

Regulatory and Other Committee

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

Report to:	Audit Committee
Date:	31 March 2014
Subject:	Statement of Accounts 2013/14

Summary:

This report summarises:

- Changes to the Code of Practice on Local Authority Accounting which will be incorporated into the 2013/14 Statement of Accounts; and
- The review of the Council's 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 2013/14; and
2. Approve the Statement of Accounting Policies (Appendix A) for use in preparing the Council's accounts for the financial year ending 31 March 2014.

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 2013/14 (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 2013/14

1.2 The format of the accounts and accounting requirements are largely the same as in 2012/13, however, the Code of Practice for 2013/14 has introduced a number of minor changes. These include:

- Revisions to IAS 19 Employment Benefits including: amendments to definitions, updated terminology, clarification of disclosure requirements and amendments to the recognition of termination benefits and post-employment benefits (retirement benefits). The change to IAS 19 for retirement benefits may result in the County Council having to disclose a prior period adjustment to reflect the amendment to the expected return on pension assets and revised presentation in the Comprehensive Income and Expenditure Account; and
- Business Rates year end debtors and creditors. The code adds new requirements for the County Council to account for its share of year end debtors and creditors which arise from the new retention business rate scheme. The accounting adjustments are similar to those already included within the accounts for the collection of Council Tax income, where the Lincolnshire District Council's act as Agent on behalf of the County Council.

1.3 There are also a number of changes to the Code that do not impact on the County Council in 2013/14. These are:

- Clarification of the recognition criteria for assets under construction and intangible assets included in Service Concessions or PFI type schemes under construction;
- Amendment to IFRS 7 Financial Instruments. New disclosures detailing the effect or potential effect of netting financial assets and liabilities;
- Amendments to IAS 1 Presentation of Financial Statements; and
- Amendments to IAS 12 Income Tax for Group Accounts.

Statement of Accounting Policies

1.4 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.

1.5 A small number of minor changes have been made to the accounting policies for 2013/14, these include:

- Inclusion of the Energy From Waste Plant in the capital accounting policies section;

- Changes for business rates agency arrangement;
- Update for changes to IAS 19 Employment Benefits. Update to the retirement benefits policy and minor amendments to clarify the termination benefits policy;
- Adding in NHS Pension Fund information for the staff joining the County Council from Public Health; and
- Updated allocations for Central Establishment Charges for the cost of support services.

Conclusion

2.1 Changes to the format of the accounts and accounting requirements will be incorporated into the Statement of Accounts for 2013/14 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 2013/14

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 2013/14	Executive Director Resources and Community Safety

Service Reporting Code of Practice for Local Authorities	Executive Director Resources and Community Safety
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