



REPORT TO:	Governance and Audit Committee
DATE:	Thursday, 17 March 2022
SUBJECT:	Financial Statements 2021/22 - Accounting Policies
PURPOSE:	To review and agree the Accounting Policies for inclusion in the Financial Statements 2021/22
KEY DECISION:	N/A
PORTFOLIO HOLDER:	Portfolio Holder for Finance, Commercialisation & Partnerships
REPORT OF:	Deputy Chief Executive - Corporate Development (S151)
REPORT AUTHOR:	Eleanor Stacey, Samantha Knowles
WARD(S) AFFECTED:	All
EXEMPT REPORT?	No

SUMMARY

The accounting policies form Note 1 within the Financial Statements, and are the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting Financial Statements. Application of these accounting policies results in information that is relevant to the decision making needs of the users of the Financial Statements, and reliable in presenting a true and fair view of the financial position of the authority.

RECOMMENDATIONS

That the Governance and Audit Committee review and agree the Accounting Policies for 2021/22 at Appendix A.

REASONS FOR RECOMMENDATIONS

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

OTHER OPTIONS CONSIDERED

That the Governance and Audit Committee review and make changes before agreeing the Accounting Policies for 2021/22 at Appendix A.

1. 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 Financial Statements to be comparable from one year to the next.
- 1.2 This report presents the proposed accounting policies to be adopted for the 2021/22 financial year. The policies are prepared in line with CIPFA's Code of Practice on Local Authority Accounting 2021/22 (the Code).
- 1.3 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.

2. REPORT

- 2.1 There have only been minor areas of change within the Code of Practice in 2021/22, none of which required amendments to be made to accounting policies.
- 2.2 Since Boston Borough Council became a shareholder of Public Sector Partnership Services Ltd on 1 April 2021, the shares of assets, liabilities, income and expenditure that the authority is required to include within its Financial Statements regarding the joint operation have reduced from 37% to 28%. This is reflected in the financial liabilities section of the accounting policies, and will be fully disclosed in the joint operations note.
- 2.3 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.
- 2.4 The 2021/22 unaudited Financial Statements need to be completed by 31 July 2022 and will be presented to Governance and Audit Committee when complete. 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.

3. CONCLUSION

- 3.1 As a result of CIPFA Code of Practice changes, there are no changes to be made from the accounting policies applied to the 2020/21 Financial Statements.

4. EXPECTED BENEFITS TO THE PARTNERSHIP

- 4.1 By agreeing these policies early it assists with the early closure timetable that local authorities work to.

5. IMPLICATIONS

5.1 SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

5.1.1 None.

5.2 CORPORATE PRIORITIES

5.2.1 None.

5.3 STAFFING

5.3.1 None.

5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS

5.4.1 The Accounts and Audit Regulations 2015 have been amended by the Accounts and Audit (Coronavirus) Amendments Regulation 2020 (SI 2021/263) to extend the statutory deadline for the publishing of the draft Financial Statements to 31 July 2022, and approval of the audited Financial Statements to 30 September 2022 for all local authorities.

5.5 DATA PROTECTION

5.5.1 None.

5.6 FINANCIAL

5.6.1 The policies at Appendix A underpin the Council's Financial Statements in line with the Code.

5.7 RISK MANAGEMENT

5.7.1 None.

5.8 STAKEHOLDER / CONSULTATION / TIMESCALES

5.8.1 No consultation undertaken.

5.9 REPUTATION

5.9.1 None.

5.10 CONTRACTS

5.10.1 None.

5.11 CRIME AND DISORDER

5.11.1 None.

5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

5.12.1 None.

5.13 HEALTH AND WELL BEING

5.13.1 None.

5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

5.14.1 None.

6. ACRONYMS

6.1 CIPFA – Chartered Institute of Public Finance and Accountancy.

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Accounting Policies 2021/22
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BACKGROUND PAPERS

Background papers used in the production of this report are listed below: -

Document title	Where the document can be viewed
CIPFA Accounting Code of Practice 2021/22 and supporting Guidance Notes	CIPFA public guidance document

CHRONOLOGICAL HISTORY OF THIS REPORT

This report is considered on an annual basis prior to the production of the Financial Statements.

REPORT APPROVAL

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Signed off by:	Deputy Chief Executive - Corporate Development (S151) Christine.Marshall@sholland.gov.uk
Approved for publication:	Portfolio Holder for Finance, Commercialisation & Partnerships