

Appendix B

Accounting Policy	Current Accounting Policy		Proposed Accounting Policy	Impact on the 2016/17 and future Statement of Accounts
	Dorset Police Current	Devon and Cornwall Police		
Property, Plant and Equipment - Recognition	The policy states that £25k is applied to Land and Buildings. There is no de-minimus for other asset classes. In practice, the above approach is applied to an individual item or a project/programme of work.	No de-minimus level is stated in the policy. In practice, there is a de-minimus level of £10k for an individual item or a project/programme of work.	<p>Remove de-minimus levels from accounting policy. De-minimus levels to be disclosed in the note.</p> <p>To change the de-minimus levels to:-</p> <p>Land and Buildings £25k All other assets £10k</p> <p>These de-minimus levels are to be applied to an individual item or a project/programme of work.</p>	<p>The effect of retrospectively applying this policy is outlined below:-</p> <p><u>Devon and Cornwall Police</u> If this policy had been applied in 2016/17, £18k of expenditure incurred on a building would have been charged to revenue. This value is less than 0.01% of the total net book value as at 31 March 2017. It is not material so a restatement of 2016/17 balance sheet and property, plant and equipment note is not required. In 2017/18 the amount will be written down to zero on the balance sheet.</p> <p><u>Dorset Police</u> If this policy had been applied in 2016/17, £26k of expenditure incurred on ICT would have been charged to revenue. This value is less than 0.05% of the total net book value as at 31 March 2017. It is not material so a restatement of 2016/17 balance sheet and property, plant and equipment note is not required. In 2017/18 the amount will be written down to zero on the balance sheet.</p>

Appendix B

				The capital programme for both Forces for the next four years has been reviewed. There will be no impact from the introduction of these policies as the planned expenditure for land and buildings are individually in excess of £25k and the planned expenditure for other capital items form part of a programme of work, all of which exceed the £10k de-minimus level.
Property, Plant and Equipment - Depreciation	Specific useful lives are shown within the policy.	There are no useful lives stated in the policy but they are set out in the note.	To disclose the details of the useful life ranges in the note.	This is a presentational matter only. There are no changes to the life of any of the assets and therefore no impact on the depreciation charged last year.
Property, Plant and Equipment - Componentisation	25% of the total asset with a minimum total asset value of £1m.	>20% and >£2.5m of the main asset value.	<p>Component assets are recognised separately when an asset comprises two or more major components which are material in value and have substantially different useful lives.</p> <p>It is recommended to retain the current policies and to remove the detail from the policy but disclose it in the note.</p> <p>This recommendation reflects the fact that each Force has different materiality levels.</p>	No impact as policies remain the same.
Property, Plant and Equipment - Revaluation	Sample of 25% every year is reviewed and revalued. A full overall valuation was last done in 1999/2000.	A full valuation is undertaken every 3 years with a desktop exercise done in between.	Each Force receives the valuation service from different companies. The contracts in place set out the	No impact as policies remain the same.

Appendix B

			<p>valuation approach which has been outlined. Therefore, there is limited scope for changing this policy.</p> <p>It is recommended that the policy states the requirement for a revaluation of assets but the details of the application of the policy is removed and disclosed in the note.</p>	
Heritage Assets	No policy.	Heritage assets to be recognised if the value is in excess of £10k.	Include a policy on heritage assets. The de-minimus level to be included within the note and not within the policy.	No impact as all items <£10k.
Joint Operations	No policy.	Only significant partnerships where gross expenditure is over £100k are disclosed in the note on related party transactions.	Include a policy on Joint Operations. The de-minimus level to be included within the note and not within the policy.	No impact as all significant partnerships over £100k are already disclosed.
Intangible Assets	No policy.	>25% and >£100k of the main asset value.	To adopt the Devon and Cornwall Policy.	If this policy had been applied in 2016/17, £51k would have been classed as a tangible asset. As this is a reclassification matter only there is no impact on the balance position.
Financial Instruments – Loans to staff	No policy.	Loans made to staff – the accounts are not adjusted for the difference between the actual and market interest rate unless the total adjustment is more than £25k.	Include a policy on loans made to staff. The de-minimus level to be included within the note and not within the policy.	No impact on the accounts as the adjustments would not exceed this de-minimus.