

Part A

**Report to: Audit Committee**

**Date of meeting: 11 March 2021**

**Report author: Tina Stankley – Interim Head of Finance**

**Title: Accounting Policies 2020/21**

**1.0 Summary**

1.1 Accounting Policies to be used in preparing the council's 2020/21 statement of accounts are set out in appendix.

1.2 There are no changes to the substance of the accounting policies for 2020/21 since the accounts were prepared for the year ended 31 March 2020.

1.3 IFRS16 was due to 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 had been working with EY to identify the proposed accounting treatment prior to the 2020/21 closedown. However the adoption has been delayed again due to the impact on services that COVID-19 has had. IFRS 16 will now be effective from 1 April 2022. The change in accounting treatment should not have a material impact on the Council's usable financial resources.

**2.0 Risks**

2.1

<b>Nature of risk</b>	<b>Consequence</b>	<b>Suggested Control Measures</b>	<b>Response</b> (treat, tolerate, terminate or transfer)	<b>Risk Rating</b> (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:**

Tina Stankley

[tina.stankley@threerivers.gov.uk](mailto:tina.stankley@threerivers.gov.uk)

**Report approved by:** Alison Scott, Director of Finance

### 4.0 **Detailed proposal**

4.1 The detailed Accounting Policies are attached to this report.

### 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 Group 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.