

Financial Reporting for Small Bodies

User and Preparer Advisory Group – 14th October 2025



HM Treasury

Background

- Declining timeliness of reporting has been a noteworthy issue for some years
- We spoke in May and March this year about the future of financial reporting and what could be done to improve timeliness (including where burden was felt most, what areas members used most, and the burden facing small bodies)
- Since then, the NAO have published their report into Accountability in Small Bodies



Overview of NAO recommendations

For CO

- Review and amend functional frameworks and checklists
- Test documents with small bodies
- Improve accessibility and understanding of functional standards

For HMT

- Develop a consistent approach for a small body reporting regime
- Explore streamlined reporting and disclosure requirements



Draft forward work plan

Stage 1 –
Q3/4 2025



Stage 2 –
Q1 2026



Stage 3 –
Q2 2026



Questions for UPAG

- Is there support amongst users and preparers for a small body reporting regime?
 - If so, what should it look like?
 - What would the advantages and risks be?
 - Who should be considered a small body?
- Would this have a material impact on timeliness especially for departmental ARAs?
- How would you suggest a small body reporting regime threshold be created? (Alignment with CA2006?, should a qualitative element be included?)
- What areas should any reduced reporting regime effect?
 - Should there be reduced narrative reporting/Financial statements etc?

