

CIPFA FAN Training and Development

Introduction to Local Authority Capital Accounting (Webinar)

09.30 - 10.00 **Registration Period**

10.00 - 10.10 **Introduction and Housekeeping**

10.10 - 11.00 **What is Capital Expenditure?**

This opening session of the day will explore the definition of capital expenditure and review the main classes of non-current asset in local authority balance sheets. It will include a brief exercise.

11.00 - 12.00 **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 will examine the Prudential Framework and consider possible approaches and good practice for the capital planning process.

This session will include a comfort break.

12.00 - 12.55 **Matching Expenditure to Resources**

This session will go through the capital financing options and their application, focusing on specific areas, for example:-

- Capital receipts
- Capital grants and contributions
- Revenue financing

It will also look at options and considerations in relation to borrowing.

Any system of control over capital expenditure will include the matching of resources to specific capital projects. This takes place at the programming stage, during in-year monitoring and at year-end. This session looks at the practical considerations when planning the financing of capital programmes.

12.55 - 13.40 **Lunch Break**

13.40 - 14.30 **Capital Financing Requirement and Minimum Revenue provision**

This session will review the capital financing requirement (CFR), how it is calculated and forecast, and will explore the methods used by local authorities for calculating the Minimum Revenue Provision (MRP) or Loans Fund Advance Repayments (for Scotland) in accordance with statutory guidance. It will include a brief exercise.

14.30 – 16.00

Capital Accounting

This session will look at the key principles of accounting for capital in the authority's financial statements, covering common accounting issues that local authority practitioners are faced with when closing their capital accounts.

For example:-

- Presentation of capital in the financial statements
- Revaluation and impairment of assets
- Accounting for capital grants, contributions and donated assets
- Componentisation and derecognition

This session will include a comfort break.

16.00 – 16:25

Horizon Scanning (IFRS 16 overview)

16.25 – 16:30

Summary and Close

We reserve the right to alter the timing or content of sessions where circumstances require.