

Financial Reporting Advisory Board Paper

Secretariat paper

Forward work programme

Issue:	To seek the Board's views on the forward work programme, covering 2005-06
Impact on guidance:	None
UK GAAP adaptation?	N/A
IAS/IFRS compliant?	N/A
IPSAS compliant?	N/A
Impact on budgetary regime?	N/A
Recommendation:	That the Board agree the provisional schedule of meetings and topics.
Timing:	Programme for 2005-06

DETAIL

Background

1. At its meeting on 7 February 2005, the Board asked the Secretary to prepare a forward work programme, including not only work on accounting standards (following the ASB convergence strategy) but also other topics in which the Board could be expected to take an interest.
2. A suggested programme is attached as annex A. The programme as presented is flexible in that Board members may have views on what should be included and when; the dates of the meetings beyond May 2005 have not yet been fixed; and the Board's work on standards will necessarily need to be based on documents published by the ASB or IASB.

3. I suggest that, in addition to the meeting already scheduled for 9 May 2005, the Board should meet in early July; September; November; and February. I do not see a need for a further meeting in 2005-06, unless the IASB makes significant progress in its work programme.

4. The topics listed in the annex focus on (a) developments in accounting standards; (b) other reporting matters; and (c) administrative matters. The work on developments in accounting standards will include looking at the potential impact on the central government sector of proposals published in discussion papers and exposure drafts, rather than, as has been the practice, waiting until a standard is issued. The timings are indicative, since I will need to balance the agendas and this will depend largely on when the ASB issues FREDs on the 2005 batch of standards.

5. The work on other reporting matters will include the revised format of resource accounts, which has been delayed from March 2005 in order that consultation can be completed on how to include a statement of outturn against budgets and on the level of disclosures in relation to the parent department and the group. The Board will also be invited to explore other issues – for example, sustainability reporting.

Summary and recommendation

6. Board members are invited to agree the provisional schedule of meetings for 2005-06 and the proposed items for consideration by the Board at those meetings. Board members are also invited to propose other topics for inclusion.

David Watkins
Secretary
24 February 2005

PROPOSED WORK PROGRAMME FOR 2005-06

Developments in accounting standards

IFRIC Draft Interpretation 13: to discuss the potential implications of the IFRIC interpretation on service concessions for PFI accounting in the public sector (following on from the update and initial debate in March 2005).

Timing: May 2005

FRS27 Life Assurance: to confirm that FRS27 is not applicable to the public sector.

Timing: May 2005

Corresponding amounts: to discuss the impact, if any, of the FRED on corresponding amounts.

Timing: May 2005

UITF Abstract: on revenue recognition and service contracts: to consider the impact of this Abstract, which relates to the links between FRS5 Application Note G and SSAP9.

Timing: May 2005

Statement of principles: interpretation: to consider the exposure draft of the revised Interpretation

Timing: May 2005

Provisions, contingent liabilities and contingent assets: to consider the impact on government accounts of the proposed changes to IAS37/FRS12. This will be based either on discussion paper or on FRED.

Timing: July 2005

New accounting standards – ASB convergence 2005 batch: to consider the implementation of the new standards in the public sector context. Exact details of the ASB's technical plan are not yet available. The latest suggestion is that the following FRSs would be replaced in this 2005 batch: 6, 7, 10, 11, 12 and SSAP13. (See also previous item.)

Timing: July 2005 – if FREDs are available; otherwise September.

Measurement of assets and liabilities: to discuss the report on the project being carried out by the Canadian standard setter (Canadian Institute of Chartered Accountants) on the principles underlying the measurement of assets and liabilities and the likely impact on central government accounts.

Timing: July 2005 (if the paper is published by then – it is 'imminent'; otherwise November)

The EC Greenhouse Gas Emission Allowance Trading Directive and IFRIC Interpretation 3 Emission Rights: to discuss the accounting implications of the Directive.

Timing: July 2005

Financial instruments: consideration of issues relating to financial instruments (as raised at FRAB71) and final proposals for the implementation of FRS25, FRS26 and any new or amended standards arising from FRED30 supplements, FRED33 or other FREDs.

Timing: September 2005

Non-exchange revenues: to consider the Exposure Draft issued by the International Federation of Accountants' International Public Sector Accounting Standards Board.

Timing: November 2005

Other reporting matters

RS1 Operating and Financial Review, and links with departmental autumn performance reports: to consider the application of RS1 to resource and other accounts and approve text for chapter 7 of the FReM, and to consider the links between the OFR and departmental autumn performance reports.

Timing: May 2005

Revised format of resource accounts: to consider the proposed revised format of resource accounts. This includes consideration of the reconciliation between outturn and budgets and the links with the OFR and of the extent of parent/group disclosures following consultations between Scrutiny Unit, the NAO and HMT.

Timing: May 2005

Student loans: to advise the Treasury and the Department for Education and Skills on the calculation of the inflation adjustment in the light of the revised discount rates for provisions. (Following the advice given at FRAB30 no longer results in a charge to the OCS that represents the subsidy.)

Timing: May 2005

Grants and grants-in-aid: to consider further the accounting treatment of grants-in-aid – as income or financing.

Timing: May 2005

Sustainability accounting and reporting: to consider CIPFA's discussion paper on sustainability accounting and reporting and other developments in this area and to advise the Treasury on its implications for central government accounts.

Timing: July 2005 – if the ASB has not issued the batch of standards; otherwise September.

Charging for the cost of capital in financial statements: to consider the rationale behind the cost of capital charge and debate the inclusion of this notional cost in the financial statements.

Timing: November 2005

Valuation issues: to consider changes to the guidelines issued by the Royal Institution of Chartered Surveyors for surveyors carrying valuations using the depreciated replacement cost basis, and to determine the format and content of Treasury interpretations for the public sector context.

Timing November 2005

Administrative matters

8th Report (2004-05): to approve the final draft of the 2004-05 Report.

Timing: May 2005

9th Report (2005-06): to consider a draft of the 2005-06 Report.

Timing: February 2006