

report

Paper CL 04 02-10

Committee	CIPFA/LASAAC
Venue	Robert Street, London
Date	23 February 2010
Author	Paul Mason, Technical Manager – Local Government Accounting
Subject	CIPFA/LASAA Terms of Reference

The purpose of this report is to provide CIPFA/LASAAC members with the opportunity to suggest any changes to the CIPFA/LASAAC terms of reference they consider should be explored.

1 Introduction

- 1.1 CIPFA/LASAAC's terms of reference (see attachment) were developed at a time when the Board was a SORP preparing body under the auspices of the Accounting Standards Board. The terms of reference therefore include a number of provisions intended to satisfy the ASB's Code of Practice for SORP issuing bodies. Following the move to the new governance arrangements under the oversight of the Financial Reporting Advisory Board, it is now an opportune time to review the terms of reference.
- 1.2 CIPFA's Public Finance and Management Board will confirm its nominations to CIPFA/LASAAC at its July meeting. Similar arrangements will apply for those members nominated by LASAAC.
- 1.3 The Secretariat is therefore asking CIPFA/LASAAC members for their initial views on the terms of reference at this stage. A further report including revised draft terms of reference will be presented to the June meeting; if approved by CIPFA/LASAAC, PFMB and LASAAC would be asked to formally adopt the revised terms of reference.

2 Consideration of Issues

- 2.1 There are a number of issues that members may wish to consider regarding the membership of CIPFA/LASAAC. These are discussed in the following paragraphs.

Board Membership

- 2.2 CIPFA is currently reviewing the terms of reference of its panels, and introducing fixed terms of membership. Panel members will be appointed for a fixed term of three years, which will be renewable. This will provide a suitable opportunity for both members and the panels to consider whether continuing membership is appropriate, and is in line with the current arrangements for the CIPFA/LASAAC

chair. CIPFA/LASAAC is asked to consider whether a similar approach to membership of the Board would be appropriate.

- 2.3 The Secretariat is engaged in developing better links with the various Treasurers' Societies in England and Wales, and considers that ensuring the Societies are represented on the Board would both enhance the relationship with the Societies and strengthen the Board. CIPFA/LASAAC is asked to consider whether it agrees with this view, and if so, whether this can be done within the existing membership arrangements, or whether additional members would be required.
- 2.4 As part of these considerations, the Board may also wish to consider if the existing membership arrangements (chair, 9 members covering England and Wales, 5 members covering Scotland and 2 members covering Northern Ireland) remain appropriate, and if not to suggest alternative arrangements. Members should note that there are currently six members covering Scotland, as one member was previously the chair.
- 2.5 The ASB, Communities and Local Government, FRAB Secretariat, Scottish Government and Welsh Assembly Government may nominate an observer. CIPFA/LASAAC may wish to consider whether such nominees should be members of the Board rather than observers.
- 2.6 Nominations are personal to the individuals concerned, with only limited substitution being allowed at the discretion of the chair. CIPFA/LASAAC members may wish to consider if these restrictions are still appropriate.

Due Process

- 2.7 The terms of reference set out the purpose of the Board in preparing the Code of Practice on Local Authority Accounting, and the due process to be followed when so doing. The due process is in line with the memorandum of understanding with the other FRAB bodies; the Secretariat therefore considers that any changes to this section of the terms of reference would need to be considered alongside a review of the memorandum of understanding. CIPFA/LASAAC members are asked to consider if there are any items that need to be addressed urgently, prior to a review of the memorandum of understanding. It is anticipated that the memorandum of understanding will be reviewed in the autumn.

Meeting Frequency and Quorum

- 2.8 CIPFA/LASAAC may wish to consider whether the arrangements for the frequency of meetings, progression of work through electronic means and achieving a quorum are appropriate. This may depend on any views reached about the membership of the Board.

Recommendation

CIPFA/LASAAC is asked to:

- 1) Review the CIPFA/LASAAC terms of reference and suggest any changes the Board considers appropriate