**CIPFA/LASAAC**

**the 2020/21 code of practice on local authority accounting in the united kingdom**

**invitation to comment**

**response sheet**

This Invitation to Comment response sheet will be regarded as on the public record unless confidentiality is specifically requested. Copies of all correspondence and an analysis of responses may be provided to the Financial Reporting Advisory Board. Unless confidentiality is requested in the box below the responses will also be held on the CIPFA Website. Please note if you wish to provide additional commentary on separate sheets it would be helpful if you set out clearly the questions and/or parts of the Code to which your comments relate.

|  |  |
| --- | --- |
| Name |  |
| Organisation |  |
| Do you wish this response to be considered as confidential? |  |

Responses are required by **27 September 2019** and may be sent to:

The Secretary

CIPFA/LASAAC Local Authority Accounting Code Board

Policy and Technical Directorate

CIPFA

77 Mansell Street

London

E1 8AN

E-mail: [cipfalasaac@cipfa.org](mailto:cipfalasaac@cipfa.org)

For ease of handling, e-mailed copies of this Response Form are preferred.

|  | | **Response**  (Check the box which represents your response) |
| --- | --- | --- |
| 1. ***Exposure Draft A: Clarity and Streamlining: Principles*** | | |
|  | **A1. Materiality** | |
| 1 | Do you agree with the proposals for implementation of the ‘Definition of Material: amendments to IAS 1 and IAS 8’? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments/ Alternatives** (Please insert your comments in the box below) | |
| 2 | Do you agree with the proposed requirement to disclose information concerning the assessment of materiality? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your response in the box below) | |
| 3 | What comments or suggestions do you have concerning other potential specifications in the Code to support and promote the appropriate application of materiality? | |
|  | **Comments / Suggestions** (Please insert your response in the box below) | |
|  | **A2. Disclosure Assessment** | |
| 4 | Do you agree with the adoption of the proposed FReM disclosure assessment questions in the Code? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
| 5 | What suggestions for focus and improvement would you make regarding disclosures which may have specific relevance for group entities? | |
|  | **Suggestions**  (Please insert your comments in the box below) | |
| 6 | Do you agree with the proposed provision to allow prior period information, subject to the specified criteria, to be summarised? If so which areas do you think this would be most applicable to? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments** **/ Alternatives** (Please insert your comments in the box below) | |
| 1. ***Clarity and Streamlining Disclosures Review*** | | |
|  | **B2. – Capital Disclosures** | |
| 7 | **User Needs:** Do the current capital related disclosures appropriately meet user needs? Please provide details and evidence supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
| 8 | **Resource Implications:** What are the resource implications of the current capital related disclosure requirements, and where do you consider that attention should be focused on ensuring appropriate cost-benefit balance? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments/ Details** **/ Evidence** (Please insert your comments in the box below) | |
| 9 | **Adaptation and Interpretation:** Are there grounds to further adapt or interpret the capital related disclosure requirements for local government circumstances? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence**  (Please insert your comments in the box below) | |
|  | **B3. – Pensions Disclosures** | |
| 10 | **User Needs:** Do the current pensions related disclosures appropriately meet user needs? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
| 11 | **Resource Implications:** What are the resource implications of the current pensions related disclosure requirements, and where do you consider that attention should be focused on ensuring appropriate cost-benefit balance? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments/ Details/ Evidence** (Please insert your comments in the box below) | |
| 12 | **Adaptation and Interpretation:** Are there grounds to further adapt or interpret the pensions related disclosure requirements for local government circumstances? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence**  (Please insert your comments in the box below) | |
|  | **B4. – Financial Instrument Disclosures** | |
| 13 | **User Needs:** Do the current financial instrument related disclosures appropriately meet user needs? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
| 14 | **Resource Implications:** What are the resource implications of the current financial instrument related disclosure requirements, and where do you consider that attention should be focused on ensuring appropriate cost-benefit balance? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
| 15 | **Adaptation and Interpretation:** Are there grounds to further adapt or interpret the financial instrument related disclosure requirements for local government circumstances? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
|  | **B5. – Cash Flow Disclosures** | |
| 16 | **User Needs:** Do the current cash flow related disclosures appropriately meet user needs? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
| 17 | **Resource Implications:** What are the resource implications of the current cash flow related disclosure requirements, and where do you consider that attention should be focused on ensuring appropriate cost-benefit balance? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
| 18 | **Adaptation and Interpretation:** Are there grounds to further adapt or interpret the cash flow related disclosure requirements for local government circumstances? Please provide details supporting your response (see example considerations in the ITC). Identification of specific evidence and related disclosures would be appreciated. | |
|  | **Comments / Details / Evidence** (Please insert your comments in the box below) | |
| 1. ***Exposure Draft C: Accounting Standards*** | | |
|  | **C2. – Amendments to IAS 19: Plan Amendment, Curtailment or Settlement** | |
| 19 | Do you agree with the proposal to emphasise the application of materiality and the support for this by providing direction regarding an initial assessment of quantitative materiality? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
|  | **C3. – Definition of a Business: Amendments to IFRS 3** | |
| 20 | Do you agree with the proposals that no substantive amendments are required for implementation of ‘Definition of a Business: Amendments to IFRS 3’? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
|  | **C4. – Amendments to References to the Conceptual Framework in IFRS Standards** | |
| 21 | Do you agree with the proposals for implementation of ‘Amendments to References to the Conceptual Framework in IFRS Standards’? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
|  | **C5. – UK Withdrawal from the European Union** | |
| 22 | Do you agree with the proposals in the event of UK Withdrawal from the European Union? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments** **/ Alternatives** (Please insert your comments in the box below) | |
|  | **C6. – IPSAS Standards IPSAS 41 Financial Instruments, IPSAS 42 Social Benefits** | |
| 23 | Do you agree with the intention not to amend the 20/21 Code in relation to IPSAS 41 Financial Instruments and IPSAS 42 Social Benefits? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
|  | **C7. – Pension Fund Accounts: Alignment to Pensions SORP** | |
| 24 | Do you support the proposed amendments to ensure alignment with the Pensions SORP, and the expectation of prior period restatement where material? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
| 1. ***Exposure Draft D: Legislation*** | | |
|  | **D1. Legislation Amendments** | |
| 25 | Do you agree with the proposed amendments to the Code in relation to legislation which has been enacted or made since the development of the 2019/20 Code? If not, why not? What alternatives do you suggest? Are there other items of legislation which you consider could usefully be included in the Code? | Agree  Disagree |
|  | **Comments / Other Legislation** (Please insert your comments in the box below) | |
| 1. ***Exposure Draft E: Other Areas*** | | |
|  | **E1. Service Concession Arrangements: Treatment of third party revenues** | |
| 26 | Do you agree with CIPFA/LASAAC that recognition of a liability related to operator rights to third party revenues is consistent with the requirements but that additional specification in the Code is not required? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
| 27 | If alternative treatments, other than recognition of a liability on the part of the grantor, are currently being applied please provide details. | |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
|  | **E2. Service Concession Arrangements: Measurement of the Liability** | |
| 28 | Do you agree with CIPFA/LASAAC’s proposals on applying IFRS 16 Leases liability measurement to service concession arrangements? If not, why not? What alternatives would you suggest? | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
|  | **E3. Housing Revenue Account: Financial Instrument Impairments** | |
| 29 | Should the presentation of Financial Instrument Impairments in the HRA income and expenditure statement be aligned to that in the whole council CIES? If so what presentation would you suggest? If not please explain why the current approach is preferred. | |
|  | **Comments / Suggestions** (Please insert your comments in the box below) | |
|  | **E4. Financial Instruments: Fair Value through Profit or Loss Presentation** | |
| 30 | Should the presentation of gains/losses, dividends and gains/losses on derecognition of financial instruments classified as fair value through profit or loss within SDPS be more definitively specified in the Code? If so what presentation would you suggest? If not please explain why the current approach is preferred. | |
|  | **Comments / Suggestions** (Please insert your comments in the box below) | |
|  | **E5. Minor Code Updates** | |
| 31 | Do you agree with the minor Code update proposals relating to HRA rents classification and REFCUS? If not please provide details and alternative suggestions. Please indicate if other minor amendments should be considered. | Agree  Disagree |
|  | **Comments / Alternatives** (Please insert your comments in the box below) | |
|  | **E6. IFRS 17 Insurance Contracts (Future Implementation)** | |
| 32 | Please provide an indication of any local government practices, arrangements or contracts where potentially treatment as an Insurance Contract (under IFRS 17) may arise. | |
|  | **Examples** (Please insert your comments in the box below) | |
| 1. **Section G: Further Guidance / Open Feedback** | | |
|  | **Further Guidance** | |
| 33 | Are there any areas within the Code where additional guidance or improvements to the Code would be helpful? Please support your answer by giving details of the amendments you would suggest. | |
|  | **Comments / Suggestions / Details**  (Please insert your comments in the box below) | |