

## 6. Accounting Policies for 2011/12 Statement of Accounts

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### Purpose of the Report

To request that members of the Audit Committee approve the Accounting Policies for 2011/12 so that the Statement of Accounts 2011/12 can be prepared on this bases.

### Recommendations

That members approve the Accounting Policies, paying particular attention to the key accounting policy change relating to heritage assets.

### Background

It is a statutory requirement for all local authorities to produce financial statements that are compliant with International Financial Reporting Standards (IFRS) by 2011/12. In order to prepare IFRS compliant accounts for 2011/12, the Council needs to revise its accounting policies.

The proposed Accounting Policies are attached in Appendix 1.

### Key Accounting Policy Changes

There has been one key accounting policy change impacting on the Council relating to Heritage Assets. A Heritage Asset is an asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The Council's Heritage Assets are predominantly the museum stock that is held at the Community Heritage Access Centre. There is now a requirement to disclose Heritage Assets separately on the Balance Sheet where valuations are known.

### Financial Implications

There are no financial implications in accepting this report and the associated recommendations. There is no requirement for valuations for Heritage Assets to be verified by external valuers. Where the cost of obtaining valuation information is not commensurate with the benefits, the Council will not recognise these assets in the Balance Sheet.

**Background Papers:** *Code of Practice on Local Authority Accounting in the United Kingdom 2011/12: Guidance Notes for Practitioners*  
*Audit Committee – 27th January 2011 - Preparation of 2010/11 Statement of Accounts and IFRS*  
*Statement of Accounts 2010/11*