

Bolsover District Council

Audit Committee

28th January 2020

Accounting Policies – 2019/20

Report of the Head of Finance and Resources

This report is public

Purpose of the Report

- The Committee is asked to approve the accounting policies at **Appendix 1**. These are for the current financial year and relate to the preparation of the Statement of Accounts for 2019/20.

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 are published within the Statement of Accounts document in accordance with the Code of Practice on Local Authority Accounting and incorporate the requirements of International Financial Reporting Standards (IRFS).
- 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 governance are fully informed prior to the commencement of the Statement of Accounts preparation, of the polies 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 for 2019/20.

Accounting Policies

- 1.4 Officers have reviewed and updated where necessary, the existing accounting policies that were agreed for 2018/19. They have been checked for their relevance, clarity, legislative compliance and that they are in accordance with the latest version of the code of practice and IFRS requirements.
- 1.5 The proposed accounting policies for 2019/20 are largely unchanged from previous years with only minor changes to aid understanding. However, as the Statement of Accounts for 2019/20 are prepared it may be necessary to make an amendment to a policy in order to adopt a more appropriate accounting policy. Full details of the proposed accounting policies for the current financial year are provided at **Appendix 1**.

2 Conclusions and Reasons for Recommendation

- 2.1 This report sets out the accounting policies which are to be applied for the 2019/20 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 are in line with those that were used in the previous financial year (2018/19).

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 (2019/20). It is largely a technical document but it is important that those charged with governance have the opportunity to review the document.
- 3.2 There are no equality impact implications 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 report is part of a process intended to ensure that alternative options are given appropriate consideration.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 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 2019/20 and will therefore influence the presentation and understanding of the financial position of the Council as at 31 March 2020.
- 5.1.2 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 2019/20 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

- 5.2.1 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 Authority Accounting and IFRS requirements. Officers have

given careful consideration to the policies detailed at **Appendix 1** to ensure that they meet all these requirements.

5.2.2 There are no data protection issues arising directly from this report.

5.3 **Human Resources Implications**

5.3.1 There are no Human Resource implications arising from this report.

6 **Recommendations**

6.1 That the Audit Committee approve the accounting policies detailed at **Appendix 1** to this report.

7 **Decision Information**

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has relevant Portfolio Member been informed?	Yes
District Wards Affected	None directly
Links to Corporate Plan priorities or Policy Framework	All

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)	
Report Author	Contact Number
Head of Finance and Resources	01246 242458