
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (“the 2003 Regulations”) by inserting regulation 24L which makes provision about the accounting practices to be followed by a local authority where a component of an infrastructure asset has been replaced. Regulation 24L applies to local authorities that are required to prepare a statement of accounts in accordance with regulation 8 of the Accounts and Audit (Wales) Regulations 2014. A local authority must either assume the carrying amount of the derecognised part is nil or calculate the carrying amount in line with the accounting practices identified under regulation 25 of the 2003 Regulations.

Regulation 24L applies to accounts for financial years in respect of the periods beginning with 1 April 2021 and ending with 31 March 2025.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, it was not considered necessary to carry out a regulatory impact assessment as to the likely costs and benefits of complying with these Regulations.