

## In-year amendments to the 2017-18 Government Financial Reporting Manual (FReM) – published December 2017

In year amendments, have been made to the 2017-18 FReM and illustrative statements to correct minor errors and provide clarifications to improve disclosure requirements and the introduction of the Non-Financial Reporting Regulations.

Paragraph	Change	Reason for change
Throughout	Minor grammatical errors	
1.1.5	Footnote added: Early application of EU adopted IFRS before the effective date is permitted with the consent of the relevant authority	In certain circumstances, entities may wish to early adopt certain EU adopted IFRS. A footnote has been added to clarify that this is permitted with the consent of the relevant authority.
1.2.1 b)	Footnote added as reference the IFRS Practice Statement 2: Making Materiality Judgements issued by the IASB in September 2017	To reflect release of the new Practice Statement
2.2.8	Deleted paragraph referencing the Disclosure Initiative	Activities of the IASB's disclosure initiative have been subsumed into the relevant accounting standards or are at an early stage in the research/consultation stage process. An explicit reference to the disclosure initiative is no longer required.
5.2.8 bullet point 3	Performance Report - Additional requirement to include a brief description of the business model and environment, organisational structure, objectives and strategies.	To strengthen non-financial reporting for the benefit of users of the accounts and align with the introduction of Non-Financial Reporting Regulations 2016 (SI 2016/1245) which implement the EU Non-Financial Reporting Directive (2014/95/EU) for financial years beginning on or after 1 January 2017.
5.2.10 bullet point 1	Performance Report - Additional requirement to provide explanatory narrative around the link between KPIs, risk and uncertainty.	To strengthen performance reporting.
5.2.10 bullet point 2	Performance Report - Additional requirement to provide an explanation of the relationships and linkages between different pieces of information within the ARAs	To strengthen performance reporting.
5.2.10 bullet point 3	Performance Report - Inclusion of the need to report on non-financial	To strengthen non-financial reporting for the benefit of users of the accounts and

	information pertaining to social matters, respect for human rights, anti-corruption and anti-bribery matters.	align with the introduction of Non-Financial Reporting Regulations 2016 (SI 2016/1245) which implement the EU Non-Financial Reporting Directive (2014/95/EU) for financial years beginning on or after 1 January 2017,
5.2.10 bullet point 4	Performance Report - Additional requirement to provide information on environmental matters including the impact of the entity's business on the environment.	Enhanced reporting on sustainability to strengthen non-financial reporting for the benefit of users of the accounts and align with the introduction of Non-Financial Reporting Regulations 2016 (SI 2016/1245) which implement the EU Non-Financial Reporting Directive (2014/95/EU) for financial years beginning on or after 1 January 2017.
5.3.27	Separate the reference to the guidance from the statement that departments should exclude ALBs from the calculation.	Clarify that the guidance did not only apply to departments.
5.3.28 f)	Staff Report - Additional requirement to provide information on other employee matters such as diversity issues and equal treatment in employment and occupation not already disclosed as well as employment issues, health and safety at work, trade union relationships and human capital management such as carer management and employability.	To strengthen non-financial reporting for the benefit of users of the accounts and align with the introduction of Non-Financial Reporting Regulations 2016 (SI 2016/1245) which implement the EU Non-Financial Reporting Directive (2014/95/EU) for financial years beginning on or after 1 January 2017,
8.1.6 - 8.1.7	Amendments made to the text reference all possible sources of EU income	To address gap in the wording
8.2.20- 8.2.21	New section added for Devolved Tax Accounts - Scotland	Differentiate accounting and disclosure requirements for bodies in Scotland.
8.4.1- 8.4.2	New section added for the Apprenticeship Levy	Apprenticeship Levy required to be recorded for the first time in 2017-18
9.1.1	Alpha Pension Scheme added	New pension scheme
10.2.2 (b)	Revised wording on what information needs to be reported for each operating segment.	Update terminology
10.2.6 (b)	The following line has been deleted: "contributions from employees are to be shown in the financial statements	Following discussions during 2015-16 accounts, it was identified that this adaptation was not appropriate for WGA.

	as a deduction from the current service cost”	By removing this adaptation, WGA will revert back to the requirements of IAS 19.
10.4.3	Wording amended on the governance body for WGA.	WGA advisory group has been disbanded and the governance function is now performed by the HM Treasury Audit Committee. Wording updated to reflect that HMT AC scope goes beyond WGA.
Annex 4	Link to 2016-17 CBG changed to 2017-18 CBG	Updated link
Department Yellow, Agency Pink, NDPB Green	Illustrative disclosure added reconciling liabilities arising from financing activities	Amendments to IAS 7. Illustrative disclosures available for those early adopting in 2017-18
Department Yellow, Agency Pink, NDPB Green	Throughout, additional line items and guidance notes added	To provide additional guidance, improve clarity and consistency emphasising that material transactions and balances should be separately identified in the primary statements and notes