

Financial Reporting Advisory Board Paper

Secretariat paper

Summary of Amendments to the 2006-07 Government Financial Reporting Manual (FReM)

Issue:	This paper summarises amendments to the 2006-07 FReM
Impact on guidance:	Yes – see Annex
UK GAAP adaptation?	Considered by the Board in the original papers
IAS/IFRS compliant?	N/A
IPSAS compliant?	N/A
Impact on budgetary regime?	Considered by the Board in the original papers
Recommendation:	For information – the amendments will be published in the FReM
Timing:	2006-07

DETAIL

Background

1. The FRAB have agreed several amendments to the 2006-07 Government Financial Reporting Manual (FReM) since the start of the year. The Manual was updated to reflect changes agreed at the earlier meetings, the last update was in July, following the June 2006 FRAB meeting. The Manual is being updated now to reflect changes agreed in the latter part of the year. (The Manual is being updated in one go, to keep it in line with parallel versions of the Manual.) This paper summarises the changes that have been made so far and those that will be added following this meeting. All the changes to the manual are listed at Annex A.

Existing amendments

2. Existing amendments cover the reconciliation of resource expenditure between estimates, accounts and budgets, FRS 21 Events after the Balance Sheet Date (also considered by the Board as IAS 10) and grants and grants in aid.

New amendments

3. The FReM will be amended to make clear the requirements for charitable NDPBs to comply with the FReM salary and pensions disclosures (see Annex B) and to reflect the decision of the Information Commissioner that prior consent is no longer needed for the disclosure of salary and pension information for named individuals (see Annex C). Entities covered by the FReM have been notified of these changes previously through FRAB minutes.

4. In addition, the list of UITFs will be amended to reflect the fact that UITF 41 and UITF 43 have been issued but are not likely to be applicable to entities covered by the FReM. UITF 41 covers the scope of FRS 20 which is also identified as not likely to be applicable. UITF 43 refers to section 228A of the Companies Act and is therefore also unlikely to be relevant.

Minor Changes and Corrections

5. There have been several minor changes which correct references or clarify existing paragraphs in the manual. These are listed in Annex A with the details the newly added changes in Annex D (asset transfers) and Annex E (Companies Act requirements).

Summary and recommendation

6. See Annex A for a summary of amendments to the FReM with full details of the new amendments being added in Annexes B, C, D and E.

7. This paper is for information. The FRAB has previously agreed the major changes in this paper.

Sarah Solomon
FRAB Secretariat
12 February 2007

List of 2006-07 Amendments

EXISTING AMENDMENTS	
FRAB paper/ issue	FReM paragraph/ reference
FRAB (77)06 Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets	7.2.20
FRAB (79)08 FRS 21 (IAS 10) Events after the balance sheet date	7.4.21-7.4.23
FRAB 80(08) Grants and Grants in Aid	4.2.15, 5.2.5c, 5.2.5d, 5.2.38a, 5.2.38b, 5.2.39b, 7.4.58

NEW AMENDMENTS	
FRAB paper/ issue	FReM paragraph/ reference
FRAB (83)08 Amendments to the FReM in respect of the preparation of the remuneration report	1.2.7, 7.2.1, 7.2.21
FRAB (81)07 Salary and pensions disclosures	7.2.26-7.2.27, 7.2.29 deleted, 7.2.29 onwards renumbered
<i>Not previously considered by the FRAB</i>	
UITF 41 Scope of FRS 20 (IFRS 2)	No FReM entry Will be included on UITF list as “not applicable”
UITF 43 The interpretation of equivalence for the purposes of section 228A of the Companies Act 1985	No FReM entry Will be included on UITF list as “not applicable”
Disclosure of Audit Fees	

MINOR CHANGES AND CORRECTIONS	
FRAB paper/ issue	FReM paragraph/ reference
Clarification of these paragraphs	4.2.5 and 4.2.6
Signing the Remuneration Report FRAB 80(14)	7.2.22, 7.3.4
Correction of audit reference	7.5.4
New	
Clarification – asset transfers	5.2.17
Clarification of Companies Act requirements	7.4.4