

REPORT OF SERVICE DIRECTOR - FINANCE AND PROCUREMENT**STATEMENT OF ACCOUNTS 2011/12 – ACCOUNTING POLICIES****Purpose of the Report**

1. To allow the Audit Committee to review and approve the proposed accounting policies used in creating the Authority's Statement of Accounts for 2011/12.

Information and Advice

2. The Statement of Accounts includes a section explaining the accounting policies used in producing the main statements for the benefit of the reader. The External Auditors have indicated that these policies should be reviewed and approved by the Audit Committee prior to inclusion in the final Statement of Accounts.
3. The previous year saw major changes to the Authority's accounting policies due to the introduction of International Financial Reporting Standards (IFRS). The accounting policies for 2011/12 have been updated following some minor changes in the Code of Practice on Local Authority Accounting and the need for two new accounting policies.
4. Revisions to the accounting policies are shown in italics where policies have been deleted these are shown with a "strike-through". These changes mainly relate to:
 - a. Change of title from the Best Value Code of Practice to the Service Reporting Code of Practice and update to dates
 - b. A new accounting policy for the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme
 - c. A new accounting policy for Heritage Assets following the adoption of *Financial Reporting Standard (FRS) 30 Heritage Assets*

Other Options Considered

5. This report is for the approval of statutory required accounting policies.

Reason/s for Recommendations

6. The Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 requires changes to the Authority's accounting policies.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

8. That Members approve the changes to the Authority's accounting policies.

Paul Simpson
Service Director (Finance and Procurement)

For any enquiries about this report please contact:

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Constitutional Comments

9. The proposal in this report is within the remit of the Audit Committee.

Financial Comments

10. The impact of implementing these accounting policies will be reflected in the year end management and statement of accounts.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Code of Practice on Local Authority Accounting in the United Kingdom 2011/12

Electoral Division(s) and Member(s) Affected

Not applicable