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Dear Colleague,

Accounting for the Common Good: A Guidance Note for Practitioners - Consultation

In Scottish local government, the Common Good is an ongoing topic of interest and debate. That interest is evident amongst not only users of local authority services and stakeholders but also from a varied range of other commentators. The level of interest, in many cases, extends beyond, and can be disproportionate to, the financial value of the Common Good fund itself.

More recently, interest in the Common Good has heightened with Parliamentary committee interest, exchanges of articles in the national press and the release of a major critique on the Common Good in Scotland.

LASAAC had previously recognised and determined that there was a requirement to modernise the accounting arrangements for the Common Good and, as far as possible, to ensure consistency in the manner in which the Common Good is accounted for and reported by, local authorities in Scotland.

LASAAC has therefore, for the past year, been conducting a review of accounting arrangements that are in place for the Common Good Fund. The outcome is the release for consultation of draft guidance entitled - Accounting for the Common Good: A Guidance Note for Practitioners. A copy of the draft document accompanies this letter.

The principal focus of the guidance is of course on accounting. The complexities of the Common Good means that accounting guidance in itself will not, nor is it intended to, address all of the wider concerns or interests of stakeholders. It is however an important first step which will bring consistency and clarity to accounting for the Common Good in the modern era in which local authorities now operate.

Your comments on all aspect of the guidance are invited. In particular, the Committee would invite response to the following four specific questions:

- 1. Do you agree that the legislative distinction of the Common Good should be reflected with a separate disclosure of common good statements?**

- 2. Do you agree that the Common Good should not be subsumed into the local authority single entity accounts?**

- 3. Do you agree that the Common Good is not a single entity?**

- 4. Are there any other comments you would like to contribute to the development of the guidance?**

Your comments on the draft guidance should be submitted to lasaac@cipfa.org by **2nd November 2007**. Further copies can be obtained at www.cipfascotland.org.uk/technical/lasaac.cfm

Yours sincerely



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