

## Part A

**Report to:** Audit Committee

**Date of meeting:** Thursday, 12 March 2020

**Report author:** Interim Head of Finance

**Title:** Accounting Policies 2019/20

### 1.0 Summary

1.1 Accounting Policies to be used in preparing the Council's 2019/20 Statement of Accounts are set out in the Appendix.

1.2 There are no changes to the substance of the accounting policies for 2019/20 since the accounts were prepared for the year ended 31 March 2019 with the exception of the requirement to carry out an impact assessment regarding the implementation of IFRS16 – Leases.

1.3 IFRS16 will be adopted as part of the 2020/21 accounting policies to bring all leased assets worth over £15,000 on the balance sheet from 1 April 2021. Officers are working to identify the proposed accounting treatment with EY prior to the 2020/21 closedown. This change in accounting treatment should not have a material impact on the Council's usable financial resources.

### 2.0 Risks

#### 2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Changes to accounting policies are not properly reflected in the Statement of Accounts	Material mis-statement or qualification	Review accounting policies annually. Maintain awareness of future changes	treat	4
Changes to accounting policies have an impact on the revenue budget or capital programme.	Impact on reserves, especially where not identified at budget setting.	Maintain awareness of future changes	Tolerate	6

### 3.0 **Recommendations**

3.1 Audit Committee are asked to review and comment upon the accounting policies.

**Further information:**

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**Report approved by:** Nigel Pollard, Interim Head of Finance

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**Report approved by:** Alison Scott – Shared Director of Finance

### 4.0 **Detailed proposal**

4.1 The detailed Accounting Policies are attached to this report.

4.2 There are no changes to Watford's accounting policies for the 2019/20 accounts.

### 5.0 **Implications**

#### 5.1 **Financial**

5.1.1 The Shared Director of Finance comments that changes to accounting policies can have an impact on the amounts receipted and charged to an the Council's revenue account and capital programme, however no material impact of the changes in accounting policies outlined above has been identified.

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

5.2.1 The Head of Democracy and Governance comments that there are no legal implications of this report.

#### 5.3 **Equalities, Human Rights and Data Protection**

5.3.1 There are no implications of this report.

#### 5.4 **Staffing**

5.4.1 There are no implications of this report.

#### 5.5 **Accommodation**

5.5.1 There are no implications of this report.

5.6 **Community Safety/Crime and Disorder**

5.6.1 There are no implications of this report.

5.7 **Sustainability**

5.7.1 There are no implications of this report.

**Appendices**

- Extract of Accounting Policies

**Background papers**

No papers were used in the preparation of this report.