Summary Of Consultation Responses

Note – a group of interested parties best described as professional accounting firms that audit local authorities is abbreviated in this Appendix to ''firm'' or "firms."

Limitation of changes

Question		Agree	Disagree	Neutral or just offered Comment
1	Do you agree with the approach to the changes to the Code ie to limit the changes to the 2024/25 Code? If not, why not? Please provide your views on why this might be the case.	39 (85%)	2 (4%)	5 (11%)

	Comments	Response	RAG Rating
1	Do you agree with the approach to the changes to the Code ie to limit the changes to the 2024/25 Code? If not, why not? Please provide your views on why this might be the case.		
1.1	85% of responses were supportive, and many of the neutral responses or comments might have been supportive.	To note support for the ITC proposal.	Green
1.2	One preparer disagreed, noting that they would prefer these changes not to come it at all but if they come do not support a continued delay.	This is a reasonable response from the preparer, but CIPFA LASAAC needs to take account of the overall position,	Green
1.3	One audit firm disagreed, noting that the DLUHC ministerial cross-system statement set out other options that should be pursued.	CIPFA LASAAC would have presented the ITC differently if the sequencing of events had been different. The matters in the cross system statement are dealt with in other agenda items.	Green
1.4	25 comments straightforwardly agreed, often referencing the work required on IFRS 16 and the issues with audit backlogs	To note support for the ITC proposal.	Green
1.5	2 response noted concern over IFRS 16 implementation with one suggesting that the new information would not be useful,	This is a familiar argument, but CIPFA LASAAC has determined its view that IFRS 16 provides better reporting	Green
1.6	1 response suggested that 2024/25 should be a year of minimal change – it is not clear whether they were suggesting IFRS 16 not be implemented.		Green

	Comments	Response	RAG Rating
1.7	2 responses which agreed with the proposal but noted that measures to streamline reporting could be progressed if the benefit of changes outweighed the work.	This is sensible, but the current focus of CIPFA LASAAC is on limited change. Streamlining may arise from the work of the Better Reporting Group	Green
1.7	1 response that the focus should be on streamlining reporting.	Experience suggests that streamlining reporting through the Code is non-trivial and would be difficult to achieve under current circumstances.	Amber Streamlining (or at least better reporting) is being addressed through the Better Reporting Group
1.8	1 response stressed the need for CIPFA LASAAC (or CIPFA) to keep local authorities up to date on developments in the accounts and audit sphere, citing potential future developments for infrastructure assets.	This is reasonable.	Green More generally comms will be very important, especially on the other initiatives.

IFRS 16 Readiness assessment

Question		Response
2	Where do you consider your authority is in terms readiness for the mandatory implementation of IFRS 16?	
a)	Confident of being ready for implementation for 2024/25 financial year	6 (15%)
b)	Somewhat confident of being ready for implementation for the 2024/25 financial year	22 (54%)
c)	Unsure of whether the authority will be fully ready for the financial year	9 (22%)
d)	Not confident of the authority being ready for implementation for 2024/25 financial year	3 (7%)
e)	Do not consider the authority will be ready for implementation for the 2024/25 financial year.	1 (2%)

	Comments	Response	RAG Rating
2	Where do you consider your authority is in terms readiness for the mandatory implementation of IFRS 16?		
2.1	Most comments noted that considerable work had been done but there was more to complete.	This provides context for the overall position where 70% of respondents are at least somewhat confident, but most of those are only somewhat confident. Much work has been done but there are risks to delivery. The position for authorities who are Unsure appears to be genuinely unsure, mostly with quite a bit of work having been done. 9% of respondents were not confident/not ready	Amber
2.2	1 response suggested CIPFA/LASAAC needs to recognise the backlog of audits and subsequently accounts and the ability of the sector to ready itself for further change whilst still dealing with this backlog.	To note	Amber

	Comments	Response	RAG Rating
2.3.	1 preparer noted that there is also significant work to do with maintained schools to ensure there is an assessment of their arrangements (we have 118 maintained schools).	To note	Amber
2.4	1 preparer noted that whilst they have done a lot of preparatory work in readiness for implementation of IFRS 16, some significant challenges remain. Notably, it will not be possible to upgrade software to an IFRS 16 compliant version until the 2023/24 audit has been completed. (This was followed by a note of concern over maintaining dialogue with auditors).	To note	Amber

Question		Number of responses	Non responses
3	What further support do you think CIPFA should provide to support mandatory implementation for the 2024/25 financial year?	50 (91%)	5 (9%)

	Comments	Response	RAG Rating
3	What further support do you think CIPFA should provide to support mandatory implementation for the 2024/25 financial year?		
3.1	2 responses suggested that it is vital that proper dialogue takes place between auditors and CIPFA to ensure that the introduction of IFRS16 does not cause a new audit backlog and that a pragmatic approach to audit of leases can be taken.	To note. This is consistent with other concerns over levels of audit effort.	Amber
3.2	2 responses suggested that guidance is not the issue – it is the other factors that have led to data not being populated and supported by documentation.	To note. This is consistent with other commentary on the local audit and accounting position.	Amber
3.3	1 response suggested CIPFA lobby central government for additional resources to implement IFRS 16.	To note. Indicative of resource stresses	Amber. Not in gift of CIPFA LASAAC.
3.4	3 responses explicitly suggested IFRS 16 implementation should be further deferred/delayed, with one suggesting that implementation coupled with other pressures will drive professionals out of local government finance.	CIPFA LASAAC is well aware of the issues around delayed implementation.	Amber. Considered in radical proposals.
3.5	15 responses suggested that additional guidance, templates or toolkits would be helpful. Some of the guidance already provided by CIPFA might be helpful in this regard but there was appetite for more detail in respect of accounting entries and templates, and approaches to data gathering and templates. 1 noted DHSC provided a toolkit. 2 noted that lessons could be learned from early adopters 2 responses cited the PFI PPP transition guidance as providing a helpful breadth of guidance, while 2 others requested more on PFI PPP	Secretariat and CIPFA to review. CIPFA LASAAC views would be welcomed notwithstanding guidance normally being only in the remit of CIPFA.	Amber

	Comments	Response	RAG Rating
3.6	10 responses suggested that additional training through workshops, webinars and seminars would be helpful. Some of these stressed the usefulness of participants sharing knowledge, and 2 other responses explicitly suggested setting up user groups or forums.	Secretariat and CIPFA to review. CIPFA LASAAC views would be welcomed notwithstanding training normally being mainly in the remit of CIPFA.	Amber
3.7	1 response commended the Project Plan for IFRS 16 in Bulletin 14 and suggested it be used for other upcoming changes.	Secretariat to note.	Green

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

Question		Agree	Disagree	Neutral or just offered Comment
4	Do you agree with CIPFA/LASAAC's view on the changes included for Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)? If not, why not? What alternatives do you suggest?	31 (84%)	0 (0%)	6 (16%)

	Comments	Response	RAG Rating
4	Do you agree with CIPFA/LASAAC's view on the changes included for Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)? If not, why not? What alternatives do you suggest?		
4.1	There was 100% agreement with the principle that this amendment should apply to local authorities, while agreeing that it will seldom be applicable in practice.	To note support for the ITC proposal	Green
4.2	1 preparer questioned whether the explicit guidance provided by the changes to the Code was necessary	The Secretariat understands this position, and agrees that the text in the Code will seldom apply. However, given that there is already material on sale and leaseback in the Code we considered it would be risky for this to be presented unamended.	Green
4.3	1 preparer suggested it would be useful if clarification be provided on how capital receipts in such a scenario should be accounted for.	CIPFA to consider for Code Guidance Notes.	Green

Amendments to IAS 1 Presentation of Financial Statements

Question		Agree	Disagree	Neutral or just offered Comment
5	Do you agree with the proposed approach not to require changes to the Code for Amendments to IAS 1 Presentation of Financial Statements? If not, why not? What alternatives do you suggest?	39 (91%)	3 (7%)	1 (2%)

	Comments	Response	RAG Rating
5	Do you agree with the proposed approach not to require changes to the Code for Amendments to IAS 1 Presentation of Financial Statements? If not, why not? What alternatives do you suggest?		
5.1	39 respondents agreed with the proposal to include material in Code Appendix C only, also agreeing that the amendment would very seldom be relevant	To note support for the ITC proposal	Green
5.2	3 preparers agreed that the Amendment should apply, but considered that it should be explicitly included in the Code, despite seldom being relevant. They did not provide further background or reasoning other than to note that the lack of detail introduces a risk that the standard is not correctly applied.	CIPFA LASAAC to review. We would note that auditors, who have a relatively wide view of local authorities, have supported the amendment as is.	Green
5.3	1 preparer agreed with the proposal but suggested the requirements should be simplified.	Secretariat suggest this is not considered given that the situations seldom occur in local authority contexts.	Green
5.4	1 preparer agreed with the proposal but suggested that the discussion makes it clear that classification as current or non-current is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, and that this aspect could be made clearer in section 7.3.6 of the Code.	Secretariat to review in slower time	Amber

Amendments to IAS 12 International Tax Reform: Pillar Two Model Rules

Question		Agree	Disagree	Neutral or just offered Comment
6	Do you agree with the proposed approach not to require changes to the Code for Amendments to IAS 12 International Tax Reform: Pillar Two Model Rules? If not, why not? What alternatives do you suggest?	35 (92%)	0 (0%)	3 (8%)

	Comments	Response	RAG Rating
6	Do you agree with the proposed approach not to require changes to the Code for Amendments to IAS 12 International Tax Reform: Pillar Two Model Rules? If not, why not? What alternatives do you suggest?		
6.1	There was 100% agreement from respondents who expressed a view. 3 respondents noted only that the matter in the standard does not apply to their authority.	To note support for the ITC proposal	Green

Supplier Finance Arrangements

Question		Agree	Disagree	Neutral or just offered Comment
7	Do you agree with the proposed approach not to require changes to the Code for Supplier Finance Arrangements? If not, why not? What alternatives do you suggest?	38 (93%)	1 (2%)	2 (5%)

	Comments	Response	RAG Rating
7	Do you agree with the proposed approach not to require changes to the Code for Supplier Finance Arrangements? If not, why not? What alternatives do you suggest?		
7.1	93% of responses agreed with the proposal on the grounds that these are extremely unlikely to occur in a local authority context. 5% of responses noted that their authority does not have any such arrangements.	To note support for the ITC proposal	Green
7.2	An accountancy institute disagreed, noting that the use of such arrangements should be prominently highlighted.	The Secretariat agrees that if supplier finance were used, it should be disclosed. The proposed approach is that the standard applies in full but is not explicitly detailed in the main text of the Code.	Amber CIPFA LASAAC to consider whether there is a significant risk of misapplication

Service concession arrangement transition arrangements

Question		Agree	Disagree	Neutral or just offered Comment
8	Do you agree with the proposed amendments to the transition arrangements for service concession arrangement (PFI PPP) liabilities? If not, why not? What alternatives do you suggest?	30 (77%)	2 (7%)	18 (20%)

	Comments	Response	RAG Rating
8	Do you agree with the proposed amendments to the transition arrangements for service concession arrangement (PFI PPP) liabilities? If not, why not? What alternatives do you suggest?		
8.1	30 responses (77%) agreed with the sense of the proposal.	To note support for the ITC proposal	Green
8.2	1 response disagreed with application of IFRS 16 to PFI PPP	CIPFA LASAAC has consulted extensively on this.	Green
8.3	1 response agreed with the logic of the proposed treatment but disagreed with mandating it in case of preparer resource issues.	Secretariat would note that not mandating the treatment might initially save some effort, and could delay work until the first change to variable payment, or to the year end. The result would often be a hybrid approach to application of standards that would be difficult to present or explain, which would create additional work. Figures based on the proposed approach would eventually need to be prepared for WGA returns.	Amber
8.4	4 authorities agreed with the proposal but requested further guidance.	There is already draft guidance on this published on the free to air CIPFA Bulletins page and included in the paid for Code Guidance Notes pack. The guidance addresses several approaches that may be used in PFI PPP charging models.	Amber CIPFA to review need for guidance and make sure authorities are aware of existing guidance

	Comments	Response	RAG Rating
8.5	2 respondents who neither agreed nor disagreed were concerned about the costs of changing model.	To note	Green
8.6	the proposed Code para 4.3.2.44 may give the impression that it is only the variable payments (based on an index or rate) for the previous reporting year that need to be considered on transition, when it should be those that have taken effect since the arrangement commenced.	Secretariat will review the detailed wording.	Amber

IFRS 17 Insurance Contracts

Question		Agree	Disagree	Neutral or just offered Comment
9	Do you agree with CIPFA/LASAAC's approach to the implementation of IFRS 17 Insurance Contracts in the Code? If not, why not? What alternatives do you suggest?	28 (82%)	0 (%)	6 (18%)

	Comments	Response	RAG Rating
9	Do you agree with CIPFA/LASAAC's approach to the implementation of IFRS 17 Insurance Contracts in the Code? If not, why not? What alternatives do you suggest?		
9.1	28 responses (82%) agreed with the sense of the proposal. Comments made by the other 6 respondents who opined on this question noted the limited situations in which IFRS 17 would be applicable.	To note support for the ITC proposal	Green
9.2	An audit firm echoed previous comments on the desirability of guidance outside the Code, 2 preparers indicated that guidance is necessary and needs to be provided a year in advance of implementation. 1 other preparer requested guidance on the exemptions which allow contracts involving insurance risk to be	CIPFA will produce guidance.	Green
	An audit firm disagreed with the statement in the ITC that 'The IASB is clear that IFRS 17, like IFRS 4, is designed for insurance companies.' noting that in their private sector experience they have seen non-insurance entities being caught by the requirements of IFRS 17.	The ITC statement reflects IASB outreach material. CIPFA LASAAC recognises that IFRS 17 will need to be used by some local authorities, including but not necessarily limited to those situations where IFRS 4 is currently used.	Green

Question		Agree	Disagree	Neutral or just offered Comment
10	Do you agree with the timing of the implementation of IFRS 17 Insurance Contracts in the Code ie in the 2025/26 Code? If not, why not? What alternatives do you suggest?	24 (69%)	1 (3%)	10 (28%)

	Comments	Response	RAG Rating
10	Do you agree with the timing of the implementation of IFRS 17 Insurance Contracts in the Code ie in the 2025/26 Code? If not, why not? What alternatives do you suggest?		
10.1	24 responses (69%) agreed with the proposal for implementation in 2025/26..	To note support for the ITC proposal	Green
10.2	1 response disagreed with the timing of implementation, suggesting that further consideration of the effects needed to be undertaken.	CIPFA LASAAC has consulted on this matter four times previously. Those consultations provided some clarification but mainly showed an absence of data on potential effects.	Green
10.3	1 preparer that did not agree or disagree noted that they Authority may need to seek additional advice to understand if there are any specific implementation issues.	To note	Green
10.4	1 preparer that did not agree or disagree indicated that this may be the best timing but it depends other factors, such as for example, whether the statutory override for infrastructure is in place.	To note	Green
10.5	1 preparer that did not agree or disagree noted their concern over implementing this standard given the many other changes being undertaken.	To note	Green

Overview of performance and summary financial information

Question		Agree	Disagree	No Comment
11	Do you agree with CIPFA/LASAAC's proposals to add a new section to the narrative report overview of performance and summary financial information? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.	22 (50%)	10 (23%)	12 (27%)
12	Do you agree that these new specifications should be voluntary for 2024/25? If not, why not? What alternatives do you suggest?	28 (67%)	5 (12%)	9 (21%)
13	Do you agree with the content of the overview of performance? If not, why not? What alternatives do you suggest?	23 (52%)	10 (23%)	11 (25%)
14	Do you agree with the proposals for the inclusion of summary financial information? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.	22 (52%)	9 (21%)	11 (26%)
15	Do you agree with the list of specifications for summary financial information? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.	19 (45%)	13 (31%)	10 (24%)

	Comments	Response	RAG Rating
11	Do you agree with CIPFA/LASAAC's proposals to add a new section to the narrative report overview of performance and summary financial information? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.		
11.1	Around two thirds of respondents agreed with the new section. They indicated: • Most of the contents proposed were already covered in existing narrative reports. • By standardising performance reporting it would help to provide consistency	No further comment.	Green – The new section within the Narrative Report would meet the requirements of the Redmond Review.
11.2	Although agreeing with the new section put forward in the consultation paper respondents made the following comments:		
11.2 a)	Nearly a third of all respondents had concerns the new section would increase the length of the accounts. One authority commented:	The Secretariat appreciates the concerns of respondents. Authorities should be able to determine the level of detail that will be useful to taxpayers.	Amber – Authorities could determine the level of detail that will be useful to taxpayers.

	Comments	Response	RAG Rating
	"I have concerns that this may make the narrative report too long for many readers to wish to sit through and the new section may not achieve its primary aim."		
11.2 b)	There were also concerns about the potential for the duplication of information. Several respondents suggested cross referencing within the accounts or to other published documents such as the Treasury Management and Capital Strategy reports.	The objective of the Redmond Review and this section was to bring all financial information together in one place.	Amber – Authorities could determine if referencing other published documents would provide sufficient information to taxpayers.
11.2 c)	With the current backlog of local authority audits a considerable proportion of respondents were anxious the new section would increase the burden on both preparers and auditors.	The Secretariat understands the concerns of practitioners and auditors and has no desire to unnecessarily add to the burden.	Red – The current local audit situation within England has got worse since the ITC was issued.
11.2 d)	Respondents from Scotland and Wales pointed out that there is already legislation in place prescribing what to include in the management commentary/narrative report. One Scottish respondent recommended: *"We recommend that the accounting code adopts the requirements of Finance Circular 5/2015 rather than the FReM provisions to align the specifications for local government narrative reporting across the UK."*	The Secretariat will need to conduct a further review of current Scottish and Welsh legislation. It is envisaged that some, if not all, of the proposals and current legislation would overlap.	Amber – Consistency across local government reporting would be ideal.
11.3	Several respondents felt that a separate consultation was needed.	A consultation could be issued if there are significant changes made to the current proposal.	NA
12	Do you agree that these new specifications should be voluntary for 2024/25? If not, why not? What alternatives do you suggest?		
12.1	An overwhelming majority agreed that the new specifications should be voluntary. The main reasons cited were: • IFRS 16 is due to be implemented in 2024-25. • It will allow authorities time to prepare for the new requirements.	No further comment.	Green – This is consistent with the proposal in the ITC

	Comments	Response	RAG Rating
	• Not wanting to add to the burden of preparers and auditors.		
12.2	However, it was noted by several respondents that authorities do not always implement changes unless they are mandatory.	Noted.	Amber – There is a risk that unless new requirements are made mandatory, authorities will not implement early.
12.3	As the narrative report is not covered by the audit opinion, one audit firm who was in favour of mandatory implementation noted: *"There is little consequence for authorities that fail to implement the changes in 2024/25."*	Noted.	Amber – There is a risk that unless new requirements are made mandatory, authorities will not implement early.
13	Do you agree with the content of the overview of performance? If not, why not? What alternatives do you suggest?		
13.1	About two thirds of responses agreed with the content of the overview of performance, noting that most of the information was already available in the narrative report, accounts, and committee reports.	No further comments.	Green – The new section within the Narrative Report would meet the requirements of the Redmond Review.
13.2 a)	However, one respondent felt that including of a statement of the purpose and activities of the organisation was unnecessary. *"This feels like a requirement which is more relevant to central government departments where it might not be quite so obvious to the reader what their purpose is."*	The Secretariat acknowledges the opinion that this section may not be relevant. However, it may not be clear to taxpayers which services the authority provides, especially if governance is complex in the local geographical area.	Green - The current narrative report requirements in the Code require a section on organisational overview and external environment (3.1.1.6).
13.2 b)	Another respondent felt that including a statement from the chief executive changed the focus and key message, moving the narrative away from performance based on data.	Noted.	Amber – A subjective overview of performance may be beneficial to taxpayers alongside the objective data.
13.2 c)	One audit firm suggested, given the current environment: *"It would be helpful for the overview of performance to include an explanation of the importance of s114 notices, followed by an assessment of the likelihood a s114 notice*	The Secretariat understands the rationale behind this suggestion, as the profile of s114 notices has risen over recent months. However, the Secretariat feels the Narrative Report may not be the right place for this type of information.	Amber – Section 114 notices already have an external reporting mechanism.

	Comments	Response	RAG Rating
	could be issued over the short and medium-term – 12 months to 3 to 5 years."		
14	Do you agree with the proposals for the inclusion of summary financial information? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.		
14.1	Again, nearly two thirds of respondents agreed with the content of the summary financial information, noting that most of the information was already available in the narrative report, accounts, and committee reports.	No further comment.	Green – The new section within the Narrative Report would meet the requirements of the Redmond Review.
15	Do you agree with the list of specifications for summary financial information? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.		
15.1	Opinion was split over the list of specifications for summary financial information. The only suggestion respondents did not raise issues about was the requirement to provide an analysis of outturn for the Housing Revenue Account.	The Secretariat expected that this proposal would produce a variety of responses from stakeholders.	Amber – further work needs to be done to confirm or challenge the proposed specifications.
15.2	Many authorities expressed concerns about the proposal to reconcile the budget in the council tax leaflet to the outturn, and then to the EFA. Respondents felt this was an unnecessary complexity, especially as budgets vary during the year and reporting structures may change.	This proposal is an expansion of a current code requirement (3.1.1.14). The Secretariat is unsure what specific issues authorities would face in producing this reconciliation.	Amber – further work needs to be done to confirm or challenge the proposed reconciliation.
15.3	A fifth of respondents noted that the requirement to show assets and liabilities was in effect duplicating the balance sheet.	The Secretariat acknowledges there may be some duplication, however the objective of the Redmond Review recommendation was to bring all financial information together in one place.	Amber – Authorities could determine if referencing parts of the Statement of Accounts would provide sufficient information to taxpayers.
15.4	The same number of authorities also observed that the requirement to show reserves also duplicated the current reserves note. One consultancy firm suggested: *"Regarding the analysis of authorities usable reserves it may be more useful to show the year-on-year*	The objective of this section was to bring all financial information together in one place. The Secretariat agrees that year-on-year changes could be beneficial.	Amber – Authorities could determine if referencing parts of the Statement of Accounts would provide sufficient information to taxpayers.

	Comments	Response	RAG Rating
	change in usable reserves rather than a single figure, to illustrate the movements over a number of years."		
15.5	A couple of authorities felt that the inclusion of the capital expenditure forecast would be speculative at best.	The Secretariat agrees that capital programmes can be subject to changes. However, authorities should already be producing future capital programmes for Medium Term Financial Plans.	Amber – Authorities may need to caveat capital programme forecasts.
15.6	Four respondents expressed concerns about the proposal to include the authority's underlying need to borrow. Respondents pointed out that there are already other metrics from DLUHC, OFLOG (Office for Local Government) and the CIPFA Resilience Index, and as one representative body remarked: *"There is therefore a clear danger that should these proposals be taken forward there will be three different metrics being published for each local authority with roughly the same aim but using three different data sets and giving three different answers."*	The proposed metric lines up with paragraph 90 of the Prudential Code. The Secretariat appreciates that different bodies are asking authorities for similar metrics, and where it is within CIPFA LASAAC's gift these will try to keep consistent.	Amber – It is not within CIPFA LASAAC's gift to ensure consistency of metrics across other organisations.
15.7	One authority thought that the summary of significant commercial activities and risks could have issues of commercial sensitivity.	The Secretariat acknowledges that commercial sensitivity could impact on information disclosed by an authority at any point in time.	Amber – Authorities may not be able to disclose specific commercial risks if they are subject to sensitivity.

Format and structure of the Code

	Comments	Response	RAG Rating
16	Do you have any comments on the structure and format of the Code in relation to accessibility? Please set out the reasons for your response.		
16.1	Thirty respondents replied to this question and comments on the current code format included:		
16.1 a)	The sheer volume of information included can be overwhelming, especially to someone preparing local government accounts for the first time.	The Secretariat acknowledges that the Code is a large document at over three hundred pages. However, in its current form it reduces the need to refer to other publications or financial standards.	NA
16.1 b)	The document can be hard to navigate, with one authority commenting: *"It is unlikely that the Code will be read from cover to cover, it is more likely to be used as a reference document and as such, it is difficult to navigate."*	Noted	NA
16.1 c)	The current headings are too broad, and do not make it clear what is included as detailed by one authority: *"…some of the headings are too broad i.e., financial statements, and hence need breaking down to enhance accessibility i.e., to help users easily find detailed content. Also, some balance sheet headings are listed in the content i.e., current assets, but some are not i.e., reserves."*	The Secretariat agrees that the current chapters are long and cover wide areas.	NA
16.1 d)	Although also raised by an authority, one representative body noted: *"The current arrangement whereby the Code is only accessible behind a paywall has a significant negative impact on its accessibility."*	The Board will be aware of the current friction that this situation causes.	NA
16.2	Features respondents would like to see in a future format of the code included:		
16.2 a)	The ability to search for topics is paramount to practitioners with one authority stating: *"A useful function of having the code as a PDF is the ability to search for a key term throughout*	The Secretariat expects that any future solution will still include a search function.	Green - The ability to search within the Code should remain.

	Comments	Response	RAG Rating
	the document. We feel it is important that any new formats of the code should also have this functionality. The ability to search the whole document allows us to access all the relevant parts of the code quickly and easily."		
16.2 b)	None of the respondents had any concerns with an online version but one authority did comment: *"It would be useful to have both an online and exportable version."*	No further comment	Green – CIPFA is considering its electronic platform for services, including the Code.
16.3 c)	There was support for shorter chapters on specific topics, as one authority suggested: *"Amending the document to include shorter chapters focusing on more specific topics could potentially be useful to aid locating guidance within it."*	No further comment	Green – This is in line with the proposal in the ITC.

Question		Agree/ Support	Disagree	Neutral or just offered Comment
17	In terms of the approach to content of IFRS as adapted or interpreted for the public sector context, are you content with the current approach in the Code or would you prefer the drafting to be more like that of the FReM? Please set out the reasons for your response.	24 (57%)	1 (2%)	17 (41%)
18	Are the adaptations and interpretations of standards affecting application for UK local government clearly presented and easily identified in the Code? Please set out the reasons for your response.	23 (59%)	1 (3%)	15 (39%)
19	Do you agree with the suggested revised structure of the Code? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.	33 (79%)	2 (5%)	7 (17%)
20	Do you agree that the specifications for statutory adjustments should be brought together in one place in the Code, ideally alongside the provisions for the Movement in Reserves Statement? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.	34 (81%)	2 (5%)	6 (15%)
21	Are there any other issues relating to the structure and format of the Code? Please set out the reasons for your response.	13 (52%)	12 (48%)	0 (0%)

	Comments	Response	RAG Rating
17	In terms of the approach to content of IFRS as adapted or interpreted for the public sector context, are you content with the current approach in the Code or would you prefer the drafting to be more like that of the FReM? Please set out the reasons for your response.		
17.1	There was overwhelming support for maintaining the current approach in the Code. Authorities felt having all the information within one document gives context to the standards applied and is user friendly.	No further comment.	Green – This is consistent with CIPFA LASAAC's objective that the Code should be the principal source of local government financial and narrative reporting including the reporting of financial performance.
17.2	It was Audit and Accounting Institutions that favoured a FReM like approach. The main arguments being that it would be easier and more efficient to maintain. Plus, it would reinforce	Those supporting an approach more akin to the FreM make valid points.	NA

	Comments	Response	RAG Rating
	that the Code is based on accounting standards.		
18	Are the adaptations and interpretations of standards affecting application for UK local government clearly presented and easily identified in the Code? Please set out the reasons for your response.		
18.1	Almost all respondents agreed that the adaptions are clearly presented in the sub section titled "Adaptation, interpretation and application for the public sector context."	No further comment.	Green – This is consistent with CIPFA LASAAC's objective that the Code should ensure the adaptions and interpretations of UK-adopted IFRS are readily understood.
18.1 a)	The only improvement suggested by numerous respondents was to include a table of all accounting standards, any adaptions, or interpretations for local government plus links to the relevant section in the Code. One authority suggested: *"The presentation could be improved by including an additional table (similar to the table included in the FReM - Part C, Chapter 8, table 1) which clearly sets out for each International Standard whether the standard applies in full or if there are adaptions and interpretations which apply. Please note that we suggest this as a useful additional quick reference table which does not replace detailed information contained elsewhere in the code."*	An appendix is already included in the Code which lists all financial standards referred to in the Code. This could be expanded to include adaptions and interpretations.	Green – This request is already partially met within the current Code.
19	Do you agree with the suggested revised structure of the Code? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.		
19.1	There was general agreement across all respondents that the proposed structure would be an improvement. It was felt it was a logical structure that should make navigation easier.	No further comment.	Green – This is in line with the proposal in the ITC.
19.2	Respondents made several suggestions for improvements. These included:		
19.2 a)	Moving the chapters on Pension Fund and Group Accounts to the end within the proposed structure.	The Secretariat agrees that keeping the chapters relating to the main accounts together is a sensible approach.	Green – This is consistent with the proposal in the ITC.

	Comments	Response	RAG Rating
19.2 b)	Two authorities specifically suggested that there should be separate chapters for HRA (Housing Revenue Account) and Collection Fund.	The Secretariat acknowledges that an increased number of chapters may aid accessibility.	Amber – Further work is needed to confirm the final list of chapters in a reformatted Code.
19.2 c)	A handful of authorities suggested breaking down the chapters further, with one authority remarking: *"Given the length of the Code document as a whole, 14 is still a fairly low number of chapters, and some of the proposed chapters still cover a wide range of areas, in particular the proposed Chapter 11 on general notes to the accounts. In order to aid the accessibility of the Code further, we think this number of chapters could be further increased in order to ensure that there is a specific chapter for each major area."*	The Secretariat acknowledges that an increased number of chapters may aid accessibility.	Amber – Further work is needed to confirm the final list of chapters in a reformatted Code.
19.2 d)	One consultancy firm suggested: *"…it may be helpful if CIPFA could include in an appendix with a summary table to show how each area maps across from the current to the new sections to assist local authorities to navigate the Code in the initial year of the change."*	The Secretariat believes this should be possible as whole sections of the code should move to new chapters, making it possible to map.	Amber – This is reliant on a final list of chapters in a reformatted Code being agreed.
20	Do you agree that the specifications for statutory adjustments should be brought together in one place in the Code, ideally alongside the provisions for the Movement in Reserves Statement? If not, why not? What alternatives do you suggest? Please set out the reasons for your response.		
20.1	Most respondents agreed that specifications for statutory adjustments should be brought together in one place. There was a request from almost half of all respondents that cross references were included in the chapters where the statutory adjustment applies.	No further comment	Green – This is in line with the proposal in the ITC.
20.2	An alternative put forward by several respondents was to leave the statutory adjustments in the current chapters but include a table that summarises all the statutory adjustments in the MIRS chapter.	This Secretariat considers this may be quicker to implement and simpler to maintain whilst still achieving the same objective.	Green - This will achieve the same objective as the proposal in the ITC.

	Comments	Response	RAG Rating
21	Are there any other issues relating to the structure and format of the Code? Please set out the reasons for your response.		
21.1	There were several issues and suggestions raised. These included:		
21.1 a)	Producing a separate Code for each jurisdiction. One of the authorities suggesting this idea thought: *"A separate document for each of the jurisdictions would reduce the length of the document and provide easier referencing and searching."*	This would mean that four versions of the Code would need to be maintained, increasing the resource required and potential for errors between Codes. However, with digital delivery it may become possible to hide the jurisdiction specific differences that are not relevant to the reader.	Red – This is not consistent with CIPFA LASAAC's objective that the Code should identify all the reporting requirements for local authorities across the UK (including separate statutory reporting requirements for each of the devolved administrations and England).
21.1 b)	There was a suggestion to produce a version of the code with tracked changes. This would ensure that any minor changes were not missed by practitioners when changes are minimal.	Within each section of the Code there is a subsection titled "Changes since the 20xx/yy Code" which highlights any changes.	Green – This request is already met within the current Code.
21.1 c)	There was another suggestion to just issue updates as a bulletin when changes are minimal. This would have the advantage of saving authorities money.	By relying on a summary of updates rather than an updated Code, practitioners may miss subtle nuances where the code has been re-written.	Red – This would result in practitioners not referring to the current Code.
21.1 d)	One authority suggested: *"Thought needs to be considered for future codes of practice and how different learning styles can be accommodated, perhaps an interactive E-Code of Practice on a CIPFA Platform/ software as technology develops may be of use whilst still providing the conventional PDF/ book form."*	No further comment.	Green – CIPFA is considering its electronic platform for services, including the Code.
21.1 e)	The same authority also suggested: *"Practitioners may find value in the use of pictures and diagrams in the code, similar to that presented in the structure of the FreM to provide additional understandability and simplification of accounting treatments/ principals. The use of*	Noted.	Amber – Diagrams can be considered when drafting updates to the Code, although they may be more suited to guidance notes.

	Comments	Response	RAG Rating
	arrows, illustrative diagrams and high- level table summaries may function as an additional tool for practitioners diversifying different learning/ reading styles."		

Sustainability reporting

	Comments	Response	RAG Rating
22	What do you consider is the best approach to the introduction of sustainability reporting in local government? Please set out the reasons for your response.		
22.1	Of the fifty-five respondents, approximately forty provided comments on sustainability reporting. All respondents thought that sustainability reporting should be based on best practice. A fifth pointed to IFRS S2, IPSASB, TCFD and sustainability reporting within Central Government.	No further comment.	Green – This is in line with the proposal in the ITC.
22.2	Although respondents recognised the growing importance of sustainability reporting, a third were keen not to add to the current burden and either suggested adoption on a voluntary basis first or postponement.	The Secretariat understands the concerns of practitioners and auditors and has no desire to unnecessarily add to the burden.	Red – the current local audit situation within England has got worse since the ITC was issued.
22.3	Nearly a third of respondents wanted guidance, potentially in the Code, as to what should be included.	CIPFA have already published some initial guidance in the publication “Public sector sustainability reporting: time to step it up.”	Amber – Sustainability Reporting is not yet explicitly included in CIPFA LASAAC’s Terms of Reference.
22.4	Opinion was split over the best place for any sustainability reporting. Five respondents thought sustainability reporting should be included in the narrative report. Whereas four respondents believed there should be a standalone sustainability report.	Noted.	Amber – Sustainability Reporting is not yet explicitly included in CIPFA LASAAC’s Terms of Reference.

Local audit and accounting issues

Question		Yes	No	No Comment
23	Do you have any views on where accounting can be changed to ease the burden on the local audit and accounts preparation system? Please set out the reasons for your response.	41 (100%)	0 (0%)	0 (0%)

	Comments	Response	RAG Rating
23	Do you have any views on where accounting can be changed to ease the burden on the local audit and accounts preparation system? Please set out the reasons for your response.		
23.1	Two fundamental areas were raised repeatedly as being particularly onerous. These were PPE and Pensions.		
23.1 a)	Many authorities thought that simplifying the reporting requirements would reduce the burden. Many cited it takes a disproportionate amount of time to prepare the disclosure notes.	This is already being considered by CIPFA LASAAC as a result of the cross-system statement by Lee Rowley MP. Please see paper **CL 10 11 23 Wider more radical suggestions for change** for further information.	NA
23.1 b)	There was an overwhelming desire from authorities for auditors to accept the professional valuers view without getting a second opinion from their internal valuers.	This is already being considered by CIPFA LASAAC as a result of the cross-system statement by Lee Rowley MP. Please see paper **CL 10 11 23 Wider more radical suggestions for change** for further information.	NA
23.1 c)	One authority commented: *"We understand that there is likely to be little change as a result of the HM Treasury Thematic Review therefore could there be a standardised DRC methodology to reduce the judgements required which would help practitioners and auditors and reduce costs?"*	RICS UK guidance note Depreciated replacement cost method of valuation for financial reporting (1st edition) sets out items for valuers to consider. Any standardised methodology would come from RICS.	Amber – This is not within the gift of CIPFA LASAAC.
23.2	Other areas within the accounts that respondents suggested were:		
23.2 a)	One Police authority commented that Going concern seems to take a	Noted.	Amber – In the current environment the going concern note may be

	Comments	Response	RAG Rating
	disproportionate amount of audit time considering most authorities are not likely to go bankrupt.		more relevant as a forewarning of a S114 notice.
23.2 b)	One authority suggested: *"With the exception of the Senior Officers pay note, all other remuneration notes receive little interest from the public. These could be swiftly removed and available via FOI if required."*	Although the Secretariat appreciates the rationale behind this suggestion the remuneration disclosure notes are set out in statute.	Amber – This is not within the gift of CIPFA LASAAC.
23.2 c)	The same authority also suggested the removal of the nature of expenditure note as the information is already available in the Revenue Outturn (RO) form.	Noted.	Amber – This note does allow for comparison between authorities.
23.2 d)	One audit firm suggested remove the Expenditure and Funding Analysis notes.	Noted	Amber – This note attempts to reconcile the CIES to the reported outturn of the authority, although how much is understood by readers of the accounts is unknown.
23.2 e)	Another authority suggested: *"Remove the requirement to analyse Surplus Assets into levels of the Fair Value Hierarchy and provide a reconciliation between the levels, as our view is that the usefulness of this information to the users of local authority accounts is limited, and it takes us a disproportionate amount of time to produce the disclosures."*	This is already being considered by CIPFA LASAAC as a result of the cross-system statement by Lee Rowley MP. Please see paper **CL 10 11 23 Wider more radical suggestions for change** for further information.	NA
23.2 f)	Two authorities suggested removing the requirement to produce group accounts with one authority suggesting: *"Accepting that some authorities have complex group structures, we would propose that the group accounts are replaced with simplified disclosures to explain the group structure and the authority's exposure to risks through their group entities."*	This is already being considered by CIPFA LASAAC as a result of the cross-system statement by Lee Rowley MP. Please see paper **CL 10 11 23 Wider more radical suggestions for change** for further information.	NA

	Comments	Response	RAG Rating
23.3 g)	A different authority suggested: *"a more proportionate approach* [to disclosure] *dependent on the financial risk involved with the type of investments/debt undertaken at a local authority level"*	This is already being considered by CIPFA LASAAC as a result of the cross-system statement by Lee Rowley MP. Please see paper **CL 10 11 23 Wider more radical suggestions for change** for further information.	NA
23.4	One authority commented: *"There needs to be a system wide agreement about what is properly material in local authority accounts, i.e., having the ability to influence decisions taken by users of the accounts."*	Application guidance is being produced. Please see paper **CL 11 11 23 Application Guidance on what "Differs Materially" Means in the Context of the Measurement of Property, Plant and Equipment** for further information.	Green - Subject to agreement by CIPFA LASAAC
23.5	An Accounting Institute, Representative Body and an Audit firm all suggested that smaller authorities could produce accounts under FRS 101.	Noted	Amber – This could create even more divergence within local government accounting.
23.6	Two respondents had differing options about how to simplify local government accounting. One Accounting Institute suggested: *"A long-term action to amend the legislation to remove statutory adjustments is needed to enable a step change in local authority accounts (for improved streamlining and understanding)."* Whilst an authority suggested: *"Greater adaptation of international financial reporting standards to the local government context, recognising that some disclosures are of minimal relevance to public sector organisations."*	Either option would be a notable change from the current Code approach and would require legislative changes.	Amber – This is not within the gift of CIPFA LASAAC.
23.7	Two authorities do not support the current proposals to enforce deadlines for audit opinions to be issued with disclaimers in respect of incomplete audit testing. They are concerned	The Secretariat appreciates that there is unease within English authorities as to how any solution to resolve the backlog will work in practice.	Amber – This is not within the gift of CIPFA LASAAC.

	Comments	Response	RAG Rating
	about the impact on future audits as one authority explained: *"Our understanding is that if an audit opinion is issued for 2022/23 with qualifications for incomplete audit testing, then the 2023/24 audit will need to complete additional testing in the incomplete areas to satisfy themselves over the accuracy of the opening balances.… If so, this will significantly increase the volume of audit work required for the 2023/24 year, and could result in complex prior period adjustments needing to be posted by Local Authorities."*		
23.8	Two authorities and one audit firm proposed the postponement of IFRS 16 until the current audit backlog has been cleared.	This is already being considered by CIPFA LASAAC as a result of the cross-system statement by Lee Rowley MP. Please see paper **CL 10 11 23 Wider more radical suggestions for change** for further information.	NA
23.9	A Representative Body and an Audit firm suggested the Local Government Pension Scheme (LGPS) could be accounted for as a Defined Contribution Scheme.	The secretariat does not believe that the LGPS should be treated as a Defined Contribution Scheme. However, this suggestion is being brought to CIPFA LASAAC's attention as a result of HM Treasury's Thematic Review. Please see paper **CL 09 11 23 Suggestions for non-investment assets and pensions** for further information.	NA
23.10	An audit form suggested: *"We have previously highlighted that IAS 16 provides the option to account for non-current operational assets at historic cost and consider this to be worth exploring for the local authority sector. We recognise that this approach would require the approval of FRAB."*	This is being considered as a result of HM Treasury's Thematic Review. Please see paper **CL 09 11 23 Suggestions for non-investment assets and pensions** for further information.	NA

Statutory specifications for local authority financial reporting

	Comments	Response	RAG Rating
24	CIPFA/LASAAC would seek local authority views on their approach to investments in pooled investments and what the future approach might be to accounting for these investments when the statutory overrides come to an end? Please set out the reasons for your response.		
24.1	A considerable proportion of respondents (18) would like to see the statutory override become permanent. The main reasons cited were: • Notional gains/losses are unusable so not appropriate in Local Government • Volatility on gains/losses would have a direct impact on the taxpayer and place pressure on service delivery. • It will make pooled investments, which respondents saw as lower risk, less attractive.	The Secretariat notes that the comments are In line with reasons made for introducing the override.	Amber – It is not within CIPFA LASAAC's gift to make legislative changes.
24.2	However, those that supported and end to the override (7) felt in the current situation the risks were not transparent.	No further comment.	Green – This is in line with CIPFA LASAAC's view that generally there should not be a statutory override of IFRS 9.
24.3	One respondent suggested a compromise: *"Where an authority entered, or added to, a pooled investment vehicle after 1 April 2018 then the standard accounting treatment as an investment measured as fair value through profit or loss should be used. This is due to the accounting standard already being in place so any local authority who entered into such an agreement would have been aware of this issue and put in place an appropriate risk management. Where the local authority was already in such an investment there is a case for the current override to continue. This is due to at the time of entering the pooled investment the local authority would not have been aware of the need to charge through the CIES."*	Noted.	Amber – It is not within CIPFA LASAAC's gift to make legislative changes.

	Comments	Response	RAG Rating
24.4	The expectation was, if the override ended, that any balance in the Pooled Investment Adjustment Account would be moved into a usable reserve.	The Secretariat notes that this appears a pragmatic solution.	Amber – It is not possible to present an accounting view of legislative changes until they are issued.
25	CIPFA/LASAAC would seek the views on the impact of the DSG on financial reporting and local authority plans for the end of the amendments to the regulations. Please set out the reasons for your response.		
25.1	Twenty-two authorities responded to this question, most currently have a deficit on their DSG. The consensus was that any solution would take longer than the current extension and needed additional funding from central government.	The Secretariat acknowledges that there is not a quick or easy solution to DSG deficits.	Red – The Board is aware of the wider issues surrounding the Dedicated Schools Grant.
25.2	Nearly half of the authorities were concerned that they would not be able to fund forecast deficits from the general fund at the end of the override if that were required. Impact authorities voiced ranged from putting additional pressure on service delivery to issuing s114 notices.	Under Schedule 2 of the School and Early Years Finance (England) Regulations 2022, local authorities are required to carry forward overspends to their schools budget. Authorities must apply to the Secretary of State for permission to fund deficits from a source other than the DSG.	NA
25.3	There were several comments that the accounts needed to be clearer on the impact of the current override. Suggestions included:		
25.3 a)	Adding a narrative report disclosure that highlights the impact of the override, the current DSG position and any action plan.	The Secretariat notes that this suggestion would also work if the override ended.	Amber – This would require a change to the Code to ensure all English authorities with DSG complied.
25.3 b)	Amending the statutory override to allow future surpluses to be taken to the DSG Adjustment Account allowing the total DSG position to be seen.	The Secretariat agrees this would provide clearer picture of DSG surplus/deficit as some authorities will have figures in both usable and unusable reserves.	Amber – This is not within the gift of CIPFA LASAAC.

Recognition of the net defined benefit pensions asset

	Comments	Response	RAG Rating
26	What are your views on the Code's provisions in relation to the asset ceiling and the recognition of the net defined benefit pensions asset? Please set out the reasons for your response.		
26.1	Of the forty-three respondents to this question, most felt that the code provisions are appropriate for this issue.	No further Comment.	Green – The code is sufficient.
26.2	Nineteen respondents would appreciate further guidance with worked examples, particularly around how to calculate the asset ceiling.	Bulletin 15 is currently in draft form and should assist local authorities who have a Net Pension Asset. It does not contain worked examples. It might or might not be practical for CIPFA to produce guidance in slower time after reflecting on aspects of the guidance where there is still uncertainty about the exact intention of IFRIC 14.	Green - Subject to agreement by PFMB

Changes to IPSAS standards which could impact on the Code

Question		Yes	No	No Comment
27	Do you have views on the impact of new IPSAS on the specifications of the Code as they augment the interpretations of the local government context? Please set out the reasons for your response.	18 (56%)	14 (44%)	0 (0%)

	Comments	Response	RAG Rating
27	Do you have views on the impact of new IPSAS on the specifications of the Code as they augment the interpretations of the local government context? Please set out the reasons for your response.		
27.1	Only a third of all respondents (18) answered this question. Respondents could see that IPSAS could potentially bring improvements to accounting approach. However, there was a wish that adoption of any standards should offer flexibility or simplicity rather than add complexity.	If the new standards are considered by CIPFA LASAAC to assist with the interpretation of the public sector context for local government, there will need to be a significant review of the Code. The Code currently makes references to IPSASs which will be superseded.	Amber - It is not clear at this stage whether the new standards will prompt consideration of substantive changes to Code requirements
27.2	There was a request from a number of authorities for CIPFA to produce more detailed information and/or consult	Noted.	Amber - It is not clear at this stage whether the new standards will prompt consideration

	Comments	Response	RAG Rating
	before any potential implementation that will impact on accounting requirements.		of substantive changes to Code requirements

Other areas where additional guidance might be required.

Question		Yes	No	No Comment
28	Are there any areas within the Code where additional guidance or improvements to the Code would be helpful? Please support your answer by giving details of the amendments you would suggest.	19 (51%)	18 (49%)	0 (%)

	Comments	Response	RAG Rating
28	Are there any areas within the Code where additional guidance or improvements to the Code would be helpful? Please support your answer by giving details of the amendments you would suggest.		
28.1 a)	An audit firm made the following comments on various paragraphs within the code: *“**Loan commitments at below market interest rates*** *7.1.3.3 states* *“In the case of a financial liability an authority does not become a party to the contractual provisions of a financial liability unless one of the parties has performed. For example, a loan debt contract is recognised by the borrower when the cash lent is received rather than when the authority became committed to the loan agreement.”* *Under IFRS 9 this is only the case where the loan commitment is at market rates but this distinction is not made clear.* *7.1.2.25 d) suggests that loan commitments at below market interest are not covered by the scope exclusion – but remains silent on the required accounting treatment.”*	The Secretariat will need to review the paragraph of the code to see if further clarification is necessary.	Amber – It is vital that the provisions of the Code with respect to all these issues are clearly understood.
28.1 b)	***“Transfers by absorption*** *2.5.2.7 states* *“Local government reorganisations normally take place at the start of a financial*	The Secretariat will need to review the paragraph of the code to see if further clarification is necessary.	Amber – It is vital that the provisions of the Code with respect to all these issues are clearly understood.

	Comments	Response	RAG Rating
	year. The reorganisation shall be achieved in the financial statements by adjusting the opening Balance Sheet for the current year; transfers shall not be reflected in the surplus or deficit on the provision of services, but shall be separately disclosed in the Movement in Reserves Statement and other comprehensive income and expenditure. The notes to the accounts shall separately identify transfers of assets and liabilities (and any consequential changes to reserves)." *We are unclear on what basis a transfer would be reflected in the CIES as other comprehensive income and expenditure.* *The Code guidance also emphasises that any gain/ loss will be treated as a movement in reserves and reported in the Movement in reserves statement."*		
28.1 c)	***"Impairment of assets*** *4.7.1.3 scopes out investment property from the impairment chapter. However, IAS 36 only scopes out investment property that is measured at fair value. This leaves a gap in the Code if there are investment property AUC held at cost, which are not covered by the Code's impairment provisions."*	The Secretariat will need to review the paragraph of the code to see if further clarification is necessary.	Amber – It is vital that the provisions of the Code with respect to all these issues are clearly understood.
28.1 d)	***"Subsidiaries – consolidation and measurement*** *9.1.2.30 states the definition of control over an entity consistent with that required by IFRS 10 paragraph 7.* *This refers to b) exposure, or rights, to variable returns from its involvement with the investee. We note that Code refers to IPSAS 35 as providing additional guidance for public sector bodies. IPSAS 35 uses the term 'variable benefits' and provides examples to illustrate that this includes non- financial benefits (as well as financial benefits) that might also be relevant to an assessment of control.*	The Secretariat will need to review the paragraph of the code to see if further clarification is necessary.	Amber – It is vital that the provisions of the Code with respect to all these issues are clearly understood.

	Comments	Response	RAG Rating
	It would be helpful if the Code reminded practitioners of these wider considerations."		
28.1 e)	***"Accounting and reporting by pension funds – valuation of financial instruments*** *6.5.2.5 states* *"IAS 26 requires marketable securities to be carried at market value; the Code clarifies that the market value that shall be used is the bid price in accordance with the provisions of IFRS 9 Financial Instruments for determining the fair value of financial instruments"* *And 6.5.3.3. states* *"Pension fund investments shall be carried at fair value. In the case of marketable securities, fair value shall be market value and the current bid price shall be used."* *Paragraph 6.5.2.5 appears to have been updated since 2018/19 to replace a previous reference to IAS 39 with a reference to IFRS 9.* *However, IFRS 9 does not deal with the fair value of financial instruments – rather this is now covered by IFRS 13.* *IAS 39 required the use of bid prices for asset positions and ask prices for liability positions, but IFRS 13 no longer specifies this. IFRS 13 states that a fair value measurement should use the price within the bid-ask spread that is most representative of fair value in the circumstances, and that the use of bid prices for asset positions and ask prices for liability positions is permitted but is not required.* *Therefore CIPFA may wish to consider whether they do wish to continue requiring bid price, which would be a Code adaptation to IFRS, or whether this requirement can be removed and replaced with a requirement simply to comply with IFRS 13.* *Additionally the Code does not further define 'marketable*	The Secretariat will need to review the paragraph of the code to see if further clarification is necessary.	Amber – It is vital that the provisions of the Code with respect to all these issues are clearly understood.

	Comments	Response	RAG Rating
	securities' so it is currently unclear which categories of investment this applies to. Given a bid price is a quoted price, our current assumption is that this would apply to assets with quoted prices (eg Level 1 in the fair value hierarchy) but not to those with Level 2/ Level 3 valuations. It may be helpful to define this further for clarity (particularly if the bid price requirement is maintained)."		
28.2	An Audit Institute commented: *"It would be helpful if paragraph 4.1.2.37 of the 23/24 code provided clear direction on the phrase "revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from …. current value', specifically what the term 'differs materially' means in that context."* In addition, there were requests from several other authorities for guidance on materiality and PPE valuations.	Application guidance is being produced. Please see paper **CL 11 11 23 Application Guidance on what "Differs Materially" Means in the Context of the Measurement of Property, Plant and Equipment** for further information.	Green - Subject to agreement by CIPFA LASAAC
28.3	An authority had the following question about a paragraph in the code: *"We have a question about paragraph 4.1.4.1 of the Code. This paragraph states: "Where authorities conclude that following the requirements of this section of the Code results in accounting entries that are immaterial, authorities need not follow this section of the Code and include the de minimis level within the disclosure of accounting policies (see Section 3.4).". Should this be read to mean that where the accounting entries are immaterial, authorities need not follow section 4.1 AND need not include the de minimis level within the accounting policies, or should it be read to mean that authorities need not follow section 4.1 BUT do need to include the de minimis level within the accounting policies?"*	The Secretariat will need to review the paragraph of the code to see if further clarification is possible.	Amber – It is vital that the provisions of the Code with respect to this issue are clearly understood.

	Comments	Response	RAG Rating
28.4	Another authority had the following request about an appendix of the code: *"In the Accounting Standards Issued not yet Adopted section (Appendix C), a little more detail on the potential impact of each new standard for the following year would be useful. This would aid disclosure decisions for smaller bodies who may not see any impact from the introduction of certain standards."*	The potential impact of completely new standards and significant revisions to existing standards is generally extensively foreshadowed in Invitations to Comment and sometimes in CIPFA guidance. For more minor changes it may be more difficult to provide guidance but it might be helpful to echo the explanation and commentary provided in the relevant ITC.	Amber – Secretariat to review having regard to recent updates to the Code.
28.5	One authority commented: *"Advocate ways in which local authorities can streamline accounts to make them more intelligible to their primary users e.g., meeting the needs of residents to whom we are ultimately accountable to. For example, by reducing the complexity of local authority accounts."*	The Secretariat agrees that the accounts should support the information needs of local authority residents. The challenge of balancing IFRS requirements with understandability is well known to the Board.	Amber – the Board is already seeking to improve understandability by various means including through the work of the Better Reporting Group.
28.6	Another authority commented on the need for information in the accounts to be able to be used to provide government with information required, rather than providing separate government returns.	This was more likely to be possible when the segmental analysis was based on the SeRCOP Service Expenditure Analysis. Statistical returns often require more granular information than required by the financial statements and this would therefore not allow for 'streamlined' accounts.	Amber – This is not within the gift of CIPFA LASAAC.
28.7	Infrastructure Assets was raised by several authorities. Clear guidance on what definition, components and a detailed project plan was requested early enough for practitioners to adopt.	Lee Rowley MP's statement proposed delaying implementation of any solution. CIPFA LASAAC intend to consult stakeholders on plans to delay implementation until the 2027/28 accounts. Please see paper **CL 09 11 23 Suggestions for non-investment assets and pensions** for further information.	Red – The Board is aware of the risks surrounding infrastructure assets.