

Audit Committee - 12 April 2021

Accounting Policies 2020/21

1. Summary of report

- 1.1 This report sets out the significant accounting policies that will be used in the preparation of the 2020/21 Statement of Accounts.
- 1.2 For the 2020/21 financial year there are no changes being proposed to the accounting policies when compared to 2019/20.
- 1.3 Reviewing the accounting policies prior to completion of the statement of accounts is seen as good practice and also provides guidance for Audit Committee members when reviewing the accounts to ensure the policies are appropriate for the council.

2. Recommendations:

- 2.1 Audit Committee are asked to note the accounting policies (**Appendix 1**) for use in the completion of the financial statements for 2020/21.

3. Governance

- 3.1 The statement of accounts summarises the Authority's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. The Authority is required to prepare an annual statement of accounts in accordance with the Accounts and Audit (England) Regulations 2015. Those regulations require the statement of accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (hereafter referred to as the 'Code') and are supported by International Financial Reporting Standards (IFRS).

4. Changes in accounting policies

- 4.1 The Code does not require any changes to Accounting Policies for 2020/21.
- 4.4 Appendix 1 shows the final version of the accounting policies proposed for 2020/21.

5. Resource and Legal Considerations

- 5.1 The council must produce annual accounts in line with the Accounts and Audit Regulations 2015, in a timely fashion on an annual basis. The Code of Practice is updated on an annual basis.

6. Risk Management

- 6.1 Failure to correctly and fully apply accounting policies could result in external audit requesting amendments to the accounts or even qualification of the accounts.

7. Equality implications

- 7.1 The accounting policies are part of the publication of the statement of accounts for the relevant year. The statement of accounts is published on the council's website.

8. Consultation

- 8.1 The S151 Officer has been consulted and has approved these policies. No community consultation activity is required for the accounting policies. However, as part of consultation regarding the presentation of financial information, residents have the opportunity to comment when reviewing the statement of accounts.
- 8.2 The accounting policies have also been shared with the council's external auditors Grant Thornton.
- 8.3 Training will be provided to Committee Members on the content and format of the statement of accounts prior to Committee being asked to approve the accounts.

Background Papers

Code of Practice on local authority accounting in the United Kingdom 2020/21

Accounts and Audit Regulations 2015

IAS8 (International Accounting Standard) Accounting Policies, Changes in Accounting Estimates and Errors

CIPFA Streamlining the Accounts: Guidance for Local Authorities



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