

BRECKLAND DISTRICT COUNCIL

Report of: Christine Marshall, Executive Director Commercialisation

To: Governance and Audit Committee, 15 February 2019

Author: Christine Marshall, Executive Director Commercialisation

Subject: Accounting Policies 2018-19

Purpose: To review and agree the 2018-19 accounting policies in readiness for the review of the Statement of Accounts in June

Recommendation(s):

- 1) That Governance and Audit Committee review and agree the Accounting Policies for 2018-19 at Appendix A

1.0 BACKGROUND

- 1.1 Within the statement of accounts, the Council discloses the accounting policies it has applied to all material balances and transactions. This report presents the proposed accounting policies to be adopted for the 2018-19 financial year. The policies are prepared in line with CIPFA's Code of Practice on Local Authority Accounting in the UK 2018-19 (the Code).

It is good practice to consider and agree the accounting policies in advance of the production and approval of the draft accounts, so this report will become an annual review by the Governance and Audit Committee.

- 1.2 There have been two major areas of change within the Code in 2018-19:

- IFRS 15 – Revenue from contracts with customers
- IFRS 9 – Financial Instruments

The Code contains provisions for transitional arrangements which only require adjustments to 1 April 2018 opening balances rather than a full prior year restatement.

IFRS 15 is not expected to have any impact on the Councils accounts, but work is underway to check if there is any impact on the Group Accounts for Breckland Bridge.

IFRS 9 has a limited impact on the Council. The balances are expected to remain the same as the Council does not have any borrowing and our investments are straight forward 'cash' type investments, but the disclosure note will change.

- 1.3 The majority of the accounting policies in Appendix A have not changed from 2017-18, the main changes made are:
- Review and removal/ inclusion of any policies not required/required as transactions are not material/material.
 - Collection Fund - update to the methodology for calculating appeals on the 2017 list.
 - Employee Benefits - simplification to remove information relating to holiday pay accrual as not material.
 - Financial Instruments - completely renewed for the new requirements of IFRS 9.

1.4 As work on the statement of accounts will be underway until they are signed at the end of May, changes may be made to these policies if necessary and Governance and Audit Committee would be updated on any changes in their June meeting.

2.0 **OPTIONS**

2.1 That Governance and Audit Committee review and agree the Accounting Policies for 2018-19 at Appendix A.

2.2 That Governance and Audit Committee review and make changes before agreeing the Accounting Policies for 2018-19 at Appendix A.

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 It is good practice to consider and agree the accounting policies in advance of the production and approval of the draft accounts.

4.0 **EXPECTED BENEFITS**

4.1 By agreeing these policies early it assists with the early closure timetable that Local Authorities work to.

5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 **Financial**

5.1.1 The policies at appendix A underpin the Council's financial statement of accounts in line with the Code.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 N/A

7.0 **ACRONYMS**

7.1 CIPFA – Chartered Institute of Public Finance & Accountancy

Background papers:- [See The Committee Report Guide for guidance on how to complete this section](#)

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report:

Appendix A Accounting Policies 2018-19