a position statement on how they will take on their roles and responsibilities
151. The FRC speaker then discussed the work they intend to do on get a holistic picture of public sector audit system, including local government, NHS bodies and other public sector entities.
152. The FRC speaker then moved onto explaining the importance of establishing the Audit Reporting and Governance Authority (ARGA). The FRC are acting as a shadow system

leader but need a statutory basis to be able to fully implement the actions they wish to take.

153. A FRAB member gave their reflections on the presentation. The FRAB member commented that one of the issues may be describing the work of the FRC as tackling local audit issues, when issues could start earlier when local authorities prepare their annual reports and accounts.
154. The FRC speaker agreed that the picture of the issues in local audit is often more complex than is portrayed. The FRC speaker then highlighted the role it has with local authorities, including:
    a. Sitting on Department of Levelling Up Housing and Communities (DLUHC) stewardship boards.
    b. Meeting commissioners at failing local authorities.
    c. The FRC being able to undertake investigations into local authorities' accounts where necessary.
155. Another FRAB member highlighted the difference between the timeliness of reporting for local authorities and health bodies. The member commented leadership is important, but entities prioritising annual reports and accounts is also important. The member commented that there are some local authorities who do not prioritise the annual report and accounts.
156. The FRC speaker responded that the FRC are keen to get information and data from auditors on the current position of outstanding audits to get a clear picture of which entities are not prioritising the annual report and accounts.
157. A local authority FRAB member commented that they take their annual reports and accounts very seriously. They get good feedback on their annual reports and accounts but still cannot complete the audit by the deadlines. The local authority FRAB member noted that delayed audits have a very significant impact and can be reputationally damaging.
158. The FRAB Chair queried whether enough support is available for local authorities who can complete their accounts by the deadlines to manage audit firms effectively and hold them to account.
159. The FRC speaker responded that there needs to be a much more focussed and structured way to identify local authorities who are having a disproportionate impact on the local audit system. The FRC speaker also highlighted that they have a supervisory role and can intervene if there are consistent concerns about an entity's ability to deliver an audit.

Agenda item 11: Local Auditor update

160. The local audit speaker split their update into 4 sections:
    a. IFRS and its interpretation for local government.
    b. Complexity and timelines.
    c. Reporting risk and standards.
    d. Financial reporting quality.
161. The local audit speaker highlighted the complexity of local government accounts and the challenge they can be to audit. The local audit speaker noted complexity and challenge to audit has been increasing in recent years.

162. The local audit speaker then discussed how local authority annual reports and accounts are used by local authority decision makers. The local audit speaker stated the complexity of local authority annual reports and accounts may mean local authority decision makers are not using them as effectively as they can to make decisions.
163. The local audit speaker then discussed the audit regime for local audits. They commented a lot of the audit risks follow from significant estimates such as pensions and property. Consequently, auditors spend a lot of their time on these account areas. The local audit speaker explained there is a disparity between these high-risk account areas from an audit perspective and what the council see as their key risks.
164. In response to questions from FRAB members the local audit speaker noted there are some very good local authority clients but also some very problematic clients. A FRAB member commented that there is a link to the previous agenda item, where it appears the local authorities who are not prioritising the accounts are having a disproportionate effect on those local authorities and auditors who do prioritise the annual report and accounts.
165. A FRAB member commented that there is a difficulty in reconciling what local authorities judge their performance as (i.e., what is charged to council tax) and what accounting standards judge a council's financial performance as.
166. A FRAB member and the FRAB chair observed that there is often a debate that annual reports and accounts can be too complex and should these be changed but hear less about what the right application of the auditing standards to those accounts should be.
167. Another FRAB member gave their view that it is not necessarily IFRS accounting which drives the complexity in local government annual reports and accounts, rather it is the statutory requirements which can drive the complexity. The FRAB member also noted the differing views of risk between local authorities, auditors and the FRC which can cause issues in the local audit area, and to resolve these issues there needs to be a holistic view across the local government accounts and audit sectors.

Agenda item 12: Performance Reporting thematic review

168. HM Treasury presented an update to the Board on the progress of the Performance Reporting Thematic Review, a topic brought to the November 2022 meeting and suggested by the User and Preparer Advisory Group (UPAG).
169. It was explained that a sample of ARAs have been reviewed and compared against different FReM requirements, using engagement scoring based on the amount of compliance found. The analysis identified that there is low engagement with best practice recommendations and strategic enablers, as well as disclosures on future plans and a summarised overview of budget reconciliation.
170. The Chair queried when the completion date of the review will be. HM Treasury clarified that there is not a fixed deadline in place, however, the expectation is to finalise the review within the calendar year.
171. The Board parliamentary observer member welcomed more analysis in annual reports on the outturn vs estimate reconciliations, flagging that this is a key area of interest to the primary user. Similarly, the member expressed that they would like to see

performance reports include a summary of the department's position against KPIs as an improvement from the review.

172. A member noted the findings that the financial review section of the report has lower engagement and suggested that it may be beneficial for entities to make use of the expertise of accountants to get involved in the performance report.
173. HM Treasury informed the Board that they are keen to avoid adding new reporting requirements to the FReM, as it will increase the burden preparers already have.
174. A member flagged the interaction between best practice requirements in the FReM and the movement of annual reports to HTML. It was highlighted that there are difficulties when converting infographics and charts to HTML, therefore this is an area that needs to be considered. A suggestion was also made for good examples of the financial review section to be shared, to increase the engagement of entities.
175. HM Treasury highlighted that a best practice report is produced annually, however, agreed that the scope could be improved to share examples that fall under the weaker areas. It was also confirmed that issues with HTML have been raised in a recent RASIG meeting.

Agenda item 13: Sustainability reporting update

176. HMT delivered an update on the paper that had been circulated before the meeting on sustainability reporting. The update covered TCFD reporting in central government and the wider public sector, including the scope, timetable and planned implementation.
177. Comments were first requested from the Board on the Subcommittee's recommendation to focus on ensuring that existing resources around the financial reporting consequences of climate change are publicised to raise awareness.
178. The Chair queried whether it would be available to entities not in central government when publicised. HM Treasury confirmed that the expectation is to make it available to local government and NHS colleagues too.
179. HM Treasury sought views on the TCFD recommended disclosures for Governance for 2023-24.
180. A member requested clarification on the scope of organisations, and whether disclosures will be required on a departmental group basis or individually. HM Treasury confirmed that expectations will be set out in the application guidance being taken to the June 2023 meeting but reiterated that the aim is for there to be a department-wide responsibility.
181. The discussion progressed onto the proposed timetable and implementation phases. HM Treasury emphasised that although the phase 3 requirements are more difficult, they will ensure an appropriate consultation period is given leading up to it.
182. A member reflected on the 3-year phased implementation and questioned what the private sector landscape might look like after this, as well as how the public sector could converge with organisations already in front. HM Treasury outlined that this is a fast-moving environment, and the intention is to keep the public sector TCFD disclosures at a principles-based level, to allow for adaptions to the framework.
183. A member questioned the feasibility of the timetable. HM Treasury commented that in terms of data collection, many public sector entities have good emission tools to

consolidate the requirements. However, HM Treasury did note that they are aware there are some gaps in the public sector, and the aim is that there is consistency in the future.

184. A member raised a point on the scoping characteristics, outlining that they have interpreted it as being the entity's judgement on whether they fall into the comply or explain category. HM Treasury agreed that the assessment is the preparer's responsibility, however, the aim is for HM Treasury to provide guidance in this area. It was also noted that some departments that should fall into scope might not be picked up by the parameters set for the private sector requirements.

Agenda item 14: FRAB Strategy, action plan, risk register

185. The Chair then introduced the FRAB Strategy document, action plan and risk register and raised a general point that if there are actions on the plan which are now embedded as business-as-usual, they should be removed from the action plan.
186. Forward plan – A member asked if there can be more dialogue as proposals are being developed (for example in the Local Government space), to allow more communication throughout the process rather than relying on updates once a decision has been made
187. The Chair queried whether this means FRAB obtain regular written updates on Board Intelligence or a Microsoft Teams channel to enable conversation outside of FRAB meetings.
188. The member clarified they are open to hear the opinion of CIPFA colleagues and asked whether there might be points when putting proposals together to bring to FRAB to facilitate decisions, rather than waiting until the end of the process.
189. A CIPFA member confirmed they have no strong objections to getting input from FRAB whilst going through the process of decisions, especially if it means that outcomes will have FRAB support from an earlier point in the process. However, CIPFA did raise that they would have to consider the practicalities of this. For example, CIPFA would not want to create additional work and burden from a resource perspective. CIPFA suggested exploring opportunities from FRAB members to attend meetings as observers.
190. A CIPFA member raised that there are times when CIPFA/LASAAC or other groups are indecisive about certain topics and so use the CIPFA/LASAAC forums to have open discussions. Although all conversations are transparent, there are elements of confidentiality so the governance risk would have to be considered.
191. The Chair summarised that the FRAB are here to help with developing proposals so can be used to help if CIPFA and CIPFA/LASAAC want to engage throughout proposal developments.
192. A member recognised that this can also be applied to all stakeholders (for example, Health and HMT). However, reflecting on the Terms of Reference for FRAB, the Board should be careful that they remain independent and do not come across as coming up with the proposals themselves. It is important to distinguish between formal FRAB discussion rather than formal FRAB input.

193. A member agreed with the initial point raised and stated that if FRAB were to raise a red flag on anyone's proposal, it would be better for all involved if FRAB have the opportunity to do so as early on in the process.
194. A member raised that the IFRS 16 post-implementation review has not been included in the Forward Plan.
195. The Chair confirmed it has been included and scheduled for November 2023. HMT to ensure that FRAB 149 (14) FRAB Strategy action plan and risk register APPENDIX 2 is updated.
196. Action Plan – The Chair confirmed UPAG can now be dropped from the Action Plan as it has become a standing item.
197. A member raised that with regards to Item 5 of the action plan [IFRS 17 application], the Board should seek to consider insurance expertise to be brought onto the Board – or at least join the specific Working Group – to replace the independent member whose time on the Board has come to an end.
198. The Chair confirmed this expertise is essential for the IFRS 17 Working Group. It would be an additional advantage if the new independent member can also bring this expertise to FRAB.
199. HMT confirmed whether the Board are happy to split business-as-usual and ongoing actions, so that there will be two sections in the Action Plan for the next version. The Board agreed.
200. The Chair raised that there are some actions that have still not been addressed and require a completion date. HMT to review.
201. Risk Register – The Chair raised it is worth reflecting on 'further mitigation proposed' to ensure the Board have the mitigation in hand and see if the Board think any further actions are required at all.
202. The Chair also raised that for June FRAB, there will be an update from standard setters so need to ensure there is sufficient time on the agenda for that.
203. The Chair also confirmed that they had spoken to HMT about the new IPSASB standards (measurement, revenue and expenditure) and the need to review these at the June FRAB meeting to understand the standards and assess if new IPSASB requirements are closer or further away compared to current FReM requirements.
204. The Chair raised that the Nominations Committee has met and is considering several candidates to interview as for the open independent member position. Once this process has been completed, it will be good for FRAB to take stock of Item 6 of the Risk Register to see where certain of areas of expertise are required for specific engagement. *(Item 6 – FRAB has insufficient time, resources, and balance of expertise to discharge responsibilities).*
205. The Chair raised that, with regard to Item 7, the Board have discussed Local Government at the March FRAB and will put something in writing to the Select Committee. The Chair asked the Board whether there is anything else the Board should be doing here. The Chair raised it would be useful to hear from those who are getting it right at some point.
206. A member raised a queried whether FRAB receive any feedback on the Annual Report and whether any thoughts or expectations have every been shared as to what FRAB should focus on.

207. The Chair stated that they were not aware of any feedback on the latest Annual Report, nor did anyone take up the offer to talk about it. The Chair acknowledged this is something that the Board should continue to reflect on and understand from a stakeholder perspective to understand their views on the Board. There will be an opportunity to do a Board Effectiveness Review so Board can seek feedback through that.

Agenda item 15: AOB

208. The Chair stated the Board are looking for a member from Relevant Authorities to be a member of the Nominations Committee. Any interested members should let the Chair know.
209. No further AOB

Agenda item 16: IFRS Interpretations Committee summary of announcements

210. The Board noted the update paper.

Agenda item 17: IFRS Issued but not yet effected and narrow scope amendments

211. The Board noted the update paper.

Agenda item 18: UPAG update

212. The Board noted the update paper.

Agenda item 19: RAWG update

213. The Board noted the update paper.
214. A Board member queried what the RAWG concern was with changes to the PFI and PPP FReM guidance in relation to IFRS 16.
215. HMT clarified the query and confirmed that this was not a concern for the NAO.