

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5
FEBRUARY 2025**



Title of Report	DRAFT ACCOUNTING POLICIES 2023/24	
Presented by	Anna Crouch Head of Finance	
Background Papers	Accounting Policies and Materiality – Audit and Governance Committee 26 April 2023	Public Report: Yes
Financial Implications	There are no direct financial implications as a direct result of this report.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	There are no direct legal implications as a direct result of this report.	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	There are no direct staffing and corporate implications as a direct result of this report.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To present the draft accounting policies for the 2023/24 financial statements.	
Recommendations	THAT THE COMMITTEE CONSIDERS AND APPROVES THE DRAFT ACCOUNTING POLICIES FOR THE 2023/24 FINANCIAL STATEMENTS AS DETAILED IN APPENDIX A	

1.0 BACKGROUND

- 1.1 It is a requirement of the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 for the Statement of Accounts to be produced in accordance with proper accounting practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- 1.2 In August 2022, CIPFA issued a consultation on the 2023/24 Code of Practice, inviting comment on the voluntary adoption of IFRS 16, updates resulting from legislation changes, IFRS 17 Insurance Contracts, sustainability reporting and a review of the Code's structure and format.
- 1.3 There are no accounting changes within the 2023/24 code that will have significant impact on the Council's 2023/24 Statement of Accounts.

2.0 ACCOUNTING POLICIES 2023/24

- 2.1 The Accounting policies adopted by the Council determine the accounting treatment that is applied to transactions during the financial year and in the preparation of the Statement of Accounts at the year-end. They determine the specific principles, bases, conventions, rules and practices that will be applied by the Council in preparing and presenting its financial statements.
- 2.2 Accounting policies need not be applied if the effect of applying them would be immaterial. Materiality is defined in the Code as: Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.
- 2.3 The Audit and Governance Committee's Terms of Reference require the Committee to "consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council". It is, therefore, considered good practice for the Committee to have greater visibility over these accounting policies before they are applied.
- 2.4 The draft accounting policies for 2023/24 are included in Appendix A. The Finance Team reviews the accounting policies each year to ensure they comply with accounting standards. Any policies, which are no longer relevant or have no material effect to the Statement of Accounts are removed. Following the 2023/24 review, there are no changes to the accounting policies from 2022/23.
- 2.5 The draft accounting policies may be reviewed by the external auditors as part of the audit of the accounts and are still subject to change up to the point the final Statement of Accounts documented is approved and signed. Any major changes will be highlighted to the Audit Committee alongside the final version of the Statement of Accounts.

Policies and other considerations, as appropriate	
Council Priorities:	Production of timely and accurate Statement of Accounts is a statutory requirement. Achievement of this reflects sound financial management supporting all the council priorities
Policy Considerations:	CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment, Climate Change and Zero Carbon	Not applicable

Consultation/Community/Tenant Engagement:	Not applicable
Risks:	None
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