



The User Preparer Advisory Group: terms of reference

Group aims

To promote the continuous improvement agenda in government financial reporting by:

- A) increasing engagement between the Treasury, central government annual reports and accounts preparers, and users of central government annual reports and accounts;
- B) supporting the Treasury and departments in achieving the commitments set out in the government financial reporting review;
- C) sharing feedback to help those preparing government financial reports better meet the needs of users including monitoring the progress of improvements to performance reporting.

Background

The government financial reporting review

Government financial reporting has been developing for many years, responding to the needs of users. In 2014, the Treasury undertook the 'Simplifying and streamlining' review to make financial reporting more targeted to the needs of users.

The Public Administration and Constitutional Affairs Committee (PACAC) also published two reports in 2017 and 2018 called 'Accounting for Democracy', following an inquiry into government financial reporting that included a major user engagement exercise. These reports proposed four purposes for government financial reporting and made a series of detailed recommendations to make reports more usable and understandable.

The Treasury published the government financial reporting review on 4th April 2019. In this review, the Treasury reviewed government financial reporting for progress since 'Simplifying and streamlining,' and to respond to the recommendations in 'Accounting for democracy', the results of which were shared in the published review document.

This review was also an opportunity to improve government financial and performance reporting. It also allowed the Treasury to embed ongoing improvement into the routine of government, so that the UK can continue to lead the world in financial openness, transparency, and trust.

The review set out a number of recommendations for the Treasury and departments on how financial reporting in central government could be improved. The Treasury committed to continue to work with both internal and external users of accounts, to help support continuous improvements in the government financial reporting and build on the work done during the review.

This will be achieved by establishing a group of external users and preparers of annual reports and accounts to meet twice a year and share feedback to help those preparing government financial reports better meet their needs.

Responsibilities of the Group

The Group will provide independent recommendations and advice to the Treasury in furtherance of improving financial reporting in the public sector (including considering narrative reporting). Specifically, in respect of:

- Suggestions of areas in which to undertake thematic reviews of financial reporting
- Areas of best practice in financial reporting which can be disseminated across government
- Reaching out to other users of financial reports for more opportunity to provide feedback on the quality of financial reporting.
- Improvements to the quality of financial reporting so as to better meet the needs of the user and broaden the accessibility of financial reports
- Any other areas where the Group determines improvements can be made to public sector financial reporting

The Treasury will undertake to consider the advice and recommendations of the Group as part of determining its forward work plan.

A summary of the Group's recommendations and advice will be presented to the Financial Reporting Advisory Board.

Membership and meetings

This group was formed in December 2019, with the first meeting in January 2020. There is no end date for this group, which will meet two times a year with meetings timed to precede FRAB meetings.

Meetings will be held in a hybrid manner, offering both an in person and virtual option as well as the option to have extraordinary meetings where necessary. Dial in facilities will be available at each meeting.

This group will be formed of members split between both preparers and users of annual reports and accounts.

The group will be chaired by an additional external user of annual reports and accounts. The Treasury will perform the secretariat function.

Papers will be circulated via email by the secretariat at least one week in advance of each meeting. Out of meeting papers will also be circulated via email as needed.

The agenda will be agreed upon by the Chair and Secretariat in advance of each meeting, taking into consideration any agenda items agreed during the previous meeting, or suggested by Members between meetings.

The below sets out the Members of the group. In agreeing to this terms of reference, Members are committing to attend each meeting of this group. However, if exceptionally, a member is unable to attend a meeting, they may request to send a relevant deputy subject to the Chair's agreement.

Chair

The Chair of the Group will be an independent member appointed by the Treasury.

Members

Maggie McGhee, Chair, Independent member.
Fiona Yallop, HM Revenue and Customs
Helen Creeke, The National Archives
Jane Piccaver, Natural England
Henning Diederichs, ICAEW
Alison Ring, ICAEW
David Heald, University of Glasgow
Gavin Freeguard, Institute for Government
Debbie Paterson, Healthcare Financial Management Association
Sarah Sheen, CIPFA
Ed Hammond, Centre for Public Scrutiny
Marcus Wilton, House of Commons
Henry Midgley, Durham University
Sarah Logsdail, HM Treasury and UPAG Secretariat

Review of ToR

These terms of reference will be reviewed at least every three years. If requested by members of the group, the terms of reference can be reviewed more regularly.

The latest date for the next review of these terms of reference will be September 2026.