

CIPFA/LASAAC Local Authority SORP Board – Current Constitution

1 TERMS OF REFERENCE

1.1 The CIPFA/LASAAC Local Authority SORP Board (CIPFA/LASAAC) is established as a standing committee of CIPFA and LASAAC for the purpose of preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting for the United Kingdom, the Statement of Recommended Practice (SORP) for the sector.

1.2 The statement by the Accounting Standards Board at the front of the SORP includes the following statements:

‘The CIPFA/LASAAC Joint Committee¹ (the Joint Committee), a standing committee of CIPFA and LASAAC, has confirmed that it shares the ASB’s aim of advancing and maintaining standards of financial reporting in the public interest and has been recognised by the ASB for the purpose of issuing SORPs. As a condition of recognition, the Joint Committee has agreed to follow the ASB’s Code of Practice on the Development of SORPs.’

1.3 The Board’s terms of reference are:

- (i) To prepare, maintain, develop and issue the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the SORP).
- (ii) To follow the ASB’s Code of Practice on the Development of SORPs.
- (iii) In addition to the requirements of the ASB, finalisation of the Code of Practice requires the approval of both CIPFA (through report to CIPFA’s Public Finance and Management Board) and LASAAC.

2 COMPOSITION

2.1 The composition of CIPFA/LASAAC is:

- the Chair (see section 3 below)
- 9 nominations from CIPFA covering the geographical areas of England and Wales
- 5 nominations from LASAAC covering the geographical area of Scotland
- 2 nominations from Northern Ireland

2.2 Nominations from each of the geographical areas should include both local government practitioners and auditors.

2.3 Additionally, one nomination from each of the following shall have the right to attend as an observer:

- ASB
- CLG
- H M Treasury
- Scottish Government

¹ Now formally renamed the CIPFA/LASAAC Local Authority SORP Board

— Welsh Assembly Government

2.4 Staff from the CIPFA Secretariat also attend and provide support to CIPFA/LASAAC. The Technical Manager (Local Government Accounting and Financial Reporting) acts as Secretary to CIPFA/LASAAC.

2.5 The ASB's Code of Practice on the development of SORPs includes the following requirement:

'Drafting of the SORP must be undertaken either by the SORP-making body itself or by a working party of the SORP-making body. In either case the process should ensure the participation of representatives of the industry or sector concerned, independent outsiders on behalf of the wider public interest and, where possible, users of financial statements, and have sufficient technical accounting support. The arrangements proposed (including membership of any working party), and any changes in those arrangements, should be notified in advance to the ASB, so that the ASB may satisfy itself that these requirements are met.'

3 CHAIR

3.1 The Chair is selected by CIPFA/LASAAC through open advertisement and competition.

3.2 The appointment is for a fixed term renewable of 3 years.

3.3 The Chair has a casting vote.

4 SECRETARIAL SUPPORT

4.1 Secretarial support for the Board is provided by CIPFA.

4.2 The Technical Manager (Local Government Accounting and Financial Reporting) acts as Secretary to CIPFA/LASAAC.

4.3 The Assistant Director (Local Government Finance and Policy) and the Head of CIPFA in Scotland attend CIPFA/LASAAC on a regular basis.

4.4 Other members of the CIPFA Secretariat may be involved in supporting the work of CIPFA/LASAAC and attend as required.

5 BOARD APPOINTMENTS

5.1 Appointments to CIPFA/LASAAC are made by nomination from:

- CIPFA (Public Finance and Management Board) for the CIPFA nominees
- LASAAC for the LASAAC nominees
- the Department of the Environment (Northern Ireland) for the Northern Ireland nominees

and are subject to the governance arrangements of those bodies and approval by the ASB. All nominations are personal to the individuals concerned – ie substitutions for particular meetings are not in order.

5.2 Observers are appointed by nomination from

- ASB
- CLG
- H M Treasury
- Scottish Government
- Welsh Assembly Government

and are subject to the governance arrangements of those bodies and approval by the ASB. All nominations represent their organisation. They may be represented by another member of their organisation on an exceptional basis.

5.3 Members and observers must not use their position for personal gain in either business, political or social relationships. Therefore a member or observer who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest and withdraw from all discussions relating to it. In addition, members should take no part in any vote on such a matter.

6 BOARD MEETING FREQUENCY AND AGENDAS

6.1 CIPFA/LASAAC normally has four meetings per year, the venue alternating between London and Scotland. Meetings are scheduled in advance but may be changed by agreement. Fewer / additional meetings may be held by agreement.

6.2 Work between meetings is progressed through electronic communication, meetings of groups progressing specific items, and by the Secretariat in consultation with the Chair.

7 QUORUM

7.1 A quorum for meetings is 7 members.

7.2 Non-quorate meetings may discuss and formally note matters for future report, but have no executive authority. Urgent decisions, at the Chair's discretion, should be dealt with by correspondence.

7.3 Different arrangements apply to the issue by CIPFA/LASAAC of an invitation to comment on proposals for changes to the SORP and to the finalisation of the SORP, which require that at least 50% of members consent.