

## Technical Enquiry Service- Frequently Asked Question

### What are the accounting arrangements for the appropriation of assets between the HRA and General Fund?

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and the Code of Practice on Local Authority Accounting in the United Kingdom Guidance Notes for Practitioners, (Code Guidance Notes) do not provide any specific guidance on the appropriation of assets between the HRA and the General Fund because such transactions are specific to the authority. Local authorities would need to seek appropriate legal and other professional advice on any appropriations that they are considering and any resultant impact on the capital financing requirement. An appropriation from the HRA to the General Fund would also need to be consistent with the requirements of the Service Reporting Code of Practice. The accounting for this type of transaction would be an issue for individual accountants' professional judgement following the decisions of the authority. We suggest also that any appropriations are discussed with the external auditor.

#### **DISCLAIMER**

The CIPFA Technical Enquiry Service offers members and registered students a service providing information, guidance and advice on professional issues. Please note that the guidance offered by the Technical Enquiry Service should not be taken as an authoritative interpretation of the law and should not be considered as constituting a definition of proper accounting practice. Answers offered are based solely on the information provided to the Service. All reasonable care is exercised in preparing responses to questions. However enquirers should always refer to the primary sources before relying on this advice and check any interpretation of published guidance with their own professional advisors.