

09 April 2024

Accounting Policies 2023/24

Ward(s): All

Portfolios: Lead Portfolio – Finance (Leader of the Council), All

Purpose: For Information

1. Aim

- 1.1 To set out the accounting policies that will be used in the preparation of the 2023/24 financial statements.

2. Summary

- 2.1 This report sets out the material accounting policies that are being used in the preparation of the 2023/24 accounts process. For the 2023/24 financial year the Council is now required to publish material accounting policies rather than significant accounting policies. There is no difference in the content of these accounting policies to those presented as part of the 2022/23 financial accounts at the November 2023 Audit Committee meeting however a number of policies have been removed as they are not considered material.

3. Recommendations

- 3.1 Audit Committee are recommended to note the accounting policies (Appendix 1) for use in the completion of the council's financial statements for 2023/24.

4. Report detail – know

- 4.1 The financial statements summarise the authority's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The authority is required to prepare these in accordance with the Accounts and Audit (England) Regulations 2015.
- 4.2 The regulations require the statement of accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (hereafter referred to as the 'Code') and are supported by International Financial Reporting Standards (IFRS).
- 4.3 Accounting policies are a way by which the council ensures that it is following these proper accounting practices. As part of the financial statements the council is also required to publish those accounting policies it understands to be significant.

- 4.4 If the council fails to apply accounting policies correctly and fully as defined within the Code and IFRS this could result in external audit requesting amendments to the accounts or even qualification of the accounts.
- 4.5 The Code has introduced a minor change to what accounting policies are presented within the statement of accounts. Instead of presenting significant accounting policies, the requirement is to now present material accounting policies.
- 4.6 Material accounting policies are those accounting policies that policies that a user of the financial statements would require to understand material transactions within the accounts.
- 4.7 This is a subtle change to the previous requirement. As such the accounting policies to be published in the accounts have been reviewed to ensure only material policies are now included. The previous published significant accounting policies are shown as Appendix 2. The accounting policies that are considered not material due to there being no change to the standard methods of accounting or the values within the accounts are immaterial have been highlighted.

5. Financial information

- 5.1 There are none directly related to this report.

6. Reducing Inequalities

- 6.1 Effective value for money arrangements ensure a focus on delivery of Corporate Plan objectives, a key driver of which is reducing inequalities.

7. Decide

- 7.1 As this report is for information only there are no matters within this report for decision.

8. Respond

- 8.1 Audit Committee may wish to comment on the report.

9. Review

- 9.1 Accounting policies are reviewed and prepared on an annual basis in accordance with the Accounts and Audit (England) Regulations 2015.

Background papers

- Code of Practice on local authority accounting in the United Kingdom 2023/24
- Accounts and Audit Regulations 2015 (and amendments)

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