

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

22 January 2018

Report of the Director of Finance and Transformation

Part 1- Public

Delegated

1 ACCOUNTING POLICIES

This report presents the Accounting Policies proposed for the 2017/18 Financial Statements for consideration and endorsement.

1.1 Introduction

- 1.1.1 The Accounting Policies to be used in the preparation of the Financial Statements are attached at **[Annex 1]** for Members' consideration and endorsement.
- 1.1.2 A change proposed to be made to the Accounting Policies is in respect of componentisation. For ease of reference the proposed change is detailed below.

Componentisation

*Under the Code the Council is required to consider componentisation of significant parts of an asset, where they are of a material financial nature or have significantly differing life expectancies. The Council, following a review of the property, plant and equipment asset registers has decided that the Council's offices and major leisure facilities will be the subject of componentisation if the replacement value of the component is **significant in relation to the gross book value of the asset**. (was previously in excess of £100,000).*

- 1.1.3 There have also been a small number of technical or textual changes made and to reflect the change to the date the Accounts are to be ready for audit and publication of the audited accounts.

1.2 Legal Implications

- 1.2.1 The Accounts are to be prepared in accordance with the Code of Practice on Local Authority Accounting of which the Accounting Policies form an integral part.

1.3 Financial and Value for Money Considerations

- 1.3.1 As set out in the Accounting Policies.

1.4 Risk Assessment

- 1.4.1 Failure to adequately follow Accounting Policies could result in misrepresentation and ultimately qualification of the Accounts.

1.5 Equality Impact Assessment

- 1.5.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act.

1.6 Recommendations

- 1.6.1 Members are asked to **consider** and subject to any required amendments **endorse** the Accounting Policies to be used in the preparation of the 2017/18 Financial Statements as set out at **[Annex 1]**.

Background papers:

contact: Paul Worden

Nil

Sharon Shelton

Director of Finance and Transformation