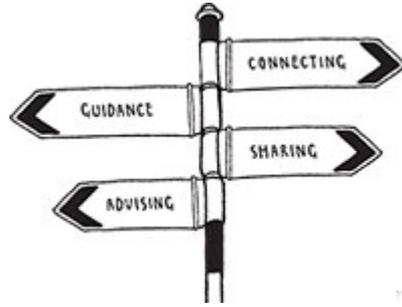


Scottish Finance Advisory Network Newsletter



28 April 2020

Advisor Update

Welcome to the April SFAN Newsletter for practitioners in organisations that don't subscribe to the SFAN service. We have already issued several alerts since the March newsletter on key developments in respect of the Accounting Code and the 2019/20 accounts. To assist practitioners we have summarised the main messages below, along with other points of reference that we hope will be of practical assistance to subscribers at this challenging time.

Without going much further we should probably introduce ourselves. We are the FAN team, David Ellis, Caroline Newman and Sandra Beard, and we look forward to supporting SFAN Members (now that Gareth has moved to pastures new) as we do with FAN subscribers in England and Wales.

We continue to monitor the Government's guidance on COVID-19 in terms of our planned workshops and conferences and we will provide updates as it becomes clearer when social distancing rules on travel restrictions start to be eased.

The CIPFA [statement](#) on how it is protecting the health and safety of students, members, customers and staff in these unprecedented times can be found on its website.

The FAN team wish all practitioners good luck and we hope you continue to stay safe and well over the coming weeks and months.

David, Caroline and Sandra

Events

Webinars

Assurance over Property and Asset Management

[20 May](#) (introductory webinar) and [3 June](#) (in-depth webinar)

Getting your Contracts Right in a Crisis – 4 Steps to Better Contracts

[6 May 2020](#)

Maximising Opportunities Under The Light Touch Regime

[19 May 2020](#)

NEC3/4 Engineering and Construction Contract and COVID-19

[30 April 2020](#)

Dates for your diary, **Edinburgh courses** open for booking soon:

Understanding your Council's Financial Reporting Requirements (for elected members) – 7 July 2020

Introduction to Local Authority Capital Accounting – 8 July 2020

Introduction to Local Government Reporting - Principles and Practices - 24 July 2020

[SFAN Home](#)

Network and CIPFA News

Additional Support for 2019/20 Accounts – Feedback Requested Please

CIPFA is keen to obtain feedback on whether any additional support would be welcomed by practitioners in respect of preparing the 2019/20 accounts, over and above receipt of the 'year-end' bulletin and the materials covered in the FAN Accounts Closedown workshops from earlier in the year.

FAN have set-up a [one question survey](#) and we would very much appreciate your immediate thoughts. Obviously if you feel you have all the information you need from CIPFA right now and just wish to 'get on with it' we would also appreciate that feedback via the survey. Thank you.

IFRS 16 Deferral

Just to confirm that the decision of CIPFA/LASAAC not to amend the 2019/20 Code requirements does not impact on the previous decision taken to defer IFRS 16 in the Code.

To clarify, IFRS 16 Leases has been deferred a year and will now come into the Code for 2021/22 with a transition date of 1 April 2021.

CIPFA Year-end Bulletin

The Local Authority Accounting Panel (LAAP) have been reviewing a draft year-end bulletin following the recent decision by CIPFA/LASAAC not to revise the 2019/20 Code requirements. LAAP is currently considering the final draft of the bulletin which it is hoped will be issued before the end of the week.

Topics likely to be covered include IFRS 16 deferral to 2021/22, COVID-19 impact on measurement of assets and liabilities, accounting for McCloud and Sargeant Judgements, amendment to accounts publication dates under regulation and disclosure of accounting standards issued but not yet adopted.

2020/21 Code – Update

Following the decision to defer the IFRS 16 Leases standard to 2021/22, the draft 2020/21 Code will need to be updated to reflect CIPFA/LASAAC's decision on the deferral of the standard. The updated Code will then require formal approval by CIPFA/LASAAC and FRAB, therefore the anticipated publication date for the Code will be later than previously expected. Further updates will follow once the timelines are clearer.

Local government finance circular 6/2020: non-domestic rates relief for 2020-2021

The [document](#) aims to inform a mutual understanding amongst local authority practitioners. It includes general information relating across the different reliefs, and specific information relating to each relief applicable in 2020/2021.

Local government finance circular 7/2020, business rates incentivisation scheme 2018-2020

This [Local Government Finance Circular](#) provides details of the outcome of the Business Rates Incentivisation Scheme for 2018-19 and the final individual local

authority targets for 2019-20.

Revisions to 2019/20 financial reporting requirements

On 6 April, 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, it was 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 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.

CIPFA has issued this [statement](#) in respect of the CIPFA/LASAAC decision.

Follow FAN on Twitter and connect to us on LinkedIn

David, Sandra and Caroline regularly tweet details of relevant news stories, FAN event updates, CIPFA consultation alerts, etc. We encourage subscribers to follow us on Twitter for the latest news, so even if you don't 'tweet' yourself, it's a great way to keep updated on key issues affecting local authority finance and accounting. Click to find [David Sandra](#) and [Caroline](#) on Twitter, or search for all our network advisor tweets using the hashtag [#cipfanetworks](#) .

We can also be found on LinkedIn and increasingly use social media for additional FAN updates, so if you are on LinkedIn then please feel free to connect to us: [David](#), [Sandra](#) and [Caroline](#) or the [FAN LinkedIn page](#) .

News Roundup

News stories are part of the subscriber service only.

Publications

[Financial Management Code
Guidance Notes](#)

[Integrated Reporting Application
Note: Business Models in the
Public Sector](#)

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