

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE & STANDARDS COMMITTEE 27TH APRIL 2017

2016-17 PROPOSED ACCOUNTING POLICIES

Relevant Portfolio Holder	Councillor John Fisher-Portfolio Holder for Corporate Management
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 2016/17 accounts. These are prepared in line with CIPFA's Code of Practice on Local Authority Accounting in the UK 2016/17 (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 2016/17 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 2017. The aim is to have the audited accounts complete by 30th June 2017.
- 3.3 There are some changes to the format of the accounts this year .For example the presentation of the Comprehensive Income and Expenditure Statement has been revised so that this will better reflect how the Council is structured and manages its resources.
- 3.4 In addition, a new funding and expenditure note will reconcile the movement on the General Fund balance to the Surplus or Deficit on Provision of Services. The proposed changes are designed to help make the accounts clearer for readers.

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- 3.5 Although there will be changes to the appearance of the accounts, they do not directly impact on the underlying accounting policies and there have been no material changes to the policies that were included in the 2015-16 Statement Of Accounts which are presented at Appendix 'A'.
- 3.6 Preparation of draft accounts is required to come forward to 31 May following the relevant year end, for financial years 2017/18 onwards. At the same time, the audited statements will need to be published by 31 July following the relevant financial year end.

Legal Implications

- 3.7 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

- 3.8 None, as a direct result of this report

Customer / Equalities and Diversity Implications

- 3.9 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 -2016/17 Proposed Accounting Policies

6. BACKGROUND PAPERS

CIPFA recommended template for the Statement of Accounts

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