

Report of the Deputy Chief Executive

Statement of Accounts 2024/25 – Accounting Policies

1. Purpose of Report

To provide Members with any updates made to the Council’s accounting policies in relation to the production of the 2024/25 Statement of Accounts.

2. Recommendation

The Committee is asked to RESOLVE that the Accounting Policies for 2024/25 be approved.

3. Detail

Prior to the completion of the Statement of Accounts 2024/25, it is considered good practice that Members are given the opportunity to discuss and comment on the accounting policies to be used in the production of the financial statements. These policies will be applied to the treatment of all transactions that make up the Statement of Accounts to ensure the accounts present a true and fair view of the financial position of the Council as at 31 March 2025.

The Statement of Accounts 2024/25 will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the ‘Code’) based upon International Financial Reporting Standards (IFRS). The 2024/25 Code introduces amendments to the following, which do not impact on any of the Council’s policies:

- IAS 1 Presentation of Financial Statements – classification of liabilities as current or non-current and non-current liabilities with covenants
- IAS 12 Income Taxes – international tax reform
- IAS 7 Statement of Cash Flows – supplier finance arrangements
- IFRS 7 Financial Instrument Disclosures – supplier finance arrangements

The 2024/25 Code also introduces amendments to IFRS 16 leases which sets out the accounting requirements for leases held by the Council. This standard has required a review and update of the Council’s Leasing Policy (policy xv). The main change is that all leases held by the Council as a lessee will now be accounted for as a finance lease. There is substantially no change for leases held by the Council as a lessor.

The proposed Accounting Policies for 2024/25 are set out in the **Appendix**.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no direct costs associated with the accounting policy updates.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The legislation, the Accounts and Audit Regulations (2015) and the Accounts and Audit (Amendment) Regulations 2022, sets out the timescales for the production of the Council's accounts, including the dates of the public inspection period. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Deputy Chief Executive) has the responsibility for the administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts is that upon which the auditor should enter their certificate and opinion which is prepared under the Local Government Finance Act 2003.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

Not applicable.

8. Climate Change Implications

There are no Climate Change issues in relation to this report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil.