RESPONSE TO PARLIAMENTARY ACCOUNTS COMMITTEE RECOMMENDATION

Below is the UK Supreme Court’s response to the recommendation by the House of Commons Parliamentary Accounts Committee, as published on 14th February. The review that has been undertaken to guard against making accounting errors in the future, and the actions undertaken as a result, are listed below.

- **Walkthrough meetings and continuing dialogue with professional valuers.**
  The technical error last year was in the application of accounting rules in the valuation of the UKSC building, so attention has been directed in this area. Several detailed meetings have taken place with both the land and building valuers from the Valuation Office Agency (VOA) for the UKSC property. These have taken place both with the senior members of the finance team and then a detailed walkthrough meeting with the members of the UKSC Audit and Risk Assurance Committee (ARAC). This has further aided an understanding of the data and valuation methodology provided regularly by the VOA.

  There is now also more dialogue with the valuers. Discussions on data provided by the valuers and relevant individuals from the finance team takes place soon after the result of the regular inspections of the building and land are known, so that timely consideration of the impact on the accounts can be undertaken.

- **Cross reference of accounts production plan with latest guidance.** The UK Supreme Court (UKSC) now produces a more detailed plan and timetable for the preparation of the production of the year-end accounts. The plan is cross-
referred to the Financial Reporting Manual (FRM) and Consolidated Budgeting Guidance (CBG) to ensure any revisions are noted.

Any changes from these guides are then fully considered in the production plan and additional time allocated as required, not only at the end of the financial year, but also for the in-year continuous reporting process, to aid full compliance.

- **Learning and development is kept up to date.** The UKSC Finance Team ensure they keep up to date with learning and development and a log is kept of this. This includes annual attendance at the Government Technical Finance Update for accountants, which gives detailed practical examples of application of accounting standards and emerging issues. Sessions within this course also provide practical advice from NAO and HMT on key new issues.

The HMT finance website, One Finance, also provides a forum and information sharing platform that the UKSC Finance Team have found useful. The learning and development above is in addition to the continuous professional development (CPD) that both accountants in the finance team undertake. Again, this is formally recorded and examined during the year to ensure that these individuals keep up to date with latest practice and guidance, including more general updates on current accounting learning such as changes in the application of tax rules. This has led to an internal sample check of the application of VAT for goods and services purchased since the start of the financial year. No errors or omissions were identified.

- **Wider discussion of new and/or emerging accounting standards.** These discussions now take place at ARAC meetings. This is to enable a full discussion of the possible impact on the UKSC accounts at the earliest stage, so that preparation work for possible application issues can take place. These discussions are invaluable as two of the current ARAC members, the non-executive directors, are qualified, highly experienced accountants and the external and internal auditors are also present. Meetings with the non-executive directors have taken place to share their knowledge of the interpretation and application of accounting standards. These discussions on the possible impact of emerging standards or changes to existing standards with the Finance Director allows for all perspectives to be fully considered.

- **Ensuring continuous links with other government departments.** The UKSC finance team ensure that they attend the regular Finance Director Network meetings that take place on a quarterly basis. These are meetings for smaller government departments and cover latest developments and issues that may impact these organisations from a financial and/or accounting perspective. They often involve presentations from HMT and other government finance bodies, to brief on the latest learning and development. These meetings also provide a forum that allows full and open discussion on those areas on which members of the Network may want further guidance. It helps to surface systemic issues that may require further in-depth analysis or specialist advice.

UKSC also continues to have strong links with other government departments, as required. A recent example of this is a detailed walkthrough meeting with key individuals from the HMT Spending team on the estimates process, which has proved very useful.
All the above changes have aided in the review and strengthening of the production of the UKSC accounts.

Yours sincerely,

MARK ORMEROD