



HM Treasury

Future thematic reviews

Government Financial Reporting team

Oct 2023

FRC Thematic reviews

Over the past year, the FRC have carried out a [thematic reviews](#) of certain aspects of companies' corporate reports, with the aim of this to drive continuous improvement in the quality of corporate reporting and to identify good examples of clear and concise disclosures:

Thematic review	Date	Link
IFRS 13 Fair value measurement	13-06-2023	Link
Climate-related metrics and targets 2023	26-07-2023	Link
TCFD disclosures and climate in Financial statements	29-07-2022	Link
Judgements and Estimates Thematic Review	26-07-2022	Link
Discount Rates	16-05-2022	Link
IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'	14-10-2021	Link

Thematic review suggestions

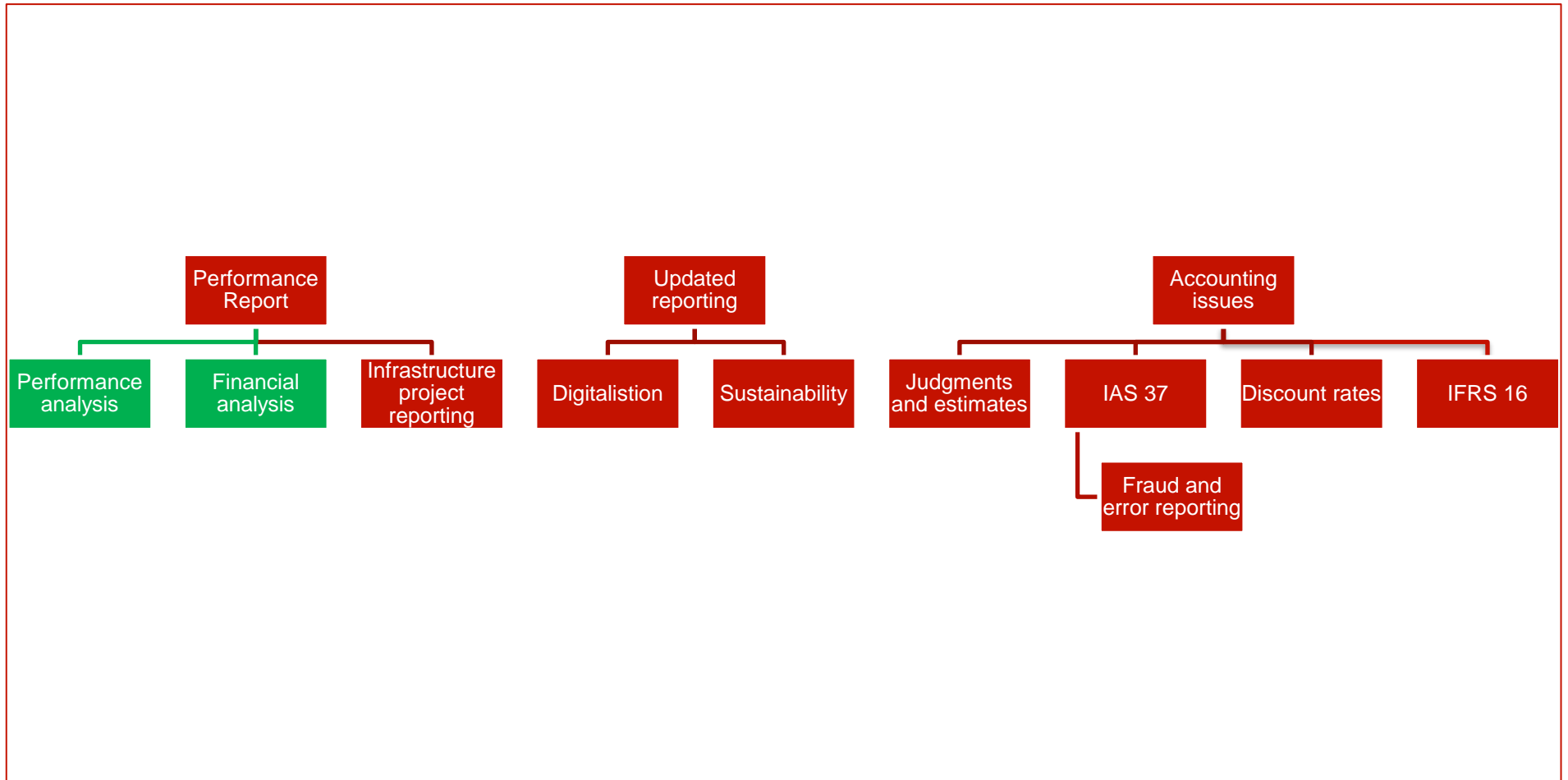
Topic	Detail
Digitalisation of reports UPAG suggestion	<ul style="list-style-type: none">• To review how to make reports that are more user friendly• Explore possibility of being able to drill into numbers, e.g. XBRL• Other teams within HMT are already leading on this work and so any outcomes would be recommendations for others to take forward
Judgements and estimates HMT suggestion	<ul style="list-style-type: none">• Review of narrative in disclosures, level of quantification in relation to assumptions and risk of material adjustment, sensitivity disclosures.• Monitor how often disclosures are reassessed and if disclosures are revised when needed.• Selected by the FRC for review in the private sector.• This review would also include elements of fraud reporting.
IAS 37 – Provisions, contingent liabilities and contingent assets HMT suggestion	<ul style="list-style-type: none">• Linked to judgments and estimates review topic.• Review of disclosures of the uncertainties about the amount or timing of cash outflows, or the financial effect of contingent liabilities.• Selected by the FRC for review in the private sector.
Discount rates FRAB suggestion	<ul style="list-style-type: none">• There is an existing methodology for calculating discount rates provided by HMT• FRAB member questioned whether it would be possible for departmental and WGA to have more transparency to what rates are being used and how they are derived.• Also selected by the FRC for review in the private sector.• FRC also reviewed the scope for improvement in the usefulness of the disclosures.

Thematic review suggestions contd.

Topic	Detail
Fraud and error reporting HMT suggestion	<ul style="list-style-type: none"> • Pertinent in current environment post-covid and estimates of fraud during the pandemic. • Public Sector Fraud Authority recently set up and also keen to contribute to this review.
Reporting and disclosure on large multi-year infrastructure projects UPAG suggestion	<ul style="list-style-type: none"> • Review into whether information in the annual report/financial reporting could tally with Infrastructure and Project Authority reporting. • Consider possibility of including comparison of original total and to-date budgets with actuals and original completion date to actual. • Possibility that this can be achieved through updated budgeting instead of a thematic review by GFR.
IFRS 16 – Leases (earliest start date would be Autumn 2023, so not included in the survey) HMT suggestion	<ul style="list-style-type: none"> • Post-implementation review, e.g., as for IFRS 9 and 15. • Examines the implementation process for lessons applicable to introducing future standard. • Review of the quality of disclosures made under IFRS 16 in the first year of their implementation (for majority of departments). • Feedback from those users and preparers.
Sustainability reporting HMT suggestion	<ul style="list-style-type: none"> • Summary of the reporting landscape. Currently various sub-sections of the public sector are under the scope of different sustainability reporting frameworks. In addition, certain public sector bodies have chosen to adopt voluntary frameworks. • Review of compliance with sustainability reporting frameworks in central government – building on the NAO’s study into public sector decarbonisation.

[Do UPAG have any further topic suggestions in light of financial reporting over the last year?](#)

Summary





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Questions