



## Financial Reporting Advisory Board Paper

### ARA Reporting Timeliness

Issue:	An update from HM Treasury on the timeliness and reporting issues arising from the 2022-23 reporting cycle and a forward look to the 2023-24 reporting cycle.
Impact on guidance:	N/A
IAS/IFRS adaptation?	N/A
Impact on WGA?	N/A
IPSAS compliant?	N/A
Interpretation for the public-sector context?	N/A
Impact on budgetary regime and Estimates?	N/A
Alignment with National Accounts	N/A
Recommendation:	None – For information only
Timing:	Ongoing

#### Background

1. This paper provides the Board with a summary of the 2022-23 reporting cycle now that the 49 departments laid by HMT have been laid. It also sets out the forward look for the 2023-24 reporting cycle, along with - comparative historical data.
2. The administrative deadline for laying 2022-23 ARAs before Parliament was the 30<sup>th</sup> of June 2023 ahead of the final parliamentary summer recess on the 20<sup>th</sup> of July 2023. Several departments missed both the administrative and parliamentary deadlines. None of the accounts in the 2022-23 reporting cycle missed the statutory deadline of the 31<sup>st</sup> of January 2024.
3. The administrative deadline for laying 2023-24 ARAs before Parliament will be 30<sup>th</sup> of June 2024 ahead of the parliamentary summer recess on the 23<sup>rd</sup> of July 2024. Departments have been asked by HMT to indicate their provisional laying dates for the 2023-24 ARA reporting cycle.

#### 2022-23 Reporting Cycle

4. Thirty of the forty-nine bodies whose ARAs are laid by the Financial Secretary (FST) were able to lay their ARAs before the parliamentary summer recess. This figure comprises twelve ministerial departments, sixteen non-ministerial departments and two pension schemes
5. Following the return of Parliament in Autumn 2023 the remaining 19 departments have all laid their ARAs in Parliament with six laying in September, three in October, four in November, two in December and four in January.
6. As discussed at the November FRAB meeting, reasons given for delays included:
  - Preparation-driven delays – including capacity of preparers and complexity of accounting issues
  - Complexity of audit and resource capacity constraints
  - Issues with delays in the completion of accounts for component entities that were material to the group. This includes delays associated with the audit of LGPS liabilities.
  - Preference for delaying laying date over receiving audit qualifications

### Key Themes and Prior Year Comparatives

7. Key themes emerging from the completion of the 2022-23 reporting cycle:
  - 39% of departmental ARAs were laid post recess (this is similar to the 21-22 reporting cycle when 31% of departmental ARAs were laid post-recess). Laying dates for departments laying post-recess are gradually moving earlier. In 2020-21, 50% of bodies that laid post-recess laid in December and January, in 2022-23, 68% of bodies had laid accounts by December.
  - Over the longer-term progress is being made – since 2020/21 HMRC, MOD, FCDO and DFT have all returned to - and maintained - pre-recess timelines. DFE and MOJ also returned to a pre-recess laying timetable in 2022/23.
  - It is worth noting that it is the same bodies that consistently lay post-recess; for example, of the 16 departments that laid post-recess in 2020-21, 10 of them have published post-recess in both 2021-22 and 2022-23.
  - Data visualisation included in **Annex 1**

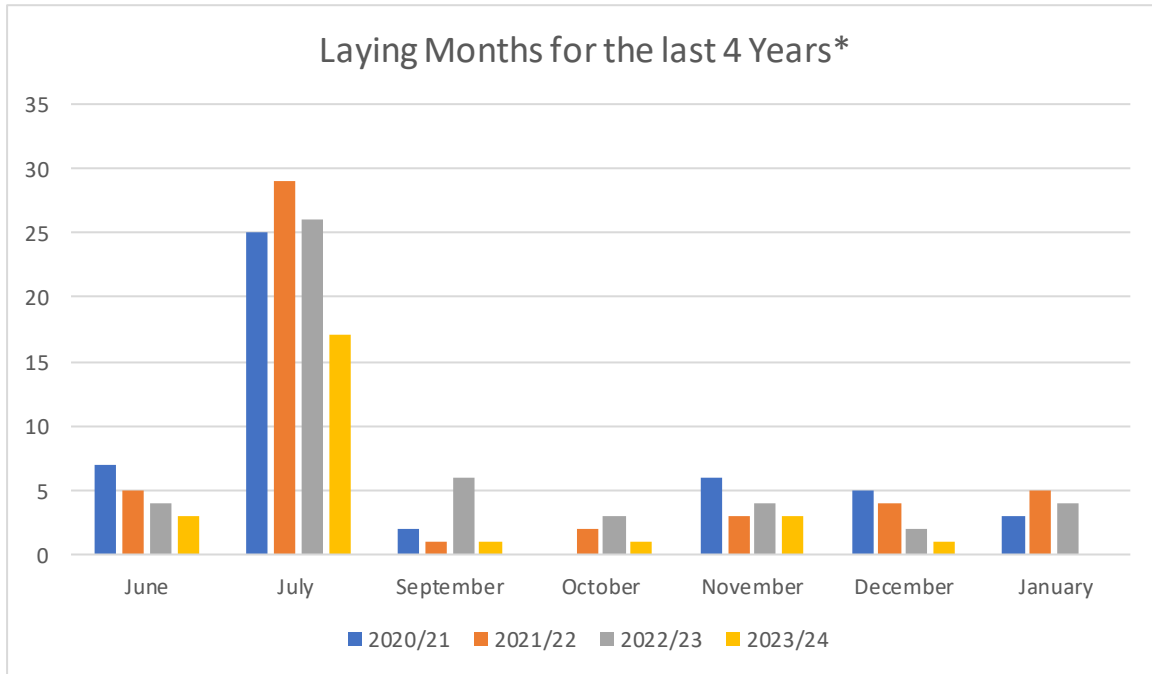
### Forward look for 2023-24

8. HMT wrote to Finance Directors in December 2023 requesting an indicative laying date for their entity.
9. As of the 20<sup>th</sup> of February 2024, HMT had received 27 of 50 returns, and is actively following up with those that remain outstanding. The current data forecasts:
  - Currently 77% of returns are for a pre-recess laying date.
  - DEFRA and Home Office returning to a pre-recess timeline
  - No departments that laid pre-recess last year are currently forecasting moving to post-recess laying
  - Departments that laid post-recess last year (excluding DEFRA and HO as above) are all forecasting a post-recess timeline or have not yet indicated their intended laying date.
10. To support future delivery, in the summer/autumn of 2023, the Government Finance Function led a lessons learned review of the 2022/23 ARA process. This aimed to identify areas of good practice, and areas to improve, across accounts preparers, GFF, and the NAO. The results of this work were shared with GFF's Finance Directors, and the NAO, in

December 2023, with the aim of further improving quality and timeliness of ARA production and audit.

11. HMT will also continue to engage with finance teams as the 2023-24 cycle progresses and will provide an update to the Board at the June meeting when we will have a clearer sense of how many entities are likely to lay pre- and post-recess.

## Annex 1 – Accounts Laying Data Visualised



\*2023/24 incomplete and based on current projections as provided by entities to HM Treasury

