

Report of the Interim Deputy Chief Executive and Section 151 Officer

Statement of Accounts 2025/26 – 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 2025/26 Statement of Accounts.

2. Recommendation

The Committee is asked to RESOLVE that the Accounting Policies for 2025/26 be approved.

3. Detail

Prior to the completion of the Statement of Accounts 2025/26, 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 2026.

The Statement of Accounts 2025/26 will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the 'Code') based upon International Financial Reporting Standards (IFRS). The 2025/26 Code introduces amendments to the following, which do not impact on any of the Council's policies:

- IAS 21 The Effects of Changes in Foreign Exchange Rates
- Insurance Contracts issued in May 2017

HM Treasury undertook a thematic review on the measurement and valuation of non-investment assets with a view to reducing the challenges faced by preparers of valuations and financial statements and auditors. The Code has been updated with the recommendations from this review and subsequently the accounting policy xvii 'Property, Plant and Equipment' has been updated to reflect the requirement for the value of assets not valued within the five-year rolling valuation cycle to be indexed. Indexation is a tool to apply an inflationary increase to assets in the years between professional valuations. The impact of indexation on the Council's balance sheet values is not expected to be material.

Accounting policy xi 'Intangible Assets' has been updated to remove the requirement to revalue intangible assets which has now been withdrawn in the Code. There is no expected impact on the Council's balance sheet from this amendment.

The proposed Accounting Policies for 2025/26 are set out in the **Appendix**.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer 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.