

minutes

Board	CIPFA/LASAAC Local Authority Code Board	
Date	1 March 2011	
Time	11.00am	
Venue	CIPFA Scotland office, Edinburgh	
Present	Lynn Hine (Chair)	<i>PricewaterhouseCoopers</i>
CIPFA Nominees	Angela Brown Peter Davies Nick Gibbins David Jones Mike Langley	<i>Independent Consultant Monmouthshire CC Hampshire CC Wales Audit Office Audit Commission</i>
LASAAC Nominees	Russell Frith Bruce West	<i>Audit Scotland Argyle and Bute Council</i>
LASAAC Reserves	Grant Macrae	<i>KPMG</i>
DOE (NI) Nominees	Rodney Allen Robert Dowey	<i>Northern Ireland Audit Office Newry and Mourne DC</i>
Co-optee	Tim Day	<i>Independent Consultant</i>
Observers	Graham Fletcher Hazel Black	<i>DCLG Scottish Government</i>
In attendance	Paul Mason (Secretary) Gareth Davies Sarah Sheen Julian Smith	<i>CIPFA CIPFA Scotland CIPFA Associate CIPFA</i>

		Action
1	Apologies for absence	
	Apologies were received from Nick Bennett, Lynn Bradley, Derek Yule, Ian Robbie, Larry Pinkney, Joanna Spencer and Amanda Whittle.	
2	Minutes	
	The minutes of the meeting held on 27 October 2010 were approved.	

3	matters arising	
3a	terms of reference	
3.1	<p>It was noted that the terms of reference for the Board had been updated as agreed previously.</p> <p>The Secretary would circulate to members the report of the FRAB Review Group on the composition of FRAB.</p>	PM to circulate FRAB Review Group draft report
3.2	<p>Mike Langley would circulate a report on schools accounting issues to the Board (see also discussion at 8.2).</p>	ML to circulate report
3.3	<p>The Board agreed that it wished to publish minutes and fuller notes of meetings on the CIPFA website as separate documents.</p>	PM to publish online minutes, and fuller notes, of meetings
3a	terms of reference	
3.4	<p>An update on CIPFA/LASAAC Membership was presented to the meeting.</p> <p>The Board noted the membership update and the vacancies for Board members.</p> <p>The Chair encouraged members to volunteer as Vice-Chair. It agreed that the approach to the appointment of Vice-Chair should aim where possible for the Chair and Vice-Chair to come from different backgrounds (ie practitioners and auditors).</p> <p>The Board agreed minor amendments to the nominations criteria and the invitees criteria.</p>	<p>PM to aim to fill vacancies for next Board meeting</p> <p>PM to seek members views on practitioners that may be interested in the Vice Chair appointment</p> <p>PM to amend nominations and invitees criteria</p>
3b	transport infrastructure assets	
3.5	<p>The Board noted the report.</p> <p>The Board concluded that the Invitation to Comment (ITC) on the 2012/13 Code would:</p> <ul style="list-style-type: none"> • indicate a preference to move in the direction of the adoption of a valuation basis for infrastructure assets; • consult on the most appropriate timing for such a move; • seek views on the practical issues in meeting the suggested timetables; and • include options for early adoption. 	PM (SS) to action in the ITC.
3c	<p>telling the whole story (stakeholder reporting)</p> <p>The Board noted the update. It also suggested that LAAP might be the most appropriate Panel to take the lead in later stages of the project.</p>	PM to circulate the consultation paper when issued to CIPFA/LASAAC Board members

3d	<p>carbon reduction commitment scheme (CRC) 2011/12</p> <p>PM updated the Board on the Secretariat's latest understanding of developments in the CRC scheme.</p> <p>The Board agreed to include CRC in the ITC for the 2012/13 Code if details of the scheme were published in time, or to issue a supplementary consultation if not.</p> <p>The Board agreed that the 2011/12 treatment for CRC scheme could be appropriately covered in a LAAP Bulletin as this treatment is covered by the general provisions of the Code.</p>	<p>PM (SS) to include in the ITC or as a separate consultation paper when the position on the Scheme is known.</p>
4	development of the code of practice on local authority accounting – management commentary	
	<p>The Board noted the report and discussed the options presented in the report.</p> <p>The Board agreed to consult on the inclusion of a management commentary in the 2012/13 Code; two options are to be brought to June meeting, based on:</p> <ol style="list-style-type: none"> 1. the requirements of the FReM following the option presented in the report; and 2. the IASB Practice Statement. 	<p>PM (SS) to include the options outlined in the draft ITC which will be considered at the June meeting.</p>
5	development of 2012/13 code of practice on local authority accounting	
	<p>The Board noted the report and considered the list of issues recommended for inclusion in the 2012/13 Code (see also items 3(b), (d), 4 and 8.2). It agreed the items to be included in the ITC and draft Code for 2012/13 as set out in the report. In addition;</p> <ul style="list-style-type: none"> • HB would provide SS with progress on Scottish Remuneration Report legislation. • It was noted that the development of the ITC was also subject to the timing of the IASB's and IPSASB's developments. <p>The development of the ITC was also subject to the additional issues raised at the meeting relating to:</p> <ul style="list-style-type: none"> • accounting issues arising from Tax Increment Financing; • the end of the Area Based Grant and the impact of the reduction of the number of ringfenced revenue grants; and • the new general power of competence in the Localism Bill. 	<p>PM (SS) to produce ITC and draft Code for consideration at the next meeting.</p>
6	workshops on the 2012/13 code consultation	
	<p>The meeting noted the paper setting out a range of workshops and other seminars to encourage practitioners' participation in the forthcoming</p>	<p>PM to use each year's mid-year meeting to look ahead to the next ITC's</p>

	consultation on the Code.	content Members to contact PM if able to assist at roadshow consultation events
7	accounting and auditing standards update	
	The Board noted the update and debated the inclusion of this report as a standing item on the agenda. It concluded that it wished to retain this as a for information item for future meeting agendas	PM to retain the update
8	any other business	
8.1	The Board debated the impact of UITF 48. The Board agreed that the replacement of RPI to CPI was a reduction in liability; and that this issue was best communicated to authorities by means of a LAAP Bulletin. The Board wished to view the LAAP Bulletin before its issue.	PM to advise LAAP of the Board's position on the issue.
8.2	Mike Langley outlined the Audit Commission's position on accounting issues for schools. The Board agreed that: <ul style="list-style-type: none"> • ML would circulate the AC paper to Board members via PM; • Members were invited provide feedback to ML (and CIPFA Secretariat); • PM consider opportunities to alert Councils to the issue for 2011/12 for possible fuller consultation in the ITC to the 2012/13 Code. 	ML to circulate the report via PM to Board members. PM to consider an Alert for Councils PM (SS) to include consideration of the issue in the ITC on the Code.
8.3	Following the last item the Board decided that for the areas where the only change was as a result of the legislative amendments (which had an effective date of 2011/12 or earlier) these items would be issued in the ITC as an Update to the 2011/12 Code. With regard to the schools' issues discussed above, if on consideration of the issues, the recommended treatment required full retrospective restatement then they would be considered for inclusion in the 2012/13 Code.	PM (SS) to include in ITC for consideration at the next meeting
8.4	Thanks to former Board members	PM to pass on thanks of Board to Paul Dransfield and John Buchanan for their service
9	dates of future meetings	
	28 June 2011 (London) 1 November 2011 (Edinburgh)	Board to consider at its next meeting.