

National Park Authority

Audit & Risk Committee

Agenda Item 5



Draft Accounting Policies for inclusion in 2019/20 Annual Accounts

Paper for approval

1. Purpose

- 1.1 To present the proposed draft accounting policies which form part of the Annual Accounts as requested by the Audit and Risk Committee under the revised Terms of Reference. The draft accounting policies are attached at **Appendix 1**.

2. Recommendation

- 2.1 Members are requested to review the accounting policies which form part of the 2019/20 annual accounts (notes to the accounts). The annual accounts will not be drafted until after 31 March 2020 and the accounting policies will be audited by the Authority's external Auditors, Grant Thornton. The final wording may change as part of the statutory account process and external audit review. Any significant changes will be highlighted to the Audit & Risk Committee members.

3. Changes from 2018/29 Accounting Policies

The changes in the 2019/20 draft Accounting Policies are as follows:

- Removal of corporation tax policy as HMRC has confirmed that the Authority is no longer required to complete Corporation tax returns
- Lease notes 1.13 and 1.15 is updated to reference implementation of IFRS 16 Leases effective 2020/21
- Note 1.17 on Financial Instruments is simplified. IFRS 9 is no longer a new standard so we have removed the explanation around the change in measurement basis for investments that arose from the implementation of the new standard.
- Note 1.21 on Critical judgements and estimates has been updated to confirm that the actuaries do not believe that there is any significant new information for 2019/20 to justify further changes to the pension valuation as a result of the McLoud ruling. As such, no additional specific provision will be made on top of the prior year's adjustment. The prior year position (which includes the additional £345k liability) will be rolled forward.
- Changes in accounting standards note 1.22 updated to remove reference to IFRS9 and IFRS 15, as the standards were implemented in 2018/19.

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