



# MINUTES

Committee CIPFA/LASAAC LOCAL AUTHORITY SORP BOARD

Date 15 December 2008

Time 10:00am

Venue Edinburgh, Barcelo Carlton Hotel, North Bridge

Members	Nick Bennett (Chair) David Aldous Angela Brown John Buchanan Tim Day Robert Dowey Russell Frith Nick Gibbins Lynn Hine Grant Macrae	<i>Scott Moncrieff Audit Commission Carlisle City Council Local Government Audit – NI Independent Consultant Newry and Mourne DC Audit Scotland Hampshire CC PricewaterhouseCoopers KPMG</i>
---------	--	--

Observers	Larry Pinkney Alan O'Connor Graham Fletcher Ian Skinner Hazel Black	<i>HM Treasury ASB CLG Welsh Assembly Government Scottish Government</i>
-----------	---	--

In attendance	Colin Stratton (Secretary) Ian Carruthers Paul Mason Dave Baldam Don Peebles Karen Sanderson	<i>CIPFA CIPFA CIPFA CIPFA CIPFA Scotland HM Treasury</i>
---------------	---	---

1 Apologies were received from Lynn Brown, Peter Davies, Ian Robbie, David Jones, Paul Dransfield and Ken Finch. David Aldous participated by telephone link.

2 MINUTES

The minutes of the meeting held on 12 September 2008 were approved.

3 MATTERS ARISING

3.1 The Secretary reported that the three months 2009 SORP public consultation commenced on 10 November.

3.2 Paul Mason gave an update on 'Back to Basics' initiative. Almost 50 practitioners had volunteered to participate in four working groups to review and comment on various aspects of the Secretariat's proposals for the format and content of the IFRS-based statement of accounts and related financial reporting issues such as note disclosures. The working group meetings were planned for late January and early February and the outcomes of the meetings would feed into the proposals for

the format and contents of the statement of accounts that the secretariat would put before the CIPFA/LASAAC Code Board at the 6 March 2009 meeting.

- 3.3 The Secretary invited the CLG, and Scotland observers and John Buchanan (Northern Ireland) to update CIPFA/LASAAC on progress with changing the wording of the certificate that the Responsible Financial Officer gives on the statement of accounts from 'presents fairly' to 'true and fair' (which would only proceed if external auditors were in turn able to introduce a similar change in the form of the audit certificate). The CLG observer confirmed that amendments to the England Accounts and Audit Regulations that would be needed to make the change in the form of audit opinion for 2008/09 possible were being consulted on currently. John Buchanan said Northern Ireland was not as far forward with the matter as in England but that it was expected that similar amendments would be made to the Northern Ireland Accounts and Audit Regulations in time for a 2008/09 implementation subject to the consultation outcome and ministerial approval. The Wales Assembly Government Observer was not present for the item but recent secretariat contacts with him indicated the position in Wales was similar to Northern Ireland. In Scotland no change in legislation was needed and matters could be progressed quickly to enable a 2008/09 implementation as it became more certain that other jurisdiction would be able to implement for the 2008/09 financial statements.
- 3.4 The Audit Commission member commented that the Audit Commission has had a longstanding commitment to moving to a true and fair view in the local government sector and continues to support this. The Commission will be responding to CLG's consultation. In so doing it will wish to take into account feedback on auditors' views on the potential impact of other current developments in local government accounting including, for example, the possible impact of bringing in IFRIC 12 into the 2009 SORP.
- 3.5 The Policy and Technical Director updated members on current developments with regard to CIPFA's transport infrastructure assets project. £32m of pump-priming funding for local authorities in England had been provided by the Department of Transport to establish or enhance Transport Asset Management systems. Government have said they want to proceed with developing a Code of Best Practice for reporting on asset management. Subject to receipt of a formal Government response the plan will be to adopt a 'prepare and decide' approach ie to prepare Code of Best Practice Guidance on the AMP approach and then decide whether to use the information for financial reporting purposes. This decision will need to be informed by the results of the current LASAAC study. Any change to the valuation basis for transport infrastructure assets would not be implemented until after the implementation of IFRS in 2010/11, as the change is not linked with this because both the historic cost and current value approaches are acceptable under IFRS.
- 3.6 Paul Mason explained how the CIPFA/LASAAC website had been developed to better communicate CIPFA/LASAAC'S messages and decisions on IFRS to local authority practitioners and other stakeholders. Ian Carruthers said a letter would soon go out under his name to local authority CFOs on the importance of planning for IFRS and the letter was likely to include some indicative dates for achieving milestones. The importance of doing this very soon was endorsed by CIPFA/LASAAC. The Policy and Technical Director explained how CIPFA was engaging with the Audit Commission and the other Audit bodies on the IFRS planning and milestones issue. The key role of Chief Accountants was also discussed and the need to engage with them. Action was ongoing on both fronts: some meetings had taken place with Chief Accountants groups and similar fora and the Finance Advisory Network (FAN) had recently held 11 very well attended meetings on IFRS. A meeting with all 32 Scotland CFOs was taking place the following day. A member considered Chief Accountants were generally well aware of the issues and that resources to undertake the necessary

work was a key issue, and that therefore engaging with CFOs was vital at this stage so that they also appreciated that some short-term extra resources to implement IFRS would often be needed.

4 ANY OTHER BUSINESS

There was no other business.

5 DATES OF FUTURE MEETINGS

The CIPFA/LASAAC SORP Board will meet on 6 March to discuss the outcome of the 2009 SORP public consultation and to approve the required changes to the Exposure Draft. This is expected to be the last meeting of the SORP Board with a substantial business agenda; but it will remain extant to deal with SORP business until the first IFRS-based Code is approved for publication.