

POLICE AND CRIME COMMISSIONER AND NORTH YORKSHIRE POLICE

REPORT FOR A DECISION OF THE EXECUTIVE BOARD

27 March 2017

ACCOUNTING POLICIES

1. Report Purpose

- 1.1 To review the accounting policies to be used in preparation of the Statement of Accounts for 2017/18.

2. Key Information

- 2.1 The accounts are prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom, supplemented by additional guidance set out in CIPFA's Local Authority Accounting Panel Bulletins.
- 2.2 The Code indicates that Group Accounts need to be prepared by the Commissioner, with, for financial accounts purposes, the Chief Constable corporation sole accounted for as a fully controlled subsidiary.
- 2.3 The format of the accounts will be similar to that used in 2016/17.
- 2.4 The accounting policies to be used for both the Commissioner and the Chief Constable will be similar to those used in 2016/17, subject to changes outlined in section 3.

For information a copy of the 2016/17 Group Accounting Policies are provided as Appendix 1

3. Amendments to the Accounting Policies

- 3.1 This report discusses the Group Accounting Policies in detail. These Accounting Policies apply to the whole Group as appropriate, including to the Chief Constables Financial Statements.

Similar amendments will apply to the Accounting Policies for the Chief Constable's Financial Statements, with AP numbers being changed as appropriate and sections not applicable being deleted.

There are no significant amendments required to Accounting Policies for the 2017/18 accounts.

3.2 New International Accounting Standards Adopted for the first time in this Accounting Period

There are no new IFRS introduced for the 2017/18 accounts.

3.3 Critical Accounting Estimates and Judgements.

AP 32 will be amended as appropriate to reflect critical judgements made during the preparation and finalisation of the accounts.

3.4 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty.

AP 33 will be amended as appropriate to reflect potential areas of estimation uncertainty identified during the preparation and finalisation of the accounts.

3.5 Accounting Standards that have been issued but have not yet been adopted.

IAS 9 and IFRS 15 (discussed in AP 34) do not come into effect until 2018/19 so will continue to be disclosed in AP34 in the 2017/18 accounts.

3.6 Apprenticeship Levy.

The Apprenticeship Levy was introduced in 1 April 2017.

CIPFA have advised that payment of the levy is an employee expense at the time the costs is incurred and should be recognised as such in the accounts. The Apprenticeship Levy is payable through Pay As You Earn (PAYE) and is accounted for in a similar manner to tax and national insurance.

CIPFA is also of the view that the amounts credited to income received in an authority's Digital Apprenticeship Service Account should be accounted for as a government grant.

The Group has followed CIPFA's recommendations and no changes to Accounting Policies are required as a result of the introduction of the levy.

4. Implications

4.1 Finance

4.1.1 There are no direct financial implications of this report.

4.2 Equality and Diversity

4.2.1 There are no direct implications in relation to Equality and Diversity as a result of this report.

4.3 Public Interest

4.3.1 This matter is not considered to be of significant public interest. In due course the accounting policies used will be published as part of the Statutory Accounts.

4.4 Legal

4.4.1 There are no direct legal consequences of this report.

5. Consultations carried out

5.1 This report will be considered by the Joint Internal Audit Committee at its meeting on 20 March 2018. Any recommendations or comments they may make will be reported verbally to Executive Board at the meeting on 27 March 2018.

5.2 The report will be circulated to External Auditors for comment with the JIAC papers, and their comments will be reported verbally at the JIAC and to the Executive Board.

6. Recommendations / Action Required of the Executive Board

6.1 Members of the Executive Board are recommended to endorse the proposed accounting policies.

Report Information

Joint report of:

Michael Porter, Commissioners Chief Finance Officer; and

Jane Palmer, Chief Constables Chief Finance Officer and Chief Accountant

Date created: 8 March 2018