

# minutes

CL 02 06 13

Board	CIPFA/LASAAC Local Authority Code Board	
Date	5 March 2013	
Time	11.00am	
Venue	CIPFA Scotland, Edinburgh	
Present	Lynn Pamment (Chair)	<i>PwC</i>
CIPFA Nominees	David Aldous Angela Brown David Jones	<i>Audit Commission Independent Consultant Wales Audit Office</i>
LASAAC Nominees	Nick Bennett Fiona Kordiak Russell Frith Bruce West	<i>Scott Moncrieff Audit Scotland Audit Scotland Argyll and Bute Council</i>
DOE(NI) Nominees	Rodney Allen	<i>Northern Ireland Audit Office</i>
Co-optee	Tim Day	<i>Independent Consultant</i>
Observers	Graham Fletcher Hazel Black Hilary Lower Karen Sanderson	<i>DCLG Scottish Government National Audit Office HM Treasury</i>
In attendance	Ian Carruthers Paul Mason Gareth Davies Sarah Sheen Julian Smith	<i>CIPFA CIPFA CIPFA Scotland CIPFA (Secretary) CIPFA</i>

		Action
1	declarations of interest and apologies for absence	
	There were no declarations of interest apparent to members from the agenda.  Apologies were received from Shane Flynn, Greg McIntosh (who had to leave the meeting due to poor audio quality on the conference call line), Dean Pletts,	

	Derek Yule, Graham Coulter, Larry Pinkney and Joanna Spencer.	
2	minutes	
(a)	The minutes of the meeting held on 6 November 2012 were approved.	
(b)	Supporting notes had not been produced from the November meeting, given that most of the decisions concerned had been noted.	
(c)	The notes of the meeting held on 25 February 2013 were approved.	
3	matters arising	
	Cross-referencing used to highlight actions had been appreciated, with the meeting suggesting that items should be edited off an actions log if they were set to be the subject of an agenda item supporting paper at the following meeting.	SS
4	review of outstanding actions	
	The Board noted the supporting paper.	
5	membership	
5.1	The Secretary reported on the vacancy arising for a Welsh local government finance practitioner to join the Board, as Peter Davies had stepped down; she noted that position for an English local government unitary authority finance practitioner remained vacant; and notification of the both these vacancies had taken place in Spreadsheet magazine and online. The Secretary would contact last year's CIPFA/LASAAC consultation respondents from the two categories of authority concerned in the vacancies to seek volunteers, and David Jones would refer his finance practitioner contacts in Welsh local authorities to the Board vacancy in that category.	SS DJ
5.2	Vice-Chair vacancies – the Chair and Secretary would liaise to seek volunteers for the two Vice-Chair posts on the Board, with a view to one Vice-Chair focusing on supporting the chairing of Board meetings, and one Vice-Chair focusing on representing the Board at meetings of FRAB.  <i>Secretariat Note: The Terms of Reference for the Board and normal CIPFA Board Practice do not allow for two Vice Chairs. However, there is a need for a practitioner representation on FRAB. This will be discussed at the</i>	SS LP

	<i>June Meeting.</i>	
6	IFRS 13 <i>fair value measurement</i> – adoption in the code of practice on local authority accounting in the United Kingdom (the code)	
6.1	The Secretary gave a presentation on this subject.	
6.2	<p>The Secretariat would circulate a paper that would consider:</p> <ul style="list-style-type: none"> <li>i) the historic approach to measurement of property plant and equipment for both the Code and the predecessor SORP and for where possible consider the approach to measurement across the public sector</li> <li>ii) set out the current approach in the Code</li> <li>iii) focus on the assets that were a particular feature of local government assets eg social housing and schools.</li> <li>iv) consider the options for measurement under IAS 16 Property, Plant and Equipment as well as IFRS 13 Fair Value Measurement.</li> </ul> <p>The Chair requested that this paper be circulated to CIPFA/LASAAC Members and take into account their individual views.</p> <p>She noted that this could then be forwarded to FRAB for its consideration to understand the perspective from local government but noted that it should be made clear that these could not be considered to be the views of the CIPFA/LASAAC because the Board had not been able to consider and debate the issues in a formal meeting.</p>	SS
7	code of practice on transport infrastructure assets	
7.1	The meeting considered feedback received to proposals included in the 2013/14 Code consultation, and a concept paper on the approach to adoption.	
7.2	The Secretary would circulate to Members information on the work CIPFA carried out for HM Treasury and the Department for Transport on the subject of transport infrastructure assets.	SS
7.3	The Secretary would ask the HAMFIG organisation to provide CIPFA/LASAAC with an updated view on the associated benefits of the Code of Practice on Transport Infrastructure Assets.	SS

7.4	The Secretary would prepare a briefing paper for the next Board meeting, providing evidence of the potential costs and benefits of approaches available to record transport infrastructure assets, bringing out their respective resource (cost, staff time and system use) implications, an updated Appendix C from today's paper, and providing a view on how willing practitioners and authorities are to change in this area of accounting – to help the Board consider this subject in the light of its related discussion of IFRS 13.	SS
8	working practices – outline of the approach	
	<p>The Director of Policy and Technical outlined the current position for the working practices of the relevant authorities with the FRAB and noted that there would be more joint working with the HM Treasury colleagues. The timings of the CIPFA/LASAAC Board to its production of the Code for a co-ordinated approach would need to be consistent with the FRAB meetings and timetable for the FReM.</p> <p>The Board's meeting planned for November 2013 could be brought forward to an earlier date if required, along with the consultation timetable. This could provide more time overall for the Board and consultees, and an earlier timetable.</p> <p><i>Secretariat Note: It is not now suggested that the next meeting date will change this is scheduled for <b>12 November 2013.</b></i></p>	SS
9	accounting for schools in local authorities	
	The Secretary reported on the re-constituting of the working party on this subject, with thanks to volunteers helping to debate the complex issues. The next meeting was scheduled to take place on 14 March 2013. She would report on its work at the next Board meeting.	SS
10	CIPFA/LASAAC review	
10.1	<p>The Board considered the paper and made decisions on the individual recommendations as follows:</p> <ul style="list-style-type: none"> <li>• Length and timing of consultations – to proceed as discussed at the meeting re item 8 and report to the next Board meeting or earlier if possible.</li> <li>• Style and content of the Code – not to proceed with the FReM approach, apart from an approach which minimised detailed text where possible.</li> </ul>	

	<ul style="list-style-type: none"> <li>• Code amendments – November and March meetings to consider these in line with new working practices considered at item 8.</li> <li>• Cost of Code - and other CIPFA publications – to liaise on these concerns, and options for formats, with CIPFA colleagues, to report back to Board members.</li> <li>• Dissemination of key messages – to retain the informal commentary, and learn from IPSASB at-a-glance summary style of presentation.</li> <li>• Terms of Reference of the Board, and the Board’s relationship with FRAB – agreed to proceed with recommendation 3.6, and 1.3 from Annex 1, including addressing what to do regarding non-financial reporting.</li> <li>• Cutting clutter – the approach in the report was agreed.</li> <li>• Frequency of Board meetings – to meet at least 3 times per year, considering conference calls as required (subject to improved facilities, including booster microphones to sit on tables in meeting rooms), and considering email communications as needed.</li> <li>• Board decisions – agreed to use quorum in favour approach from recommendation 4.5 if having to make a Board decision between meetings.</li> <li>• Use of sub-groups – to clarify that external experts can be brought in to assist a sub-group(s), amending the Board Terms of Reference accordingly.</li> <li>• Declarations of interest – to retain this as a standing agenda item at the start of meetings.</li> <li>• Membership – to clarify the process for nominations of prospective members from Northern Ireland and Wales in accordance with the Terms of Reference.</li> <li>• Size of Board – to proceed as recommended.</li> <li>• Name plates – to retain these for use at future meetings.</li> <li>• Vice-Chairs – to amend this point in light of today’s discussion, to read as “one or more members” serving as Vice-Chair (<i>note that this is not taken forward as this is not the normal approach for CIPFA Boards</i>).</li> </ul>	
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	<ul style="list-style-type: none"> <li>Attendance – agreed that this did not have to be formally reported to the Board. However, this item to be kept under review.</li> <li>Points suggested by Nick Bennett – to consider these as part of the post-implementation work.</li> <li>Paragraph 1.2, iii – amend to read as “...advice from...” rather than “...requirements from...”</li> </ul> <p>It was noted that the Board’s decisions would be communicated to the relevant future meetings of PFMB and of LASAAC.</p>	SS
11	development of 2014/15 code of practice on local authority accounting update (code)	
	<p>The Secretary would provide a briefing paper to members on the following subjects for decision under this agenda item at the next Board meeting, subject to its relevance for the consultation on the 2014/15 Code:</p> <ul style="list-style-type: none"> <li>Disclosures (as they relate to WGA)</li> <li>Accounting for Schools</li> <li>Accounts and Audit (Wales) Regulations 2005 (as amended)</li> <li>the Local Authority Accounts (Scotland) Regulations 1985 (as amended) a</li> <li>the Local Audit and Accountability Bill</li> <li>IPSAS Financial Statements analysis work, as relevant</li> <li>Group Accounting Standards</li> <li>Annual Improvements to IFRSs 2009 to 2011 Cycle</li> <li>IAS 32 Financial Instruments: Presentation</li> <li>IFRS 13 Fair Value Measurement</li> <li>IPSASB Standards issued</li> <li>IASB Conceptual Framework project, when relevant</li> <li>Merger Accounting in the UK Public Sector</li> <li>Pension Funds (governance issues related to Scottish local authorities)</li> <li>Further subjects highlighted by the supporting paper and its Appendices</li> </ul>	SS
12	post-implementation review – review of actions	
	The Secretary would update Board members on this in light of the consideration of IFRS 13 matters and taking up the points suggested for consideration by Nick Bennett’s email.	SS
13	accounting and auditing standards update	

	This update was noted.	
14	dates of future meetings	
	<ul style="list-style-type: none"><li>• 10 June 2013, 11:30 am (CIPFA offices, London)</li><li>• 26 June 2013, 11am (Telephone Conference Call)</li><li>• 12 November 2013, 11am (CIPFA Scotland offices, Edinburgh)</li></ul>	