

Behind the curtain - standard-setting and the path forward

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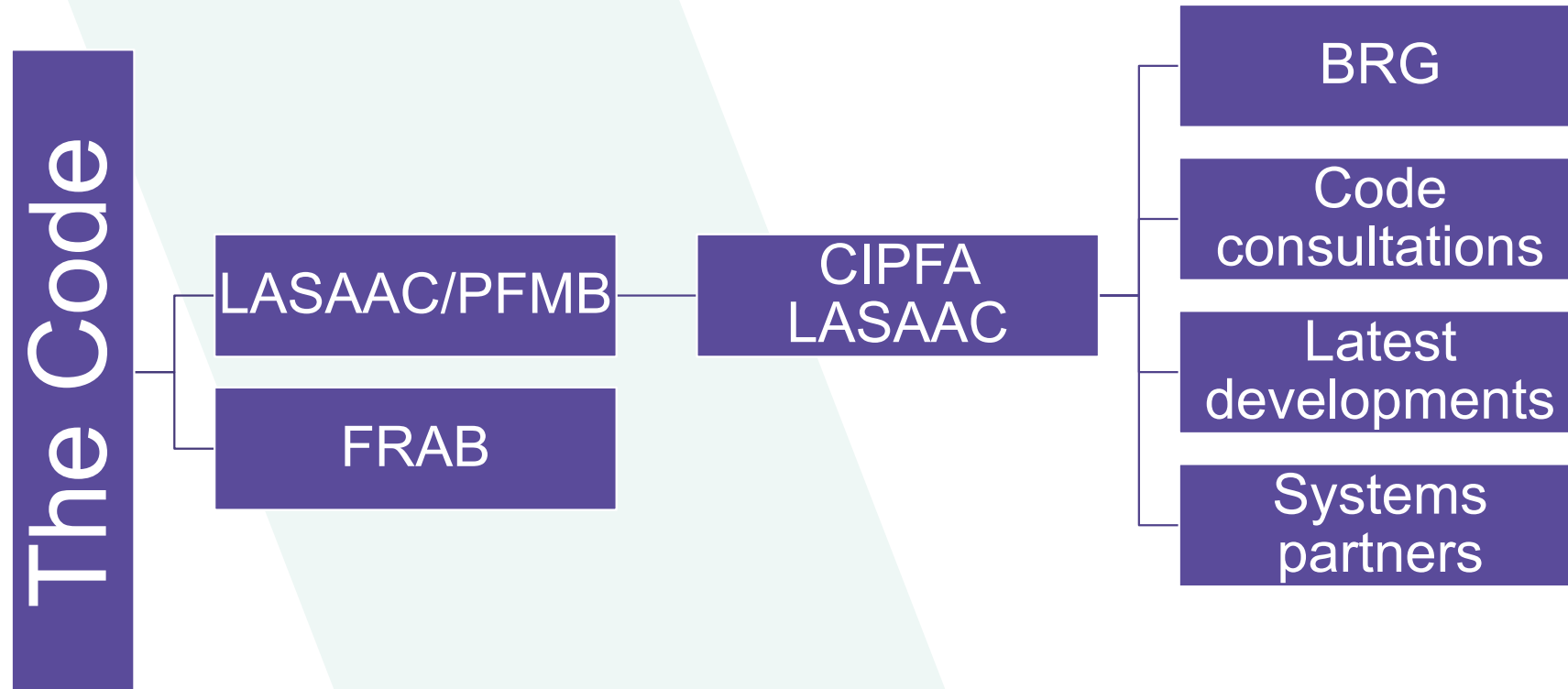
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Work covers:

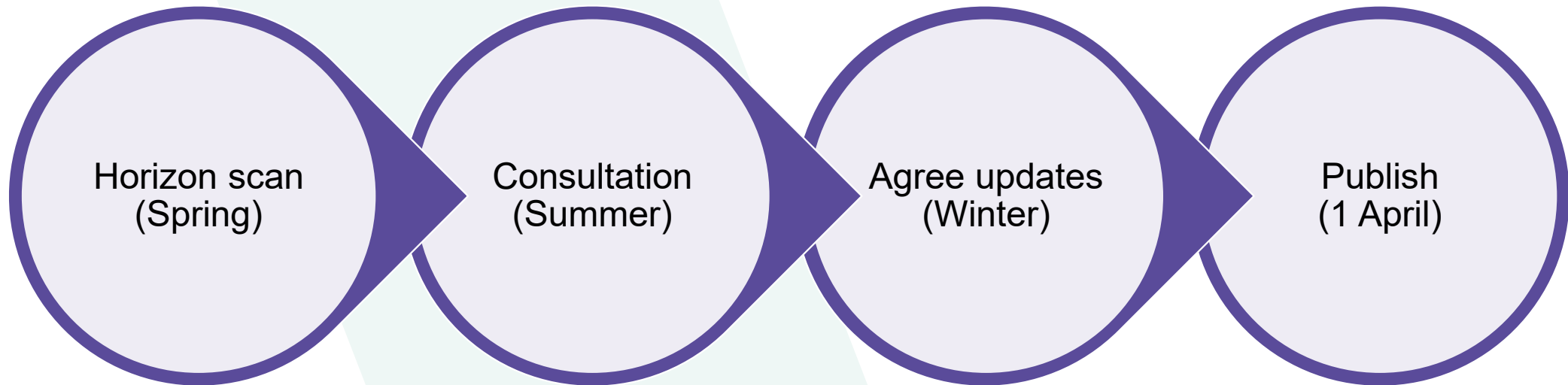
- Standard-setting for the UK local government sector
- Support for subscribers through our Networks
- Technology & its impact on CIPFA members

Background: How the sausage gets made

How the Code works



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



2025/26 - Indexation

The basics



Adapted revaluation expedient for operational property, plant and equipment - valuations once every five years or on a five-year rolling basis. Supported by indexation in intervening years.



In rare circumstances where an index is not available, authorities shall revalue the given asset using a quinquennial revaluation supplemented by a desktop revaluation in year three.



Intangible assets – historical cost only

Key Actions for Authorities

Early discussions between preparers, valuers and auditors



Updating processes and controls



Authority determine valuation programme i.e. what will be valued in 2025/26, 2026/27...



Update terms of engagement



Begin valuations including sourcing appropriate indices

2026/27 and beyond

Format and structure of the Code – two proposals

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

Sustainability Reporting

CIPFA/LASAAC is considering Sustainability Reporting

HM Treasury has implemented the Task Force on Climate-related Financial Disclosures (TCFD)

Thematic Review makes the case for going further than existing Sustainability Reporting Guidance (SRG)

International Public Sector Accounting Standards Board (IPSASB) are developing climate-related disclosure standards

CIPFA/LASAAC will be seeking views on implementation from 2027/28

Better Reporting Group

Some of the key themes to be explored include:

Users of Local
Authority
Accounts

Materiality

Indexation
Application
Guidance

Presentation of
statutory
items/adjustments

LGPS pension
reporting

Updated model
accounts
guidance

Group Accounts

Sustainability
Reporting

Summary
accounts and
narrative
reporting

Infrastructure
assets long-term
solution

Discussion

- How will the changes to the measurement of property, plant and equipment affect the preparation of your authority's financial statements?
- What are the biggest obstacles your authority faces in obtaining timely and accurate valuation information for property, plant and equipment?
- What practical steps or tools have you, or do you intend to, put in place to streamline the valuation, accounts preparation and audit process?
- How can valuers, accountants and auditors work more effectively together to overcome these challenges?
- Sut bydd y newidiadau i fesur eiddo, cyfarpar ac offer yn effeithio ar baratoi datganiadau ariannol eich awdurdod?
- Beth yw'r rhwystrau mwyaf y mae eich awdurdod yn eu hwynebu wrth gael gwybodaeth brisio brydlon a chywir ar gyfer eiddo, cyfarpar ac offer?
- Pa gamau neu offer ymarferol rydych chi, neu a ydych chi'n bwriadu eu rhoi ar waith i symleiddio'r broses brisio, paratoi cyfrifon ac archwilio?
- Sut gall prisiwyr, cyfrifwyr ac archwilwyr weithio'n fwy effeithiol gyda'i gilydd i oresgyn yr heriau hyn?