HM Treasury

Financial Reporting Advisory Board 153rd Meeting Minutes

20th June 2024

Commencing: 10:00am

	Item	Presented by	Time	Paper
1.	Welcome, minutes and matters arising	Chair	10.00	
2.	Devolved Administrations update	Kim Jenkins, Stuart Stevenson & Aileen Wright	10.10	
3.	NAO and NIAO update	James Osborne & Suzanne Jones	10.25	
4.	DHSC and NHSE update	Vanessa Singleton & Ian Ratcliffe	10.35	
5.	IFRS 16 Implementation Update	NHSE	10.45	
6.	Local Government Update	Iain Murray	11.00	
7.	2023-24 FRAB Annual Report	Sarah Logsdail	11.15	
	Break (10 minutes)		11.30	
8.	Sustainability Reporting	Max Greenwood	11.40	
9.	Valuation of non-investment assets - FReM text and application guidance	Louise Armstrong	12.15	
	Lunch (45 minutes)		13:00	
10.	IPSASB & ISSB Update	Ian Carruthers	13.30	
11.	IASB Update	Mike Metcalf	14.00	
12.	FRC Update	Jenny Metcalf	14.15	
	Break (10 minutes)		14.30	

13.	FRAB Membership Update	Louise Armstrong	14.40	
14.	FRAB ToR, Strategy, Action Plan and Risk Register	Chair/HMT	14.50	
15.	AOB	Chair	15.15	
	Papers to note only			
16.	IFRS Interpretations Committee summary of announcements			
17.	User Preparer Advisory Group update			
18.	Relevant Authority Working Group update			
19.	Users of Accounts Update			

Attendees:

Lynn Pamment
Jenny Carter
Karl Havers
Mike Metcalf
Stuart Stevenson
Charlotte Goodrich
Iain Murray
Ian Ratcliffe
Declan Cooper
Suzanne Jones
Aileen Wright
Kim Jenkins
Vanessa Singleton
James Osborne
Ian Webber
Ryan Oliver
Jasmine Mathews
Mike Valko
Kim Jenkins
Jennifer Griffiths
Sarah Logsdail
Josh Rushbrooke
Max Greenwood
Kathryn Allen
Louise Armstrong
Alex Knight

Agenda item 1: Welcome, minutes and matters arising.

1. The Chair welcomed members to the 153rd FRAB meeting, inviting comments on the minutes from the previous meeting. FRAB approved the minutes with minimal changes.

Agenda item 2: Devolved Administrations update

<u>Welsh Government</u>

2. The Welsh Government (WG) representative noted that NHS audits were currently on track, with an expectation of signing on the 15th July.
3. The change in First Minister and announcement of the General Election have resulted in some financial reporting delays for the WG, including not being able to lay their first supplementary budget.
4. The WG are following the infected blood inquiry closely and will consider any potential disclosures required.
5. WG are continuing to see queries from audit Wales on the application of other financial commitments guidance.

<u>Northern Ireland Office</u>

6. The Northern Irish government representative gave a short update on behalf of the Department of Finance. The representative described the impact of the restoration of the NI Assembly on the NI government finance function, which includes the public expenditure issues, which are at the centre of the debates, and the late announcement around the 24/25 Northern Ireland budget.
7. Some of the current challenges faced in NI include the long waiting lists, the non-teaching pay dispute, and NI policing. The change in government could lead to some areas getting de-prioritised.
8. 2022/23 was the first year with full implementation of clear line of sight in Northern Ireland. Work is now ongoing for the 23/24 cycle.
9. Over half of the main NI departments are expected to lay their accounts before the NI summer recess, on the 5th July, with the rest to be laid post-recess up to October.
10. NI has completed their 22/23 Whole of Government Accounts (WGA) submission and are moving forward with the 23/24 process.
11. The NI representative raised concerns over the Cycle 2 deadline and the difficulties the NI bodies will face given the requirement for data to be audited prior to submission.

Scottish Government

12. The Scottish Government (SG) representative reported to the Board that the SG accounts and their public bodies' accounts are broadly on track.
13. Scottish bodies have been notified that they will receive an update on pension issues by the 31st of August.
14. The Local authority's recovery timetable is not as what was expected with slippage across the sector.
15. The SG representative also updated on the work conducted in the sustainability space to evaluate the requirements for their bodies in the Scottish Framework against the TCFD's requirements, which have a clear correlation therefore, SG have encouraged their bodies to provide more information for their accounts as they have the information available from the other report.

Agenda item 3: NAO, WAO and NIAO update

National Audit Office

16. The National Audit Office (NAO) representative informed the Board that 65% of certification is to occur pre-recess, subject to there being sufficient time to lay in Parliament following the General Election.
17. Feedback received to date has highlighted the usefulness of their limited streamlining process that has been implemented to date.
18. The NAO is operating a shadow certification process to maintain the discipline around the original timetables.

Wales Audit Office

19. The representative from the Wales Audit Office (WAO) updated that the 23/24 NHS Wales accounts are on track to be certified on the 15th July.
20. Central Government accounts are also on track, although the lack of Civil Service Pensions (CSP) data has been an issue. The Government Financial Reporting Manual (FREM) amendment should help to resolve this.
21. A 2-year plan has been set in place to get Welsh Local Government (LG) signed off by the 26th September. Currently there are only a small number of LG backlog accounts outstanding.

Northern Ireland Audit Office

22. The Northern Ireland Audit Office (NIAO) are working towards a deadline of 5th July for certification and laying.

23. It is anticipated that most departmental accounts will be delivered pre-recess. Delays are largely due to additional work created from the review of the financial process; and the NIAO's resourcing position, which remains difficult.

24. The NIAO reported that they have seen an increase in qualifications this year and are anticipating further qualifications due to budget difficulties creating additional work in terms of a regularity opinion. The NIAO are working through this from a technical perspective.

<u>Audit Scotland</u>

25. No separate update was provided by Audit Scotland.

Agenda item 4: DHSC and NHSE update

<u>The Department of Health and Social Care</u>

26. The Department of Health and Social Care (DHSC) are working to address the recent recommendations set out in the Public Accounts Committee (PAC) report on their 22/23 Annual Reports and Accounts (ARAs), which included:
    a. Improving control and oversight of group bodies.
    b. Publishing ARAs pre-recess and returning to a position with unqualified accounts.
    c. Reducing Clinical harm.
    d. Using the lessons learnt from Covid-19 in terms of PPE and preparedness.

27. The NAO have shown interest in how the DHSC will be accounting for the infected blood inquiry, which includes the announcement of the new scheme and the new Arm Length Body (ALB); and whether it will be treated as a post balance sheet event or a non-adjusting post balance sheet.

28. The DHSC representative elaborated, noting that conversations were still ongoing. There was a provision in the old scheme for a pay out of £210,000 to each affected person. This will continue until 31/03/25, where a new ALB will take on these responsibilities. DHSC will account as if the scheme was continuing as there is a handover between the two schemes; with merger accounting at the end of 24/25. CO will then take on those balances, and nothing will be on the books at 24/25.

29. To try to reduce disclaimers, DHSC have had audits starting earlier and have sent resource to UKHSA. Additionally, UKHSA have also recruited Price Waterhouse Coopers (PWC) to further support them with their work.
30. DHSC hope to have group accounts signed off by the 30th November with laying to take place in early December. UKHSA is aiming to lay in early November.
31. A FRAB member emphasised the importance of careful consideration into whether the infected blood inquiry treatment is a non-adjusting post balance sheet or an adjusting balance sheet.

The National Health Service England

32. The National Health Service England (NHSE) noted that Providers were successfully working through complex issues including the need to re-do the Private Finance Initiative (PFI) models.
33. The NHSE informed that autumn accounts were due soon, and that they are in a better position timeliness wise than in previous years.
34. The NHSE have taken FRAB's advice on LG pensions, looking at alternative ways of achieving assurance flows, rather than relying on financial reports.
35. NHSE and their provider accounts are aiming to lay in September/October.

Agenda item 5: IFRS 16 Implementation Update

36. The DHSC and NHSE representative provided feedback on the joint IFRS 16 implementation project, highlighting key actions that included:
    a. Early and continuous planning.
    b. Applying an adaptive accounting standard to consider what should be omitted at group level.
    c. Having separate collections for the agreement of balances data in advance of the transition date to scope what intergroup leases were in possession; and understanding the budgetary impact of eliminations.
    d. Early and regular communication with ALBS; and additionally hosting workshops, webinars and training.
    e. Conducting reconciliations and walkthroughs for the NAO and sharing any adjustments with them in advance.
37. Post-implementation, DHSC have observed the difficulties ALBs are facing with understanding the budgetary impact.

38. The NHS representative raised some considerations following the post-implementation on modified retrospect approach, ethics and disclosures on immaterial areas.
39. A FRAB member asked if they have to deal with the same tax leaseback elements. The NHSE representative explained the difficulties in solving this as there was no case study for comparison in corporate groups.

Agenda item 6: Local Government Update

40. The LG representative informed the board that the work done in creating the framework for backstop dates to clear the backlog of LG audits in England has been paused until there is clarity on how the government want to take the initiatives forward post-election.
41. There was a clear view at the recent Chartered Institute of Public Finance and Accountancy (CIPFA) Local Authority (Scotland) Accounts Advisory Committee (LASAAC) meeting that the shorter-term measures would provide limited benefits and that the focus instead should be on the longer-term, in terms of the code and LG financial reporting.
42. In the recent CIPFA LASAAC meeting, the board requested that the consequences of changes to the 25/26 code be considered; and whether any changes can benefit users, prepares and auditors. Stability of the 25/26 is desired, however staggering the changes over years could reduce the burden.
43. A member of FRAB flagged the importance of prioritising presentation, when considering long term plans, to make it easier for users to engage with. The LG representative acknowledged this, highlighting the need to be clear on the running order of priorities and the partners who they'd need to collaborate with to enable an effective change.
44. Another member of FRAB questioned how the requirements from the Thematic Review of Non-investment Asset Valuation and IFRS 17 would be incorporated. The representative noted that the timetable allows for changes from the Thematic Review to be incorporated in the 25/26 code. Historically, changes to the code would occur in the following year however this is something the Board would like revisited to consider whether extra time should be taken to prepare auditors and prepare for the changes.
45. A FRAB member asked if preparations were complete ready for IFRS 16 implementation in April 24. The LG representative noted a mixed response when asking about preparedness. It is expected that it may cause issues as preparers and auditors are focused on the backlog.

Agenda item 7: 2023-24 FRAB Annual Report

46. FRAB shared positive feedback for the FRAB annual report paper 2023-24, particularly on the presentation, readability, and description of the local pensions issue in the NHS.
47. Some additions a FRAB member suggested included providing FRAB members job roles and responsibilities; and a graphic on FRAB's relations with its sub-groups.
48. One FRAB member asked for the wording to be clarified in the section on LGPS in health accounts, to ensure that readers understand it is a timeliness issue rather than assurance.
49. Another FRAB member questioned whether the report could speak more on the requests received in reference to the delays in financial reporting. The Chair and HMT representatives noted that they will consider it; however, they acknowledged that number of requests this year had reduced from last year when it was referenced in the report.
50. HMT informed the board that diversity statistics had been removed due to there being too few Board members for the information to be reported without the risk of members being individually identified. Diversity data on FRAB will continue to be collected however to inform decisions by the FRAB nominations committee.

Agenda item 8: Sustainability Reporting

51. HMT shared the exposure draft for Phase 3 of the Task Force on Climate-related Financial Disclosure (TCFD) implementation, which addresses the strategy pillar and accompanying three recommended disclosures on:
    a. Reporting on risk and opportunities in the short, medium, and long term; with time horizons defined by the entity based on business practices and strategic plans.
    b. Reporting on climate related impacts; which focuses on the impact of climate change on operations, financial planning, and the strategy.
    c. Climate scenario analysis, which involves longer-term horizon scanning and setting out possible pathways.
52. HMT outlined changes made to the section on risk reporting, including on principal risk determination and where there are cross-cutting factors; and moving these requirements into the strategy chapter.
53. HMT adopted the methodology from the Climate Change Committee, which advises on how the government should consider climate change under the

Climate Change Act 2008. TCFD links the assessments with the organisation's overall financial management.

54. It is HMT's view that entities use mid-century (i.e., 2050s) as a reference period for climate scenario analysis, to encompass transition risks related to net zero delivery by 2050- aligning to the Climate Change Committee framework.

55. The 2080s-2100, also referred to as the end-of-century, reference point applies to reporting entities who are significantly affected by climate change.

56. It was noted that the Climate Change Committee recommended that the organisation plan for 4°C pathways and prepare for 2°C – end of the century global warming levels.

57. HMT's exposure draft focuses on physical risk allowing reporting entities to align with existing frameworks and policy risks that can be planned for.

58. One FRAB member highlighted the difficulties entitles may face providing quantitative analysis for the useful economic life of assets that may not reach the end-of-century point. A representative from the Government Actuary's Department (GAD) explained that entities would be required to think longer term, considering what assets might be replaced with, and how the world may appear when they're replaced. HMT added that they would consider this from a useful economic life perspective.

59. A FRAB member shared concerns of consultancy costs incurred from needing to aid entities to work through the end-of-century scenarios. HMT recognised this was a risk they are trying to address and shared the ambition of moving from consultants in this area to build expertise within organisations through GAD.

60. Another member inquired whether there were considerations into the changes in government that could impact the organisation's strategy. HMT explained the reasoning behind asking for scenarios to be updated on a 3-5 year basis, for it to align with the Spending Review and election cycles.

61. It was asked whether the word 'significant' could be defined to provide clarity to entities. HMT noted the difficulties around providing a definition that could be applied to all entities but pointed to the Financial Reporting Council (FRC) which defines principal risks.

62. One suggestion from a FRAB member was to engage with an editorial team to aid with the document's readability and conciseness. HMT agreed to explore options.

63. It was questioned by a member whether cross-cutting risk was needed. Another suggestion from a member was to cross-reference the Orange Book

to aid users in understanding the aspects of risk that the TCFD reporting applies to. HMT agreed to consider these points.

64. Subject to the comments made, FRAB approved the Phase 3 exposure draft.

Agenda item 9: Valuation of non-investment assets – FReM text and application guidance

65. The proposed changes to the FReM text were shared with FRAB members, on the valuation of non-investment assets.
66. A FRAB member enquired whether there should be an adaptation to refer to changes in the FReM that haven't derived from IFRS. HMT will consider this more broadly.
67. Some members of the board suggested areas where they believed additional wording was needed; and some requested areas of the text be further clarified to prevent confusion.
68. Another member asked about the impacts on budgetary guidance with the removal of the distinction for specialised assets. HMT noted that they will consider this as part of the updates to the consolidated budgeting guidance.
69. One member requested further coverage on IFRS 16, particularly when lease assets exist in the same freehold sites; and when they used for different operational purposes. The representative from the Valuation Office Agency (VOA) noted that this could be expanded on in the next draft. FRAB discussed whether an adaptation of IAS 36 should be included, however concluded that it was not needed.
70. HMT requested the board to share any further amendments offline.
71. The VOA representative provided an overview of the draft application guidance, highlighting key changes including:
    a. Changing the definition in operational capacity from specialised to non-specialised. This is an accounting distinction as in the public sector there are some assets that are unable to be valued to a comparable transaction, leading valuers to choose between using conventional methods or the Depreciated Replacement Cost (DRC).
    b. Removing the alternative location option, under the Modern Equivalent Assets. It considers the operational assets needed to provide the service potential for the actual building. The location factor of the actual site is also a contribution to the building cost. Under the new system, sites can be merged however only on the actual site.

   c. Moving to a limited number of processes for entities to use when evaluating their assets down to three. It is expected that a re-evaluation process would take place on a 5-yearly basis.

72. The VOA representative noted that Royal Institution of Chartered Surveyors (RICS) were not necessarily keen on the idea of the removal of alternative location option, believing that it is differing from an international position for valuation. The VOA welcome this change however, as the entity's valuations and accounts would more closely reflect their asset register.

73. It is expected that the removal of alternative location option would lead to a significant increase in asset valuation in the first year it's carried out.

74. It was also reported that RICS are not supportive of the proposal to limit the number of processes for valuation, as their view is it will not result in as accurate as a valuation.

75. The VOA representative flagged that entities using different methodologies for indexation could lead to less consistency, though noted that this would ensure that valuations were better tailored to individual entities.

76. A FRAB member requested clarity on when buildings have additions within the 5-year period. The VOA explained the expectation is that capital expenditure occurring during that period won't be re-valued but instead dealt with by a cost to the entity. The property will be given a long new life that will impact the valuation. For any substantial additions, a mid-cycle valuation should take place which will be indexed forward with the rest of the estate. Guidance will be included in the application guidance.

77. Another member asked whether there were any intentions for the Depreciated Replacement Cost guidance to be refreshed. The representative from VOA informed that it might be amended depending on FRAB's decisions.

78. Some FRAB members highlighted areas in the guidance where the wording needs to be clarified. The VOA representative made note of these areas to support the development of another draft. HMT and the VOA will circulate an updated version of the FReM text and application guidance, incorporating comments from this discussion.

Agenda item 10: IPSASB and ISSB Update

79. A representative from the International Public Sector Accounting Standards Board (IPSASB) reflected on the board's activities in 2023, including producing an up-to-date standard on retirement benefit plans; and adding sustainability related examples into existing practice guidance.

80. 2023 marked the end of IPSASB's 5-year strategy period, during which standards were updated with the IFRS changes and became more public sector specific.
81. IPSASB are working on a Lease project in 2024, with Phase 2 in progress. Two exposure drafts are aimed to be signed off, one on changes to the lease standard and the other on revenue, transfer, and expense.
82. The representative also touched on their other current projects, including:
    a. Assessing the current operational value of all the IPSASB measurements, with PPE in mind, following the issue of IPSASB 46.
    b. Reviewing first time adoption. Much of the content is duplicated so IPSASB are aiming to condense the standards and group guidance to logical areas.
    c. Considering whether to have a separate standard or guidance on natural resources, and considering what the content might be.
    d. Updating IPSASB 1 to allow for a conceptual framework, with a more in-depth focus on presentation and financial statements.
83. An overview of IPSASB's development on climate-related disclosure standards, commissioned by the Global Bond Market, which has had positive feedback from the consultations issued.
84. The TCFD approach is being used and the board will refer to its guidance when considering risk.
85. IPSASB are focused on the policy activities the public sector undertakes which influence the rest of the economy. One issue identified is how the policy activities can be differentiated between those operations directed specifically at climate versus operations affecting climate as a byproduct. The decision made was to just account for direct impacts, rather than all, which is consistent with existing guidance on service performance reporting.
86. IPSASB aim to publish this guidance this year as there are many governments across the world depending on this guidance.
87. Insight into IPSASB's proposed strategy was also provided where their strategic objective goes beyond strengthening public financial management to include sustainable development.
88. In IPSASB's strategy the two themes are: standards development; and inspiring implementation, which will centre around encouraging people to use the information produced from accrual reporting.

89. The partners IPSASB are engaging and collaborating with remains the same, as IPSASB moved into sustainability reporting standards in addition to financial reporting standards.

90. As there is strong upward trend of accrual accounting across the world, IPSASB's focus has shifted from standard setting to maintenance activities.

91. A FRAB member asked HMT on their approach to TCFD when considering direct and non-direct impacts on climate. HMT noted that their focus is on what the policies are trying to achieve. Whilst HMT consider wider outcomes, they aim to leverage off the existing reporting entities would have in their ARAs.

92. FRAB members enquired whether there was an exercise for HMT to review government's compliance to standards, identifying the reasons for non-compliance; and to examine the standards to identify any areas where answers to problems are provided, that HMT hadn't considered a problem.

Agenda item 11: IASB Update

93. Updates on the International Accounting Standards Board (IASB) activity was provided, noting:

    a. The amendments to IFRS 9 in relation to electronic payments to recognise the cash and creditor prior to the settlement date in certain situations.
    b. Accounting for net zero – there are questions around whether an entity should recognise a provision when making public statements regarding reducing emissions/offsetting emissions. Even if the constructive obligation test is met, it does not necessary lead to a provision.
    c. Amendments on covenants and current vs non-current classification.
    d. Financial assets with Environmental, Social, and Governance (ESG) linked features. Solely Payments of Principal and Interest (SPPI) tests will be amended to accommodate the ESG linked features.
    e. An exposure draft is expected on equity method, climate related uncertainties and provisions.

94. It was expressed that IFRS 18 aims to structure financial statements, standardising the appearance and bringing consistency to the presentation. Its ambition is to define the total for operating profit; and to regularise some control over non- Generally Accepted Accounting Principles (GAAP) measures.

95. IFRS 19 is around subsidiaries without public accountability. There are questions on whether this is necessary in the UK, and if it will be endorsed in the UK, as it gives subsidiaries a similar disclosure framework which is already present in the FRS 102.

96. It was noted that International Financial Reporting Interpretations Committee (IFRIC) are eager to move forward on the climate related commitments.

Agenda item 12: FRC Update

97. The FRC representative summarised the committee's recent activities, referencing the review conducted on the FRC 102, which was issued in March and will be effective from the 1st January 2026. Key amendments include:
    a. Bringing a version of IFRS 15 and IFRS 16 and making it proportionate for entities. There may be issues with larger entities who feed into the WGA for accounting policies that aid with basic consolidation.
    b. On IFRS 16, they have implemented a low-value exemption to consider the higher values items that must be on the balance sheet, compared to the lower value items that could be omitted; with a view to lesson the burden for entities when considering leases.
    c. Adding additional options around discount rates, such as allowing the rates in addition to the IFRS 16 ones. For Public Benefit entities, the investment rate has been allowed.
    d. Disallowing entities from peppercorn leasing
    e. For entities with a below-the-market rate, if there is no evidence to suggest there is a philanthropic intent, it would be assumed that the entity received a good deal.
    f. Clarify the wording on heritage assets and incoming resources from non-exchange resources.

98. In addition to issuing the amendments, FRC are planning to issue updates to completed standards and producing fact sheets on certain topics.

99. A review of the FRS101 is being finalised, and the FRC have plans to explore which entities use the standards; as well as the reasons why, entities may use or not use the standards.

100. The FRC updated the Corporate Governance code, which was issued in January. The Technical Advisory Committee (TAC), to which the FRC provide secretariat, has been asked to provide its advice to the Secretary of State by the end of the year.

101. The Chair asked HMT to identify any problems from the IFRS 16 post-implementation review, using the FRC approach.

Agenda item 13: FRAB Membership Update

102. The FRAB nominations committee had met to discuss the recommendations from the recent effectiveness review and put together suggested changes for the board's consideration.
103. The three proposals relating to size and composition of the board included:
    a. Changes to the FRAB Terms of Reference (TOR) to reduce the need to be prescriptive on independent member's background, such as the specific requirement for an academic member, and instead focus more on the desired skills set and experience.
    b. Increasing the membership limit for Relevant Authorities from 2 terms, to offering Relevant Authorities a choice on whether to stay on for a 3rd term; with a view of retaining the knowledge and expertise.
    c. Reducing the membership size of the board where there is overlap. One method suggested was to not recruit for the current members whose terms will be ending soon, who provide specific representation from the Trading Fund and a private audit firm.
104. FRAB agreed with the change to the ToR to allow academic member to be a preferred requirement rather than an essential, to allow the board to achieve the correct blend of skills.
105. FRAB was supportive of the change on increasing the membership limit but suggested staggering new membership, to allow for fresh perspectives to come in regularly.
106. On board size, FRAB acknowledged the value added by the current members representing those areas but agreed with the proposal to reduce the board size and to not recruit for those specific representation.
107. The board confirmed they were content with HMT starting the recruitment process for a new chair of the board, as the current Chair is nearing the end of their 2nd term.
108. FRAB questioned whether the chair's tenure could also be extended to a 3rd term and it was agreed this could be a consideration for a future Chair.
109. FRAB approved of HMT starting the new Chair recruitment process, with an advert to come to the FRAB nominations committee for sign off.

110. Another proposal put forward by the nomination's committee, that was also a suggestion from the effectiveness review was to have a FRAB Vice Chair. FRAB agreed with this proposal.
111. HMT noted the need to clarify what the responsibility split would be between the Chair and Vice Chair.

Action: HMT will adjust the Nomination's Committee ToR following the points raised during discussion.

Agenda item 14: FRAB ToR, Strategy, Action Plan and Risk Register

112. One FRAB member requested additional wording in the FRAB ToR on the timeliness of reporting. HMT will action this.
113. A member questioned whether the sustainability subcommittee referred to in the ToR can be considered FRAB's stakeholders. The Chair acknowledged the need to clarify the wording in this area, and they suggested an item comes to a FRAB meeting on relationships with the subcommittee.
114. It was suggested by one member that the FRAB ToR review should occur on a 3-yearly basis, to align with the board's effectiveness review, in case of any recommendations.
115. Another member also suggested wording changes on engagement, as though the board doesn't directly engage. It does so indirectly through HMT.
116. It was requested that an item on the DHSC manual is added on a future agenda, as that will require FRAB's endorsement. HMT will add this item to the forward look.
117. HMT suggested removing the standing item of updates from Devolved administration, NAO & NIAO, and DHSC & NHSE; and instead providing a shorter written update that is circulated to members prior to the meeting.

Action: HMT will update the FRAB TOR and will share a final version with FRAB to review.

Agenda item 15: AOB

118. HMT explained the background and context to the adaptation to the FREM, which involved withdrawing the requirement part of some pensions disclosures within the remuneration report.
119. HMT explained the complexity of the issue and concerns regarding its implications. It was noted that subsequent disclosures will be presented in next year's accounts (24/25), including prior year comparisons and current

year’s figures – ensuring that full disclosure would be made, albeit to a later timetable.

Agenda item 16: IFRS Interpretations Committee summary of announcements

120. The Board noted the update paper.

Agenda item 17: USER Preparer Advisory Group update

121. The Board noted the update paper.

Agenda item 18: Relevant Authority Working Group update

122. The Board noted the update paper.

Agenda item 19: Users of Accounts update

123. The Board noted the update paper.