

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	22 March 2017
Subject:	Statement of Accounting Policies
Report of:	Simon Dix , Head of Finance and Asset Management
Corporate Lead:	Robert Weaver, Deputy Chief Executive
Lead Member:	Councillor D J Waters, Lead Member for Finance and Asset Management
Number of Appendices:	1

Executive Summary:

This report sets out the main changes in accounting policies under the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. These policies outline the specific principles, bases, conventions, rules and practices applied when preparing and presenting the financial statements.

Recommendation:

To APPROVE the accounting policies to be used during the 2016/17 closedown.

Reasons for Recommendation:

The accounting policies govern the accounting treatment used to close the final accounts which this Committee are asked to approve in July after the audit has been completed.

Resource Implications:

There are no direct financial implications arising from the approval of accounting policies.

Legal Implications:

There are no direct legal implications arising from the approval of accounting policies, however Section 21 of the Local Government Act 2003 enables the Secretary of State to make regulations requiring accounting practices including the Statement of Accounts to be undertaken in accordance with proper accounting practices (i.e. the current Code of Practice).

Risk Management Implications:

There is a risk of the accounts being qualified if the proper accounting practices are not followed or if they deviate substantially from the Code of Practice on Local Authority Accounting.

Performance Management Follow-up:

Grant Thornton will audit this as part of the year-end audit and will issue an opinion in July 2017.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The Council is required to produce an annual statement of accounts prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17. In order to do this the Council has to review all its accounting policies to ensure it complies with the Code as the policies outline the principles applied when preparing the accounts.

2.0 MAIN CHANGES IN ACCOUNTING POLICIES

2.1 The full list of accounting policies can be found as Appendix A. The proposed accounting policies are largely unchanged from the ones used in the 2015/16 accounts, bar a few minor amendments to existing policies. However, this year we do have:

2.1.1 Overheads and Support Services (1.14)

Due to the new formats required for the Comprehensive Income and Expenditure Statement and the introduction of the new Expenditure and Funding Analysis, the Council no longer has to show the costs of overheads and support services within the service segments as we do not include them in our quarterly management reports. This policy has been amended to outline this change.

2.1.2 Property Plant and Equipment (1.16)

Under 'Measurement' the policy has been changed to reflect that we have all our assets revalued annually to ensure they are carrying value at year end reflects their current value.

2.1.3 Council Tax and Non-Domestic rates (1.23)

The policy has been amended to explain the relationship between ourselves and other preceptors along with a brief overview of the implications of the Collection Fund on the parties.

2.1.4 The policy also includes the items that are included within the Balance Sheet at the year-end (as they differ from collection fund accounting).

3.0 OTHER OPTIONS CONSIDERED

3.1 None

4.0 CONSULTATION

4.1 None

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Local Government Act 2003 and Accounts and Audit Regulations 2015.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None

Background Papers: None

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Appendices: Appendix A – Statement of Accounting Policies