

Cherwell District Council

Accounts, Audit and Risk Committee

26 March 2014

<p>Review of Draft Accounting Policies 2013-14 and Closedown Update</p>
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Report of the Head of Finance and Procurement

This report is public

Purpose of report

The purpose of this report is to inform members of the draft 2013-14 accounting policies to allow members to consider and endorse the accounting policies under which the Council prepares its annual Statement of Accounts together with the summary timetable for production

1.0 Recommendations

The Accounts, Audit and Risk Committee is recommended:

- 1.1 To approve the accounting policies as set out in Appendix 1.
- 1.2 To agree that delegated authority be granted to Head of Finance and Procurement to make any further changes to the Accounting Policies in preparation for the forthcoming accounts closure for 2013-14.
- 1.3 To note the closedown timetable summary as set out in Appendix 2.

2.0 Introduction

This report is to inform members of the draft accounting policies for the 2013-14 Statement of Accounts and the planned timetable to complete them to ensure they are ready by the required date.

3.0 Report Details

- 3.1 In order for the Council to be able to produce its Statement of Accounts under International Financial Reporting Standards, all of its accounting policies have been reviewed and updated based on the 2013-14 Code of Practice. A draft of the Cherwell 2013-14 accounting policies is in Appendix 1.

- 3.2 There are no significant changes to the 2013-14 draft accounting policies compared to the 2012-13 approved accounting policies.
- 3.3 If, during the 2013-14 closure of accounts, it becomes apparent that further amendments, additions or deletions are required to the policies, they will be reported to members when the accounts are presented for review in June 2014.

Closedown Update

- 3.4 Work has already begun on preparing for the 2013-14 closing of accounts. The process is being led by the Corporate Accountant. The detailed closedown timetable has been prepared for all staff involved in the closedown process and a summary of the key dates is shown in Appendix 2.
- 3.6 Closedown workshops will be held on 25 March 2014 and budget holders will receive guidance on what is required from their services. Closedown News will be circulated fortnightly and this will provide an update on the preparation of the financial statements.
- 3.7 During the period the finance team will liaise with the external auditor, Ernst & Young and have regular closedown meetings with the Head of Finance and Procurement to monitor progress.
- 3.8 The finance team will produce a first draft of the statements by 30 May 2014. This allows a period of four weeks for critical review and updating.
- 3.9 Members of the Accounts, Audit and Risk Committee meet informally on 25 June to review the draft statement immediately prior to the formal committee meeting.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Accounts, Audit and Risk Committee is recommended to approve the accounting policies and agree delegated authority be granted to Head of Finance and Procurement to make any further changes to the Accounting Policies in preparation of the forthcoming accounts closure for 2013-14.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To request that Officers provide additional information on the accounting policies. This had been rejected because the policies have been drafted based on current accounting guidance.

7.0 Implications

Financial and Resource Implications

- 7.1 It is envisaged that the accounting policies, noted within this report and shown in Appendix 1, will not have any direct financial implications. These accounting policies will assist the council in ensuring that the Statement of Accounts are more fully reflective of the current operational environment and up to date accounting practices.

Comments checked by: Nicola Jackson, Corporate Finance Manager
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Legal Implications

- 7.2 Failure to produce accounts under compliant accounting policies will result in the 2013-14 Annual Statement of Accounts not being approved by the external auditor.

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Risk Management Implications

- 7.3 Failure to fully assess appropriate accounting policies will result in the 2013-14 Annual Statement of Accounts not being compliant for external audit review.

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8.0 Decision Information

Key decision – n/a

Wards Affected – n/a

Links to Corporate Plan and Policy Framework – n/a

Lead Councillor – none

Document Information

Appendix No	Title
Appendix 1	Draft Accounting Policies 2013-14
Appendix 2	2013-14 Closedown Timetable Summary
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