

Financial Reporting Advisory Board

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Dame Meg Hillier MP
Chair of the Committee
of Public Accounts
House of Commons
London SW1A 0AA

20 July 2022

Dear Dame Meg,

2021-22 REPORT OF THE FINANCIAL REPORTING ADVISORY BOARD

The [Annual Report for the Financial Reporting Advisory Board \(FRAB\)](#) was published on 7th July. The Annual Report contains a summary of the activities of the Board in what has been a busy year. You will see from the report that the Board has considered the situation in respect of delays in the production and audit of high quality financial statements in local government on a number of occasions during the year.

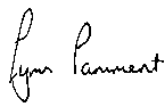
The Board is of the firm view that there should be no compromises to the provision of high quality financial statements by local government. Such statements should continue to be prepared to appropriate standards consistent with the rest of the public sector. The Board remains concerned about the timely provision of high quality financial statements by local government and the timely completion of the audits of those financial statements.

It is not the role of the Board to investigate or resolve the root cause of delays in local government. I would however encourage those responsible to local government accounts preparation and audit to work together to better understand and address the root causes of these delays.

Whilst the Board approved the option to defer the implementation of *IFRS 16 Leases* (a new accounting standard for leases) in local government, it did so by the finest of margins. The Board is of the firm belief that IFRS 16 will result in better quality financial reporting. I would not be supportive of further delays in the implementation of this standard.

I would be happy to attend a meeting of the Committee to discuss the content of the FRAB Annual Report if the Committee would find this to be useful.

Yours sincerely



Lynn Pamment
FRAB Chair