

**Report to:** Audit Committee

**Date of meeting:** 16 March 2017

**Report of:** Head of Finance (shared services)

**Title:** Changes to Accounting Policies  
2016/17 Annual Statement of Accounts

**1.0 SUMMARY**

- 1.1 It is recommended best practice that this committee is informed of any significant changes to the council's accounting policies that are followed when compiling the annual statement of accounts. This report informs them that there are no significant changes.

**2.0 RECOMMENDATIONS**

- 2.1 That the Committee notes that there are no significant changes to the council's accounting policies.

**Contact Officer:**

For further information on this report please contact: -  
Bob Watson, Head of Finance (shared services)  
telephone extension: 7188  
email: bob.watson@threerivers.gov.uk

**Report approved by:** Joanne Wagstaffe, Director of Finance

### 3.0 **DETAILS**

- 3.1 There are no significant changes to the accounting policies to be reported at this stage. If any changes to the accounting policies are identified as part of the compilation of the 2016/17 accounts, these will be brought back to this committee as part of the draft 2016/17 Statement of Accounts at the next meeting.
- 3.2 There will be a presentational change in the format of the Comprehensive Income and Expenditure Statement (CIES) as required by the Code of Practice for Local Authority Accounting in the United Kingdom 2016/17 ('the Code'). The CIES shows the Council's revenue expenditure and income for the year. Previously the "Net Cost of Services" within the CIES has been under a specified service analysis (known as SeRCOP). This service specific analysis allowed comparability between other local authorities, however it was reported in a different style and format to the Council's own internal financial monitoring that followed a management accounting format. This change will mean that the CIES produced in the 2015/16 accounts will be re-stated in the revised format in the 2016/17 accounts.
- 3.3 The 2016/17 Code now requires the format of the service analysis to change from the previous SeRCOP format to a format that reports along the lines of that used to report in-year financial monitoring (management accounts). At Watford Borough Council this is the Finance Digest. This now means it will be easier for members and readers of the accounts to reconcile the more familiar internal financial reporting to the published Statement of Accounts.
- 3.4 Another presentational change in the 2016-17 Code is the introduction of a new disclosure in the accounts called the Expenditure and Funding Analysis (EFA). This partly replaces the segmental analysis note shown in previous accounts. This statement and the accompanying disclosure notes are intended to provide reconciliation between the year-end outturn position shown in the Finance Digest and the accounting position shown in the CIES.

### 4.0 **IMPLICATIONS**

#### 4.1 **Financial**

4.1.1 None specific.

#### 4.2 **Legal Issues** (Monitoring Officer)

4.2.1 None specific.

#### 4.3 **Equalities**

None specific.

#### 4.4 **Potential Risks**

There are no risks associated with the decisions members are being asked to make.

**APPENDICES:** None