

Accounting Policies

Meeting	G&A 4 March 2020
Report Author	Chris Blundell
Portfolio Holder	Cllr Rob Yates
Status	For Decision
Classification:	Unrestricted
Key Decision	Budget and Policy Framework

Executive Summary:

This report introduces the Council's Accounting Policies to be used in the closing of the accounts and covers the 2019-20 policy, as well as 2020-21, for agreement.

Recommendation(s):

That the committee agrees the policies as set out in Annex 1 and 2 of this report

CORPORATE IMPLICATIONS

Financial and Value for Money	There are no financial implications associated with this report.
Legal	This is a statutory requirement
Corporate	This forms part of the external audit process
Equality Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <p>There are no equity and equalities implications arising directly from this report, but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.</p>

CORPORATE PRIORITIES (tick those relevant) ✓	
Growth	
Environment	
Communities	

1.0 Introduction and Background

- 1.1 The Accounts and Audit (England) Regulations 2015 will require the council (through this Committee) to approve and publish the 2019-20 accounts by 31 July 2020.
- 1.2 As part of the above process and to fulfil audit requirements, each year the Council undertakes a review of its accounting policies to assess relevance and consistency of application. To aid understanding of the basis in which these accounts have been prepared, we are presenting these policies to G&A for consideration as well as the proposed 2020/21 policies.
- 1.3 This report and the associated annexes therefore provide context to this Committee.
- 1.4 The shortened time-frame for closedown remains and as a result, any work that can be covered in advance goes a long way to assisting with this shortened timetable.

2.0 Accounting Policies

- 2.1 The Statement of Accounts summarises the council's transactions for any given financial year and its position at the year end of 31 March. The council is required to prepare an annual Statement of Accounts in accordance with the statutory framework established in England by the Accounts and Audit Regulations 2015 which require the accounts to be prepared in accordance with proper accounting practice. These primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 (the Code) supported by the International Financial Reporting Standards (IFRS).
- 2.2 The accounting policies that will be adopted are set out in Annex 1 and 2 of this report and cover the main principles, rules and conventions that will need to be applied.

3.0 Main Changes in Accounting Policies for 2020-21

- 3.1 The Council's accounting policy for transactions relating to leases arrangements will change from 1st April 2020, as a result of the introduction of the new International Financial Reporting Standard (IFRS) of leases, IFRS 16. This new standard is reflected in the 2020-21 accounting policy for Leases as set out at Annex 2 of this report.
- 3.2 The Council is also increasing its de minimis (minimum) level of Capital recognition from £10k to £15k. The implication of this change is that from 1st April 2020 expenditure of a capital nature will only be capitalized if it is above the increased threshold of £15k, any expenditure below this amount will be charged to revenue.

4.0 Recommendation

- 4.1 That Committee approves the Council's accounting policies as attached at Annexes 1 and 2 of this report.

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Annex List

Annex 1	2019/20 Accounting Policies
Annex 2	2020/21 Accounting policies

Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	N/A
Legal	N/A