



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Governance and Audit Committee

21 March 2019

Report of: Councillor Adam Stokes
Cabinet Member for Finance



2018/19 Accounting Policies

The Council's Accounting Policies are reviewed annually, prior to the preparation of the Statement of Accounts, to ensure that they are up to date and in line with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code).

When changes are made to the policies, it is a requirement that these are reported to those charged with governance.

Report Author

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Corporate Priority:	Decision type:	Wards:
Administrative	Administrative	All Wards

Reviewed by:	Richard Wyles	5 March 2019
Approved by:	Debbie Muddimer, Strategic Director - Resources	5 March 2019
Signed off by:	Councillor Adam Stokes, Cabinet Member for Finance	6 March 2019

Recommendation to the decision maker

It is recommended that Governance & Audit Committee approves the Statement of Accounting Policies, as set out at Appendix A to this report to be used in the production of the 2018/19 financial statements.

1 The Background to the Report

- 1.1 The 2018/19 Statement of Accounts will summarise the Council's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019. It will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 (The Code) which is based on International Financial Reporting Standards (IFRS). The accounting convention adopted is historical cost modified by the revaluation of certain categories of non-current assets.
- 1.2 All accounting policies have been reviewed for the 2018/19 financial year to ensure that they comply with The Code, to ensure they accurately reflect the transactions that have occurred and that they have been applied consistently.
- 1.3 Appendix A details the accounting policies to be applied in the preparation of the Statement of Accounts 2018/19.
- 1.4 In accordance with good practice the accounting policies have been reviewed to remove policies that are not applicable to the council and to include the new accounting standard, IFRS 9 – Financial Instruments, which came into effect for Local Authorities on 1 April 2018. This standard sets out the requirements for recognising and measuring financial assets and financial liabilities, the associated accounting policies are included at item VII in Appendix A.
- 1.5 The accounting standard IFRS 15 – Revenue from Contracts with Customers also came into effect on 1 April 2018, this has been considered and deemed to have no material impact.

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 The Governance and Audit Committee are asked to approve the Statement of Accounting Policies set out in Appendix A.

3 Available Options Considered

- 3.1 No other options are available as local authorities are required to prepare accounting policies for inclusion in the Statement of Accounts

4 Reasons for the Recommendation (s)

- 4.1 As part of the Accounts and Audit (England) Regulations 2015 Local Authorities are required to include Accounting Policies in the Statement of Accounts.

5 Financial Implications

- 5.1 Prior to the compilation of the Statement of Accounts for 2018/19 it is important that members of Governance and Audit Committee have the opportunity to discuss and comment on the accounting policies to be used in the production of the financial statements. These policies if agreed, will be applied to the treatment of all transactions that make up the figures in the Statement of Accounts to ensure that the accounts present a true and fair view of the financial position of the Council at the balance sheet date and of its income and expenditure for the financial year.

Financial Implications reviewed by: Richard Wyles, Assistant Director Resources

6 Legal and Governance Implications

- 6.1 Local authorities are required by the Local Audit and Accountability Act 2014 to prepare a Statement of Accounts in accordance with relevant regulations. The policies referred to are a requirement of the Accounts and Audit (England) Regulations 2015. Any updates and amendments should be reported to Governance and Audit Committee in accordance with its role to approve the Statement of Accounting Policies.

Legal Implications reviewed by: Lee Sirdifield, Assistant Chief Executive, Transformation and Change and Monitoring Officer

7 Equality and Safeguarding Implications

- 7.1 Not applicable

8 Risk and Mitigation

- 8.1 Not applicable

9 Community Safety Implications

- 9.1 Not applicable

10 Background Papers

- 10.1 None

11 Appendices

- 11.1 Appendix A – Statement of Accounting Policies

Report Timeline:	Date of Publication on Forward Plan (if required)	Not required
	Previously Considered by	Not applicable
	Final Decision date	21 March 2019