

CIPFA FAN Training and Development

Introduction to Local Authority Capital Accounting

09.30 - 10.00 **Registration Period**

10.00 - 10.10 **Introduction and Housekeeping**

10.10 - 11.20 **What is Capital Expenditure?**

This opening session of the day explores the definition of capital expenditure and the key criteria to be satisfied. It also considers some of the common areas where professional judgement may be required and discusses the application of de minimis thresholds for capitalisation and financing decisions.

11.20 - 11.35 **Comfort Break**

11.35 - 12.40 **Capital Planning & Programming**

It is essential in an environment of ever decreasing resources that capital programmes are well-planned and reflect the needs of the organisation. This session examines the Prudential Framework and the role of prudential indicators to demonstrate compliance with the framework's key principles. It also considers the practical aspects of strategic planning, the prioritisation of projects and good practice in relation to financial planning and post-project reviews.

12.40 - 13.25 **Lunch Break**

13.25 - 14.15 **Capital Financing Explained**

This session explains the various options for financing capital expenditure and the practical considerations in relation to the use of capital receipts, capital grants and contributions and revenue financing. It also considers the role of borrowing and credit arrangements and their implications on the Capital Financing Requirement (CFR) of the authority. The session also explores how any CFR is financed through the use of Minimum Revenue Provision (MRP) in England and Wales or through Loans Fund Repayments in Scotland.

14.15 – 15.35

Capital Accounting Overview

This session considers the key principles of accounting for capital expenditure and financing in local authority financial statements. It explores the interaction between 'proper accounting practice' and the basis of setting budgets and local taxation, and how the differences are presented in the financial statements.

The session covers many of the common accounting issues that local authority practitioners need to be aware of when closing their capital accounts, including:

- Presentation of capital expenditure and financing in the financial statements
- The role and application of 'statutory overrides'
- The essentials of accounting for assets under the Local Authority Code
- Disclosures and narrative reporting consideration
- Accounting considerations for capital grants and contributions

This session will include a comfort break.

15.35 – 15:55

Q&A Session

15.55 – 16:00

Summary and Close

Timings for individual sessions can vary however we will aim to finish no later than the scheduled closing time above.