HM Treasury

Financial Reporting Advisory Board 150th Meeting Minutes

29th June 2023
Commencing: 10:00am

	Item	Presented by	Time	Paper
1.	Welcome, minutes and matters arising	Chair	10:00	FRAB 150 (01)
2.	Devolved Administrations updates and 2022-23 progress	Kim Jenkins, Stuart Stevenson & Aileen Wright	10:10	Verbal
3.	Local government update	Iain Murray	10:25	Verbal
4.	CIPFA/LASAAC update on Code consultation and strategic workplan	Sarah Sheen & Steven Cain	10:40	FRAB 150 (04)
5.	IFRS 17 application guidance	Sudesh Chander	10:55	FRAB 150 (05)
6.	Thematic Review – valuation of non-investment assets	Shikha Sharma	11:20	FRAB 150 (06)
	Lunch (45 mins)		11:50	
7.	IPSASB update	Henning Diederichs & Sarah Logsdail	12:35	FRAB 150 (07)
8.	ISSB update	Richard Barker	12:55	FRAB 150 (08)
9.	IASB update	Mike Metcalf	13:10	FRAB 150 (09)
10.	FRC update	Jenny Carter	13:25	FRAB 150 (10)
11.	Sustainability reporting 23/24 application guidance	Max Greenwood	13:40	FRAB 150 (11)
	Break (10 mins)		14:05	
12.	Accounting for social benefits update	Hannah Oliver	14:15	FRAB 150 (12)
13.	DHSC health sector update	Ian Ratcliffe & Rob White	14:35	Verbal
14.	NAO and NIAO update	James Osborne & Kathy Doey	14:50	Verbal
15.	2022-23 FRAB annual report	Hannah Oliver & Mia Wright	15:05	FRAB 150 (15)

16.	FRAB Effectiveness Review and Terms of Reference update	Hannah Oliver	15:20	FRAB 150 (16)
17.	FRAB Strategy, action plan, risk register	HMT/Chair	15:35	FRAB 150 (17)
18.	AOB	Chair	15:50	Verbal
	Papers to note only			
19.	Timeliness of reporting and issues for the central government 22-23 reporting cycle			FRAB 150 (19)
20.	WGA update			FRAB 150 (20)
21.	IFRS Interpretations Committee summary of announcements			FRAB 150 (21)
22.	Relevant Authority Working Group update			FRAB 150 (22)

Attendees:

Aileen Wright
Alex Knight
Bob Richards
Charlotte Goodrich
Christine Golding
Conrad Hall
Iain Murray
Ian Ratcliffe
Ian Webber
James Osborne
Jasmine Matthews
Jennifer Griffiths
Jenny Carter
Jessica Seymour
Karl Havers
Kim Jenkins
Lynn Pamment
Lynne Brothwood
Michael Sunderland
Mike Metcalf
Rob White
Sarah Sheen
Shiva Shivakumar
Steven Cain
Stuart Stevenson
Suzanne Walsh
Hannah Oliver
Max Greenwood
Mia Wright
Sarah Logsdail
Shikha Sharma
Sudesh Chander
Sarah Geisman

Guest Speakers:

Henning Diederichs – IPSASB
Richard Barker – ISSB

Notes and Apologies:

Andy Brittain – unable to attend, Rob White deputised
Pam Beadman – unable to attend, Lynne Brothwood deputised

Date of next meeting: 23rd November 2023

Matters Arising

Agenda Item	Paragraph	Issue	Responsible	Action
3	38	CIPFA/LASAAC to consider whether there should be any further amendments to the Code in relation to going concern.	FRAB and CIPFA/LASAAC	In Progress: CIPFA/LASAAC have been asked to update Board at November FRAB meeting.
5	57	DHSC and HMT to meet to discuss alignment of budgeting treatment of IFRS 17	HMT	Cleared: HMT reached out to DHSC to discuss any issues from the proposed budgetary regime for IFRS 17. No specific concerns were raised, and the guidance has now been published.
5	64	HMT to confirm that support will be made available to preparers on implementation of IFRS 17.	HMT	Cleared: HMT worked with external training providers on IFRS 17 training delivered through the Government Finance Academy (GFA).
6	83	The Board raised several areas for HMT to consider in relation to the non-investment asset review. These included: - The basis for the specialised/non-specialised asset split - detail on the trade-offs between cost and fair valuation bases - whether land and buildings should be looked at as a separate category - trade-offs between timeliness and the quality of financial reporting	HMT	Cleared: These areas have been considered as part of the Asset Valuation Thematic Review. Matters raised at the June FRAB meeting were addressed in the FRAB paper for the single item meeting held on 23rd October 2023.
8	115	HMT to provide update on public sector adoption of sustainability reporting in other jurisdictions.	HMT	Cleared: Richard Baker provided the details. At this stage IFRS-Ss have not been adopted by the PS in other jurisdictions. Australia is the only country that is starting to consider this (as they apply the same standards endorsement process for PS as private sector), however this is only at an early ED.
12	148	HMT to develop application guidance for the new requirements for accounting for social benefits, in particular for the requirement to accrue for 'claims by eligible persons expected to be received but not yet received'	HMT	In Progress: Draft guidance will be shared with the Board ahead of the March meeting.
12	150	HMT/NAO to provide update on whether there are examples in the public sector where accruals accounting may not be being fully followed.	HMT/NAO	Cleared: The FReM requires an accruals approach and neither HMT nor NAO are aware of other deviations from accruals accounting.

15	187	HMT to update and agree paragraph on local audit and the statutory provision in the FRAB Annual Report with CIPFA colleagues.	HMT	Cleared: FRAB Annual Report updated and published.
15	190	HMT to request new Parliamentary Observer for the Board.	HMT	Cleared: Letter sent to Chief Whip to request the appointment of a new observer.
16	205-207	HMT to review the ToR following suggestions from the Board, which could include a reference to sustainability reporting and clarifying FRAB's relationship with the Sustainability Reporting Group, UPAG, RAWG and other groups and the relationship between the FReM, UK GAAP and IPSAS. A Board member also raised the need to be consistent with phraseology in the Chair's foreword, detailing aims of interpretation and adaptation to IFRS in the TOR.	HMT	In Progress: The Board's comments have been shared with the NAO team conducting the Effectiveness Review, and the ToR will be updated after the Review has been completed.
16	206	HMT to consider whether decisions made by the Board make a difference to the users of the financial statements	HMT	Cleared: FRAB observers have been sent a survey to complete as part of the Effectiveness Review. Deadline for completion 31st October.
16	208	HMT to consider how user and stakeholder feedback is captured as part of the forward strategy plan.	HMT	In Progress: The next iteration of the Forward Strategy Plan will be brought to the March meeting.
16	215-217	NAO to consider the areas identified by the Board as part of the Effectiveness review including: - Whether there is a need for a Vice-Chair - how the board should meet (e.g. in-person, hybrid meeting etc.) - Whether there is sufficient representation of certain areas of exprtise on the Board	NAO	In Progress: The Board's comments have been shared with the NAO team conducting the Effectiveness Review. The outputs of the Review will be brought to the March meeting.
17	220	HMT to add a one-year update from the FRC's Director of Local Audit to the forward agenda, following on from the update given at the March 2023 FRAB meeting.	HMT	Cleared: Item added to the forward agenda for March 2024.

17	221	HMT to add an update on the Government Finance Review to the forward agenda.	HMT	Cleared: Item being brought to November Board meeting.

Agenda item 1: Welcome, minutes and matters arising

1. The Chair welcomed members to the 150th 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 – updates and 2022-23 progress

2. The Chair introduced the Devolved Administrations updates from the relevant Board members.
3. Colleagues from the Welsh Government (WG) updated that there they are currently in the throes of the 22-23 audit and highlighted that for the 22-23 audit of the WG accounts, qualifications will not be carried over from last year.
4. WG colleagues explained that they are experiencing some challenges with Whole of Government Accounts (WGA) but are working with HM Treasury (HMT), Audit Wales, and the NAO to get the 2021-2022 accounts resolved.
5. Welsh NHS audits are currently tracked for delivery at the end of July, they are taking longer than previous years principally due to IFRS 16 implementation. No significant thematic issues out of those NHS audits are a cause for concern.
6. Audit Wales are reviewing the NHS pay award in Wales, as the offer was made after the financial year end.
7. Northern Ireland (NI) colleagues updated that they still have no restoration of their devolved government.
8. NI colleagues updated that the big issue for them in the last few months has been their budget settlement for 23-24, the secretary of state set the budget in April, and it is having a significant impact on all of their operations especially on the finance community.
9. The NI Main Estimates are being introduced today at the House of Commons to be taken through with their budget bill.
10. The Board heard how the pressure on finance teams was limiting the capacity in NI to deal with routine finance and public expenditure exercises.
11. NI colleagues explained that it was the first year of Clear Line of Sight (CLoS) in NI and that there was late legislation under the Arrangements Act passed by the Secretary of State, which caused additional pressure on the timetable for account preparers and auditors.
12. The current focus is on 27 main accounts for laying, with two thirds of accounts on target and one third to be laid as soon as possible after summer recess. NI colleagues highlighted that the NI recess date is 7th July.
13. WGA remains on track for NI for 21-22, and the designated bodies order is in place for 22-23.

14. Colleagues from the Scottish Government (SG) explained that they are in a very similar position to the WG and are planning to lay in the Autumn, hoping to achieve an earlier laying date than previous two years.
15. From an account preparation point of view, the SG and most of their bodies have reverted to pre-covid timelines for producing their drafts accounts and accounts to audit. The timelines for their audit are in an extended phase and most of their bodies have produced draft accounts and audits are underway.
16. SG colleagues explained that they have had similar discussions as the WG on the NHS pay reward, with no consistent view from auditors.
17. SG colleagues updated that IFRS 16 does not seem to be causing issues or delays. However, there are some new queries being raised by the new appointed auditor of the Health Board.

Agenda item 3: Local government update

18. The Chair introduced the local government update from CIPFA Board members.
19. The Board heard that delays in local audit continue to take up a lot of time and energy in CIPFA discussions with various stakeholders
20. It was highlighted that some progress had been made, with just over 500 sets of accounts that did not yet have an opinion as of April 2023, which was a reduction from around 600 in November 2022.
21. CIPFA colleagues raised that they have been working with colleagues in DLUHC and FRC to galvanise stakeholders to come up with a set of measures to deal with the backlog.
22. The Board were informed that DLUHC will be providing measures on how to deal with the backlog and longer-term solutions to their Minister prior to recess. CIPFA/LASAAC will be involved in this and will be holding a special meeting in July in relation to these measures.
23. CIPFA informed the Board that they made a submission to the Levelling-up, Communities and Housing Select Committee and provided responses to the thematic review on non-investment asset valuation.
24. The Board heard that CIPFA/LASAAC has just started its governance and effectiveness review, which was paused during Covid.
25. There continues to be examples of Local Authorities getting into financial difficulties, and these are increasingly high profile, with recent examples of Woking and Birmingham City Council given by CIPFA.
26. CIPFA explained these difficulties were not directly related to financial reporting but that they do affect the environment in which accounts preparers and auditors are working.
27. CIPFA colleagues explained that there are emerging issues with accounts that are still being audited, particularly around the Local Government Pension Scheme.

28. LGPS have just had their triannual valuations, which have raised number of issues, such as questions about IAS 19 and whether there are events and conditions that now need to be reflected in those. CIPFA issued guidance in June to try and help preparers and auditors in relation to this issue.
29. CIPFA are also preparing a draft bulletin in relation to pension funds that are now showing surpluses and how these should be disclosed.
30. Colleagues from NAO confirmed that the NAO is playing a full role in the discussions on the backlog and future measures. The C&AG and Director of the NAO's Local Audit Code also gave evidence to the Select Committee and the NAO are continuing to use their audit standard-setting powers to address emerging issues such as those concerning the LGPS triennial valuations.
31. The Chair of CIPFA/LASAAC informed the Board that CIPFA were still waiting for the full data on which local authorities met the 31st May deadline to file accounts.
32. A Board member questioned whether there should be indications from auditors or financial reporting prior to local authorities announcing that they are facing financial issues.
33. CIPFA colleagues explained that some of the 'early warning systems' are not operating in the sector in the way in CIPFA would expect them to and that delays in local audit mean that the effectiveness of the system overall is reduced.
34. A Board member raised a question about the use of going concern basis in the local authority sector. CIPFA colleagues explained that the going concern basis of reporting is never under challenge in the sector because the only way a local authority can be discontinued is if there is a statutory instrument bringing an end to that entity.
35. The Board discussed the relevance and usefulness of going concern in the local authority sector and CIPFA concluded that there is a possibility that more guidance could be issued in this area outside of the going concern reporting requirements.
36. The Board member representing FRC raised that new financial resilience reporting requirements for Public Interest Entities may be useful to refer to.
37. Colleagues from the NAO raised that the Code of Audit Practice in England requires auditors to report against three main criteria; financial sustainability, governance, and improvements in value for money, but that the ability to discharge these responsibilities is affected by the current backlog.
38. The Chair raised that there might be an issue here and that FRAB should be asking CIPFA/LASAAC to do more work to look at the quality of disclosures where there are known issues, on quality of guidance and whether or not there should be any further amendments to the code in this area. It was suggested there could be value in additional disclosures

Agenda item 4: CIPFA/LASAAC update on Code consultation and strategic workplan

39. CIPFA/LASAAC then updated the Board on the Code consultation and strategic workplan.

40. CIPFA colleagues outlined the changes to the 2024-25 CIPFA/LASAAC Code, including the final introduction of IFRS 16 with narrow scope amendments and transitional reporting requirements for PFI/PPP arrangements.
41. CIPFA also highlighted the strategic plan and the work on performance reporting and mirroring the FReM in this area. CIPFA colleagues commented that this could be the place to include reference to financial resilience per the outcome of the discussion of Agenda item 3: Local government update, subject to review by CIPFA/LASAAC and advice from FRAB.
42. CIPFA are also reviewing the structure of the Code and a new section is being added about emerging and financial reporting issues.
43. CIPFA is also looking at whether changes are needed to the Code in relation to pension surpluses and is also looking ahead to IPSAS standards as the Code is reliant on IPSAS 23 for provisions on grants.
44. CIPFA invited members to comment on the Code.
45. Board members commented that the additional narrative reporting included in the Code appeared useful. One Board member further whether the narrative reporting only showed non-GAAP measures. CIPFA colleagues confirmed that this will show reported non-GAAP outturn, which will then be reconciled to GAAP figures.
46. A Board member queried whether the Code was not applying IAS 1. CIPFA confirmed that IAS 1 requirements are not disapplied, they are just not explicitly included in the Code.
47. A Board member raised the scope to incorporate performance reporting requirements from the FReM into the Code. CIPFA noted this.
48. The FRAB Chair asked if Agenda item 12 had any implications on the Code, whether CIPFA wanted to ask a consultation question on the move to DRC, and whether CIPFA intended to amend or adapt IFRS 17 in the same way for central government.
49. CIPFA confirmed that in relation to accounting for social benefits, the Code aims to mirror the guidance in the FReM. In terms of infrastructure assets CIPFA also confirmed that a separate consultation is needed, looking at measurement of PPE as part of that review. In relation to IRFS 17, CIPFA explained that local government does not face the same issues that central government does so would look to implement a simple application of this standard.
50. CIPFA colleagues raised that the valuation of property is one of the issues subject to debate in terms of the accounts backlog. As the measures that are being worked on in collaboration with DLUHC are not yet able to be made public, CIPFA explained that they can only run the consultation on this once they have been made public.
51. The Board noted the strategic workplan.

Agenda item 5: IFRS 17 application guidance

52. HMT introduced a paper on revised IFRS 17 application guidance, seeking Board approval to publish the guidance in July.

53. The paper set out the changes to the guidance since the last FRAB meeting, including the interaction of IFRS 17 with reporting remote contingent liabilities in the accountability report of central government ARAs, intragovernmental agreements, and transition arrangements.
54. Colleagues from the NAO raised a question on the proposal to clarify the scope of remote contingent liabilities disclosed in the accountability report to those which meet the description of a remote contingent liability in IAS 37. The query was specifically how this proposal interacts with the disclosure requirement for a reconciliation between contingent liabilities in the Supply Estimate and those in the ARA.
55. HMT confirmed that the intent of the wording was to focus on the transactions within the scope of IAS 37 to be disclosed in the ARA as the definition of a contingent liability in in the Contingent Liability Approval Framework (CLAF) is significantly wider and incorporating this would potentially complicate the guidance and make the disclosures in the ARA potentially confusing to the readers of the accounts.
56. NAO then questioned how the position in the accounts would reconcile to the position in the estimates. HMT confirmed that the Parliamentary contingent liability framework is separate from the estimates process itself as the estimates process is already more aligned with departmental accounting in this regard.
57. DHSC colleagues raised a concern regarding aligning the budgeting treatment to National Accounts and requested that this be discussed outside of the meeting
58. A Board member questioned if the scope of the adaptation regarding transition using the Fair Value Approach was too narrow, and if this could lead to onerous contracts being reported as profitable, and whether there are any examples of public sector insurance arrangements that are on market. Another Board member raised that there are a few examples, such as FloodRe.
59. HMT explained that the approach taken in the proposed guidance was the most practical to implement and confirmed that examples such as FloodRe, PoolRe and UK Export Finance are not relevant as they do not apply the Fair Value transition approach, but instead are fully retrospectively restating.
60. A Board member questioned whether there were plans for a post-implementation review.
61. HMT commented that it would be possible to perform a post-implementation review depending upon the impact of the standard in the public sector. HMT also confirmed that they had already sought consensus on the proposed guidance outside of FRAB through several scoping exercises, out-of-meeting papers, and technical working group meetings, and that the technical working group could be continued to receive feedback.
62. A Board member questioned if there were any lessons that could be taken from IFRS 16, and the Board discussed how best to balance the timing of working through a new standard and producing the guidance and implementation and whether there

was a mechanism to prevent the introduction of new standards being used as an excuse for delays to annual reports and accounts.

63. A Board member raised a concern that many prepares will not have to apply IFRS 17 due to being out of scope but will have to perform a significant amount of work to prove that this is the case.
64. The Board questioned whether support will be available for preparers. HMT confirmed that technical support will be provided but the full details are still to be confirmed.
65. A Board member questioned how departments are incentivised to produce their annual reports and accounts on time, working with the auditors. HMT confirmed that there are processes to encourage timely laying, such as the year-end finance assessments.
66. The Board approved the guidance, subject to any editorial comments provided by members outside of the meeting.

Agenda item 6: Non-investment asset valuation

67. HMT introduced the paper on accounting for non-investment assets and thanked all who contributed to it.
68. In response to the first decision needed, the Board agreed that they are content to implement a differentiation of valuation method for non-investment assets based on asset class.
69. The Board then reviewed the recommendation not to change the definitions of the heritage asset, surplus asset and intangible asset classes and their proposed measurement bases.
70. A Board member noted that the paper referenced charities SORP and FRS 102, which may receive periodic reviews which will change its drafting. This may mean FReM requirements would need reviewing in the future, depending on the extent to which HMT bases its decisions on FRS 102's drafting.
71. The Chair noted the paper's reference to decisions on social housing assets being outside of the scope of the Board's scope and within scope of CIPFA LASAAC instead. A discussion was had as to what sector MOD housing is classified under and it was confirmed that would be a non-specialised asset rather than social housing.
72. A discussion was had around valuation methods for social housing assets and a Board member from CIPFA confirmed CIPFA LASAAC would need to look at whether EUV-Social Housing conflicted as a valuation base with the IPSASB measurement of Current Operational Value as part of their work on this topic.
73. The Chair offered to have an offline discussion about social housing assets with the CIPFA Board member.

74. A Board member asked for examples of lifelong intangible assets, examples such as patents and licenses were given.
75. A Board member asked if the paper was proposing a change in accounting policy or change in accounting standard for intangible assets. Another member pointed out a previous FRAB paper looked at IAS 8 and how changing FReM adaptations counted as a change in accounting standard rather than a change in accounting policy.
76. The NAO member confirmed they would see it as a change of accounting standard as preparers are not being given an option. Another member disagreed and felt some of what this paper is doing is choosing between available IFRS options and so IAS 8 is relevant, but where a non IFRS measure is being introduced that would be a change in accounting standard.
77. A discussion between members was had on moving intangible asset valuation methodology to a historic cost basis, with concerns raised it felt like a backwards step. Opposing points were raised, highlighting finding reasonable market benchmarks to use when applying a valuation model, how few intangible assets there are and, in some cases, there may be no active market to observe.
78. HMT highlighted that the primary aim of the thematic review is to improve financial reporting of the numbers being presented and for intangible assets, historic deemed cost was considered more representative than finding the active market to measure the asset value.
79. The Board agreed to the paper's recommendation on the definitions of and measurement bases for the heritage asset, surplus asset, and intangible asset classes. The Chair did ask HMT to reconfirm the valuation approach to intangible assets with the Board in the future once all other work is completed on the proposal for specialised, non-specialised and networked asset classes, to ensure HMT are still content with the proposal being made for intangible assets. [ACTION]
80. The Board agreed to HMT's proposal for networked assets to be measured at DRC in principle, subject to further work performed and a single item meeting as proposed in the paper.
81. The Board agreed in principle with HMT's proposal for specialised assets to be measured at DRC with quinquennial revaluation, subject to further work being performed around reintroducing guidance on DRC for the public sector and revaluation frequency. The Board also agreed in principle with HMT's proposal for non-specialised assets to be measured using principles in IPSAS 46 (i.e., current operational value for assets held for operation capacity). This was agreed subject to further work being performed around understanding whether any changes need to be made to IPSAS 46 requirements for the UK public sector, and the relationship between current operational value and EUV. This would feed into a future single item meeting.
82. A Board member suggested HMT could present more detail on the trade-offs between cost and fair valuation bases and detail as to how auditors will be satisfied under IAS 36 in a cost and time effective manner.

83. Another member challenged HMT to explore the basis for specialised/non-specialised asset split and consider what this is trying to achieve for users considering the unique nature of some central government specialised assets and revaluing of them not adding to the understanding of the accounts. A suggestion was also made to look at land and buildings as a separate category, rather than including it in the specialised/non-specialised category.
84. Board members agreed on the importance of a discussion on trade-offs between timeliness and the quality of financial reporting, noting this could have meaningful impact on the speed of local audit timetables.
85. An observer noted that primary accounts users may find it difficult to accept that some old assets would only have nominal value and requested that perspective be considered in future work.
86. A Board member highlighted that, for quinquennial valuations at depreciated replacement cost, indices used for interim years can be subject to short term volatility and asked HMT to explore if accounts preparers should be picking these up.
87. Another member asked for context of each category of asset class via materiality and examples.
88. A discussion was had around the usefulness of seeing the consultation responses and HMT raised that anonymity was a condition provided to respondents but that they will consider what can be done in terms of visibility/providing more detail around consultation responses to Board members.
89. A discussion was had around non-specialised assets and the issues presented in valuation by unused capacity of these assets and the proposed interaction with IPSAS 46 Measurement. The Board agreed that HMT were to conduct further work for an update and final proposal, regarding specialised, non-specialised and networked assets, to be brought to a single item meeting.
90. A Board member noted HMT's timeline of producing an exposure draft in summer 2023. HMT confirmed that is still the aim and expressed a desire to reach a point of conclusion for Exposure Draft proposals even if some stakeholder disagree with those proposals. The Chair encouraged HMT to take the time needed to work through the options and said that from her perspective there was no particular rush for a summer Exposure Draft.

Agenda item 7: IPSASB update

91. The Chair introduced the IPSASB speaker for an update on IPSASB.
92. The IPSASB speaker first provided an update on IPSAS 47 Revenue, explaining that that IPSAS 47 consolidated three outdated standards, IPSAS 9 Revenue from Exchange transactions, IPSAS 23 Revenue from non-exchange Transactions, and IPSAS 11 Construction Contracts.

93. The speaker explained that the purpose of this consolidation was to align the revenue standard with the conceptual framework and incorporate updates from IFRS 15 Revenue from Contracts with Customers.
94. The speaker highlighted that while the update incorporated the methodology of IFRS 15, the majority of transactions in the public sector are non-exchange. The key focus of IPSAS 47 is to determine whether a binding arrangement exists, as this determines the timing of revenue recognition.
95. The speaker provided examples of income taxes and grants to illustrate the distinction between binding and non-binding arrangements.
96. The speaker emphasised that entities need to assess if any rights in the arrangement meet the definition of an asset and if any obligations meet the definition of a liability. The timing of revenue recognition is based on satisfying enforceable obligations associated with the inflow.
97. The speaker used the example of grants provided to universities, where revenue is recognized when the university fulfils its obligation to provide grants to eligible students.
98. The speaker briefly discussed the terminology differences between IPSAS 47 and IFRS 15, such as the use of the term 'binding arrangement' in IPSAS 47 instead of 'contract' in IFRS 15.
99. The speaker clarified that a binding arrangement encompasses legal and equivalent means of enforcement, including statutory mechanisms, legislative or executive authority, and ministerial directives. Additionally, the term 'performance obligation' in IFRS 15 has been replaced by 'compliance obligation' in IPSAS 47 to reflect situations where entities receive funding to provide goods and services to third parties.
100. The speaker welcomed questions from the attendees but received none before proceeding to IPSAS 48.
101. The speaker provided an overview of IPSAS 48 Transfer Expenses. He highlighted that the underlying principle for accounting transfer expenses is whether the transfer provider has an enforceable right to ensure the recipient fulfils its obligations. This enforceable right gives rise to a transfer rights asset, which is subsequently recognized as an expense when the transfer right is extinguished.
102. The speaker explained that IPSASB introduced the concept of a binding arrangement, similar to the revenue standard. Under a binding arrangement, the likelihood of an enforceable right is higher, as both parties have rights and obligations through legal or equivalent means.
103. The speaker explained two scenarios under IPSAS 48. The first scenario involved the transfer provider giving cash to the recipient, who would then utilize it either internally or for providing goods and services to a third party. In this case, the provider could record an asset if the recipient had not fulfilled its obligations entirely. As the obligations were met, the provider would recognize the revenue. Conversely, in the second scenario, if the recipient started fulfilling its obligations under the binding arrangement without receiving any cash, the recipient would

have a receivable, and the provider would have a transfer obligation liability. It was emphasized that in the absence of any action from either party, there would be no recording, signifying a neutral space.

104. It was noted that if there was no binding arrangement, the transfer provider would typically lose control of the resource upon handing it over to the recipient, such as when cash left the bank. In such cases, the provider would recognize an expense.

105. The discussion emphasized the need to consider constructive or legal obligations that might exist in the normal course of transactions. The conversation led to a reflection on the old IPSAS 23 standard, which dealt with non-exchange revenue. The transfer expenses were also distinct, as they involved receiving nothing in return.

106. It was highlighted that government entities might find themselves in situations where they knowingly paid more than necessary, such as in the case of securing COVID vaccines or supporting an industry. Paragraph 5 of IPSAS 48 outlined that such transactions should be split between the portions falling under normal sound practices and the portion where no consideration was received. The exact treatment under IPSAS 48 was not explicitly clear, but it was suggested that disclosure requirements could be imposed, distinguishing between the exchange portion and the transfer portion. This would enhance transparency in financial reporting.

107. Stakeholder feedback indicated the initial requirements were burdensome. The revised requirements have been aligned with IPSAS 1, which already mandated the presentation and disclosure of an entity's programs and activities. Additional disclosures were proposed for the transfer right asset and the transfer obligation liability. Overall, participants agreed that the revised disclosure requirements were sensible and not overly burdensome.

108. A Board member asked about transactions where it was necessary to distinguish between the portion considered an exchange transaction and the portion identified as an overpayment. Specifically, she inquired whether this distinction was solely based on policy decisions and not intended to suggest that better deals could have been obtained elsewhere.

109. The IPSASB speaker acknowledged that there might always be slightly better options available from other suppliers. However, the focus of the distinction between exchange transactions and overpayments was more on active policy decisions. In cases where a conscious decision had been made to overpay, considering other potential options would not be necessary.

Agenda item 8: ISSB update

110. The Chair introduced Richard Barker (ISSB member and former Board member) to speak and provide an overview of IFRS-S1 General Requirements for Disclosure and IFRS-S2 Climate-related disclosures.

111. The ISSB speaker explained that while the ISSB has focused on climate first, they have now published an agenda consultation on future sustainability-related disclosure topics – although confirmed the next standard will take a while.

112. The speaker highlighted that IFRS-S1 and IFRS-S2 should be tackled together, with IFRS-S1 setting the scene and IFRS-S2 containing the substance on climate-related reporting.

113. The speaker explained that by design, both standards build on the TCFD framework – constituting 'TCFD plus'. The standards link closely with the UK's regulatory reporting structure, with the private sector in the process of implementing the TCFD recommendations. The ISSB was launched at COP 26 in Glasgow and there are existing obligations on government under the Climate Change Act. Two UK committees are being established. The first stage committee will evaluate the standards from an endorsement perspective. The second stage committee will consider how IFRS-S1 and IFRS-S2 fit alongside existing UK legislative requirements. The standards will be incorporated into the Companies Act.
114. The speaker mentioned that the IOSCO endorsement is currently underway, although not yet formally announced. This will contribute to the global adoption of the standards
115. The speaker was asked about public sector adoption in other jurisdictions and explained that Australia and New Zealand are at the forefront and offered to provide a contact.
116. The Chair asked whether HMT's plans to adopt TCFD-aligned disclosure, supported by FRAB, was appropriate based on the recent publication of IFRS-S1 and IFRS-S2. The Chair explained the rationale, as 'a no regrets decision' based on the information available at the time.
117. The Chair also asked whether there are any specific considerations needed at this stage, although recognised that in due course the Board would need to consider IFRS-S1 and IFRS-S2, and their suitability for the UK public sector.
118. The speaker confirmed that both IFRS-Ss were built explicitly around the TCFD framework with significant engagement from the Task Force. The ISSB's messaging is that if an entity is providing TCFD-aligned disclosures, they are already a long way to implementing IFRS-S2, although there will be a need for certain additional requirements (e.g., value chain emissions reporting). The disclosure requirements within the TCFD pillars aligns with the disclosure requirements in IFRS-Ss. In terms of evolution, HMT is absolutely right to adopt the TCFD framework first, before expanding the disclosures to meet IFRS-S2, and then expanding on that to meet the requirements of IFRS-S1.
119. The Chair thanked the speaker, and they left the meeting.

Agenda item 9: IASB update

120. The Chair introduced Mike Metcalf (Board member) to present the IASB update. The Board member thanked HMT colleagues for preparing the slides.
121. The Board member confirmed that there has been little change to the IASB work plan since July 2022.
122. The Board member discussed four maintenance projects expected to be included in the March 2024 update. This included guidance on disclosures for supply chain financing arrangements including reverse factoring. For non-current liabilities and covenants, the IASB has decided to focus on compliance with covenants based on year-end figures - as opposed to when the covenant test is due.
123. The Board member updated that for IFRS 16, variable rentals that weren't already being incorporated into the lease liability calculation (e.g., through indexation) are

now being included. For IAS 12, under Pillar 2 rules for international tax reform, there's the right to collect supplementary tax.

124. The Board member mentioned the research projects related to IFRS 9 classification measurements. No significant issues or changes were expected in this area.
125. For post implementation reviews, there is an ongoing review of IFRS 9 impairment, and the Board member noted that the consultation closes on 30 September 2023.
126. The Board member provided an overview of the upcoming post implementation reviews on hedge accounting and leases and highlighted the contrast between the public and private sector implementation of the leasing standard, with the public sector yet to fully apply it.
127. The Board member explained that the private sector was commencing its active post implementation reviews on IFRS 9 Impairment and IFRS 15 Revenue from Contracts with Customers, and its forthcoming post implementations reviews on IFRS 9 Hedge accounting and IFRS 16 Leases.

Agenda item 10: FRC update

128. The Chair introduced Jenny Carter (Board member) to give an update on the FRC.
129. The FRC updated that they have recently completed the annual review for FRS 101, which is the standard that allows entities within groups to use IFRS for recognition and measurement. There were no amendments implemented this year.
130. The FRC are currently undertaking a periodic review of FRS 102. FRS 102 was initially developed from IFRs for SMEs accounting standards, and this continues to be relevant for consideration during periodic reviews.
131. The FRC published their FRED 82 exposure draft in the middle of December last year, it was open to comments until the end of April. The main amendments that took place was updating the requirements of FRED 82 to reflect changes in IFRS Accounting Standards, plus other incremental improvements, and clarifications. They are now onto the next phase and the proposed effective date is the 1st January 2025.
132. The Board member explained that they are proposing to rewrite Section 23 Revenue of FRS 102 to align towards the five-step revenue recognition model from IFRS 15 Revenue from Contracts with Customers, with various simplifications to aid preparers and promote efficiency within groups. They are also proposing to rewrite Section 18 Revenue of FRS 105, which is the micro-entities standard on same principles, but with further implications, as well as proposing changes to the insurance standard where there is some specific cross referencing about using the same model.
133. The FRC are using IFRS 15 to provide a single comprehensive framework for revenue recognition, they have generally received positive feedback in relation to this.
134. For lease accounting, the FRC are proposing to align to IFRS 16 with various simplifications to help preparers, one of the key areas around that was the discount rates. They received generally good feedback for bringing that in.

135. The Board then received an update on next steps for FRED 83, which is based on ISB but tailored to IFRS 102. They are hoping to publish amendments as soon as possible.
136. The FRC updated on next steps for FRED 82, they received 54 responses, and are now analysing and redeliberating. The effective date will be at least 12 months after the amendments are issued.
137. The FRC updated the Board on the non-financial reporting review, and they are expecting government to bring froward legislation to require this reporting from the largest companies, the FRS are expecting FRC's guidance on the reporting.
138. Lastly, the FRC updated the Board that the corporate reporting review colleagues are currently working on a review on TCFD metrics and targets. The FRC highlighted the FRC publication last year of what makes a good annual report and accounts. in.

Agenda item 11: Sustainability reporting 23/24 application guidance

139. HMT introduced the paper on financial reporting implications of climate change and noted that the IASB plan to launch new educational material on financial reporting on climate change. HM treasury also noted minor drafting comments had been received on the annexes since the most recent the sub-committee meeting, so the paper will be revised and recirculated.
140. A Board member asked if there was any specific application date for this guidance. HMT confirmed this is additional to FReM and other frameworks applied across the public sector, so it is more of an aid as opposed to mandatory guidance to be applied from a specific date.
141. A discussion was had about the best method of publishing the guidance throughout the entirety of the public sector as HMT confirmed this would not be published on gov.uk and would instead be circulated by relevant authorities.
142. The Board agreed to support the subcommittees recommendation to approve the guidance on financial reporting implications of climate change and allow the relevant authorities to circulate appropriately.
143. HMT then introduced the Phase 1 TCFD application guidance. A Board member asked if it might be better if preparers say what they have and have not chosen to apply from the guidance. As it is within the gift of preparers to adopt the guidance voluntarily, HMT had chosen not to require this.
144. The Board agreed to support the subcommittee's recommendation to approve TCFD-aligned disclosure application guidance for Phase 1 for publication.

Agenda item 12: Accounting for social benefits update

145. HMT set out the background to the issue and noted the paper had been updated from previous iterations to include guidance on accounting for new social benefit claims.

146. The ONS Board member commented there may be some discrepancies with the proposals in the paper with the national account's framework and that the ONS Classifications Committee will need to look at the new accounting treatment. However, they also noted they do not think the changes will be material to the national accounts. HMT commented that there has been ongoing dialogue with internal teams who engage with the ONS on these types of issues.
147. Another Board member expressed concerns on the difficulty of applying the requirement in paragraph 14(b) of the paper on when a claim is 'expected to be received but not yet received'. There could be complications with auditors and modelling scenarios to apply the proposed requirement. The Board member gave an example of war pensions: when you have a conflict, claims will not be received for many years and injuries can get worse with the passage of time- this could be very difficult to model. However, the Board member did not disagree with the recommendations in the paper, but highlighted application guidance would be welcomed.
148. Other Board members concurred that though they did not disagree with recommendations in the paper, there are practical difficulties with applying the new requirements to a range of state benefits and that they would also welcome application guidance.
149. A Board member commented that this was an example where accruals accounting was not being fully followed and asked HMT whether they were aware of any others. The Chair reflected that the review of social benefits accounting was triggered by an IPSAS on social benefits being published and HMT reviewing IPSASs recently released may identify other areas.
150. HMT asked the NAO Board member whether they were aware of areas where accruals accounting was not being fully followed. The NAO member responded that they were not aware and that some of these issues are materiality judgements.
151. HMT agreed to give this further consideration ahead of the November meeting.
152. The Wales Government Board member outlined their disagreement that the current accounting treatment was not accruals accounting. Rather, the current accounting is a judgement on when the obligating event has occurred, which has been reviewed by FRAB at a previous meeting.
153. The Board agreed with the accounting treatment and suggested wording and will approve the related guidance subject to the suggestions that have been made.

Agenda item 13: DHSC health sector update

154. The Chair then introduced DHSC colleagues to provide the health sector financial reporting update
155. DHSC colleagues explained that there were no significant thematic financial reporting issues currently. However, one of the larger issues affecting the sector was pay settlements and ongoing pay disputes. Most local health bodies were working

towards a pre-recess timetable. Issues from prior years relating to Covid-19 were coming to their natural resolution. IFRS 16 implementation has been challenging but is going well. DHSC are hoping for a reduction in the number of qualifications to the audit opinion this year and aim to resolve remaining issues going forward. DHSC highlighted that the issues in the local audit market remain a concern, with the market appearing fragile.

156. DHSC aim to lay their accounts in parliament by November 2023, but this depends on local bodies completing their audits on time.
157. NHS England (NHSE) colleagues highlighted there were aware of a few integrated care boards (ICBs) who will miss their submission deadlines. Some of the delays were due to issues relating to local government pension schemes and other due to auditors wanting more time to complete their work.
158. Accounting and consolidation in NHSE had gone well, but forecasting had not gone as well.
159. NHSE stated that the 2023-24 planning round for the NHS had concluded and was a difficult and complex process. NHSE commented that getting the funding envelope agreed and delivering local services within the envelope will be challenging. NHSE also highlighted their increased focus on cost control; there is less money than during the Covid-19 pandemic, so there is increased central spending control and monitoring of NHS bodies.

Agenda item 14: NAO and NIAO update

160. The Chair introduced the NAO member to provide an audit update.
161. The NAO stated their target of issuing 70% of audit opinions by the summer recess, and they are optimistic of achieving 65% against this target. The NAO highlighted the Ministry of Justice (MoJ), who could not meet the pre-recess deadline for laying the annual report and accounts in parliament due to issues with receiving assurances for LGPS balances – the MoJ decided to take longer to complete the work and have an unqualified audit opinion.
162. There is a focus at the NAO on removing long-standing qualifications such as those in health bodies. The NAO highlighted the MoD, who are expected to remove their long-standing qualification regarding the application of leasing accounting standards with the implementation of IFRS 16.
163. The NAO commented that they had seen mixed practices with IFRS 16 implementation. Though some bodies provide their key judgements in advance of the year of implementation, others are still providing these quite late and should have been provided earlier. Particular areas of challenge have been around intra-government lease agreements.
164. The NAO highlighted to the Board emerging themes around regularity issues and compliance with Cabinet Office controls, which may impact audit opinions.

165. The NAO then updated the Board on the work they are doing on the plan to eliminate the backlog of incomplete local audits in the local government sector. The NAO have been actively engaging with the Department for Levelling Up, Housing and Communities (DLUHC) and the Financial Reporting Council (FRC) on actions to clear the backlog of incomplete audit opinions whilst maintaining audit quality over the longer term.
166. On the WGA, the NAO updated the Board that there is a new area of focus, being incomplete returns by component bodies rather than auditing and accounting issues with the returns.
167. The Northern Ireland Audit Office (NIAO) member then gave updates for the audit bodies in the devolved administrations.
168. For NI, the pre-recess period has been challenging this year due to NI bodies applying CLoS for the first time and also auditors applying the new ISA 315 requirements. NI are still aiming to certify most departmental accounts before the summer recess, with 4 delayed.
169. The delayed central government audits into the summer have created resource pressures as there is also local government audit work taking place over the summer with a certification deadline of 30 September.
170. NI plan to undertake a post-implementation review of ISA 315 over the summer to get feedback and make changes to their methodology for audits next year.
171. The lack of a Local Assembly has continued to present a significant challenge for audit bodies and auditors. There is now an additional requirement to lay accounts in parliament, which has increased the workload on departments.
172. There are significant budgetary pressures for 2023-24. NI's own budget has been significantly cut, which may impact recruitment and staffing. Audit contracts are coming to an end, though most have been awarded, some have not. NI noticed from this procurement exercise that audit costs have increased significantly.
173. For Audit Wales 2022-23 audits started later than initially planned, due to the knock-on impacts of accounting for infrastructure assets issue in local government, which pushed some sign off targets to 31 January 2023.
174. Audit Wales have faced similar challenges regarding implementing the new ISA 315 auditing standard and also intend to carry out a post-implementation review of ISA 315. Audit Wales are also facing come resourcing and recruitment issues.
175. Audit Scotland have recently published their transparency report for the 2021-22 audits, which set out the results of quality reviews and meeting audit completion dates.
176. 2022-23 is the first year of their new 5-year audit appointments. Target completion dates have moved-back to pre-Covid deadlines. Audit Scotland are also facing challenges with implementing ISA 315 and resourcing. Audit Scotland expect 75% of audit to be completed within timetables. Audit Scotland are also undertaking and post-implementation review of ISA 315.

Agenda item 15: 2022-23 FRAB annual report

177. The Chair noted that no comments were received from Board members ahead of the meeting on the 2022-23 FRAB annual report.
178. The Chair flagged that the Chair foreword is to be added to the annual report. The 2021-22 foreword recognised the local government timeliness issues and reiterated the Board's aim to not compromise the accounting framework in order to promote timeliness. The Chair raised the intention to include these areas in the 2022-23 foreword, as well as the work on sustainability and the non-investment asset valuation thematic review.
179. The Chair opened to the Board for comments.
180. A Board member acknowledged the report is well-structure and read well. The member will send through administrative comments directly to HMT, including setting out labels and descriptions of graphs.
181. Another member agreed the report read well. The member questioned how strong the Chair's foreword should be and suggested that the foreword should be stronger than the prior year in addressing the local government timeliness issue.
182. The Chair responded that last year the Chair did acknowledge local government timeliness issues in the foreword and offered to speak to PAC about this, but they did not take up the Chair on this offer. The Chair stated their intention is to clearly set out, in the foreword, that FRAB have been consistent with their approach of not advocating or supporting any compromise to the accounting framework to address timeliness issues.
183. A Board member suggested whether the foreword could draw between different sectors and how well each is doing. For example, how the health sector has managed challenges over the last year.
184. The Chair noted this point and confirmed the intention to include the continued recovery of timeliness of certain sectors.
185. A Board member agreed that FRAB have been clear on holding the line on quality of financial reporting, but this should be nuanced with the fact that FRAB recognises that timeliness is a part of a financial reporting. The member agreed that it would be reasonable for the report to sight how audit constraints have impacted different sectors, such as health, but the scale of the problem is very different for each sector.
186. A Board member noted that the Board should be careful with the choice of words throughout the report. For example, there is a risk that the phrase "delays in the local audit market" is being used as shorthand for wider issues. The main text of the report does currently do this so suggest it should be updated. The member agreed that the Chair foreword should include any other work that the Board has supported to continually improve financial reporting, such as the valuation of non-investment assets. The member will send through detailed comments directly to HMT.
187. A Board member recognised that the report covers all the work FRAB does well. The member raised that there is a paragraph relevant to local audit that talks about the statutory provision (page 18), that does not fully cover the context of the situation. The member suggested that CIPFA should potentially be mentioned in this

paragraph. The text in the draft annual report also states there was not a consensus amongst FRAB; however, a decision was made in the end, so this should be clarified. The Chair agreed.

188. A Board member reiterated that the Board should be mindful that the root cause of the local audit timeliness issues is due to various reasons, and not just delays in audit. Therefore, the Board should make sure that the annual report does not suggest auditors are to blame.
189. The Chair agreed that we can only comment and reflect on what is in the Terms of Reference around the accounting framework, and that we are not supportive of changes to the accounting framework that are driven by things that we don't think would result in high quality financial reporting.
190. A Board member raised that for 2022-23, FRAB have not had a parliamentary observer attend any meetings. The member asked whether the Board still intend to find a MP to fulfil this role, especially as there is a lot of interest from Parliament in financial reporting and audit.
191. HMT confirmed Parliament have been asked but will follow up on this again.
192. The Chair agreed that this should be noted and would encourage that if the Board do not have a Parliamentary observer, the Board should consider what other ways the Board can engage with parliamentarians.
193. A Board member did confirm that the absence of a Parliamentary observer is not through the lack of trying. They informed the Board that is unlikely to be taken up before the next Parliament as it is not a priority for the Whip's office at the moment.
194. A Board member suggested that PAC are supportive of high-quality financial reporting and so that could be route into having parliamentary representation on the Board.
195. The Chair agreed and stated that the Chair did a covering letter in 2021-22 that covered this.
196. The Chair summarised and asked for all other comments to be sent directly to HMT by week commencing 3rd July 2023, as the report is due to be published in 13th July 2023.

Agenda item 16: FRAB Effectiveness Review and Terms of Reference update

197. HMT introduced the agenda item and raised that an Effectiveness Review of FRAB will be carried out over the summer and autumn. The previous review conducted in 2020 involved a survey that all members completed. This year will also include a survey, but the NAO have also suggested that it could be useful to have 1-1 meetings with any members who volunteer. The previous review also included a separate meeting to discuss any recommendations, so HMT also suggested that this could also be repeated for this year. HMT also asked the Board for any comments on the Terms of Reference (which are reviewed every five years and are also up for review this year).

198. The Chair opened to the Board for comments on the Effectiveness Review. The Chair also thanked the NAO for facilitating the Effectiveness Review. No comments were raised.
199. The Chair then asked the Board for any immediate observations on the Terms of Reference.
200. A Board member asked whether it would be appropriate to include reference to sustainability.
201. The Chair agreed that this would be appropriate to do so, and this would have to be agreed politically too.
202. A Board member flagged it would be helpful to set in FRAB's relationship with the sustainability subcommittee, UPAG, RAWG and other groups. The member also raised the description of the UK GAAP currently does not fully align with what is in the FReM. The member suggested bringing in more detail as to what GAAP is in terms of the scope of what FRAB do. Also, recently, there has been more engagement with IPSAS and examples of IPSAS application standards – for example, in the non-investment asset valuation thematic review. The member suggested that Board should include more about the work with IPSAS too.
203. HMT agreed to explore whether there have been past iterations of the relationship between the scope of GAAP and the FReM. HMT noted that referring to IPSAS is extremely useful due to the fact there are experts dealing with public sector specific issues; however, IPSASB would not necessarily be changed formally or in legislation.
204. The Chair agreed that historic reason for this is that public sector should follow be IFRS as adapted and interpreted by the FReM, so it would not be appropriate to refer to IPSAS in this way (ie that the public sector should follow IPSAS in full). The Chair acknowledged that the Board is not recommending a change to this position; however, the Chair agrees that as IPSAS standards have increased, there are now more sources that are being drawn upon. Therefore, in that context, it would be useful to put in the Terms of Reference.
205. A Board member noted that there is a reference to this in RAWG's ToR, so this could be cross-referenced to that.
206. A Board member asked whether we formally verify whether decisions made the Board make a difference to the users of the financial statements, as part of the Effectiveness Review.
207. HMT agreed to confirm whether observers were surveyed at the last Effectiveness Review.
208. The Chair agreed that, at a minimum, observers who attend FRAB should be sent a survey to complete and potentially explore any other stakeholders who would be beneficial to obtain feedback from.
209. A Board member noted that the Board could ask users whether it is worth implementing complex standards ahead of the work and whether those new standards would improve the relevance and usability of the financial statements.

210. HMT iterated the importance of recognising a distinction between a formal Effectiveness Review and a stakeholder review. Although obtaining feedback from users of financial statements would be useful, HMT suggested that the Board should be mindful this would be a different exercise in terms of scope and scale and could potentially be a stream of work for the NAO to look at. The Board should decide the scope of the Effectiveness Review.
211. The member responded that the purpose of the Board is to improve the quality of financial reporting and so could be beneficial to have input from users.
212. The Chair suggested keeping the scope of the Effectiveness Review as a measure of the effectiveness of the Board. However, for a number of years we have relied on the PACAC work of users; however, this is now outdated.
213. The Board should consider how do we capture user and stakeholder feedback to capture our next forward strategy plan.
214. HMT agreed to explore further and potentially propose a new approach at future meetings.
215. The Chair raised that the Board does not currently have a Vice-Chair. The Chair suggested that this should be reflected in the Terms of Reference and ought to ask the Nominations Committee to consider this, as it quite unusual to not have somebody in a Vice-Chair position. The Terms of Reference is also silent on how the Board meet (i.e., in-person or hybrid). This should also be clarified.
216. A Board member noted that we should be consistent with phraseology from the Chair's foreword, detailing our aims of interpretation and adaptation to IFRS in the Terms of Reference. The Chair agreed.
217. The Chair summarised and confirmed the Board are happy to proceed with the Effectiveness Review and will ask observers to complete the survey too. The Board agreed for the Nominations Committee to take on the action of assigning a Vice-Chair position and for the ToR to provide clarification on how the Board will meet (i.e., in-person or hybrid).

Agenda item 17: FRAB Strategy, action plan, risk register

218. The Chair confirmed that the strategy, action plan and risk register have been updated since the March FRAB meeting. The Chair raised that one action for the Board to consider was if there was sufficient representation of certain areas of expertise on the Board. The Chair noted that this is likely to be considered as part of the Effectiveness Review.
219. The Chair opened for any further comments from the Board.
220. A Board member noted that the Board had an extremely helpful agenda item at the March FRAB 2023 meeting from the System Lead, FRC's Director Local Audit. The member noted it would be helpful to have a yearly update on any developments.
221. The member also flagged that there is nothing on the forward agenda regarding the development and progress on the Government Finance Review and the major workstreams.
222. The Board agreed these points should be added.

Agenda item 18: AOB

223. The Chair thanked Bob Richards for his time as a FRAB Board member as it was his last FRAB meeting as the ONS representative.
224. No other business raised.

Agenda item 19: Timeliness of reporting and issues for the central government 22-23 reporting cycle

225. The Board noted the update paper.

Agenda item 20: WGA update

226. The Board noted the update paper.

Agenda item 21: IFRS Interpretations Committee summary of announcements

227. The Board noted the update paper.

Agenda item 22: RAWG update

228. The Board noted the update paper.