

 COTSWOLD DISTRICT COUNCIL	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT COMMITTEE – 28 APRIL 2022
Report Number	AGENDA ITEM 07
Subject	DRAFT ACCOUNTING POLICIES 2021/2022
Wards affected	N/A
Accountable member	Cllr Mike Evemy, Deputy Leader and Cabinet Member for Finance Email: mike.evemy@cotswold.gov.uk
Accountable officer	Jenny Poole, Deputy Chief Executive Email: jenny.poole@cotswold.gov.uk
Summary/Purpose	This report presents the accounting policies to be included in the 2021/22 Statement of Accounts. This provides Members with the opportunity to review and approve the policies in advance of the preparation of the Statement of Accounts 2021/22. Approving the accounting policies in advance of preparation of the accounts represents best practice.
Annexes	Annex A - Draft Statement of Accounting Policies – 2021/22
Recommendation	It is recommended that: a) The Audit Committee considers and approves the accounting policies for 2021/22.
Corporate priorities	Priority - Ensure that all services delivered by the council are delivered to the highest standard
Key Decision	NO
Exempt	NO
Consultees/ Consultation	None

1. BACKGROUND

- 1.1. The Council's External Auditor, Grant Thornton LLP recommend that Members formally approve the draft Statement of Accounting Policies to be included in the Statement of Accounts before the closedown process is undertaken.
- 1.2. Such approval demonstrates that those charged with governance have had the chance to consider and review the draft policies and are aware of the policies to be applied in closing the Council's accounts for 2021/22 in advance of the process.

- 1.3. The Committee will approve the Statement of Accounts, receive the Audit Findings Report, and sign the letter of Representation as those charged with governance at a future Audit Committee meeting

2. MAIN POINTS

- 2.1. The financial year ended on 31 March 2022. Finance staff are currently working on preparation of the draft Statement of Accounts, subject to audit for 2021/22. It is considered best practice for those charged with governance to review and approve the Accounting Policies prior to the meeting at which the Statement of Accounts will be approved.
- 2.2. The draft Accounting Policies are included at Annex A. They are prepared largely from the CIPFA guidance, adjusted as appropriate to be suitable for the Council. There may be certain matters arising during preparation of the Statement for accounts which will require the draft Accounting Policies to be updated. For example, CIPFA may issue updates to guidance. The final version of the Accounting Policies will be form part of the final audited Statement of Accounts when presented to this Committee.
- 2.3. The Council prepares its Statement of Accounts in accordance with proper accounting practices and regulations following the CIPFA Code of Practice on Local Government Accounting (The Code) supported by International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).
- 2.4. The Statement of Accounting Policies outlines the relevant accounting principles, bases, conventions, rules and practices applied by the authority in preparing and presenting its financial statements. They aid understanding of the Statements and aid comparison with other organisations. Proposed additions and changes to the accounting policies in 2021/22 are highlighted in yellow in Annex A. These changes provide additional information for the user of the accounts as suggested by CIPFA guidance notes and do not represent material change to the Statement of Accounting Policies in 2021/22.

3. FINANCIAL IMPLICATIONS

- 3.1. There are no direct financial implications of this report.

4. LEGAL IMPLICATIONS

- 4.1. There are no direct legal implications, except to the extent that compliance with the Accounting Code of Practice under which the accounts are prepared is mandatory.

5. EQUALITIES IMPACT

- 5.1. None.

6. CLIMATE AND ECOLOGICAL IMPLICATIONS

- 6.1. None.

7. RISK ASSESSMENT

7.1. If the Council's Accounting Policies are not followed, during preparation of the Statement of Accounts, external audit may decide that the Statement of Accounts is misstated. Officer training in advance of preparation of the Statement of Accounts and an associated Annual review of these policies mitigates the risk.

8. BACKGROUND PAPERS

8.1. None.