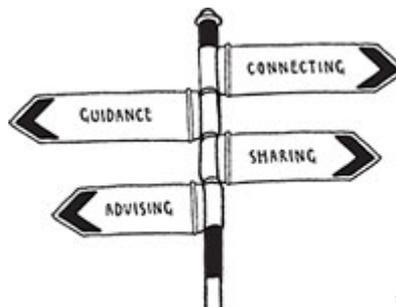


Finance Advisory Network E-alert: Accounts Closedown and Code Update



FAN COVID-19 Alert

7 April 2020

CIPFA FAN has provided this Alert to support all finance practitioners accounting under the 2019/20 Code of Practice on Local Authority Accounting in the United Kingdom (the Code). We hope you find it of benefit.

Changes to financial reporting deadlines for 2019/20 accounts (England)

MHCLG has now confirmed the details of the planned revisions to the Accounts and Audit Regulations in a letter to authorities on 3 April. The revised regulations are due to be made this week, extending the statutory audit deadline for 2019/20 for all local public authorities, apart from health service bodies.

The publication date for audited accounts will move from 31 July for Category 1 authorities and 30 September for Category 2 authorities to **30 November 2020** for all local authority bodies.

To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June (for Category 1 authorities) and July (for Category 2 authorities) has been removed. Instead **local authorities must commence the public inspection period on or before the first working day of September 2020**. This means that draft accounts must be approved by **31 August 2020** at the latest however they may be approved earlier...there will be no requirement to wait for a common inspection period.

Authorities must therefore **publish the dates of their public inspection period** this year. MHCLG recommend authorities provide public notice on their websites (where available) when the public inspection period would usually commence, explaining why they are departing from normal practice for 2020.

In relation to the meetings needed to approve draft and final accounts, [separate regulations](#) have been made to enable meetings to be held remotely, and to hold and alter the frequency and occurrence of meetings without the need for further notice.

Note that the above amendments relate to England only. Regulatory dates in Wales and Scotland are on a different basis, however feedback from the regulators has indicated there is no requirement for them to amend the respective regulations as there is already flexibility to permit publication of accounts beyond the stated dates.

Revisions to 2019/20 financial reporting requirements

COVID-19 represents the greatest challenge faced by public services in a generation, placing local government under greater pressure than ever before.

Yesterday, CIPFA/LASAAC considered radical proposals to streamline the 2019/20 accounts, in an effort to alleviate the pressure on budget holders and finance teams that have been diverted from their normal duties.

However, from extensive discussions over the last week, it is clear that the proposed simplification and reduction proved unacceptable to regulators and auditors. Separately, HM Treasury has advised us that some of CIPFA's proposals arguably might not provide the information still necessary for Whole of Government Accounts (WGA).

CIPFA has consistently been briefed by local government CFOs that the workload associated with minor changes only would outweigh any benefits for stretched finance teams. Therefore, in order to create certainty for both the preparers and auditors of accounts, the CIPFA/LASAAC Board has today resolved that in the absence of regulator and audit support, the status quo position will hold for full application of the 2019/20 Code.

In acknowledging that, sadly, radical change is not possible on this occasion, CIPFA nonetheless encourages the application of local judgement on what disclosures should be made in order to alleviate organisational pressures on councils.

Following the discussions at CIPFA/LASAAC a year-end Bulletin for 2019/20 will now be finalised in conjunction with the Local Authority Accounting Panel. FAN will provide further updates as soon as information is available.

Revisions to NNDR 3 Requirements (England)

As a consequence of the accounts deadlines being pushed back by MHCLG the submission deadline for the NNDR 3 return will be 31 July 2020 for the unaudited version and 30 November for the audited form. MHCLG have stated they will endeavour to get the form out to authorities by 1 May.

COVID-19 advice portal for local authorities

Essential guidance for local authorities on all aspects of the coronavirus support can be found on the [GOV.UK website](https://www.gov.uk)

We hope this update is helpful and that you stay healthy and safe during these unprecedented times.

David, Caroline and Sandra

**Finance Advisory
Network Advisors**

David Ellis
01502 584395 /

Caroline Newman
01964 533097 /

07879 665950
david.ellis@cipfa.org

07919018938
caroline.newman@cipfa.org

Sandra Beard
02476 591922 /
07718242835
sandra.beard@cipfa.org



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