

WILTSHIRE COUNCIL

AUDIT COMMITTEE

23 MARCH 2011

Subject: ACCOUNTING POLICIES

Cabinet member: Fleur de Rhé Philipe - Finance

Key Decision: No

Executive Summary

The statement of accounts includes policies on all the key accounting matters that affect the figures and disclosures in the statements.

The policies proposed for Wiltshire are based upon guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and take account of local circumstances.

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.

Proposal

To present the Council's Accounting Policies.

Reason for Proposal

For Members to note the Council's Accounting Policies.

Michael Hudson
Chief Finance Officer

WILTSHIRE COUNCIL

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Key Decision: No

Purpose of Report

1. To present the Council's Accounting Policies.

Background

2. The statement of accounts includes policies on all the key accounting matters that affect the figures and disclosures in the statements.
3. The policies proposed for Wiltshire are based upon guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and take account of local circumstances.
4. 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.

Changes from previous accounting policies

5. The accounting policies are reviewed each year. The proposed new policies are included in Appendix 1. The new policy statement does not propose significant changes to most existing policies. Many policy wording have been updated to reflect the movement this year to International Financial Reporting Standards (IFRS).
6. Three polices have been amended significantly reflect IFRS:
 - Policy 5 Government Grants and contributions;
 - Policy 10 Property, Plant and Equipment;
 - Policy 14 Leases.

7. Three policies have been significantly expanded to give more clarity:
 - Policy 3 Provisions;
 - Policy 6 Employee Benefits;
 - Policy 15 Financial Instruments.
8. Three new policies have been added to give more details:
 - Policy 20 Cash and Cash Equivalents;
 - Policy 21 Prior period adjustments, changes in accounting policies and estimates and errors;
 - Policy 22 Events after the balance sheet date.

Implications

9. These policies summarise the Council's accounting policies and they will be used in the production of the Council's accounts for 2010/2011.

Risk Assessment

10. None have been identified as arising directly from this report.

Equality and Diversity Impact of the Proposal

11. None have been identified as arising directly from this report.

Environmental Impact of the Proposal

12. None have been identified as arising directly from this report.

Financial Implications

13. None have been identified as arising directly from this report.

Legal Implications

14. None have been identified as arising directly from this report.

Recommendations

15. That Members note the report.

Reasons for Proposals

16. For Members to note the Council's Accounting Policies.

Michael Hudson
Interim Chief Finance Officer

Report Author: Matthew Tiller – Chief Accountant

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

None.

Appendices:

Appendix 1 - Wiltshire Council Accounting Policies