

By: Deputy Leader and Cabinet Member for Finance & Procurement – John Simmonds
Corporate Director of Finance – Andy Wood

To: Governance and Audit Committee – 11 April 2017

Subject: Revised Accounting Policies

Classification: Unrestricted

Summary: This report asks Members to approve the adoption of 'Telling the Story' which is a change in presentation to the financial statements and by default a change of accounting policy.

FOR DECISION

1. The CIPFA Code of Practice requires authorities to follow International Accounting Standard 8 (IAS 8) - *Accounting Policies, Changes in Accounting Estimates and Errors*. Accounting policies are defined as "... the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements".
2. This year, amendments and revisions are needed in respect of the adoption of 'Telling the Story'.
 - 2.1 'Telling the Story' is a change of presentation to the Comprehensive Income and Expenditure Statement (CIES) and moves away from aligning with Service Reporting Code of Practice and will be based on the Council's organisational structure. The Movement in Reserves Statement (MIRS) now has a streamlined presentation. The relevant accounting standards will still have to be applied.
 - 2.3 A new funding analysis note is to be introduced which will explain and show the following:
 - Provide a directorate analysis based on how the Council operates
 - Reconciles net expenditure chargeable to the general fund
 - Brings together the funding and accounting basis by service
 - 2.4 As the CIES is a main statement we are required to complete a restatement of the 2015-16 accounts. The impact of the change is purely presentational and there is no change to the surplus/deficit on provision of service reported previously.
 - 2.5 The CIES and MIRS presentation change is deemed as an accounting policy change, however there are no changes to accounting treatment.

2.6 No other changes to our accounting policies are recommended.

3. **Recommendation**

Members are asked to approve the additions and amendments in respect of 'Telling the Story' as shown in section 2 of this report.

Cath Head
Head of Finance Operations
Ext: 416934

Emma Feakins
Chief Accountant
Ext: 416082