

Report

Paper CL 09 06-19

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| Board | CIPFA/LASAAC |
| Venue | National Audit Office, 157-197 Buckingham Palace Road, Victoria, London, SW1W 9SP |
| Date | 4 June 2019 |
| Author | CIPFA Secretariat |
| Subject | Code Development 20/21 and 21/22 |

Purpose

To provide a brief overview of the following detailed papers (attached):

- **Draft Code 20/21 Invitation To Comment (ITC)**
- **Exposure Draft of the Code 20/21**
- **Detailed paper on Pensions Guarantees**

1 Draft Code 20/21 Invitation To Comment (ITC)

1.1 The draft ITC will benefit from members' detailed review and scrutiny. It includes the following:

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| Strategic direction: Streamlining | Summary |
| Text on IFRS 16 Leases implementation: | <i>Questions and notes on recent IFRS 16 Leases issues are included for member attention</i> |
| Streamlining: Principles 20/21 | proposals re identification of primary users, materiality determination and the assessment of what disclosures are required |
| Streamlining: Disclosures Review 20/21 | proposals to ensure more focused disclosures relating to capital, pensions, cash flow and financial instruments |
| Accounting Standards | <i>Member review requested re IAS 19 amendments implementation</i> Others: Definition of a business (IFRS 3); Conceptual framework references; Uk withdrawal from EU; IPSAS standards Pension Fund accounts – alignment to Pensions SORP. |
| Legislation | This element of the ITC and Exposure Draft Amendments are outstanding |

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| Other Areas | Service Concession Arrangements: Third party revenues Service Concession Arrangements: liability measurement <i>Pension Guarantees: See separate paper</i> <i>Measurement of investment in a group entity (single entity only statements) – questions arising for members</i> IFRS 17 Insurance Contracts (early feedback request) |
| Streamlining: Streamlining Actions 21/22 | Discussion and feedback requests relating to potential changes for 21/22 relating to: <ul style="list-style-type: none"> • Capital • Financial Instruments • Pensions • Group Accounts • Out-turn and Income & Expenditure reporting • Summary / extract information • Code structure and format |

- 1.2 Due to length and to engage specifically with relevant stakeholders, CIPFA/LASAAC may wish the questions on Future Years (21/22 actions) to be separated to a different paper, but still as part of the overall ITC package.

2 Exposure Drafts 20/21

- 2.1 Draft Code 20/21 texts are attached. Further secretariat quality assurance and review of the text is also required. Some points to note, not raised in the ITC, are:
- HRA housing rents added as an example of fees and charges under statutory requirements (exchange transactions)
 - Minor clarification to REFCUS
 - New Section 4.2 Leases section. Yellow highlighting notes key changes from text previously reviewed by LASAAC.

3 Pension Guarantees

- 3.1 Summary text is currently included in the ITC however the treatment may be both sensitive and open to interpretation of the accounting requirements.
- 3.2 A separate paper is provided with more detail to indicate some of the considerations arising. Due to the statutory framework and technical accounting aspects, government representatives and audit bodies may particularly wish to scrutinise and challenge the paper.

4 Requested CIPFA/LASAAC Action

- 4.1 CIPFA/LASAAC is requested to review the papers and provide direction in amending and improving the ITC and the Exposure Draft.**