



HM Treasury

Government Financial Reporting User and Preparer Advisory Group Agenda

Date: 11th April 2024
Time: 09:30am – 11:30am
Location: Virtual
Additional Invitees: Max Greenwood, Louise Armstrong, Charlotte Hill - NAO

Time	Item	Presenter	Associated Paper
09:30	Welcome, introductions for new members and minutes from the last meeting	Maggie McGhee, Chair	UPAG 9 (1)
09:45	Are public-sector accounts trusted – Exploring the verdict of the Public	Henry Midgley	UPAG (2)
10:05	Users of Accounts	Joshua Rushbrooke	UPAG 9 (3)
10:20	ICAEW update	Henning Diederichs	Verbal
10:35	WGA Reporting Cycle Update	Harry Carter and Shikha Sharma	UPAG 9 (4)
10:50	Sustainability Reporting	Alex Metcalfe	UPAG 9 (5)
11:10	NAO Update	Charlotte Hill	UPAG 9 (6)
11:25	AOB	Maggie McGhee, Chair	Verbal

In order to attend the meeting please follow the link below:

[Click here to join the meeting](#)

If you have any other questions about the above agenda, please get in contact at the email below:

Resource.Accounts@Hmtreasury.gov.uk

Members

Maggie McGhee, Chair, Independent member
Helen Creeke, The National Archives
Amar Vara, Department of Energy Security and Net Zero
Joanna Reid, HM Revenue and Customs
Jordan Cunrow, Natural England
Henning Diederichs, ICAEW
Alison Ring, ICAEW
David Heald, University of Glasgow
David Lyford-Tilley, CIPFA
Debbie Peterson, Healthcare Financial Management Association
Gavin Freeguard, Independent
Ed Hammond, Centre for Public Scrutiny
Marcus Wilton, House of Commons
Henry Midgley, Durham University
Sanjeet Bhumber, UK Supreme Court
Matthew Fright, Institute for Government
Henry Young, Ministry of Justice
Joshua Rushbrooke, HM Treasury and UPAG Secretariat
Nitasha Gupta, HM Treasury

Apologies

The User Preparer Advisory Group

10th October 2023
Virtual
09:30am – 11:30am
UPAG 8
Meeting minutes

Attendees: Maggie McGhee, Chair & Independent member
Fiona Yallop, HM Revenue and Customs
David Heald, University of Glasgow
Sarah Sheen, CIPFA
Henning Diederichs, ICAEW
Henry Midgley, Durham University
Joshua Rushbrooke, HM Treasury
Louise Armstrong, HM Treasury
Mia Wright, HM Treasury

Guests: Matthew Cowie, HM Treasury

Apologies: Alison Ring, ICAEW
Marcus Wilton, House of Commons
Ed Hammond, Centre for Governance and Scrutiny
Helen Creeke, The National Archives
Gavin Freeguard, independent consultant to the Institute for Government
Debbie Peterson, HFMA
Jane Piccaver, Natural England

Time	Item	Presenter	Associated Paper
09:30	Welcome and minutes from the last meeting	Maggie McGhee, Chair	UPAG 8 (1)
09:40	Local Government update	Sarah Sheen	
10:00	Performance report thematic review update	Joshua Rushbrooke	UPAG (3)
10:20	ICAEW update	Henning Diederichs	Verbal
10:40	GFR review progress update	Joshua Rushbrooke	UPAG 8 (5)
11:00	Future thematic reviews	Joshua Rushbrooke	UPAG 8 (6)
11:20	AOB	Maggie McGhee, Chair	Verbal
	Paper to note only		
	Terms of Reference		UPAG 8 (8)

Item 1: Welcome and minutes from the last meeting

1. The Chair welcomed the Group and introduced new attendees to the Group and asked the new attendees to provide an introduction.
2. The Group received a paper from HM Treasury prior to the meeting including the minutes from the last meeting and the matters arising. The minutes were approved.

Item 2: Local government update

1. The Group was presented with slides from Sarah Sheen on the local government update, covering areas such as the 2024-25 Code, IFRS 16 infrastructure assets, the CIPFA/LASAAC strategic plan, insurance contracts, and other financial reporting issues.
2. The Group were informed that CIPFA/LASAAC are undertaking an effectiveness review and survey, and that they are going to have a second consultation on non-investment assets and pensions.
3. Sarah Sheen informed the group that Local Government will implement IFRS 16 on the 1st of April 2024 and that it will include mandatory service concession arrangements.
4. A member queried if CIPFA/LASAAC has a clear sense of who the user community they are trying to appeal to is and what use they are expecting them to make of the accounts.
5. Sarah Sheen responded that resource providers and members of Parliament are the Government representatives that provide resources to local authorities. However, it is difficult to get that balance as of yet.

Item 3: Performance report thematic review update

1. HMT delivered an update to the Group regarding progress on the Performance Report Thematic Review.
2. HMT outlined the four key deliverables of the review, a zero-based review of FReM in the context of its relevance to key documents, to improve communication between users and preparers, GFR outreach to Performance Report preparers and to review the PES Guidance on preparing ARAs.
3. HMT gave an overview of some of the main changes they are making to the FReM, including facilitating Parliament preparer discussions to improve communication between users and preparers, a new training video produced by HMT being published on OneFinance, improvements to the SOPS reporting and wording changes within the PES guidance.
4. The Chair asked the group to share any observations or comments on the Performance Reporting thematic review update paper.
5. A member found it might be useful to think through the performance reporting from a more basic point of view, so that the accounts and financial information covers all basic questions e.g., what specific service's cost.
6. Another member welcomed the suggestions specifically the one off best practice library, the training video, and the streamlining of the PES guidance, which will help everyone to digest all the new guidance that comes out each year.
7. HMT asked for the groups thoughts on paragraph 5.4.5 (d) of the FReM, which had low compliance. HMT asked whether they should completely remove the

paragraph or is it valuable and therefore should focus be on increasing compliance by providing examples.

8. A member explained that HMRC do not include the SOPS 2 reconciliation as they do not feel it is beneficial in repeating the reconciliation at the front as they are under a lot of pressure already to streamline their ARA document. They went on to add that they liked the waterfall diagram however they are not sure how accessible it will be.
9. A member commented that they agreed with the need to simplify the language around public sector budgeting, adding that it's the principle of understanding the information that matters and questioned if wording could be tailored per organisation.
10. The Chair summarised that the group think 5.4.5 (d) is a borderline paragraph and no one is pushing strongly for its inclusion or exclusion from the FReM guidance.
11. HMT then summarised paragraph 5.4.6 (b) a.i – 5.4.6 (c)iii, in the FReM outlining that the paragraph consists of a list of potential performance reporting metrics that should be included within ARA's. It was outlined that preparer feedback flagged that a more concise list of best practice examples may increase compliance. HMT asked the Group for their views on this.
12. A member commented that they do not think it would make a difference as it is already included within the PSED report which they link in their ARA's and so there is no need to repeat this.
13. A member asked HMT to look at the duplication of this in the PSED report, and that it may be more beneficial for departments to link to the PSED report and declutter the FReM guidance.
14. HMT then moved onto asking the Group for their feedback on HMT's ideas to solve regular engagement issue with select committees.
15. A member asked HMT how much a performance report akin to the estimate's memoranda report will duplicate the NAO's departmental overview and suggested it would be beneficial to have a discussion with the NAO about what the potential overlaps would be.
16. A member commented on the skeleton performance report idea, they are concerned with the timings of this and when they would present this to the select committee to get their feedback without hindering the timeliness of the process.
17. A member asked HMT to look into the different levels of access for OneFinance.
18. A member commented that the reporting of spending information on a policy basis would be very useful as well as anything that allows select committees to start to evaluate the usefulness of spend.
19. A member added that they would like to see the outcome delivery plans play a greater role, as well as a governance point of view which could lead to better outcomes in the annual report.
20. Matthew Cowie joined the discussion to add that the key thing for them is translating inputs into priorities and priorities into outputs that deliver outcomes to citizens.

Item 4: ICAEW update

21. The Group was presented with verbal update from Henning Diederichs from ICAEW, covering areas such as IPSASB's work on creating a global baseline around the sustainability reporting framework for the public sector, differential reporting, the ICAEW's public sector conference and trying to create a financial reporting standard on natural resources.
22. Henning Diederichs informed the Group that the last IPSASB meeting took place in September just gone, they are initially going to focus on climate disclosures and then carry on with a more generic disclosure. They have three top layers of support functions, the strategic reference group, the task force, and then the implementation forum which is an open firm allowing people to comment on any implementation issues that may arise in their jurisdiction.
23. The Group were informed that IPSASB are about to issue their consultation work programme for the period of 24-28.
24. The Chair asked the Group for any comments or questions, and thanked Henning for the update.

Item 5: GFR review progress update

25. The Group was presented with slides from HMT regarding progress on the actions arising from the government financial reporting review. Covering the history of the review, including what has been done to date, the goals of those actions and the results, as well as covering HMT's current commitments.
26. After viewing the slides, a member added that it may be helpful for the Treasury to add reporting on commitments from the manifesto that the PM announced in 2019.
27. HMT then asked the Group for their feedback on the financial reporting landscape, which was published as part of the GFR review a few years ago.
28. A member commented that they like the landscape and thinks it remains up to date and complete. However, also suggested that HMT could draw out the linkages within the diagram.
29. Another member added that they think the diagrams have a great advantage of being complex and comprehensive, but also added that they are not sure if adding linkages to the diagram would overcomplicate it.
30. A member added that if the diagram is just for internal use that it may be useful to add a brief description of what is done, and when and what information is used.
31. HMT thanked members for their feedback and outlined that they will take away the points around linkages.

Item 6: Future Thematic Reviews

32. HMT then went on to present slides around future thematic review ideas, they gave a brief overview on the thematic review ideas they have listed and an overview of what the FRC have been doing.
33. The Chair opened it up to the group for further discussion on thematic review suggestions and observations.
34. A member commented that they think the digitalisation of reports is an important one.

35. Another member also agreed that the digitalisation of reports would be a priority. As well as sustainability reporting and discount rates.
36. A member commented that it is too early to do a sustainability reporting thematic review at the moment, due to the TCFD requirements coming later this year.
37. HMT thanked the group for their ideas and encouraged the group to get in contact at a later date if any other ideas come to mind.

Item 7: AOB

38. The Chair noted the updated UPAG Terms of Reference, changes included the timings and quantity of UPAG meetings as well as moving to a hybrid model.
39. The Chair asked the Group if they had any further comments on the updated ToR. There were no further comments, and the ToR was approved.
40. The Group was made aware that this will Sarah Sheen's last UPAG meeting, the Chair went on to thank Sarah for her support and engagement throughout UPAG, wishing her the very best in the future.
41. There were no items of other business.