

Rhondda Cynon Taf CBC

Audit Committee – 10th June

Statement of Accounts 2018/19

Overview of Accounting Policies



Purpose

- To provide Audit Committee with an overview of the Accounting Policies and critical judgements applied in preparing the draft Statements of Account
- To aid Audit Committee in its role in the approval process of the Council's Statement of Accounts

Contents

- Governance Framework
- Timescales
- What is an Accounting Policy?
- Accounting Policies Disclosed
- Critical Judgements in applying Accounting Policies
- Assumptions about the future and other sources of estimation uncertainty

Governance Framework

1. CIPFA Code of Practice on Local Authority Accounting in the UK 2018/19
2. Accounts and Audit (Wales) Regulations 2014 (as updated)
3. Public Audit (Wales) Act 2004
4. Local Government Measure 2011

Timescales

(as defined by Accounts and Audit regulations)

Financial Year	Draft Statement of Accounts certification		Audited Statement of Accounts publication	
	Regulations	RCT CBC	Regulations	RCT CBC
2016/17	30 th June	15 th June	30 th Sept	20 th Sept
2017/18	30 th June	31 st May	30 th Sept	20 th Sept
2018/19	15 th June	31 st May	15 th Sept	31 st July
2019/20	15 th June	31 st May	15 th Sept	31 st July
2020/21	31 st May	31 st May	31 st July	31 st July

What is an Accounting Policy?

1. What is an Accounting Policy?
2. Only required if significant
3. Chief Finance Officer responsibilities
4. Changes to Accounting Policy

Accounting policies disclosed

Policy	Rhondda Cynon Taf CBC	Pension Fund	Central South Consortium
Accruals of Income and Expenditure	✓	✓	✓
Cash and Cash Equivalents	✓	✓	✓
Contingent Liabilities	✓	✓	✓
Employee Benefits	✓		✓
Events after the Balance Sheet Date	✓		✓
Financial Instruments	✓	✓	
Intangible Assets	✓		
Leases	✓		✓
Property, Plant & Equipment	✓		
Reserves	✓		✓
Revenue Expenditure Funded from Capital Under Statute	✓		

Policy	Rhondda Cynon Taf CBC	Pension Fund	Central South Consortium
Government Grants and Other Contributions	✓		✓
Charges to Revenue for Long term Assets	✓		
Minimum Revenue Provision (MRP)	✓		
Provisions	✓		
Interests in Companies and Other Entities	✓		
Additional Voluntary Contributions (AVCs)		✓	
Acquisition and Disposal Costs		✓	
Taxation		✓	✓
Derivatives		✓	
Inventories			✓
Income			✓

Critical Judgements in Applying Accounting Policies

- Grants and Contribution conditions
- Voluntary Aided and Voluntary Controlled Schools

Assumptions about the future and other major sources of estimation uncertainty

- Pensions Liability
- Insurance Provision
- Property, Plant & Equipment

Discussion points for Audit Committee

- Other discussion points...?