Appendix C – Open Feedback Detailed Analysis of Responses and Recommendations

For a copy of the comments made by respondents, on a question by question basis, open the embedded file to the right -→	

E6.	**Other Comments**
Question 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.

Ref	Details
33A.	**LOBO clauses:** The first bullet of paragraph 7.1.1.3(c) could usefully have the words "where these are the only embedded derivatives" added to clarify that where a loan has multiple embedded derivatives they should still be considered for separation as a single compound embedded derivative in accordance with paragraph B4.3.4 of IFRS 9. Alternatively, if the Code is adapting IFRS 9 to require options to not be separately accounted for in all circumstances, that should be clarified [1 treasury advisor, also 35, 39 authorities]. One authority [27] requested more guidance on the treatment of LOBOs. [Note: IFRS 9 B4.3.4 states "Generally, multiple embedded derivatives in a single hybrid contract are treated as a single compound embedded derivative."….."if a hybrid contract has more than one embedded derivative and those derivatives relate to different risk exposures and are readily separable and independent of each other, they are accounted for separately from each other." The principle of the respondent's suggestion may be supported but with different text amendment.] **RISK: HIGH – sensitive area; potentially significant consequences:** • **Failure to clarify may potentially cause uncertainty and inconsistency** • **Incorrect specification may have significant unintended effects.** • **Clarification may lead to re-assessment of treatment in some cases**
	Recommended that the adaptations and interpretations for financial instruments in 7.1.1.3 c first bullet point is amended to read. ".the options that characterise clauses within a LOBO contract, ie those that allow the lender to increase the interest charge by any amount chosen at specified option exercise dates embedded in a LOBO, shall not be separately accounted for. This interpretation only applies where the specified derivative elements are not part of a compound embedded derivative."

33B.	**Loan Modifications:** The first sentence of paragraph 7.1.1.3(e) is untrue since both types of loan restructuring now require the premium or discount to be taken to SDPS. Paragraph 7.1.2.20 defining a modification gain or loss could usefully refer to liabilities as well as assets. Paragraph 7.1.4.6 could helpfully explain that both the modification gain or loss and the difference between the carrying amount and the sum repaid are to be taken to SDPS. [1 treasury advisor, also 35,39 authorities] [Notes: Re 7.1.1.3 e - see Code 7.1.4.5-7 for requirements relating to extinguishment or modification Re 7.1.2.20 – it can be agreed that this is the consequence of the clarification provided by the IASB in Prepayment Features with Negative Compensation in BC4.252-3 which stated that the treatment of financial liability modifications was equivalent to that for financial assets. Notably however the IASB did not change the wording or phrasing in IFRS 9 which is what the Code phrasing is currently based on. A footnote (or additional sentence) to explain the applicability to liabilities may be more appropriate. Re 7.1.4.6 – the Code wording is based in part on IFRS 9 B3.3.6. It may be more appropriate for the explanation requested to be provided in guidance.] **RISK: HIGH** • **Potentially significant consequences: There is a risk that, although not intended, this may be regarded as changing the Code requirements in respect of PWLB loans.**
	Recommended that the adaptations and interpretations for financial instruments in 7.1.1.3 e first sentence is amended to read. "The Code (and IFRS 9) requires, ~~under defined circumstances, the gain or loss on an exchange of debt instruments between an existing borrower and lender to be used to adjust the carrying amount, rather than be recognised immediately in surplus or deficit on the provision of services~~ ~~"~~where the terms of loan debt exchanged, for example as part of loan restructuring, are not substantially different or the modification of the terms of an existing liability is not 'substantial', the loan debt or financial liability is not accounted for as an extinguishment." The rest of the paragraph is proposed to remain as "The Code has interpreted this as requiring the exchange of loan instruments and associated settlement of any fees or costs incurred to take place on the same day and as not requiring net settlement as long as any payments between the lender and the borrower are made on the same day. Overwhelmingly, the main lender to local authorities is the Public Works Loan Board (PWLB), which is not permitted to settle these amounts net but must receive payment of the agreed settlement amount of the original loan." **Recommended that 7.1.2.20 is accompanied by a footnote to state:** "In accordance with IFRS 9 Basis for Conclusions BC4.252-3, the adjustment of a financial liability modification (or exchange) which does not result in derecognition is expected to be consistent with the adjustment of the gross

	carrying value of a financial asset when the financial asset modification does not result in derecognition." **Recommended that 7.1.4.6 is not amended.**
33C.	**Equity Instruments:** In defining an equity instrument in paragraph 7.1.2.9, the Code has apparently adapted IFRS 9 (which only points to paragraph 11 of IAS 32) by adding text from paragraph 16. However, paragraph 16 is within the section of IAS 32 that deals with presentation by issuers, when local authorities will normally only be holders of equity instruments. The text incorporated in the Code has deliberated omitted the opening words of paragraph 16 "When an issuer applies the definitions in paragraph 11…" and it is our view, backed by legal advice, that paragraph 16 does not affect the definition of an equity instrument or the accounting by holders, just its presentation by issuers. The commentary at the end of paragraphs 7.1.2.9 therefore also only applies to issuers and should be deleted. If CIPFA/LASAAC wishes to make an adaptation or interpretation of IFRS 9 by amending the IFRS definition of an equity instrument, it should do so explicitly in accordance with section 1.2 of the Code [1 treasury advisor, similar comments from 13, 14, 15, 16, authorities] One of the authorities noted "This error has caused a major issue with many authorities and requires urgent resolution – and some sort of amnesty override to unwind any pressurised auditor 'election' during 2018/19." [Notes: The IFRIC was specifically asked about the ability to designate some instruments as FVOCI rather than as FVPL based upon the understanding and interpretation of the IAS 32 definition of 'equity instrument'. The IFRIC Update September 2017 provides a statement of the conclusions reached under the heading 'IFRS 9 Financial Instruments—Financial assets eligible for the election to present changes in fair value in other comprehensive income (Agenda Paper 5A)'. It includes "…..the Committee concluded that a financial instrument that has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D of IAS 32 is not eligible for the presentation election in paragraph 4.1.4 of IFRS 9. This is because such an instrument does not meet the definition of an equity instrument in IAS 32. This conclusion, based on the requirements in IFRS 9 and IAS 32, is supported by the Board's explanation in paragraph BC5.21 of IFRS 9 of its decision in this respect." Additional references: o IFRS article IFRS 9 and equity instruments (see under 'Reporting value changes in profit or loss gives better information about value creation over time') o Financial Assets Eligible for the Election to Present Changes in Fair Value in Other Comprehensive Income (IFRS 9) (IFRS) o IFRS Staff paper on the matter (including points made by various stakeholders) It is therefore considered that the existing phrasing conveys the requirements of IFRS 9 and to make the amendment suggested would be an adaptation of IFRS 9.

	It is however relevant to refer to the comments received regarding financial instrument disclosures and whether FVPL treatment is appropriate where a financial instrument investment is made for direct service delivery purposes, instead of an intention of commercial gain. **RISK: HIGH – SENSITIVE AREA; POTENTIALLY SIGNIFICANT CONSEQUENCES:** • **A change in specification may not be in accordance with governments' intentions** • **A change in specification may result in a change in financial management and investment decisions by authorities**
	Recommended that the Code is not amended.
33D.	**Soft loans advanced:** Paragraph 7.1.6.4 and footnote 40 suggest that even though a nil interest rate may not be below the prevailing market rate, a loan at a nil interest rate should still be treated as a soft loan. We suggest removing all references to a nil interest rate and just defining soft loans as those below the prevailing market rate. [1 treasury advisor, 3 authority] Note 7.1.6.4 commences "The fair value of a loan advanced at nil interest rate[40] or below the prevailing market rate shall be.." with the footnote stating "Note that a nil interest rate may not be below the prevailing market rate." It is considered that the intention of the footnote is to allow for situations where negative interest rates arise in the general economy. As the respondent indicates the current phrasing may potentially lead to a loan advanced at a nil interest rate, even in such circumstances, being treated as a soft loan.] **RISK: LOW –** no intended change in practices. Supports clarification.
	Recommended that the Code 7.1.6.4 is amended to: "The fair value of a loan advanced ~~at nil interest rate[40] or~~ below the prevailing market rate shall be...." with the footnote removed.
33E.	**Impairment of financial assets held with local authorities and central government.** Paragraph 7.2.9.1 exempts from recognition of impairment losses financial assets where the counterparty is a local authority or central government. Footnote 41 helpfully defines "local authority" but does not define central government, and we suggest that wording similar to that in the FReM is included in the Code. This would include central government departments and their executive agencies plus the Bank of England but exclude arms-length bodies including NHS Trusts unless they are guaranteed by their sponsoring department. The Code also infers that impairment losses should not be recognised on these assets even if the counterparty is in default. Again, we suggest using wording similar to the FReM that the exemption only applies to stage 1 and stage 2 impairment losses. [1 treasury advisor] [Notes: The FReM 19/20 states

	"Balances with core central government departments (including their executive agencies), the Government's Exchequer Funds[17], and the Bank of England are excluded from recognising stage-1 and stage-2 impairments. In addition, any Government Exchequer Funds' assets where repayment is ensured by primary legislation are also excluded from recognising stage-1 and stage-2 impairments. ALBs are excluded from the exemption unless they are explicitly covered by guarantee given by their parent department." "Footnote 17: "Government's Exchequer Funds include: the National Loans Fund; all Consolidated Funds; the Contingencies Fund; the Exchange Equalisation Account; the Debt Management Account; the Public Works Loan Board; and Commissioners for the Reduction of the National Debt" It is understood that some application questions have arisen where a balance is regarded as being in dispute. It could therefore be considered appropriate to limit the exemption to stage 1 (12 month ECL) and stage 2 (lifetime ECL, not credit impaired) but not to stage 3 (lifetime expected credit loss, objective evidence of impairment). Detailed repetition of the FReM definition of bodies could potentially be replaced by a reference to the ONS Public Sector classification guide, although this may not provide as much clarity for readers of the Code. **RISK: MEDIUM** • **There is a potential that the existing specification may not have been applied consistently across local government.** • **There may therefore be the potential for some adjustments, possibly affecting General Fund balances, to be affected.** • **It is considered that the proposal would provide clarification of the intention and scope of the exemption.**
	Recommended that the Code amends 7.2.9.1 as below: "…..Local authorities shall not recognise a loss allowance for expected credit losses on a financial asset where the counterparty for a financial asset is central government or a local authority for which relevant statutory provisions[41] prevent default. The exemption does not apply to credit-impaired assets." Footnote 41: "Central government includes core central government departments (including their executive agencies), the Government's Exchequer Funds [being the National Loans Fund; all Consolidated Funds; the Contingencies Fund; the Exchange Equalisation Account; the Debt Management Account; the Public Works Loan Board; and Commissioners for the Reduction of the National Debt]; and the Bank of England. Government Arm's Length Bodies (ALBs) are excluded from the exemption unless they are explicitly covered by guarantee given by their parent department. The relevant statutory provisions for local authorities are those under the Local Government Act 2003 for England and Wales, the Local Government Finance Act (Northern Ireland) 2011, and the Local Government in Scotland Act 2003."
33F.	**Complexity of the accounts:** • CIPFA should consult users of the accounts • The explanations behind the disclosures become increasingly complicated to understand

	• Auditors approach materiality from the point of view of size regardless of whether the disclosure is helpful to users of the accounts. • CIPFA needs to streamline its Code and disclosure checklist • The length of this consultation is symptomatic of the attention to detail that is cluttering the Statement of Accounts. • We are in danger of introducing more clutter to the Statement of Accounts with the implementation of IFRS16 (leasing) as well as materiality assessments. • The focus of CIPFA/LASAAC for the 2020/21 Code should be to simplify as much as possible. [8 authority] **RISK: MEDIUM** Note: CIPFA/LASAAC may consider whether current actions and proposals sufficiently address the concerns raised.
	Recommended that • **CIPFA/LASAAC consider whether current actions and proposals sufficiently address the concerns raised** • **Review the IFRS 16 Leases proposals (see separate paper) in light of the comments on disclosures**
33G.	**Format of the Code :** CIPFA/LASAAC should follow the approach adopted by the Treasury in the FREM under which bodies are required to follow the relevant accounting standard other than where there are specified formal adaptations or interpretations. .....the attempts in the Code to summarise the key requirements of the standard may not always be comprehensive and therefore may not convey some of the subtleties within the standards..." [View noted that this could minimise a 'boilerplate' approach and assist materiality decisions] [12 audit firm] **RISK: LOW**
	Recommended that • **CIPFA/LASAAC continues with its proposed review of the Code structure and format**
33H.	**Pension Guarantees**: [Considered that IFRS 9 *Financial Instruments* or IFRS 4 *Insurance Contracts* should apply]...."We ask CIPFA/LASAAC to consider this issue and provide guidance for preparers." [12 audit firm, similar request 37 authority] [Notes: CIPFA/LASAAC considered a paper on pensions guarantees in June 2019 and determined not to propose Code amendments.] **RISK: HIGH**

	Recommended that no amendment to the Code 20/21 is made.
33I.	**Going concern:** [ISA 570 cited - Going Concern revised Sept 2019] ".... we **suggest that the Code clarifies disclosure requirements in relation to going concern** and, in our view, be clear that authorities should disclose any material uncertainties where these exist." [12 audit firm] [Notes: CIPFA/LASAAC has previously considered the application of the going concern. For English authorities the NAO Code of Audit Practice and Redmond Review consultations may result in further feedback in relation to financial sustainability.] **RISK: MEDIUM**
	Recommended that no amendment to the Code 20/21 is made.
33J.	**Audit Fees:** [Request for Code to adopt FRC Revised Ethical Standard 2016 illustrative example of disclosure] [12 audit firm] [Notes: The current Code requirements are in 3.4.4.1 7) where the requirements for each administration area are separately specified with an overall requirement to disclose in g) "fees payable in respect of any other services provided by the appointed auditor over and above the duties described in notes 7 a) to f) above." In the absence of other requests for change CIPFA/LASAAC may wish to consider stakeholder views on whether additional disclosure specification would be desirable and in alignment with the vision statement". **RISK: LOW**
	Recommended that no amendment to the Code 20/21 is made.
33K.	**Local Govt Reorganisations:** [Suggested that Code treatment may not be in alignment with the FReM] [12 audit firm] [Notes: CIPFA/LASAAC requested views as part of the post implementation feedback process in 2018. The CIPFA/LASAAC 19/20 Code development feedback statement (part 2 item 17) notes that regarding local government public sectorcombinations (eg re-organisations) "The majority of comments suggested no change was required." No amendment was therefore proposed for the 2019/20 Code. **RISK: MEDIUM**
	Recommended that no amendment to the Code 20/21 is made.

33L.

Cash & cash equivalents:

Code para 3.4.2.14 says 'Cash and cash equivalents shall include bank overdrafts that are an integral part of an authority's cash management.' It would be helpful if this was expanded to say that this should only be the case in the Cash Flow Statement. We would only expect this to be offset in the Balance Sheet presentation where a right of set off exists as per Code section 7.3.5.

[12 audit firm]

Note: It is noted that private sector accounting guidance exists which indicates that the 'cash and cash equivalents' definition used for the cash flow statement does not extend to over-riding the apparent requirements of IAS 32 para 42 regarding the criteria for offsetting liabilities and assets.

Where there is a difference between C&CE in the cash flow statement and C&CE in the balance sheet an explanation could be anticipated to be required.

<u>WGA:</u> The WGA return includes the following:

CURRENT ASSETS
Short-term investments
Assets held for sale
Landfill allowance stock (should be zero)
Inventories
Short-term debtors
Cash and cash equivalents
Total Current Assets

CURRENT LIABILITIES
Bank overdraft/cash and cash Equivalents
PWLB and other borrowings

Short term creditors

Contract Payables (IFRS15)

Short term borrowing (from local government)
Bank overdraft (cash & cash equivalents liability)
Short term borrowing (from the PWLB only)

<u>**Cash Holdings**</u>

Only the adjustment to last year's balance and the closing balance this year are collected in this table. Short term deposits with building societies and other entities within the WGA boundary should be shown under short term / liquid deposits.

	Cash in current bank accounts £'000	Cash held by Authority £'000	Short term / liquid deposits £'000
Carried forward at 31 March 2018 (closing bal from last year's WGA)	52,200	3,300	800
Adjustment	0	0	0
Restated balance at the beginning of the year	52,200	3,300	800
As at 31 March 2019	0	0	0

In relation to the WGA 17/18 accounts themselves the accounts show (at least some) bank overdrafts as liabilities in Note 21 where "Bank and other borrowings reflects loans and overdrafts".

There is currently so specific evidence known of relating to the consistency or otherwise of current practices in local authority annual accounts. Consideration may also be given as to the most appropriate presentation to support CIPFA/LASAAC's vision statement. Alignment with WGA may be a consideration in this respect.

RISK: HIGH

	Recommended that the presentation of bank overdrafts on the balance sheet is consulted on for the 21/22 Code.
33M.	**Dedicated Schools Grant [England]** [Request to specify accounting treatment for overspends] " In our view, overspend above a Council's definition of materiality, and where there is not an agreed recovery plan in place with the schools forum, should form part of the charge against General Fund reserves." [12 audit firm] [Notes: The DfE is currently consulting on amendments to the terms and conditions of DSG .Considerations of the implications may be undertaken following formal changes]. **RISK: MEDIUM**
	Recommended that no amendment to the Code 20/21 is made.
33N	**Capital Receipts [England]** We would request that consideration be given to lobbying for a legislative change around Capital Receipts. The current statutory de-minimis value of £10k has not been increased for many years and is causing some issues particularly around sales of vehicles. If a vehicle is sold for £10,001 then it is hard to realise this in terms of capital expenditure, which can mean that low value resources are not utilised when these could be best placed to provide a one-off cover for revenue expenditure. The spirit of the legislation would still be maintained if the de-minimis level was uplifted to £20k for example. [13, 14 ,15 authorities] [Note: This a matter for government consideration] **RISK: N/A**
	N/A
33O.	**Comments on Code Development Strategy** • disagree fundamentally with the view implicit in the Invitation to Comment that there is a substantial potential readership for local authority accounts ○ the absence of a substantial readership arises because the needs of what might be the primary users of the accounts are already addressed satisfactorily in other ways: (eg budget reports, FoI, inspection process) • We still think that [the local population] should be regarded as the primary users [because] the audited financial statements meet three important objectives that are relevant to them (confirm outturn; audit assurance of authority’s day-to-day financial systems and accounting processes; the true financial performance and financial position that are not revealed by the more cash-based and short-term budget process)

	◦ it is the budgetary figures that more represent the "funny money", not the results of proper accounting practices.) • CIPFA/LASAAC's strategy should therefore take the following route: • Funding issues should not be the primary focus of the financial statements. ◦ The primary focus should be on accounting for the true resources position[ie] what is actually happening to the resources controlled by an authority. • we should be sceptical that IFRS will always provide the most appropriate methodology for recognising and measuring transactions and balances, the most effective way of presenting information, and the most helpful disclosures. • The proposals we would make for making the financial statements more accessible would be: • Give the Expenditure and Funding Analysis primary status, • Promote the CIES as a key statement[….] A big weakness of the CIES, though, is that it has no cumulative balance to put the annual performance into context and show the full extent to which an authority is living beyond or within its means. • Demote the Cash Flow Statement • Place trust in the judgement of experts –The Code currently includes too many disclosures about the basis for valuations, assumptions, sensitivity analysis….etc,. • Simplify financial instrument reporting arrangements. • more work should be done on adopting the disclosure objectives of new IFRSs so that they are consistent with..... what local government users will be interested [in] • Whatever the question, Group Accounts are never the answer • Sort out the strange ways in which grants are required to be accounted for • Revise requirements for revaluation and impairment gains/losses to be posted to the CIES – the current methodology is based wholly on the mechanics of depreciated historical cost accounting, which is not relevant for local government accounting. [17 accounting consultant] **RISK: HIGH**
	Recommended that CIPFA/LASAAC considers this feedback as part of the review of stakeholder feedback to the discussion papers
33P.	**Consultation Process**

	It would be useful for the consultation to include practical examples of the impact of the proposed changes. There is a risk when reading and interpreting the impact of proposals/changes misunderstanding a requirement, leading to agreeing or disagreeing to a proposal where your opinion may have been different if more information or a better presentation could have aided the understanding, and therefore the response. [20 authority] [Note: Enhancing stakeholder engagement is critical. In particular CIPFA/LASAAC relies upon respondents to identify practical impacts and raise queries where uncertainties arise. This response may tend to suggest that improvement to the stakeholder process is required.] **RISK: MEDIUM**
	Recommended that the arrangements for the ITC for the 21/22 are reviewed to improve engagement
33Q.	**Code Format: Comprehensive Specification / Accounts too Complex** Ideally the Code and the Guidance Notes should be all that practitioners require for preparing the accounts. ….. we believe that the current disclosure requirements make the published accounts too technically complex for the average reader. [20 authority] **RISK: MEDIUM**
	Recommended that • **CIPFA/LASAAC continues with its proposed review of the Code structure and format**
33R.	**Code Format: Comprehensive Specification** Whilst recognising that Code / Code Guidance cannot cover all situations which might potentially apply, ideally the two should minimise the need for practitioners to refer to source Standards (eg IFRS9). Clearer requirements / guidance will result in more consistent, high quality financial reporting. Having the Code and Code Guidance combined as one document could be beneficial to practitioners as referring to both as well as the IFRS standards themselves can be confusing. We would also encourage as many working examples as possible being included to aid practitioners. [24 treasury advisor, also 32 authority] **RISK: MEDIUM**
	Recommended that • **CIPFA/LASAAC continues with its proposed review of the Code structure and format**
33S.	**Group Accounts**

	How to treat group financial information prepared under different statutory frameworks (e.g. IFRS16 Lease Accounting). [27 authority] **RISK: MEDIUM**
	Recommended that • **CIPFA/LASAAC incorporates consideration of legislative arrangements affecting group entities as part of its proposed review of the Code structure and format**
33T.	**Lump Sum Contributions to LGPS Funds** The council would urge CIPFA to provide advice to address inconsistency when accounting for; Pension lump sum payments made to the pension fund to reduce future liabilities – we have applied two different methods to this led by different audit opinion. [37 authority] **RISK: HIGH**
	Recommended that the treatment of lump sum contributions to the LGPS is consulted on for the 21/22 Code.
33U.	**Group Accounts** As to Group Accounts, there is no value in consolidating the relatively small group items with the single entity accounts, and more likely a serious danger that important aspects of the authority's involvement in companies (such as commitments to deficit funding and loans that are likely to have to be written off) will be passed over in the pretence that the group is all part of a single activity. In our experience, a note summarising the authority's involvement in other entities and the financial position/performance of those entities is a dramatically more effective method of reporting stewardship than pages of group accounts, where the main challenge is to spot any substantial difference from the authority-only statements. [42 authority] **RISK: MEDIUM**
	Recommended that CIPFA/LASAAC considers this feedback as part of the review of stakeholder feedback to the discussion papers
33V.	**CIES Total Line Presentation** It is noted that in some accounts the bottom line reads 'Total CIES' and the reader needs to do mental arithmetic to figure out if its in surplus or deficit at year end. This basic weakness is not good enough [audit body] Note: The code includes:

	Definition: "3.4.2.13 Total comprehensive income and expenditure comprises all components of surplus or deficit on the provision of services and of other comprehensive income and expenditure." And in 3.4.2.38 it specifies the line item as "q) Total comprehensive income and expenditure" **RISK: LOW**
	Recommended that CIPFA/LASAAC amends 34.2.38 q) to add a footnote as follows: q) Total comprehensive income and expenditure[1] 1 The line description used should provide clarity for users regarding the use of positive and negative signage. For example where brackets are used to represent an overall surplus "Total Comprehensive (Income) and Expenditure" may be used.
33W.	**RICS Guidance** The Code in its footnotes at the beginning of section 4.1 refers to the RICS guidance on DRC which has been updated. Other RICS references may require updating. [CIPFA Staff] 4.1.16 includes "This requirement is met by providing a valuation on the basis of existing use value (EUV) in accordance with UKVS 1.3 of the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards UK, January 2014 (as revised April 2015)." Similar references in 4.1.2.4; 4.1.2.9 (see footnote); 4.1.2.10 (see footnote); References would now appropriately be made to the current version of RICS UK standards, 4.1.2.7 includes a footnote which states "The Royal Institution of Chartered Surveyors UKGN 2 Depreciated Replacement Cost Method of Valuation for Financial Reporting has more information on this matter." This should be updated to this reference. Note: clarification for valuers may potentially lead to some valuation changes. **RISK: MEDIUM**
	Recommended that the Code 20/21 is amended to update references to RICS guidance as specified.
33X.	**Minor Corrections** A number of minor corrections have been identified by CIPFA staff.

	[CIPFA staff] **RISK: LOW**
	Recommended that minor amendments are made to the 20/21 Code subject to CIPFA/LASAAC review and confirmation (will be provided as tracked changes).
33Y.	**Minor Corrections: Application of Simplified Impairment to Lease Receivable** The Code 7.2.9.17 b) is currently not in alignment with the underlying standard (IFRS 9: 5.5.15) due to a punctuation error. This may lead to misinterpretation of the requirements. [CIPFA staff] **RISK: MEDIUM**
	Recommended that CIPFA/LASAAC amends 7.2.9.17 as below: b) lease receivables that result from transactions that are within the scope of Section 4.2 and IAS 17 Leases~~. If~~, if the authority chooses as its accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses,