

South Lakeland District Council
Audit Committee
Thursday, 5 December 2019
Accounting Policies 2019/20

Portfolio: Finance and Resources Portfolio Holder
Report from: Section 151 Officer
Report Author: Claire Read – Finance Specialist
Wards: (All Wards);
Forward Plan: Not applicable

1.0 Expected Outcome

1.1 This report presents the proposed accounting policies to be adopted for the 2019/20 financial year and to be used in the preparation of the statement of Accounts for the financial year ending 31st March 2020. These are prepared in line with the Chartered Institute of Public Finance and Accounting's (CIPFA) Code of Practice on Local Authority Accounting in the UK 2019/20 (the Code). Adopting the proposed policies will support timely production of a high quality set of annual accounts.

2.0 Recommendation

2.1 It is recommended that Audit Committee approves the accounting policies at Appendix 1 for the 2019/20 financial year to be used in the preparation of the Statement of Accounts for the financial year ending 31st March 2020.

3.0 Background and Proposals

- 3.1 As part of its statement of accounts, the Council needs to disclose the accounting policies it has applied to all material balances and transactions. There is little discretion to the Council as the proper accounting practices, that all local authorities follow, are set down in the Code.
- 3.2 The 2019/20 CIPFA Code of practice on Local Authority Accounting has only minor changes compared to 2018/19, none of which are judged to be material for the Council. However the opportunity has been taken to update the policies to make the accounts more understandable by users. With this in mind the policies have also been reordered to bring them more in line with the order of the notes to the accounts.
- 3.3 The proposed account polices are presented in **Appendix 1** and do not depart from the provisions of the 2019/20 Code.
- 3.4 It is good practice to consider and adopt the accounting policies in advance of the production and approval of the draft accounts. By statute, preparation of draft accounts has come forward to 31 May following the relevant year end, for financial years 2017/18 onwards. At the same time, the audited statements need to be published by 31 July following the relevant financial year end: the Council has successfully prepared the accounts to the new timetable.

3.5 During the year-end process there may be changes required to the policies arising from changes in circumstances or updated guidance. These will be agreed with the Section 151 Officer and reported to Audit Committee alongside the final Statement of Accounts.

4.0 Consultation

4.1 All Local Authorities are consulted as part of CIPFA's preparation of the code.

5.0 Alternative Options

5.1 No alternative options are proposed, the Council has no circumstances that would justify a material departure from the Code.

6.0 Links to Council Priorities

6.1 Robust and efficient reporting of financial performance and position supports all Council priorities.

7.0 Implications

Financial, Resources and Procurement

7.1 The policies in Appendix 1 underpin the Council's reporting on its financial performance and position. There is little discretion to depart from the policies set down by the Code.

Human Resources

7.2 There are no human resource implications of this report.

Legal

7.3 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.

Health, Social, Economic and Environmental

7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

7.5 If you have not completed an Impact Assessment, please explain your reasons: The accounting policies presented are in line with statutory guidance; there are no direct HSEE implications.

7.6 Summary of health, social, economic and environmental impacts: N/A

Equality and Diversity

7.7 Have you completed an Equality Impact Analysis? No

7.8 If you have not completed an Impact Assessment, please explain your reasons: The accounting policies presented are in line with statutory guidance; there are no direct equality and diversity implications.

7.9 Summary of equality and diversity impacts: N/A

Risk

Risk	Consequence	Controls required
The Council reports its financial performance and position on the basis of accounting policies that materially depart from the Code.	Material errors are included in the draft statement of accounts and may be qualified.	Officers review the Code annually and Committee adopt the updated policies.

Contact Officers

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Accounting Policies 2019/20

Background Documents Available

Name of Background document	Where it is available
2018/19 Statement of Accounts	https://tinyurl.com/yzv3xbnv

Tracking Information

Signed off by	Date sent
Legal Services	13/11/2019
Section 151 Officer	13/11/2019
Monitoring Officer	13/11/2019
CMT	21/11/2019

Circulated to	Date sent
Lead Specialist	13/11/2019
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	19/11/2019
Ward Councillor(s)	N/A
Committee	05/12/2019
Executive (Cabinet)	N/A
Council	N/A