

Code of Accounting Practice and Financial Reporting (Update 26) Summary of changes 2017-18

Key changes

Draft Code #26 changes (since release of final Code #25)	Additional changes between draft Code and Final Code #26
<ul style="list-style-type: none"> • Removed the requirement to include nil Notes and nil line items. • Highlighted that this is the minimum requirement and that councils can add more information if meaningful to end users. • Moved accounting policies from Note 1 to respective Statements and Notes. • Repositioned and renumbered Notes 9 to 28 • Made illustrative narrative generic to emphasise that examples are illustrative only. • Replaced the statement giving councils the option to continue to recognise or not to recognise Rural Fire Services Assets – further guidance will be forthcoming. • Note 3(f) Contributions - separated cash and non-cash contributions disclosures in • Notes 3 Income & 4 Expenses - moved disclosure of fair value increments and decrements from to Income Statement. • Notes 6 Cash and cash equivalents, Investments and Restricted cash, cash equivalents and investments – reduced disclosures on restricted assets. • 7 Receivables – reduced disclosures on restricted assets. • 8 Inventories and other assets – reduced disclosures on restricted assets. • Note 10 – Infrastructure property Plant and Equipment (IPPE) <ul style="list-style-type: none"> - recommended straight line depreciation method be used. - improved guidance on depreciation, revaluations and restrictions (community land and 	<ul style="list-style-type: none"> • Introduction - added a Note regarding guidance for recently merged Councils. • Income Statement - new line items. • Statement of Financial Position - added 3rd Statement column. • Statement of Changes in Equity - added lines to mirror the statement of comprehensive income; added additional guidance in commentary. • Note 1 Basis for preparation – added additional guidance. • Note 2 Functions or activities – Councils to disclose own IP&R functions or activities and removed budget disclosure. • Note 3(c) Interest and investment revenue – made consistent with 3(a) and 3(b). • Note 3(d) Other revenue – added line item ‘Sales of Inventories’. • Note 3(g) Unspent grants and contributions - separated disclosure for operating and capital grants and contributions. • Note 3 Income commentary – the reference to rental income is now to Note 11. • Note 4(d) Depreciation amortisation and impairment - deleted all infrastructure assets subclasses. • Note 4 Expenses commentary - added ‘No. 9 Other expenses’ regarding the disclosure of immaterial expenses. • Note 4(e) other expenses - added ‘write-down of inventories held for sale/distribution’. • Note 5 Gain or loss from disposal of assets - changed the disclosures (see detailed sheet). • Note 6(c) Restricted cash, cash equivalents and investments - reformatted to show 2018 column and 2017 column. • Note 7 Receivables - added receivables policy. • Note 8 Inventories and other assets - added further guidance on disclosures for. • Note 10 – Infrastructure property Plant and Equipment (IPPE) : <ul style="list-style-type: none"> - removed the frequency revaluation table; - included the following statement: Councils need to assess whether they control any Rural Fire Services assets and recognise in their financial statements any material assets under their control. • Note 13 Payables <ul style="list-style-type: none"> - deleted line items rate payers advance and government advance, - additional commentary,

<p>land under roads) for infrastructure, property, plant and equipment (IPPE).</p> <ul style="list-style-type: none"> - removed the requirement to disclose restricted IPPE (previously Note 9(b)). • Note 13-Payables and borrowings <ul style="list-style-type: none"> - added a table to disclose changes in liabilities arising from financing activities. - moved (d) Financing arrangements disclosures from Note 16 and added drawn and undrawn facilities disclosures. • Note 15-Accumulated surplus (previously Retained earnings), revaluation reserves, changes in accounting policies, changes in accounting estimates and errors <ul style="list-style-type: none"> - added third balance sheet and additional error disclosure example. • Note 16-Statement of cashflow information (previously Reconciliation of operating results to net cash movement from operating activities). • SS2-Statement of Long Term debt <ul style="list-style-type: none"> - removed and included internal loans in Note 13. • SS8-Permissible Income - moved to SS2 and updated all references. • Appendix E-OLG Accounting practice and policy guidance - moved some accounting practice and policy guidance from the General Purpose Finance Statements. • Appendix I-Guidance on AASB 124 Related Party Disclosures - added further guidance on materiality in <ul style="list-style-type: none"> - New councils proclaimed on 12 May 2016 will adopt AASB 124 (comparatives not required). Existing Councils will require to disclose comparatives. • Appendix J-New standards, Appendix K-Standards issued not yet effective and Appendices L-Significant changes to 2018/19 Code due to accounting standards changes - updated 	<ul style="list-style-type: none"> - employee benefits commentary moved from Note 13 to Note 14 Provisions commentary. • Note 15 Accumulated surplus etc. - removed the full 3rd financial statement disclosure. • Note 18 Commitments commentary - moved No. 13 extra disclosure of rental income to Note 11 commentary. • Note 26 Statement of Developer Contributions - Included in the commentary a cross reference to Note 19 Contingencies. • Note 20 Financial risk management - additional commentary. • Note 21 Material budget variances - added words to explain that original budget adopted by council is not required to be audited. • Note 23 Fair value measurement <ul style="list-style-type: none"> - removed financial liabilities and held for maturity disclosures; - clarified unobservable inputs cost approach and land under roads and - removed reference to 'residual value' for stormwater and roads. • Note 24 - Related Party disclosures - added comparatives • Note 26 - Statement of developer contributions – updated section references in the Note and throughout the Code as per the changes in EPA Act 1979 No. 203. • Note 27 Results by fund <ul style="list-style-type: none"> - made consistent with the primary statements. - included details of internal loans (moved from Note 13 in draft and previously disclosed in Special Schedule 2 in Code#25) • Special Purpose Finance Statements (SPSF) - consistent with primary GPFS. • Note 1 Significant accounting policies <ul style="list-style-type: none"> - added sentence re inclusions in SOFP, - added to the end of the Note – <i>'this is the end of the audited Special Purpose Financial Statements'</i>. • Special Schedules (SS) - consistent with primary GPFS • SS2 Permissible income - updated all references and included template for new councils. • Appendix F OLG guidance on IPPE: <ul style="list-style-type: none"> - added guidance from TPP 14-01 to help councils improve their fair value assessments; - provided further guidance on land under roads; - added guidance on restrictions on sale and use of infrastructure assets. - updated example 2 and reference to Australian Infrastructure Financial Management Guidelines Manual 2015. • Appendix K – Standards issued not yet effective - added update for new standards issued since September 2017.
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Detailed changes

Disclosures and guidance removed from the Code is shown in green font.

General Purpose Financial Statements			
Page	Reference	Draft Code #26 changes (since release of final Code #25)	Additional changes between draft Code and Final Code #26
All	All	<ul style="list-style-type: none"> Made clearer that illustrative examples are examples only. Reference to appendix guidance in relevant notes where the guidance exists. 	<ul style="list-style-type: none"> Remove the text "Actual" listed at the top of each column except where there is also a budget column shown in the same statement. Added guidance in the introduction of what is required when a sub total within a Note is not applicable to a Council.
All	Valuation & Recognition Issues – IPP&E		<ul style="list-style-type: none"> Added additional commentary– restrictions on sale and use of the asset should be taken into account if the market participants would take this into account.
A-3	Other information	<ul style="list-style-type: none"> Further advice will follow on Rural Fire Services (RFS) Assets. Removed the following statement: Councils have the option to continue to recognise or not to recognise Rural Fire Services assets in their accounts until such time as the control issue is agreed upon with the Rural Fire Service. 	<ul style="list-style-type: none"> Added the following statement in Note 10: Councils need to assess whether they control any Rural Fire Services assets and recognise in their financial statements any material assets under their control. The RFS assets matter is still being reviewed.
A-5	Note for merged Councils		<ul style="list-style-type: none"> Added a Note following the introduction regarding guidance for merged Councils.
A-6	Contents	<ul style="list-style-type: none"> Removed the requirement to include all line items and Notes. Notes and line items need only be added if applicable. Added guidelines regarding the inclusion of additional information. 	<ul style="list-style-type: none"> Added further guidance about removing notes and renumbering existing notes. Made clearer that <ul style="list-style-type: none"> Notes, line items and columns need only be included if applicable.
A-11	Income Statement	<ul style="list-style-type: none"> Added extra borders at the bottom of the statement to differentiate the operating result from the result before capital grants. Added the words 'unaudited" at the top of the budget column. Added separate line item on the face of the Income Statement for fair value increments on investment property in other income and fair value decrement on investment property in expenses. Removed from 3d and 4e. 	<ul style="list-style-type: none"> New line items inserted on the face of the income statement. <ul style="list-style-type: none"> Other Income Reversal of revaluation decrements on IPPE previously expensed Other Expenses Revaluation decrement / impairment of IPPE.

A-13 A-14	Income Statement and Statement of Comprehensive Income commentary	<ul style="list-style-type: none"> Amended No. 5 to say that analysis of discontinued operations is to be presented in the Note. Added to No. 7(g) : * Amounts which may be relevant to Councils. Added No. 8 The share of other comprehensive income of associates and joint ventures accounted for using equity method; and other comprehensive income from discontinued operation should be included in the Statement of Comprehensive Income if relevant. Added No. 11 Each material class of income and expense should be separately disclosed and unclassified income and expenses should be immaterial both individually and in aggregate. Amended No. 12 to say that reclassification adjustments disclosures are in the notes to the financial statements. 	<ul style="list-style-type: none"> Modified the guidance in No. 3 to make it clear that the share of profit or loss of associates and joint ventures accounted for using the equity method can be included in other income or below other expenses.
A-16	Statement of Financial Position	<ul style="list-style-type: none"> Changed 'Retained Earnings' to 'Accumulated Surplus'. 	<ul style="list-style-type: none"> Added a third column 1 July 2016 with an *, explanatory note under the statement and additional point in the commentary. Amendments made to note 15. Rearranged line items in non-current assets based on liquidity.
A-17 No.4	Statement of Financial Position commentary	<ul style="list-style-type: none"> Removed: AASB101(68) - Operating cycle - The operating cycle of a council is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the council's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months. 	
A-18	Statement of Changes in Equity	<ul style="list-style-type: none"> Changed 'Retained Earnings' to 'Accumulated Surplus'. Added extra line item 'Transfers between equity items' Removed Note 15 reconciliations as it just repeats the information. 	<ul style="list-style-type: none"> Add lines in the statement of changes in equity that mirror the lines in the statement of comprehensive income.
A-19	Statement of Changes in Equity commentary	<ul style="list-style-type: none"> Amended No. 3 to say that the reconciliation of changes shall also be shown separately in the Statement of Changes in Equity. 	<ul style="list-style-type: none"> The Revaluation Reserve column has been retitled IPP&E Revaluation Reserve Removed commentary 3 and replaced it with: <ul style="list-style-type: none"> 3. The movements in each component of equity should show the line items of other comprehensive income in the statement of changes of equity. 4. Where Councils have more than one 'other reserve' then additional columns should be added to the Statement of Changes of Equity as required.

A-20	Statement of Cashflows	<ul style="list-style-type: none"> Added the words 'original unaudited' as the head of the budget column. 	
A-21	Statement of Cashflows commentary	<ul style="list-style-type: none"> Removed: No. 9 Additional recommended disclosures 	
A-22	Notes to the Financial Statements	<ul style="list-style-type: none"> Realigned the Notes as recommended by AASB 101 which requires an entity, as far as practicable, to present notes in a systematic manner. Refer to Appendix 1 – Old to new Note numbers. 	
A-23- A-43	Note 1 – Basis for preparation	<ul style="list-style-type: none"> Renamed Note 1 (previously Statement of Accounting Policies). Moved accounting policies where relevant to the associated Notes. New sub-heading: Monies and property received by Council (a) The Consolidated Fund (b) Trust fund. Added Trust funds example: The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements: Provide details of any such monies / properties, delete if not applicable. Internal management guidance on Investment Policy has been moved to the Appendices. Rural Fire Services Assets policy moved to relevant Note except for option to recognise/not to recognise. This has been removed pending further advice. Added a reference to where more detailed information is provided for critical estimates and judgements. Added words that the basis of preparation should include information that it is prepared in \$'000 and in AUD. Added (d) employee benefits as a critical estimate and included reference to note 14. Added a statement regarding trust monies held but not controlled and the details of these. 	<ul style="list-style-type: none"> Deleted reference to County councils. Changed new sub-heading: 'monies and property received by Council' to monies and other assets. Remove 1b adoption of standards on page A-22 and combine words with standards issued not yet effective words on A-23. Added the following statement in Note 10: Councils need to assess whether they control any Rural Fire Services assets and recognise in their financial statements any material assets under their control. The RFS assets matter is still being reviewed.
A-25 – A-27	Note 1 - Basis of preparation commentary	<ul style="list-style-type: none"> Added No. 1: Significant accounting policies must be added in the financial statements; these have been added with the relevant note and should provide the following information... Moved commentary to the associated Note. Added 18 – Non-consolidation of Trust Funds. 	<ul style="list-style-type: none"> Added commentary that mandates the accounting policies be included in the notes but the specific positioning within the notes is not mandated

A-28 – A-29	Note 2 Functions or activities	<ul style="list-style-type: none"> Recommend that Councils disclose Integrated Planning and Reporting (IP&R) functions rather than what is illustrated, where possible. Added the words 'unaudited' as the head of the budget columns. Removed the requirement to report prior year. 	<ul style="list-style-type: none"> Require councils to only disclose their IP&R functions/activities in Note 2 and provided the new format for disclosure. Reinstated prior year disclosure. Removed budget disclosure.
A-30	Note 2 Functions or activities commentary	<ul style="list-style-type: none"> Recommend that Councils disclose functions or activities from Councils Integrated Planning and Reporting or Delivery Program and as such: <ul style="list-style-type: none"> removed the requirement to include Governance functions and activities in this Note (removed commentary 5. and last sentence in 6.). 	<ul style="list-style-type: none"> Removed commentary 6 and reworded 2 to mandate the disclosure of IP&R functions/activities.
A-32	Note 3(c) Interest and investment revenue		<ul style="list-style-type: none"> Added the following highlighted words and line item for consistency with (a) and (b) <ul style="list-style-type: none"> Interest <ul style="list-style-type: none"> Overdue rates and annual charges Overdue user charges and fees Other (specify if material).
A-33	Note 3(d) Other Revenue	<ul style="list-style-type: none"> Removed: 'fair value increments - investment property' and added it to the Income Statement. Removed: 'Miscellaneous sales' and ' Other charges for overdue rates and charges' Added policy wording that clarifies that each material other revenue stream has an accounting policy. 	<ul style="list-style-type: none"> Added line item 'Sales of Inventories'.
A-34	Note 3(e) Grants	<ul style="list-style-type: none"> Amended the accounting policy wording to say 'that Councils are entitled to the grant'. 	
A-35	Note 3(f) Contributions	<ul style="list-style-type: none"> Separated cash and non-cash contributions. 	
A-36	Note 3 (g) Unspent grants and contributions		<ul style="list-style-type: none"> Separated disclosure of operating and capital grants and contributions.
A-37- A-38	Note 3 Income commentary	<ul style="list-style-type: none"> Added No. 10 <ul style="list-style-type: none"> If rental income for Council is material then Council should refer to the commentary in Note 18 and include a lessor rental commitment note 	<ul style="list-style-type: none"> Changed No. 10 commentary to: <ul style="list-style-type: none"> If rental income for Council is material then Council should refer to the commentary in Note 11 and include a lessor rental commitment note. Added 28: <ul style="list-style-type: none"> Federal Assistance Grants are to be recognised at Commonwealth Grants.

A-39	Note 4(a) Employee Benefits and Oncosts & (b) Borrowing Costs	<ul style="list-style-type: none"> Removed line items 'Travel' & 'Training'. 	
A-40	Note 4(c) Materials and contracts	<ul style="list-style-type: none"> Added line item 'less capitalised costs'. 	<ul style="list-style-type: none"> Removed line item 'less capitalised costs'. Auditor's remuneration - changed wording for consistency with the Standard Auditors of the Council – NSW Auditor-General and reduced this disclosure.
A-41	Note 4(d) Depreciation amortisation and impairment	<ul style="list-style-type: none"> Made consistent with Note 10 – IPPE. 	<ul style="list-style-type: none"> Added the highlighted words to this heading: Impairment / revaluation decrement of IPPE. Deleted all sub-classes for infrastructure and other assets.
A-42	Note 4(e) Other expenses	<ul style="list-style-type: none"> Removed: 'fair value decrements - investment property' and added it to the Income Statement. 	<ul style="list-style-type: none"> Added line item 'Write-down of inventories held for sale/distribution'.
A-43 – A-44	Note 4 - Expenses commentary	<ul style="list-style-type: none"> Moved the following to new Appendix E: A council must not enter into a contract for the acquisition of goods or services without an approved order, except in the following circumstances: (a) contracts made out of petty cash advances (b) contracts resulting from credit/procurement cards that have been approved by Council and are within authorised terms and conditions (c) recurring contracts where an order in writing has been previously made. 	<ul style="list-style-type: none"> Added commentary No. 9 Other expenses: <ul style="list-style-type: none"> Where Councils have other expense items which are not material then the expenses should be included in the relevant section of note 4 of the financial statements and aggregated with other immaterial expenses.
A-45	Note 5 Gain or loss from disposal of assets	<ul style="list-style-type: none"> Added category for real estate held for sale. 	<ul style="list-style-type: none"> Removed category for real estate held for sale. Added disclosure of 'Gain (or loss) on disposal of non-current assets held for sale'. Added guidance on 'Gain (or loss) on disposal of infrastructure, property, plant and equipment'.
A-49	Note 6(c) - Restrictions of cash, cash equivalents and investments	<ul style="list-style-type: none"> Reduced discloses on restrictions. 	<ul style="list-style-type: none"> Reformatted to show 2018 column and 2017 column.
A-49	Note 6(c) - Restrictions of cash, cash equivalents and investments commentary	<ul style="list-style-type: none"> Moved information regarding investment register (previously No.3-5) to Appendix E. 	
A-50 A-51	Note 7 Receivables and commentary	<ul style="list-style-type: none"> Reduced restricted receivables disclosures. Added 3. If impairment of receivables is material, then Councils should include a reconciliation of bad debt provisions for the current and comparative periods. 	<ul style="list-style-type: none"> Added receivables policy from 2017 and heading of accounting policy.

A-52	Note 8 Inventories	<ul style="list-style-type: none"> Stores, materials and/or trading stock are disclosed as one line item. Reduced disclosures for externally restricted inventories and other assets. 	<ul style="list-style-type: none"> Added prepayments line item to breakup of other assets Added further guidance on disclosures in commentary No. 7.
A-54	Note 9 Non-current assets held for sale commentary		<ul style="list-style-type: none"> Added guidance in definition no.2.
A-55– A-57	Note 10 Infrastructure Property Plant and Equipment (IPPE)	<ul style="list-style-type: none"> Added the following to accounting policy: Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW). [Councils should include the useful lives used for each class of infrastructure, property, plant and equipment disclosed in the movement table based on their internal policies.] Added guidance on useful lives policy. Removed the requirement to disclose the Restricted IPPE (previously Note 9(b)). 	<ul style="list-style-type: none"> Removed the (a) from the title. Removed the asterisks in the asset class column. Added a total in the new assets column. Reinstated relevant footnotes in the commentary – 17 and 18. Added numbers for WIP and P&E into both new and renewals columns.
A-58 A-60	Note 10 Infrastructure, property, plant and equipment commentary	<ul style="list-style-type: none"> Added additional guidance on depreciation 6. 7. and 9. Added additional guidance in No.10 Revaluation and changed the word from independent to comprehensive revaluation. Removed the 5-year revaluation of IPPE table and replaced with a blank table for Councils to populate including the last valuation done and the next valuation due. 	<ul style="list-style-type: none"> Added: 10. <ul style="list-style-type: none"> Where Council changes from a depreciation method other than straight line to straight line then it is accounted for as a change in accounting estimate per AASB 108 (change in expected pattern of consumption of the future economic benefits embodied in depreciable assets) and therefore should be accounted for on a prospective basis. Added words about depreciation expense in the financial statements. Removed blank revaluation frequency table. Added further guidance on asset revaluations and frequency. Added the following statement in Note 10: Councils need to assess whether they control any Rural Fire Services assets and recognise in their financial statements any material assets under their control. The RFS assets matter is still being reviewed.
A-61	Note 11 Investment Properties commentary		<ul style="list-style-type: none"> Moved from Note 18 commentary: <ul style="list-style-type: none"> Rental income from investment properties If Councils have rental income from finance leases then the relevant disclosures are included in paragraph 47 of AASB 117, we believe that finance leases would be rare.

A-65 A-66	Note 13 – Payables and borrowings	<ul style="list-style-type: none"> Removed 'self-insurance liabilities' from Liabilities relating to restricted assets. Moved the provisions disclosures to Note 14 Provisions. Moved line items 'ratepayers advances' and 'government advances' from 'Borrowings' to 'Income received in advance'. Added table (c) Changes in liabilities arising from financing activities. Moved (d) Financing arrangements from Note 16 Statement of cashflow information and added drawn and undrawn facilities disclosures. Added the table of internal loans moved from SS2. 	<ul style="list-style-type: none"> Added line 'Total income received in advance'. Deleted the line items: <ul style="list-style-type: none"> - Ratepayers' advances - Government advances <u>(c) Changes in liabilities arising from financing activities</u> <ul style="list-style-type: none"> - Added the line item 'other' and a further comment in the commentary to make it clear that it is only liabilities that would be included in the financing activities of the statement of cash flows. <u>(d) Financing arrangements</u> <ul style="list-style-type: none"> - details of internal loans moved to Note 27.
A-67 A-68	Note 13 - Liabilities commentary	<ul style="list-style-type: none"> 2&3 added definition of constructive obligation. Removed guidance on 'Post employment benefits'. 21-24 added commentary on AASB 107.44A changes in liabilities arising from financing activities. 	<ul style="list-style-type: none"> Provided example of constructive obligation in commentary. Moved employee benefits guidance to Note 14.
A-69 A-73	Note 14 Provisions and commentary	<ul style="list-style-type: none"> Renamed the Note 'Reinstatement, rehabilitation and restoration liabilities' to 'Provisions' and added provisions disclosures and commentary. Added No. 20 guidance on remediation provision. 	<ul style="list-style-type: none"> Employee benefits commentary moved from Note 13. The commentary at No.20 stated that additional disclosure should be in Note 1, this has now been changed to Note 14.
A-74 A-75	Note 15 Accumulated surplus revaluation reserves, changes in accounting policies, accounting estimates and errors	<ul style="list-style-type: none"> Changed the name of the Note from 'Retained earnings' to 'Accumulated surplus'. Removed reconciliations. Error disclosure has been expanded. Added a third balance sheet. 	<ul style="list-style-type: none"> Removed the full 3rd financial statement disclosure from this Note and added a third column to Statement of financial position. In this Note only need to show line items which have been changed not full 3rd Balance sheet.
A-78	Note 16 Statement of cashflows information and commentary	<ul style="list-style-type: none"> Renamed the Note previously called 'Reconciliation of operating result to net cash movement from operating activities'. Moved (d) Financing arrangements to Note 13 Borrowings. Removed bank guarantees as this is already disclosed in Note 19. Added commentary for 16(c) Non-cash financing and investing activities. 	<ul style="list-style-type: none"> Changed "s94 Contributions in kind" to "Developer Contributions in kind".
A-79 A-84	Note 17 Interests in other entities		<ul style="list-style-type: none"> Accounting policy for Joint ventures - changed name 'Associates and Joint Ventures' to 'Investments in Associates and Joint Ventures'. Material associates - A-86 added a second reconciliation table for additional material associates.

A-88- A-90	Note 18 - Commitments commentary	<ul style="list-style-type: none"> Added No. 13 extra disclosure of rental income. 	<ul style="list-style-type: none"> Moved No 13 rental income commentary to Note 11.
A-91	Note 19 Contingencies	<ul style="list-style-type: none"> Moved information about s94 contingencies to Note 26 Statement of Developer Contributions. 	<ul style="list-style-type: none"> Including in the Note 26 Statement of Developer Contributions commentary a cross reference to Note 19.
A-93 A-99	Note 20 Financial risk management and commentary	<ul style="list-style-type: none"> Note 20(b) Credit Risk - added headings for rates and annual charges and other receivables and changed to tabular format. Note 20(c) Liquidity Risk – combined two tables into one. Commentary No. 6 prescribed that Quantitative disclosures are to be presented in narrative form. Added additional guidance to No. 23 Financing arrangements. 	<ul style="list-style-type: none"> Added words to the commentary about including a reconciliation of the “provision for doubtful debts” if material. Added timeframes for receivables for ‘other than rates and annual charges’. Increased the example fair value amount for borrowings. Increased the example total contractual cash flows amount.
A-100	Note 21 Material Budget Variances		<ul style="list-style-type: none"> Added words to explain that Council’s original budget adopted by council is not required to be audited.
A-103- A-106	Note 23 Fair value measurement		<ul style="list-style-type: none"> Table showing assigned level input – added to the commentary to state that the table is an example. ‘Financial liabilities’ line item has been removed from the table as Councils do not measure these at FV. ‘Fair value on initial recognition’ changed to ‘fair value through profit and loss’. ‘Held to maturity’ line item has been removed as it should be measured at amortised cost and should not be in this note. Added more information in the unobservable inputs column regarding cost approach. Changed the unobservable inputs for land under roads. Removed reference to ‘residual value’ for stormwater and roads unobservable inputs.
A-107	Note 23 Fair value measurement commentary		<ul style="list-style-type: none"> No. 3 reference to Note 9 changed to Note 10.
A-108- A-109	Note 24 - Related Party disclosures		<ul style="list-style-type: none"> Added comparatives. Added words to clarify/narrow the interpretation in ‘Other transactions with KMP and their related parties’.
A-108 No. 6	Note 24 - Related Party disclosures commentary	<ul style="list-style-type: none"> Added: Ensure that materiality is considered as part of the disclosure and whether the disclosures will affect the decisions of the users – refer Appendix H. 	
A-110	Note 25 Events occurring after reporting date	<ul style="list-style-type: none"> Added extra example (b). 	

A-111- A-112	Note 26 – Statement of developer contributions commentary	<ul style="list-style-type: none"> Removed the cumulative balance of internal borrowings. Moved to Appendix E commentary on general principles and accounting for developer contributions. 	<ul style="list-style-type: none"> Reinstated the cumulative balance of internal borrowings column. Included a cross reference to Note 19 regarding S94 contingencies. updated EPA Act 1979 section references in the Note and throughout the Code as per the changes in No. 203. E.g. s94 is now s7.11
A-113- A-115	Note 27 Results by fund		<ul style="list-style-type: none"> Made the Income statement by fund consistent with the primary Income Statement. Made the Statement of financial position by fund consistent with the primary Statement of financial position.
A-115	Note 27 Results by fund commentary	<ul style="list-style-type: none"> Added additional guidance 4 and 5. 	<ul style="list-style-type: none"> Removed no. 5 guidance.
A-116- A-120	Note 28 Statement of performance measures and Commentary	<ul style="list-style-type: none"> Removed the requirement to provide indicators for three years. Now only required for current and prior year. Added Regional Councils to the benchmark for rates and annual charges outstanding percentage <10%. Amended commentary to clarify that the Statement of performance measures-consolidated should include all results from Council. If Councils want to include more years, they can. 	<ul style="list-style-type: none"> Added information to the commentary that states that Councils only disclose the relevant benchmark applicable to their Council (<5% Metro <10% Regional & Rural) for the Rates and annual charges outstanding percentage ratio. Commentary – Unrestricted current ratio - removed reference to old note numbers.
Special Purpose Financial Statements			
B-1	Requirements	<ul style="list-style-type: none"> Councils with no business activities are no longer required to include a statement. 	
B-8 B-9 B-10			<ul style="list-style-type: none"> Changed 'Retained earnings' to 'Accumulated surplus' for consistency with the Statement of Financial Position in the GPFS.
B-11	Note 1 Significant accounting policies		<ul style="list-style-type: none"> Added to Note 1: <ul style="list-style-type: none"> Statement of financial position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities. Added at the end of Note 1 <ul style="list-style-type: none"> End of audited Special Purpose Financial Statements.

Special Schedules			
	Special Schedule 2 Statement of Long term Debt	<ul style="list-style-type: none"> Removed previous Special Schedule 2 and included table of internal loans in Note 13. Moved Special Schedule 8 and renamed Permissible Income to Special Schedule 2-Permissible income. 	<ul style="list-style-type: none"> Table of internal loans now moved to Note 27. All references to old SS8 have now been changed to SS2. Added SS2 template for new councils.
C-12 & C-15	Special Schedules 4 and 6 Statement of Financial Position		<ul style="list-style-type: none"> Changed 'retained earnings' to 'accumulated surplus' for consistence with the GPFS.
C-16	Notes to Special schedules 3 and 6		<ul style="list-style-type: none"> Changed the heading to 3 and 5
C-17- C-18	Special Schedule 7 (SS7) – Reporting on infrastructure property plant and equipment	<ul style="list-style-type: none"> Minor amendment to IP&R Condition table Removed the requirement to provide indicators for three years. Now only required for current and prior year. 	<ul style="list-style-type: none"> References to old Note 9 have now been changed to Note 10.
C-19- C-26	SS7 commentary	<ul style="list-style-type: none"> As above. Reworded information regarding the auditing of infrastructure asset to advise of continuing implementation. Table A1-Examples of maintenance and operational activities. Added example costs and activities for 'Other infrastructure assets'. 	<ul style="list-style-type: none"> References to old Note 9 have now been changed to Note 10.
C-6- C-7	Special Schedule 8 – Permissible Income	<ul style="list-style-type: none"> Now SS2 	<ul style="list-style-type: none"> Now SS2 Included SS8 template for new councils.
Appendices			
D-6 - D-7	Appendix E OLG Accounting Practice and policy guidance	<ul style="list-style-type: none"> Added information which was removed from GPFS as follows: <i>A. Statement of Developer Contributions;</i> <i>B. OLG Investment Policy and</i> <i>C Material Contracts.</i> 	
D-8 - D-13	Appendix F OLG Guidance on infrastructure, property, plant and equipment		<ul style="list-style-type: none"> Added guidance from TPP 14-01 to help councils improve their fair value assessments. Provided further guidance on land under roads. Added guidance on restrictions on sale and use of infrastructure assets. Updated reference to Australian Infrastructure Financial Management Guidelines Manual 2015. Amended wording in example 2 for clarification.

			<ul style="list-style-type: none"> Election for Land Under Roads (LUR) - added words to clarify that Councils can choose to recognise at any time if more relevant and reliable. Made clearer that LUR is carried at fair value.
D-26 - D-31	Appendix I – Guidance on AASB 124 Related Party Disclosures	<ul style="list-style-type: none"> Added advice to new councils that there is no requirement to include comparatives. Added further guidance on materiality. 	
D-32	Appendix J – New standards adopted during the year	<ul style="list-style-type: none"> AASB 2016 <ul style="list-style-type: none"> 1 Amendments to Australian Accounting Standards Recognition of Deferred Tax Assets for Unrealised Losses 2 Disclosure Initiative - Amendment to AASB 107 4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-For-Profit Entities. AASB 2017 <ul style="list-style-type: none"> 2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014 – 2016 cycle. AASB124 <ul style="list-style-type: none"> New councils to adopt. 	
D-33 - D-39	Appendix K – Standards issued not yet effective	<ul style="list-style-type: none"> Refer to Appendix K for detailed information. 	<ul style="list-style-type: none"> Added update for new standards issued since September 2017:- <ul style="list-style-type: none"> AASB 2017-5 Amendments to Australian accounting Standards Effective Date of amendments to AASB 10 and AASB 128 and editorial corrections AASB 2017-5 further defers AASB 2014-10 to 1 January 2022.
D-40	Appendix L – Significant changes to 2018/19 Code due to accounting standards changes	<ul style="list-style-type: none"> AASB 9 <i>Financial Instruments</i>. AASB 2017-1 <i>Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments [AASB 1, AASB 128, AASB 140]</i>. AASB 2014 – 10 <i>Sale or contribution of Assets between an Investor and its Associate or Joint Venture (note this will most likely be removed prior to code issue since deferral expected)</i>. 	
Other Changes			
		<ul style="list-style-type: none"> Removed most footnotes and either moved them into commentary or deleted them based on relevance. 	

APPENDIX 1

Code of Accounting Practice and Financial Reporting (Update 26) Old to new note numbers

2017-18		2016-17	
Note 1	Basis of preparation	Note 1	Summary of significant accounting policies
Note 2(a)	Functions or activities	Note 2(a)	Functions or activities
Note 2(b)	Components of functions or activities	Note 2(b)	Components of functions or activities
Note 3	Income from continuing operations	Note 3	Income from continuing operations
Note 4	Expenses from continuing operations	Note 4	Expenses from continuing operations
Note 5	Gain or loss from disposal of assets	Note 5	Gain or loss from disposal of assets
Note 6(a)	Cash and cash equivalents	Note 6(a)	Cash and cash equivalents
Note 6(b)	Investments	Note 6(b)	Investments
Note 6(c)	Restricted cash, cash equivalents and investments	Note 6(c)	Restricted cash, cash equivalents and investments
Note 7	Receivables	Note 7	Receivables
Note 8	Inventories and other assets	Note 8	Inventories and other assets
Note 9	Non-current assets classified as held for sale	Note 22	Non-current assets classified as held for sale
Note 10	Infrastructure, property, plant and equipment	Note 9(a)	Infrastructure, property, plant and equipment
Note 11	Investment properties	Note 14	Investment properties
Note 12	Intangible assets	Note 25	Intangible assets
Note 13	Payables and borrowings	Note 10(a)	Payables, borrowings and provisions
Note 14	Provisions	Note 26	Reinstatement, rehabilitation and restoration liabilities
Note 15	Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	Note 20	Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors
Note 16	Statement of cashflow information	Note 11	Recon. of operating result to net cash movement from operating activities
Note 17	Interests in other entities	Note 19	Interests in other entities
Note 18	Commitments	Note 12	Commitments
Note 19	Contingencies	Note 18	Contingencies
Note 20	Financial risk management	Note 15	Financial risk management
Note 21	Material budget variations	Note 16	Material budget variations
Note 22	Discontinued operation	Note 24	Discontinued operation
Note 23	Fair Value Measurement	Note 27	Fair Value Measurement
Note 24	Related party disclosures	Note 28	Related party Transactions
Note 25	Events occurring after the reporting period	Note 23	Events occurring after Statement of Financial Position date
Note 26	Statement of developer contributions	Note 17	Statement of developer contributions
Note 27	Results by fund	Note 21	Results by fund
Note 28(a)	Statement of performance measures – consolidated results	Note 13(a)	Statement of performance measures – consolidated results
Note 28(b)	Statement of performance measures by fund	Note 13(b)	Statement of performance measures by fund
	Removed	Note 9(b)	Restricted infrastructure, property, plant and equipment
	Moved to note 14	Note 10(b)	Description of and movements in provisions