

AUDIT & ACCOUNTS COMMITTEE

27 APRIL 2022

STATEMENT OF ACCOUNTING POLICIES 2021/2022

1.0 Purpose of Report

1.1 To provide Members with updates made to the Council's accounting policies in relation to the closedown of the 2021/2022 financial year.

2.0 Introduction

2.1 Prior to the completion of the Statement of Accounts for 2021/2022 it is important that Members are given the opportunity to discuss and comment on the accounting policies to be used in the production of the financial statements. These policies will be applied to the treatment of all transactions that make up the figures in the Statement of Accounts to ensure the accounts present a true and fair view of the financial position of the Council as at 31 March 2022.

2.2 The 2021/2022 Statement of Accounts will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022 (the Code) which is based on International Financial Reporting Standards (IFRS).

3.0 Updates to the Statement of Accounting Policies

3.1 The key accounting changes in the 2021/2022 Code include:

- *Confirmation of the arrangements for the endorsement of standards arising because of the United Kingdom's withdrawal from the European Union;*
- *Amendments to Section 3.3 (Accounting Policies, Changes in Accounting Estimates and Errors) to confirm (but not introduce) the adaptation in Section 3.3 and Appendix C of the Code for standards issued but not yet adopted;*
- *Augmentations to Section 3.4 (Presentation of Financial Statements) for the reporting of estimation uncertainty;*
- *Amendments to Section 7.1 (Introduction etc) to confirm the replacement of IPSAS 29 Financial Instruments: Recognition and Measurement with IPSAS 41 Financial Instruments;*
- *Confirmation in Sections 7.2 (Subsequent Measurement of Financial Assets and Financial Liabilities) and 7.3 (Financial Instruments – Disclosure and Presentation Requirements) of the reporting requirements of interest rate benchmark reform;*
- *Confirmation in Appendix C (Changes in Accounting Policies: Disclosures in the 2020/21 and 2021/22 Financial Statements) of the transitional reporting requirements of the new standards introduced in the 2021/22 Code; and*
- *Confirmation in Appendix D (New or Amended Standards Introduced to the 2021/22 Code) of the new standards introduced to the 2021/22 Code.*

3.2 The key changes listed at 3.1 do not impact on the Councils accounting policies. A complete set of the Accounting Policies for 2021/2022 are attached at **Appendix A**.

4.0 **RECOMMENDATION**

Members approve the amended Statement of Accounting Policies for 2021/2022.

Background Papers

Nil

For further information please contact Andrew Snape on extension 5532.

Sanjiv Kohli

Deputy Chief Executive/Director – Resources and S151 Officer