

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Christine Marshall, Executive Director Commercialisation (S151)  
**To:** Governance and Audit Committee, 12 March 2020  
**Author:** Nicky Lovely, Interim Financial Control Manager - PSPS  
**Subject:** Financial Statements 2019/20 - Accounting Policies  
**Purpose:** To review and agree the Accounting Policies for inclusion in the Financial Statements 2019/20

### **Recommendation(s):**

- 1) That Governance and Audit Committee review and agree the Accounting Policies for 2019/20 at Appendix A

### **1.0 BACKGROUND**

- 1.1 Within the Financial Statements, the Council discloses the accounting policies it has applied to all material balances and transactions. Unless there are major changes to accounting rules and regulations, accounting policies do not change significantly between years, which enables the Statements to be comparable from one year to the next.

This report presents the proposed accounting policies to be adopted for the 2019/20 financial year. The policies are prepared in line with CIPFA's Code of Practice on Local Authority Accounting 2019/20 (the Code).

It is good practice to consider and agree the accounting policies in advance of the production and approval of the draft accounts, so this report forms an annual review by the Governance and Audit Committee.

- 1.2 The majority of the accounting policies in Appendix A have not changed from 2019/20, the only change made is:

- Note 15. Investment Property – updated to clarify that assets are only moved into or out of the Investment Property classification when there is evidence of a change of use.

We are currently awaiting the release of the template accounting policies and disclosure notes from our external treasury advisors, Link Asset Services. Once received, these will be reviewed against the draft accounting policies, and any required adjustments will be made.

- 1.3 The unaudited Financial Statements will be presented to Governance and Audit Committee on 11 June 2020. The accounting policies will be included within the Statements, and any minor changes made during the Statements production process will be agreed with the S151 Officer and highlighted to the Committee on this date.

### **2.0 OPTIONS**

- 2.1 That Governance and Audit Committee review and agree the Accounting Policies for 2019/20 at Appendix A.

2.2 That Governance and Audit Committee review and make changes before agreeing the Accounting Policies for 2019/20 at Appendix A.

### 3.0 REASONS FOR RECOMMENDATION(S)

3.1 It is good practice to consider and agree the Accounting Policies in advance of the production and approval of the draft accounts.

### 4.0 EXPECTED BENEFITS

4.1 By agreeing these policies early it assists with the early closure timetable that Local Authorities work to.

### 5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

#### 5.1 Financial

5.1.1 The policies at Appendix A underpin the Council's Statement of Accounts in line with the Code.

### 6.0 WARDS/COMMUNITIES AFFECTED

6.1 N/A

### 7.0 ACRONYMS

7.1 CIPFA – Chartered Institute of Public Finance & Accountancy

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Background papers:-	CIPFA Accounting Code of Practice 2019/20 and supporting Guidance Notes
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#### Lead Contact Officer

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**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Mandatory Service**

#### Appendices attached to this report:

Appendix A	SHDC Accounting Policies 2019-20
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