

## List of Amendments in the Draft 2017/18 Code

| Reference                                   |                                                                                                                                                                                                 | Amendment                                                                                                                                                                                                        |
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| <b>Chapter One: Introduction</b>            |                                                                                                                                                                                                 |                                                                                                                                                                                                                  |
| 1                                           | Chapter One                                                                                                                                                                                     | The whole Chapter has been reviewed and restructured. Amendments post Exposure Draft to paragraphs 1.3.7, 1.3.8 and 1.4.2.                                                                                       |
| <b>Chapter Two: Concepts and Principles</b> |                                                                                                                                                                                                 |                                                                                                                                                                                                                  |
| 2                                           | Section 2.1 (Concepts), paragraph 2.1.2.6                                                                                                                                                       | Update that cross refers to the changes to the going concern reporting requirements (see paragraph 12 of FRAB 128 (06)).                                                                                         |
| 3                                           | Section 2.1, paragraphs 2.1.2.25 to 2.1.2.29                                                                                                                                                    | Editorial amendments for consistency.                                                                                                                                                                            |
| 4                                           | Section 2.1. paragraph 2.1.2.34 and the table at paragraph 2.1.2.2.35                                                                                                                           | Updated for consequential, transitional amendments following the changes to the measurement requirements for the Highways Network Asset (see FRAB 128 (05)).                                                     |
| 5                                           | Section 2.2 (Business Improvement District schemes (England, Wales and Scotland), Business Rate Supplements (England), and Community Infrastructure Levy (England and Wales)) paragraph 2.2.1.6 | Minor amendment to clarify the relationship of the Code with IPSAS 23.                                                                                                                                           |
| 6                                           | Section 2.2, paragraphs 2.2.1.11, 2.2.3.7, 2.2.3.9                                                                                                                                              | <ul style="list-style-type: none"> <li>• Update to clarify the treatment of revenue expenditure for the Community Infrastructure Levy (CIL).</li> <li>• Update to reflect CIL legislative amendments.</li> </ul> |
| 7                                           | Section 2.2, paragraph 2.2.3.8                                                                                                                                                                  | Amendment to confirm the accounting treatment of income received before the commencement of the development for CIL.                                                                                             |
| 8                                           | Section 2.4 (Landfill Allowance and Other Trading Schemes), paragraph 2.4.1.1                                                                                                                   | Minor grammatical correction.                                                                                                                                                                                    |
| 9                                           | Section 2.5 (Local Government Reorganisation and Other Combinations), paragraph 2.5.2.4                                                                                                         | Minor rewording to confirm the treatment for transfers between other parts of the public sector to the local government sector. NB this is has not changed the requirements of the Code in any way.              |
| 10                                          | Section 2.10 (Fair Value                                                                                                                                                                        | Removal of the transitional reporting                                                                                                                                                                            |

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|                                            | Measurement), paragraph 2.10.4.1, 10)                                                            | requirements for the adaptation to IFRS 13 <i>Fair Value Measurement</i> to remove the scope exclusion on the fair value measurement disclosures for retirement benefit plan investments introduced in the 2016/17 Code. |
| <b>Chapter Three: Financial Statements</b> |                                                                                                  |                                                                                                                                                                                                                          |
| 11                                         | Section 3.1 (Narrative Report)                                                                   | This section of the Code has been fully revised for the new principles based approach to Narrative Reporting (see paragraphs 8 to 11 of FRAB 128 (06))                                                                   |
| 12                                         | Section 3.3 (Accounting Policies, Changes in Accounting Estimates and Errors), paragraph 3.3.4.3 | Paragraph, updated annually for the relevant dates.                                                                                                                                                                      |
| 13                                         | Section 3.4 (Presentation of Financial Statements), paragraph 3.4.2.22                           | Grammatical amendments.                                                                                                                                                                                                  |
| 14                                         | Section 3.4, paragraph 3.4.2.23                                                                  | Changes to the going concern reporting requirements (see paragraph 12 of FRAB 128 (06)).                                                                                                                                 |
| 15                                         | Section 3.4, paragraph 3.4.2.56                                                                  | Minor typographical amendments.                                                                                                                                                                                          |
| 16                                         | Section 3.4, paragraph 3.4.2.59 c)                                                               | Updated for consequential, transitional amendments following the changes to the measurement requirements for the Highways Network Asset (see FRAB 128 (05)).                                                             |
| 17                                         | Section 3.4, paragraph 3.4.2.59 p)                                                               | Removed to ensure consistency with IAS 1 <i>Presentation of Financial Statements</i> .                                                                                                                                   |
| 18                                         | Section 3.4, paragraph 3.4.2.80                                                                  | Removed to avoid duplication.                                                                                                                                                                                            |
| 19                                         | Section 3.4, paragraph 3.4.2.81                                                                  | <ul style="list-style-type: none"> <li>• Paragraph 3.4.2.81 1) moved from 3.4.4.1 12)</li> <li>• Paragraph 3.4.2.81 2) amendments for IAS 7 <i>Statement of Cash Flows</i> (Disclosure Initiative).</li> </ul>           |
| 20                                         | Section 3.4, paragraph 3.4.2.86                                                                  | Minor augmentation of the Code's provisions on the disclosure of judgments in accordance with IAS 1.                                                                                                                     |
| 21                                         | Section 3.4, paragraph 3.4.2.86                                                                  | Review of the Code's provisions on significant accounting policies (see paragraph 13 of FRAB 128 (06)).                                                                                                                  |
| 22                                         | Section 3.4, paragraph 3.4.2.97                                                                  | Confirmation that the Expenditure and                                                                                                                                                                                    |

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|                                         |                                                                                                                          | Funding Analysis is a note.                                                                                                                                                                                                                                                                                 |
| 23                                      | Section 3.4, paragraph 3.4.4.1                                                                                           | Moved to 3.4.2.81 (see item 19 above).                                                                                                                                                                                                                                                                      |
| 24                                      | Section 3.4, paragraph 3.4.5.1                                                                                           | Minor clarification.                                                                                                                                                                                                                                                                                        |
| 25                                      | Section 3.5 (Housing Revenue Account), paragraph 3.5.5.1                                                                 | Amendments to reflect the Housing Revenue Account (Accounting Practices) Directions 2016.                                                                                                                                                                                                                   |
| 26                                      | Section 3.8 (Events After the Reporting Period), paragraph 3.8.2.11                                                      | Grammatical correction and alignment with the terminology in the Accounts and Audit Regulations 2015.                                                                                                                                                                                                       |
| 27                                      | Section 3.8, paragraphs 3.8.4.1. to 3.8.4.4                                                                              | Renumbering.                                                                                                                                                                                                                                                                                                |
| 28                                      | Section 3.9 (Related Party Disclosures), paragraph 3.9.4.1                                                               | Editorial correction.                                                                                                                                                                                                                                                                                       |
| <b>Chapter Four: Non-Current Assets</b> |                                                                                                                          |                                                                                                                                                                                                                                                                                                             |
| 29                                      | Section 4.1 (Property, Plant and Equipment), paragraphs 4.1.1.3, 4.1.1.6, 4.1.2.2, 4.1.2.31, 4.1.2.33, 4.1.2.40, 4.1.4.4 | Consequential amendments following the introduction of the new measurement requirements for the Highways Network Asset, including confirmation of the transitional requirements for that move (see FRAB 128 (05)).                                                                                          |
| 30                                      | Section 4.1, paragraph 4.1.3.6                                                                                           | <ul style="list-style-type: none"> <li>• A footnote added to highlight that <i>The Item 8 Credit and Item 8 Debit (General) Determination from April 2017</i> has not been issued at the time of drafting and that this paragraph might be subject to change.</li> <li>• Grammatical amendments.</li> </ul> |
| 31                                      | Section 4.1, paragraph 4.1.4.3                                                                                           | Grammatical amendments.                                                                                                                                                                                                                                                                                     |
| 32                                      | Section 4.2 (Leases and Lease Type Arrangements), paragraph 4.2.3.13                                                     | Confirmation of statutory reporting requirements in Scotland.                                                                                                                                                                                                                                               |
| 33                                      | Section 4.3 (Service Concession Arrangements: Local authority as Grantor), paragraphs 4.3.3.2, 4.3.3.3                   | Confirmation of statutory reporting requirements in Scotland.                                                                                                                                                                                                                                               |
| 34                                      | Section 4.5 (Intangible Assets), paragraph 4.5.2.4                                                                       | Cross-reference to IAS 38 <i>Intangible Assets</i> added.                                                                                                                                                                                                                                                   |
| 35                                      | Section 4.5, paragraph 4.5.4.2                                                                                           | Grammatical amendments.                                                                                                                                                                                                                                                                                     |
| 36                                      | Section 4.6 (Revenue Expenditure Funded From Capital Under Statute), paragraph 4.6.3.2                                   | Amendment arising from the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.                                                                                                                                                                                                    |

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| 37                                    | Section 4.11 (Highways Network Asset), paragraphs 4.11.1.1, 4.11.1.3, 4.11.1.5, 4.11.2.1, 4.11.2.2, 4.11.2.2, 4.11.2.7, 4.11.2.9, 4.11.2.10, 4.11.2.14, 4.11.2.16, 4.11.4.2 | <ul style="list-style-type: none"> <li>• Consequential amendments following the introduction of the new measurement requirements for the Highways Network Asset, including confirmation of the transitional requirements for that move. It also notes that the new requirements will be confirmed by the March 2017 meeting of CIPFA/LASAAC (see FRAB 128 (05)).</li> <li>• Also updates included for the new <i>Code of Practice on the Highways Network Asset</i>.</li> <li>• Grammatical amendment.</li> </ul> |
| <b>Chapter Six: Employee Benefits</b> |                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 38                                    | Section 6.1 (Introduction and Definitions), paragraph 6.1.1.1                                                                                                               | Amendment to reflect the issue of IPSAS 39 <i>Employee Benefits</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 39                                    | Section 6.2 (Benefits Payable During Employment), paragraphs 6.2.1.1, 6.2.1.4, and 6.2.3.5                                                                                  | Amendments to reflect the issue of IPSAS 39 and confirm that the treatment of certain long-term disability benefits in the Code is an interpretation following the provisions in that standard.                                                                                                                                                                                                                                                                                                                   |
| 40                                    | Section 6.3 (Termination Benefits), paragraph 6.3.1.1                                                                                                                       | Amendment to reflect the issue of IPSAS 39 <i>Employee Benefits</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 41                                    | Section 6.4 (Post-Employment Benefits), paragraph 6.4.1.1                                                                                                                   | Amendment to reflect the issue of IPSAS 39 <i>Employee Benefits</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 42                                    | Section 6.4, paragraph 6.4.1.7                                                                                                                                              | Grammatical amendment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 43                                    | Section 6.5 (Accounting and Reporting by Pension Funds), paragraph 6.5.2.3                                                                                                  | Confirmation of the interpretation of IAS 26 <i>Accounting and Reporting by Retirement Benefit Plans</i> for the disclosure on pension investment assets concentration.                                                                                                                                                                                                                                                                                                                                           |
| 44                                    | Section 6.5, paragraphs 6.5.3.5, 6.5.3.6 and the Annex                                                                                                                      | Consequential cross reference changes for item 43.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 45                                    | Section 6.5, paragraph 6.5.5.1                                                                                                                                              | <ul style="list-style-type: none"> <li>• Line m) amendment featuring the interpretation of IAS 26 for the disclosure on pension investment assets concentration (see paragraph 13 of FRAB 128 (06)).</li> <li>• Line u) new investment transaction cost disclosure (see paragraph 13 of FRAB 128 (06)).</li> <li>• Grammatical amendments.</li> </ul>                                                                                                                                                             |
| 46                                    | Section 6.5, Annex                                                                                                                                                          | Inclusion of reference to the adaption introduced in the 2016/17 Code to remove the scope exclusion for retirement benefit                                                                                                                                                                                                                                                                                                                                                                                        |

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|                                             |                                                                                                                                                                   | plan investments.                                                                                                                                                                                                              |
| <b>Chapter Seven: Financial Instruments</b> |                                                                                                                                                                   |                                                                                                                                                                                                                                |
| 47                                          | Section 7.1 (Introduction, Scope, Recognition And Initial Measurement, Hedge Accounting, Derivatives And Embedded Derivatives And Definitions), paragraph 7.1.1.2 | Confirmation of adaptations and interpretations in chapter seven (Financial Instruments) and clarification of the treatment of the options for Lender Option Borrower Option (LOBO) loans (see paragraph 24 of FRAB 128 (06)). |
| 48                                          | Section 7.1, paragraphs 7.1.2.2, 7.1.2.3                                                                                                                          | Grammatical amendments.                                                                                                                                                                                                        |
| 49                                          | Section 7.1, paragraph 7.1.6.9                                                                                                                                    | Clarification of the treatment of the options for Lender Option Borrower Option (LOBO) loans (see paragraph 24 of FRAB 128 (06)).                                                                                              |
| 50                                          | Section 7.1, paragraph 7.1.8.1                                                                                                                                    | Minor correction of cross reference.                                                                                                                                                                                           |
| 51                                          | Section 7.3 (Accounting for Financial Assets After Initial Recognition), paragraph 7.3.3.1                                                                        | Minor correction.                                                                                                                                                                                                              |
| 52                                          | Section 7.4 (Financial Instruments – Disclosure and Presentation Requirements), paragraph 7.4.2.5                                                                 | Amendment arising from the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.                                                                                                                       |
| 53                                          | Section 7.4, paragraph 7.4.2.10                                                                                                                                   | Minor augmentation.                                                                                                                                                                                                            |
| <b>Chapter Nine: Group Accounts</b>         |                                                                                                                                                                   |                                                                                                                                                                                                                                |
| 54                                          | Paragraphs 9.1.1.4 to 9.1.1.11                                                                                                                                    | Renumbering                                                                                                                                                                                                                    |
| 55                                          | Paragraph 9.1.2.65                                                                                                                                                | Removal of the transitional reporting requirements for IFRS 11 <i>Joint Arrangements</i> – Accounting for Acquisitions of Interests in Joint Operations.                                                                       |
| <b>Appendices</b>                           |                                                                                                                                                                   |                                                                                                                                                                                                                                |
| 56                                          | Appendix B: Sources and Legislation                                                                                                                               | Updated for legislative changes.                                                                                                                                                                                               |
| 57                                          | Appendix C: Changes in Accounting Policies: Disclosures in the 2016/17 and 2017/18 financial statements                                                           | Confirmation of the reporting requirements for the impact of the changes in accounting policies in the 2016/17 and 2017/18 financial statements. Appendix C is substantially redrafted each year.                              |
| 58                                          | Appendix D: New or Amended Standards Introduced to the 2017/18                                                                                                    | Appendix D updated annually.                                                                                                                                                                                                   |

|                                       | Code                                                                                                                                                                         |                                                                                                                                                                                                                               |
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| <b>Amendments throughout the Code</b> |                                                                                                                                                                              |                                                                                                                                                                                                                               |
| 59                                    | Paragraphs 2.7.4.1, 2.9.4.1, 3.6.4.2, 4.1.4.2, 4.2.4.1, 4.3.4.1, 4.4.4.1, 4.5.4.1, 4.6.4.2, 4.7.4.1, 4.8.4.1, 4.9.4.1, 4.10.4.1, 5.1.4.1, 5.2.4.1, 5.3.4.1, 8.1.4.1, 8.2.4.1 | Confirmation that when the Code refers to the disclosure of accounting policies that an authority should disclose when a policy is significant to an authority's financial statements.                                        |
| 60                                    | Code                                                                                                                                                                         | References to 'loans fund principal' have been changed to 'Statutory Repayments of Loans Fund Advances', throughout the Code as a result of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. |
| 61                                    | Code                                                                                                                                                                         | The general updating requirements for the Code for dates and cross references as necessary.                                                                                                                                   |
| 62                                    | From Chapter Two                                                                                                                                                             | The end of each section of the Code includes a paragraph which is updated for the changes made since the 2016/17 Code. This is a normal part of the updating process of the Code.                                             |