

Report to Audit Committee

11 April 2018

By the Head of Finance

INFORMATION REPORT



**Horsham
District
Council**

Not Exempt

Accounting Policies, critical judgements and assumptions used in 2017/18

Executive Summary

The Statement of Accounts contains accounting policies under which the accounts are produced. The accounts comply with the Code of Practice on Local Authority Accounting, issued by CIPFA.

The purpose of the report is to sight Members of the Audit Committee on the accounting policies and critical judgements and assumptions used in 2017/18 prior to the audit and approval of the Statement of Accounts that will take place on 12 July 2018.

Recommendations

That the Committee reviews and then notes the contents of the report.

Background Papers

Appendix A – draft accounting policies and Notes 2 to 6 which tracks the changes from the audited 2016/17 Statement of Accounts.

Wards affected: n/a

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Background Information

1 Introduction and Background

- 1.1 The Statement of Accounts contains accounting policies under which the accounts are produced. The accounts comply with the Code of Practice on Local Authority Accounting, issued by CIPFA.
- 1.2 In applying the accounting policies the Council makes critical judgements that have a significant effect on the accounts. These include assumptions made by the Council about the future or that are otherwise uncertain.

2 Relevant Council policy

- 2.1 The Statement of Accounts is a statutory requirement of the Council.

3 Details

- 3.1 The detailed accounting policies and early notes are included in Appendix A, which tracks the changes made from the audited 2016/17 Statement of Accounts in the following Notes:
 - Note 1 - accounting policies
 - Note 2 - accounting standards that have been issued by have not yet been adopted
 - Note 3 - critical judgements and assumptions
 - Note 4 - material items of income and expense
 - Note 5 - prior period adjustments
 - Note 6 - events after the balance sheet date
- 3.2 The percentage and £ value changes have yet to be fully calculated in the notes and are annotated by xxx. Some of this information is provided by third parties, such as the actuary information. Once calculated or received, this will be completed in time for the draft Statement of Accounts by 31 May 2018.
- 3.3 There are no significant changes to Note 1 accounting policies, Note 4 or Note 5.
- 3.4 Changes have been made to Note 2 accounting standards that have been issued but have not yet been adopted for the adoption of IFRS9 Financial instruments with effect from its introduction on 1 April 2018.
- 3.5 Note 3 critical judgements and assumptions and Note 6 events after the balance sheet date have been updated for the changes to the Census partnership arrangements that have or are taking place.

4 Next Steps

- 4.1 The Committee is asked to provide any comments or feedback on the accounting policies and Notes 2 to 6 used in 2017/18, so that these can be included in the draft accounts that will be audited in June and brought back to the Committee for final approval on 12 July 2018.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Audit Committee has delegated responsibility from the Council to approve the Statement of Accounts. The views of the Finance and Assets PDAG have not been consulted.
- 5.2 The Director of Corporate Resources has been consulted on the updated accounting policies and Note 2 to 6.

6 Other Courses of Action Considered but Rejected

- 6.1 None. The accounting policies are required to be updated each year.

7 Resource Consequences

- 7.1 There are no financial or resourcing consequences.

8 Legal Consequences

- 8.1 The accounts comply with the Code of Practice on Local Authority Accounting, issued by CIPFA.

9 Risk Assessment

- 9.1 There are no risks.

10 Other Considerations

- 10.1 There are no consequences of any action proposed in respect of Crime & Disorder; Human Rights; Equality & Diversity and Sustainability.