



Report Reference: **11.0**
Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Resources and Community Safety

Report to:	Audit Committee
Date:	22 April 2013
Subject:	Statement of Accounts 2012/13

Summary:

This report summarises:

- Changes to the Code of Practice on Local Authority Accounting which will be incorporated into the 2012/13 Statement of Accounts; and
- The review of Accounting Policies.

Recommendation(s):

The Executive Director of Resources and Community Safety asks Members of the Audit Committee to:

1. Note the changes required to our Statement of Accounts from the Code of Practice 2012/13; and
2. Approve the Statement of Accounting Policies (Appendix A) for use in drawing up the Council's accounts for the financial year ending 31 March 2013.

Background

1.1 The Council is required to prepare its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the Code) and the Service Reporting Code of Practice (SeRCOP). These both ensure the accounts are prepared using "proper accounting practice".

Changes to the Code of Practice on Local Authority Accounting for 2012/13

1.2 The format of the accounts and accounting requirements are largely the same as in 2011/12, however, the Code of Practice for 2012/13 has introduced a number of minor changes. These include:

- The Explanatory Foreword. The Code includes an encouragement for local authorities to prepare the Explanatory Foreword taking into consideration the requirements of the Government's Financial Reporting Manual. This will bring local authorities in line with the reporting undertaken by other government bodies including the NHS.
- Financial Instruments Disclosures. The Code includes amendments in relation to IFRS 7 Financial Instruments: Disclosures (transfers of financial assets). This change was reported in last year's Statement of Accounts in Note 2 *Accounting Standards that have been issued but have not yet been adopted*. The County Council does not undertake any such activities, and as such, no changes will be made to the Council's accounting policies and no further disclosures will be required in the Council's accounts.

Statement of Accounting Policies

1.3 An important section of the published Accounts is the statement of accounting policies. This summarises the rules and codes of practice used to prepare the Accounts, together with any estimation techniques adopted. The policies have been reviewed and are attached at Appendix A for consideration and approval by this Committee.

1.4 Only minor changes made to the accounting policies for 2012/13, these include:

- Updated wording for the Community Infrastructure Levy's policy;
- Updated allocations for Central Establishment Charges for the cost of support services;
- Updated rates to be used by the actuary for calculating pension liabilities; and
- Minor amendments to capital accounting policies to clarify accounting entries used in preparing the accounts.

Conclusion

2.1 Changes to the format of the accounts and accounting requirements will be incorporated into the Statement of Accounts for 2012/13 as required by the Code of Practice.

2.2 The Statement of Accounts will be prepared using the Accounting Policies approved by the Audit Committee at this meeting.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	Statement of Accounting Policies 2012/13

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2012/13	Executive Director Resources and Community Safety
Service Reporting Code of Practice for Local Authorities	Executive Director Resources and Community Safety

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