

Wiltshire Council

Audit and Governance Committee

27 April 2022

Subject: Accounting Policies 2021/22

Executive Summary

This report presents the Accounting Policies for the 2021/22 financial year end and these will be used in the preparation of the draft Statement of Accounts for the financial year ending 31 March 2022.

Proposal(s)

To recommend the approval of the council's accounting policies for the financial year 2021/22 by those charged with governance.

Reason for Proposal(s)

Adopting policies in line with proper accounting practice supports the production of a high-quality set of annual accounts that meet the requirements of accounting codes of practices.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Wiltshire Council

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Purpose of Report

1. This report presents the Accounting Policies for the 2021/22 financial year end and these will be used in the preparation of the draft Statement of Accounts for the financial year ending 31 March 2022. The report recommends the approval of these policies for the final Statement of Accounts for that financial year and presenting these policies in advance of the production of the accounts provides a best practice approach and allows these policies to be fully considered by those charged with governance before the accounts are produced.

Relevance to the Council's Business Plan

2. Adopting policies in line with proper accounting practice supports the production of a high-quality set of annual accounts that meet the requirements of accounting codes of practices.

Background

3. The production of annual accounts is a statutory requirement and provides financial information on a consistent basis on which the council can be compared to other Local Authorities. The accounts include disclosure of the accounting policies that set out the basis on which the accounts have been prepared and are presented and includes all key accounting matters that affect the figures disclosed in the accounts.
4. The policies are in line with Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Local Authority Accounting for the year ending 31 March 2022 and take account of local circumstances. However, there is little discretion to the Council, as the proper accounting practices, which apply to all local authorities, are set down in the Code.
5. Some elements of the CIPFA code of practice are currently under review and consultation. This may affect the accounting conventions contained in the document, for example, Infrastructure Asset Accounting. Any amendments resulting from these changes will be amended and presented at the same time as the Statement of Accounts are presented for approval.
6. The disclosed policies are those which are fundamental to the understanding of the Statement of Accounts. The matters covered in the proposed policy statement have a significant impact on the way the accounts are prepared and are those commonly adopted by other local authorities.

Main Considerations for the Council

7. The Council's accounting policies are regularly reviewed by suitably qualified officers to ensure they are up to date. The policies also fall within the scope of the annual audit of the Statement of Accounts and therefore independently reviewed by the council's external auditors to ensure they are in line with the Code of Practice.
8. There have been no significant changes to the accounting regulations since last year (2020/21).
9. The accounting policies are included annually in the Statement of Accounts that is approved by Audit and Governance committee each year. They are included in Appendix A.

Overview and Scrutiny Engagement

10. No overview and scrutiny engagement has taken place due to the statutory nature of the accounting policies and annual accounts process. Those charged with governance are responsible for the review and approval of all matters concerning the annual accounts.

Safeguarding Implications

11. There are no safeguarding implications associated with this report.

Public Health Implications

12. There are no public health implications associated with this report.

Procurement Implications

13. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

14. There are no equalities impacts arising from this report.

Environmental and Climate Change Considerations

15. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

16. The accounting policies are required to be approved by the Audit and Governance Committee as part of the overall requirement of the approval of the annual accounts. This paper gives the committee the opportunity to review the policies in advance of the statutory deadline for approval of the annual accounts and before the annual accounts are brought forward following the audit process.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

17. The accounting policies will be presented again as part of the presentation of the annual accounts to Audit and Governance Committee.

Financial Implications

18. The accounting policies presented will be used in the production of the draft annual accounts for the financial year ending 31 March 2022 and these policies and the annual accounts will be reviewed by officers and the council's independent external auditors.

Legal Implications

19. There are no legal implications associated with this report.

Workforce Implications

20. There are no workforce implications associated with this report.

Options Considered

21. There is a statutory requirement for the approval of the annual accounts by Audit Committee. These accounts are produced and based on the accounting policies. The accounting policies could be considered and approved alongside the annual accounts, however this does not allow for early discussion and adoption to allow for any changes to be made and any subsequent amendments applied to the annual accounts.

Conclusions

22. It is recommended that Audit and Governance Committee approve the council's accounting policies for the financial year 2021/22.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

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13/04/2022

Appendices

Appendix A – Accounting Policies 2021/22

Background Papers

The following documents have been relied on in the preparation of this report:

CIPFA Code of Practice 2021/22