

<b>Report To:</b>	<b>AUDIT COMMITTEE</b>	<b>Date:</b>	<b>19<sup>th</sup> MARCH, 2018</b>
<b>Heading:</b>	<b>ACCOUNTING POLICIES 2017-18 AND OTHER STATEMENT OF ACCOUNTS MATTERS</b>		
<b>Portfolio Holder:</b>	N/A		
<b>Ward/s:</b>	N/A		
<b>Key Decision:</b>	No		
<b>Subject to Call-In:</b>	No		

### **Purpose of Report**

This report requests approval by the Audit Committee of the accounting policies that the Council proposes to adopt for the current financial year in the preparation of the Statement of Accounts 2017/18.

The report also outlines the impact of changes to the Code of Practice on Local Government Accounting on the production of the 2017/18 Statement of Accounts process.

### **Recommendation(s)**

- 1) Audit Committee approve the Accounting Policies detailed at Appendix A to this report.
- 2) Members are requested to note that any proposed amendments or changes to these policies and associated relevant financial implications will be reported back to this Committee.

### **Reasons for Recommendation(s)**

To comply with statutory and constitutional requirements.

### **Alternative Options Considered**

*(with reasons why not adopted)*

The Council is required to have appropriate Accounting Policies within its Statement of Accounts. Officers have developed what they consider to be an appropriate set of policies based upon those

adopted in previous financial years. The preparation and consideration of this report is part of a process intended to ensure that alternative options are given appropriate consideration

## **Detailed Information**

### **Introduction**

- 1.1 The Accounting Policies adopted by the Council determine the accounting treatment that is applied to transactions during the financial year and in the preparation of the Statement of Accounts at the year end. They determine the specific principles, bases, conventions, rules and practices that will be applied by the Council in preparing and presenting its financial statements. The accounting policies are published within the Statement of Accounts in accordance with the Code of Practice on Local Government Accounting and incorporate the requirements of International Financial Reporting Standards (IFRS).
- 1.2 The approval of the Accounting Policies to be applied by the Council demonstrates that due consideration has been given to the policies to adopt and apply and that those charged with corporate governance are fully informed prior to the commencement of the Statement of Accounts preparation.

### **Accounting Policies**

- 1.3 Officers have assessed the Accounting Policies that are considered necessary to explain clearly and underpin the accounting treatment of transactions within the Council's Statement of Accounts for 2017/18.

In undertaking this assessment a review of all accounting policies previously agreed has been undertaken to check their relevance, clarity, legislative compliance and that they are in accordance with the latest version of the code of practice and IFRS requirements. Only minor changes are being proposed for 2017/18 except for the note regarding Investment Properties (Note 14). Previously the Council had no investment properties however the position has changed due to acquisitions during 2017/18.

All changes have been highlighted in ***bold italics***.

- 1.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) recently issued Financial Statement Bulletin 01 relating to 2017/18. At this stage, no material changes in accounting practice are considered necessary but this will continually kept under review during the production of the statements.

## **Implications**

### **Corporate Plan:**

Production of timely and accurate Statement of Accounts is a statutory requirement. Achievement of this reflects sound financial management supporting the Corporate Plan.

**Legal:**

The agreement of appropriate Accounting Policies is part of the process of ensuring that the Council satisfies its legal obligation to prepare a Statement of Accounts. The report also demonstrates how compliance with the Accounts and Audit Regulations is to be achieved

**Finance:**

This report is effective for the Statement of Accounts 2017-18:

Budget Area	Implication
General Fund – Revenue Budget	There are no direct financial implications. The report outlines the policies to be adopted for production of timely and accurate accounts and demonstrates consideration of other legal and accounting issues attributable to their production.
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	None
Housing Revenue Account – Capital Programme	None

**Risk:**

Risk	Mitigation
New guidance is issued or upon application a further change in accounting policy is needed.	This has been minimised based on the work undertaken but if any changes are required these will be reflected within the statements and reported to the next Audit Committee.

**Human Resources:**

There are no HR issues relevant to this report.

**Equalities:**

There are no Equality or Diversity issues relevant to this report.

**Other Implications:**

None

**Reason(s) for Urgency**

None

**Reason(s) for Exemption**

None

**Background Papers**

Appendix A attached. Statement of Accounting Policies

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