

report

Paper CL 11 11-12

Committee	CIPFA/LASAAC
Venue	CIPFA Robert Street, London
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Author	Sarah Sheen, CIPFA, Technical Manager, Local Government Financial Reporting
Subject	Development of 2014/15 Code of Practice on Local Authority Accounting (the Code) (and the 2013/14 Code Update)

To note the issues that need to be considered for inclusion in the Code of Practice on Local Authority Accounting for 2014/15 Code (and the 2013/14 Code Update)

1 Introduction

1.1 This report is intended to highlight developments both in financial reporting standards and legislation that may need to be considered for inclusion in the 2014/15 Code (or the 2013/14 Code Update).

1.2 Legislative changes:

- Local Government and Finance Bill 2012 (principally the localisation of Business Rates) (2013/14 Code Update),
- Local Audit Bill (England),
- Consolidation of the Accounts and Audit (Wales) Regulations, and
- Amendment to the Local Authority Accounts (Scotland) Regulations 1985 (SI 1985, No. 267).

1.3 Other amendments:

- Review of approach to Whole of Government Accounts disclosures,
- Adoption of the CIPFA Code of Practice on Transport Infrastructure Assets measurement requirements for Transport Infrastructure Assets in the (Accounting) Code, subject to the Board's decisions at agenda item 7,
- Development issues arising from Appendix F to agenda item 7,

- Consideration of the approach to merger accounting following the approach in the FReM (consideration for 2013/14 Code Update), and

(The Treasury issued a consultation in July this year relating to merger accounting. This was agreed by the October meeting of the Government's Financial Reporting Advisory Board (FRAB) with an effective date for 2012/13. The paper considered by FRAB is attached at Appendix A to this report with updated provisions and guidance on merger accounting following the FRAB meeting. Annexes A and C have been updated to reflect the position agreed at FRAB (i.e. to adopt the changes in full from 2012-13). Please note that the page numbering is also out of order as this Appendix is a combination of reports to FRAB and updated provisions.)

- Social Impact Bonds.

1.4 Financial Reporting Standards or amendments to standards likely to be included in the 2014/15 Code:

- The Group Accounting Standards ie:
 - IFRS 10 *Consolidated Financial Statements*;
 - IFRS 11 *Joint Arrangements*;
 - IFRS 12 *Disclosure of Interests in Other Entities*;
 - IAS 27 *Separate Financial Statements* (as amended in 2011);
 - IAS 28 *Investments in Associates and Joint Ventures* (as amended in 2011);
- Annual Improvements to IFRSs 2009-2011,
- Annual Improvements to IFRSs 2010-2012,
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) (Issued 16 December 2011), and
- Transition Guidance (Amendments to IFRS 10 IFRS 11 and IFRS 12 (issued June 2012).

1.5 Accounting developments that might be included in the 2014/15 Code:

- Interpretation: Levies Charged by Public Authorities on Entities that Operate in a Specific Market, and
- Revenue Recognition.

Recommendation

CIPFA/LASAAC is asked to note the developments that may need to be considered for the development programme for the 2014/15 Code (and 2013/14 Code Update).