

2026/27 Code consultation update

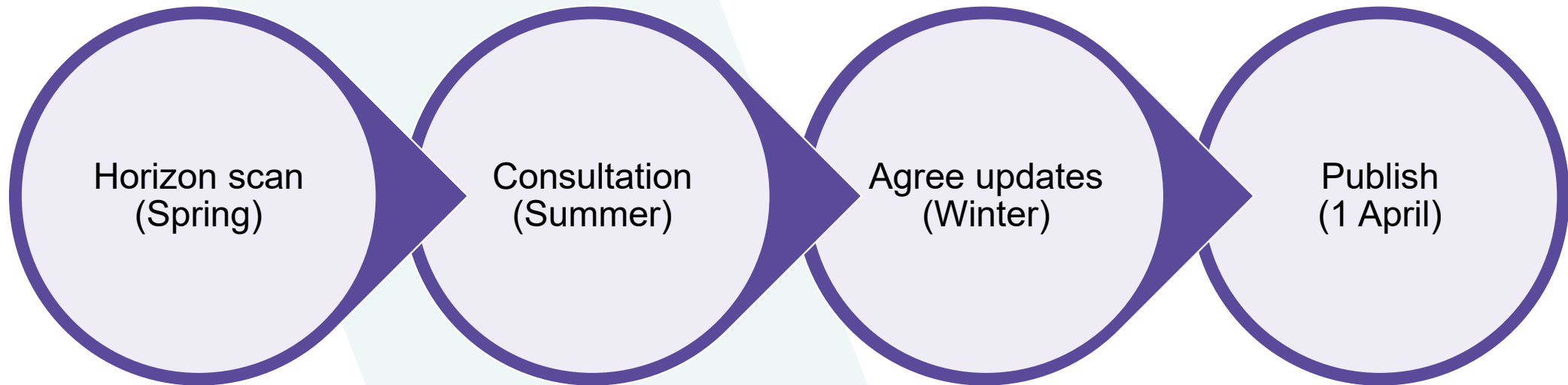
Hazel Watton

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- Public Sector Financial Reporting Manager at CIPFA
- Member of the CIPFA LASAAC secretariat, supporting development of the Code on local authority accounting in the UK
- Member of the Better Reporting Group secretariat supporting the enhancement of local authority accounts to users

The Code of Practice on Local Authority Accounting in the United Kingdom



Longer term reforms

Gaining momentum with longer term financial reporting reforms

Share early thinking on financial reporting reforms

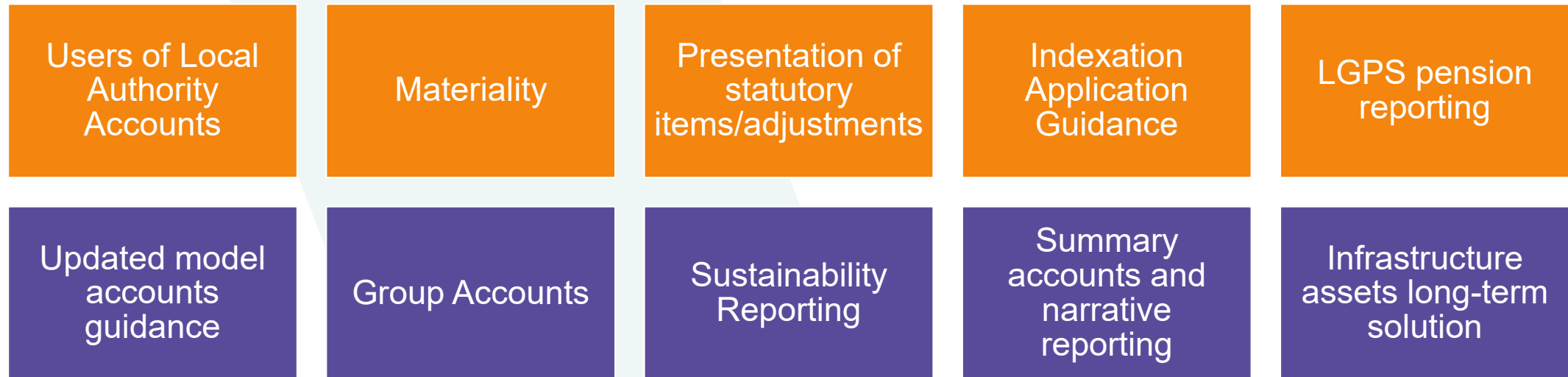
Removing the Expenditure and Funding Analysis (EFA)

Structure and format of the Code

Decoupling Pension Fund accounts (England)

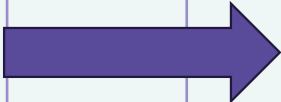
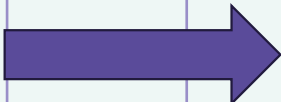



Better Reporting Group

Some of the key themes to be explored include:



*Highlighted in Orange are themes being progressed in 2025.

Project timelines

| | 2025 Q1 | 2025 Q2 | 2025 Q3 | 2025 Q4 | 2026 Q1 | 2026 Q2 | 2026 Q3 | 2026 Q4 | 2027 Q1 |
|-----------------------------------|--|---|---|------------|------------|------------|------------|------------|------------|
| Users of local authority accounts |  | | | | | | | | |
| Materiality |  | | | | | | | | |
| Indexation |  | | | | | | | | |
| Statutory overrides | |  | | | | | | | |
| Pension reporting | | |  | | | | | | |

Format and structure of the Code

1

Would only show adaptations and interpretations of accounting standards. Emphasises the Code's basis in IFRS.

2

Continues to bring together requirements for specific elements of the accounts.



The Expenditure and Funding Analysis

Provides a reconciliation between funding and the CIES

Sought to adopt the principles in IFRS 8 *Operating Segments*

Intended to promote accountability and stewardship

EFA may not have achieved its intended objectives

Seeking views on removal

Removal may ease the burden on preparers and auditors

No replacement identified yet

Decoupling pension fund accounts (England)

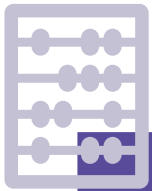
In response to the [Local audit reform: a strategy for overhauling the local audit system in England consultation](#), the government indicated that they will look to decouple LGPS pension fund accounts from those of the administering authority. This would align with Scotland and Wales. ITC to seek views on areas such as:

Separate accountability statements

Audit requirements

Publication timescales

Other changes



- Accounting standard changes



- Local Government reorganisation (England)



- Sustainability reporting

Questions

