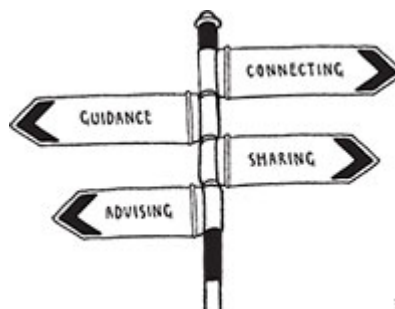


Finance Advisory Network E-alert: Accounts Closedown and Code Update



FAN Covid-19 Alert for Non-Subscribers

27 March 2020

In response to the developing COVID-19 emergency situation, CIPFA network advisors have been at the heart of discussions across the Institute, its panels and boards, and also working directly with Government departments in helping to support the sector at this incredibly challenging time.

CIPFA is now issuing weekly updates to section 151 officers providing the very latest information on announcements from government and feedback from across the sector, together with essential guidance from CIPFA's team of experts.

FAN advisors continue to share regular updates via social media (Twitter and LinkedIn) so please follow us for the latest breaking news and information. We will also release special alerts such as this one where news needs to be communicated quickly to the sector.

Please make sure your mailing list settings for CIPFA networks are set to 'Yes' and confirmed in the [CIPFA Preference Centre](#) and encourage any colleagues not receiving these alerts to update their preferences too.

Changes to financial reporting deadlines for 2019/20 accounts

MHCLG are extending the accounts preparation timetables in England for principal authorities, with the proposed publication date of audited accounts being pushed back to 30 September 2020.

Indeed the whole chain of publication requirements in the Accounts and Audit Regulations 2015 is being amended, with the intention of amending the date for public inspection of draft accounts to be the first 10 working days of July, which will mean the accounts themselves will not need to be signed off until 30 June.

Revised Accounts and Audit Regulations have been drafted based on those dates, and these have been distributed for comments with the intention to lay them in Parliament shortly.

It is acknowledged, however, that the proposed revised timeline may still be a real challenge for authorities given the unprecedented circumstances being faced, and therefore the suggested timetable above may still be subject to further change. CIPFA will issue updates once the outcome is known.

Note that any deferral of the accounts publication date is likely to impact on the circulation and submission deadline for the 2019/20 NNDR3 form.

Revisions to 2019/20 financial reporting requirements / deferral of IFRS 16 implementation

Given the recognised pressures on the sector and an acknowledgment that preparing the financial statements will be low on the list of priorities for government bodies at this time, the Financial Reporting Advisory Board (FRAB) recently proposed revisions to the financial reporting requirements for 2019/20 and these were considered by two meetings of the CIPFA/LASAAC Local Authority Code Board this week.

Options that were considered by the board included suspension of or extending the 2019/20 accounting period (to 24 months) and issuing a Code Update with much simplified reporting requirements. Board discussions included feedback from CIPFA colleagues along with representatives from central and devolved government, the audit community and local authority practitioners.

Following significant deliberation of the issues, and with a desire to avoid adding unwelcome changes for practitioners, the idea of adopting a 24-month reporting period was ruled out, and the board agreed to move forward with a revised and simplified Code Update to replace the existing 2019/20 requirements.

The 2019/20 Code Update will set out simplified financial reporting requirements and permit the production of a slimmed down set of accounts based on the existing principles in the Code. The objective being to allow a pragmatic approach to accounts production, with options for authorities to omit much of the existing disclosure requirements, instead focusing on the General Fund position and the impact of COVID-19 on the authority and the sustainability of its services.

It is anticipated that the Code Update will be released in early April, with a draft being considered by CIPFA/LASAAC in a week or so. The intention is to agree revised minimum reporting requirements that will ease the burden on authorities and permit use of the best information available, given the logistical challenges being faced.

It was also agreed to defer the implementation of IFRS 16 Leases for one year (so an effective date of 1 April 2021) in-line with the FRAB's proposals for Central Government.

CIPFA/LASAAC will still need to consider the impact of that deferral on the 2020/21 Code and also on the consultation process for 2021/22, which traditionally would take place over the summer. Further updates will follow once an action plan has been agreed.

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](#)

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

David, Caroline and Sandra

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