

Bolsover District Council

Audit Committee

11 April 2017

Accounting Policies 2016/17

Report of the Assistant Director – Finance, Revenues & Benefits

This report is public

Purpose of Report

- To request approval by the Audit Committee of the accounting policies that it is proposed to adopt for the current financial year in the preparation of the Statement of Accounts 2016/17.

1 Report Details

- 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 themselves 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 is being given to which 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 of the policies that are being adopted.
- 1.3 This report therefore presents the accounting policies that the Council will apply in the preparation of the Statement of Accounts 2016/17.

Accounting Policies

- 1.4 Officers have assessed the accounting policies that are deemed necessary to explain clearly and underpin the accounting treatment of transactions within the Council's Statement of Accounts for 2016/17. 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. With regard to the policies proposed in respect of 2016/17 there have been a limited number of minor changes which are seeking to clarify the policies adopted in

respect of 2015/16 and one more significant amendment; costs for overheads and support services are now charged to directorates in the Comprehensive Income and Expenditure Statement in accordance with the Council's internal reporting arrangements. Full details of all the proposed accounting policies for the current financial year are provided at **Appendix 1**.

- 1.5 As the Statement of Accounts for 2016/17 are prepared it may be necessary to amend a policy in order to adopt a more appropriate accounting policy. If this occurs, the change and the reason for the change will be reported back to the Audit Committee at its next available meeting.

2 Conclusions and Reasons for Recommendation

- 2.1 This report sets out the Accounting Policies which it is proposed to adopt in respect of the 2016/17 Statement of Accounts for consideration by the Audit Committee. Given that the policies adopted have a significant influence upon the Accounting Statements it is important that these are given appropriate consideration at the outset of the preparation of the Statement of Accounts. This helps ensure that they are applied consistently in the preparation of the Accounts. The Policies which are recommended for adoption are in line with those that were used in the previous financial year (2015/16) with only one amendment; accounting for costs relating to overheads and support services.

3 Consultation and Equality Impact

- 3.1 This report to Audit Committee is essentially the consultation process concerning the proposed Accounting Policies for this financial year (2016/17). It is largely a technical document but it is important that those charged with governance have the opportunity to review and shape the document.
- 3.2 There are no equalities issues arising directly from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 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 and taking account of changes as required by current legislation. The preparation and consideration of this reports is part of a process intended to ensure that alternative options are given appropriate consideration.

5 Implications

5.1 Financial and Risk Implications

- There are no direct financial implications arising from this report. The accounting policies will however be used to determine the accounting treatment of the financial transactions of the Council for 2016/17 and will therefore influence the presentation and understanding of the financial position of the Council as at 31 March 2017.

- None of the policies outlined in **Appendix 1** are considered to be in conflict with legislative or IFRS requirements therefore the risk of adopting a policy that contravenes good practice is considered minimal. The greater risk is the failure to ensure that the policy and the actual accounting treatment are consistent. To minimise this risk the final accounts timetable for 2016/17 has officer review time built in to cross check the policies to the actual treatment of items within the accounts.

5.2 Legal Implications including Data Protection

- 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 accounting policies adopted by the Council must comply with current legislation, the Code of Practice on Local Government Accounting and IFRS requirements. Officers have given careful consideration to the policies detailed at **Appendix 1** to ensure that they meet all these requirements.
- There are no data protection issues arising directly from this report.

6 Recommendation(s)

- 6.1 That the Audit Committee approves the Accounting Policies detailed at Appendix 1 to this report.
- 6.2 Members are requested to note that any proposed amendments or changes to these policies will be reported back to this Committee, together with an explanation for the reasons a change is considered to be appropriate and detailing any financial implications of the amendments.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	None Directly
Links to Corporate Plan priorities or Policy Framework	All priorities

8 Document Information

Appendix No	Title
1	Accounting Policies
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
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