



Local Authority (Scotland) Accounts Advisory Committee

TERMS OF REFERENCE

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The Scottish Government



The Local Authority (Scotland) Accounts Advisory Committee (LASAAC) is funded by the Chartered Institute of Public Finance & Accountancy (CIPFA), Audit Scotland and the Scottish Government. The members of LASAAC are volunteers representing the funding bodies or participating as appointed or co-opted members. LASAAC is primarily concerned with the development and promotion of proper accounting practices for Scottish local authorities. A key task in achieving this is LASAAC's contribution to the development of the 'Code of Practice on Local Authority Accounting in the United Kingdom' ('the Code').

Further information about LASAAC can be obtained at <http://www.cipfa.org/regions/scotland/policy-and-technical/local-authority-scotland-accounts-advisory-committee>

CIPFA provide secretariat support for LASAAC. Please direct any correspondence to lasaac@cipfa.org.uk or contact:

Gareth Davies
Policy & Technical Manager
CIPFA in Scotland
160 Dundee Street
Edinburgh
EH11 1DQ
gareth.davies@cipfa.org

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STATUS AND ROLE OF LASAAC

Status of LASAAC

1. The Local Authority (Scotland) Accounts Advisory Committee [LASAAC] is established as a voluntary independent committee.

Statutory Framework of LASAAC's Role

2. The Local Government in Scotland Act 2003 (Section 12) states "It is the duty of a local authority to observe proper accounting practices." This includes "those which, whether by reference to any generally recognised, published code or otherwise, are regarded as proper accounting practices to be observed in the preparation and publication of accounts of local authorities".
3. The Code of Practice on Local Authority Accounting in the United Kingdom [the Code] is generally recognised as proper accounting practice for Scottish local government.
4. LASAAC represents Scottish local government financial reporting requirements through its joint operation of the CIPFA/LASAAC Local Authority Accounting Code Board [CIPFA-LASAAC], principally in the development of the Code.

LASAAC OUTCOME, OBJECTIVES AND OUTPUTS

LASAAC Outcome Statement

5. The outcome sought from the work of LASAAC is:

"The determination and application of proper accounting practices to support appropriate financial reporting by Scottish local government."

LASAAC Objectives in Support of Outcome Achievement

6. To support and ensure the achievement of the intended LASAAC outcome, the work of LASAAC should have the following objectives:
 - To develop and promote proper accounting practice for local government in Scotland in line with the legislative framework for Scottish local government
 - To contribute to the development of a United Kingdom IFRS based Code of Practice for Local Authorities ('the Code') and other accounting requirements by working with the CIPFA/LASAAC Local Authority Code

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Board ('the Board') and any associated working groups; to contribute to the formal approval process for the Code and other financial reporting requirements

- To continuously strive for improvement in the quality and relevance of Scottish local government financial reporting
- To co-ordinate, advise and assist in the quantification of the financial impact on Scottish local government of changes to financial reporting requirements and practices
- To act as a forum for Scottish local government financial reporting stakeholder discussion on local government accounting matters

LASAAC Outputs

7. The use of LASAAC resources to provide outputs, and the prioritisation of work, should be determined with reference to achievement of the LASAAC outcome and the stated objectives.
8. The form of LASAAC outputs from its work should be appropriate for outcome achievement and in accordance with the stated objectives.
9. LASAAC outputs may therefore be in a variety of different forms and communicated through a variety of different methods.

MEMBERSHIP

Funding Body Representation

10. The funding bodies are:

- Audit Scotland
- Chartered Institute of Public Finance and Accountancy [CIPFA]
- Scottish Government

11. Each funding body will be invited to nominate a maximum of three representatives. Where a funding body does not take up its full entitlement, then the positions will be left vacant.

12. Funding body nominated representatives may, on occasion, propose a substitute representative when they are unable to attend. Proposed substitutes should be approved by the funding body as a funding body representative. This substitution process only applies for funding body representatives.

Stakeholder Representation

13. LASAAC will ensure stakeholder representation by appointing:

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- Up to four local government finance practitioners
 - Up to three external audit firm representatives
14. Stakeholder representation should provide an appropriate mix of representation of stakeholders such as local government and external audit bodies. Stakeholder representative appointments will be reviewed in conjunction with the change of Chair, normally every two years.
15. Stakeholder representatives are appointed on a personal basis. Substitutes are not permitted.

Co-Opted Members

16. In order to allow for wider stakeholder engagement LASAAC may co-opt up to three additional members. Unless otherwise determined by LASAAC co-opted members will have voting rights.
17. Such co-option may be for a variety of reasons including:
- specific short term purposes, such as project based work, where the involvement of those with specific skills, knowledge or expertise is appropriate
 - longer term stakeholder representation
18. Co-options should be made considering whether the co-option:
- supports the achievement of the LASAAC outcome
 - provides appropriate stakeholder representation that would otherwise be lacking
 - provides additional knowledge or expertise that is required
 - maintains an appropriate balance of representation
19. Co-opted members are appointed on a personal basis. Substitutes are not permitted.

Period of Membership

20. LASAAC may review a co-opted member's participation at any time, and will do so at least annually.

Member Non-Attendance

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21. Where repeated non-attendance of a funding body representative is considered to adversely affect the achievement of the LASAAC Outcome and Objectives, the Chair will discuss the matter with the funding body.
22. An appointed stakeholder representative or co-opted member of the Committee shall vacate office automatically if (s)he fails to attend three consecutive meetings without the prior leave of the committee.

CIPFA-LASAAC

Representation on CIPFA-LASAAC

23. LASAAC shall nominate five representatives to attend CIPFA-LASAAC.
24. The five nominations will include the Chair and Vice Chair, unless otherwise agreed by LASAAC. The five nominations should provide an appropriate balance of stakeholder representation. The Scottish Government has existing observer status at CIPFA-LASAAC.
25. LASAAC will seek to identify two named substitutes for CIPFA-LASAAC in case a nominated member cannot attend CIPFA-LASAAC.

LASAAC Role in Code Development

26. LASAAC will be involved in the development of the Code. Initial drafts will be submitted to the committee for discussion.
27. Where the committee disagrees with any proposal, it will be the role of the LASAAC representatives on CIPFA-LASAAC to relay the committee's concerns to CIPFA-LASAAC.
28. LASAAC representatives on CIPFA-LASAAC must contribute to the debate on the Code at CIPFA-LASAAC. The Chair, or a nominee, must report back to LASAAC on the discussions and conclusions reached by CIPFA-LASAAC either verbally at the next meeting or by e-mail where time is of the essence.

LASAAC Role in Code Authorisation

29. The final full Code text must be submitted to LASAAC for approval.
30. Where time is of the essence, individual members may be requested to approve/disapprove the Code by e-mail. The secretary will collate the responses and where the majority approve, (s)he will formalise this approval in writing to the chair of the Board.
31. Where the majority do not approve, a meeting will be arranged between the Chair of LASAAC and the chair of CIPFA-LASAAC to discuss and reach an acceptable solution.

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ADMINISTRATION

LASAAC Meetings

32. The Committee will meet a minimum of three times each year (subject to there being sufficient business to discuss). Meeting dates shall be agreed in advance with the funding bodies.
33. Members will be given not less than 7 days notice of any emergency meetings of the committee.
34. To be quorate a meeting requires a minimum of six members (including co-opted members) to be in attendance (in person or by remote access).
35. The agenda and papers for each meeting will be issued by the secretary, normally by e-mail, at least one week prior to the date of the actual meeting.
36. The security of LASAAC papers and other LASAAC information is the responsibility of all members. LASAAC papers and conclusions should be treated as confidential until they are made publicly available, for example through the LASAAC webpages.
37. The draft minutes of the meeting will be approved or amended by the Chair (or acting Chair) and issued to members as soon as possible after the meeting. The draft minutes will be subject to formal approval at the following meeting.
- 38.

LASAAC Funding

39. The funding bodies are:
 - Audit Scotland
 - Chartered Institute of Public Finance and Accountancy [CIPFA]
 - Scottish Government
40. The LASAAC funding formula is based on an equal contribution per funding body. The Committee will be asked to approve the funding requests made on the basis of the formula – uplift on the previous year’s funding plus RPI as at the 1st April of the current year.
41. The funding request will be accompanied by an analysis of the anticipated LASAAC activities for the forthcoming year; a summary of the projects undertaken during the past year and a copy of the proposed workplan.

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42. The funding arrangements in the preceding paragraphs will apply unless an alternative arrangement is reached which has the approval of all the funding bodies, taking account of the proposed workplan.
43. An annual paper on LASAAC activities will be provided to each of the funding bodies and if requested to do so by a funding body, LASAAC's Chair should present the annual paper to the funding body.

Appointment of LASAAC Chair and Vice Chair

44. The Committee shall select a Chair and Vice Chair every two years. Where practicable, both positions will rotate between a Section 95 responsible officer and an auditor. At the end of his/her term as Chair, (s)he will be designated the committee's Past Chair. Where practicable the existing Vice Chair will then be invited to assume the post of Chair.
45. The Vice Chair should deputise for the Chair if (s)he is unavailable either for a meeting or for any other business which the Chair would normally conduct.

Interpretation and Alteration of LASAAC Administration Procedures

46. Any matter arising, which is not provided for by the existing Constitution and Rules and, in case of doubt as to their interpretation, shall be dealt with and determined by the current Chair, Vice Chair and secretary to the committee.
47. Proposals for changes to the Constitution and rules may be adopted provided two thirds of the members' present vote in favour of the proposals. Notice of any such proposals must be given to the secretary of the committee not later than 21 days prior to the meeting.

Secretariat Support

48. CIPFA Scotland will designate a member of staff to provide secretariat support to LASAAC. Additionally CIPFA will provide technical support for Code development and other CIPFA-LASAAC projects through the CIPFA-LASAAC secretariat arrangements.

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