

BROMSGROVE DISTRICT COUNCIL

**AUDIT, STANDARDS AND
GOVERNANCE COMMITTEE**

14TH MARCH 2019

2018-19 PROPOSED ACCOUNTING POLICIES

Relevant Portfolio Holder	Councillor Brian Cooper
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

This report presents the proposed accounting policies to be used for the closure of the 2018/19 accounts. These are prepared in line with CIPFA’s Code of Practice on Local Authority Accounting in the UK 2018/19 (the Code). Adopting the proposed policies will support timely production of the annual Statement of Accounts.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Audit Standards and Governance Committee approves the Council’s proposed Accounting Policies to be adopted in completing the 2018/19 Statement of Accounts.

3. KEY ISSUES

- 3.1 In order to comply with International Accounting Standards, the Council needs to disclose the accounting policies it has applied to all material balances and transactions, in compiling its annual Statement of Accounts These relate to the accounting practices, as set down in the Code, which all local authorities follow.
- 3.2 It is considered good practice to obtain member approval for the accounting policies that are to be adopted and will assist with production of the draft accounts by 31 May 2019. The aim is to have the audited accounts complete by 31st July 2019.
- 3.3 The main changes to the accounting policies are:-
- The Going Concern assumption under general principles has been updated to clarify that the going concern principle is still relevant in the case of local government re-organisation.
 - ‘Accruals of Income and Expenditure’ has been retitled ‘Revenue and Expenditure Recognition’ and rewritten to reflect the requirements of IFRS 15 (Revenue from contracts with Customers), the key change being that income is

only recognised as received when all specific performance obligations have been satisfied.

- Financial Assets and Financial Liabilities have been amended to reflect the changes of IFRS 9 (Financial Instruments)

Legal Implications

- 3.4 The Code constitutes 'proper accounting practices' to be followed by a local authority under the terms of section 21 of the Local Government Act 2003

Service/Operational Implications

- 3.5 None, as a direct result of this report

Customer / Equalities and Diversity Implications

- 3.6 None, as a direct result of this report.

4. RISK MANAGEMENT

Effective financial management is included in the Corporate Risk Register.

5. APPENDICES

Appendix A -2018/19 Proposed Accounting Policies

6. BACKGROUND PAPERS

CIPFA recommended template for the Statement of Accounts

AUTHOR OF REPORT

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