

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

14 February 2008

Report of the Director of Finance

Part 1- Public

Matters for Information

1 CONSULTATION ON THE 2008 LOCAL AUTHORITY STATEMENT OF RECOMMENDED PRACTICE (THE SORP)

This paper sets out the Council's suggested response to the proposed changes to the Code of Practice on Local Authority Accounting in the United Kingdom, A Statement of Recommended Practice (The SORP) for 2008. The SORP governs the way in which the Council's Statement of Accounts is prepared.

1.1 Introduction

1.1.1 The SORP is issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and reviewed continuously and is normally updated annually.

1.1.2 The consultation paper gives details of the proposed changes to the SORP for accounting periods commencing on or after 1 April 2008. The return date for comments was 30 January, which regrettably means that this report is presented for information only.

1.1.3 The consultation paper can be found at the following address:

<http://www.cipfa.org.uk/pt/consultations.cfm>

1.2 Proposals

1.2.1 This is a technical document and my officers have formulated a response to the Consultation Paper. The list of questions and responses is attached at **[Annex 1]**.

1.2.2 With respect to the proposed changes the more significant are:

- 1) Amendments to chapter 8 Statement on Internal Control to reflect changes in good practice guidance.
- 2) Clarifying amendments to the sections on Deferred Charges and Intangible Assets.

- 3) Amendments to the section on the Authorised for Issue Date.
- 4) Amendments to reflect the ending of Local Area Agreement grant and its replacement with Area Based Grant in 2008/09.

1.3 Impact of the Proposals

- 1.3.1 We are in general agreement with the proposals outlined in the Consultation Paper and will review our working practices in the coming months to ensure that we comply with the new requirements. We would also wish to highlight that the proposal to move towards internationally based financial reporting standards for 2009/10 or as soon as possible thereafter may have resource implications particularly in terms of the preparatory work required as a result of this change.

1.4 Legal Implications

- 1.4.1 For the purposes of local government legislation local authorities are required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom, the SORP.

1.5 Financial and Value for Money Considerations

- 1.5.1 As set out above.

1.6 Risk Assessment

- 1.6.1 The proposals outlined in the Consultation Paper will require preparatory work and a review of working practices to be undertaken during 2007/08, not to do so may cause difficulties in meeting statutory deadlines.

Background papers:
Consultation on the 2008 Local Authority SORP

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