

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 12
NOVEMBER 2025



Title of Report	DRAFT ACCOUNTING POLICIES 2024/25	
Presented by	Anna Crouch Head of Finance	
Background Papers	Audit and Governance Committee – 5 February 2025 Draft Accounting Policies 2023/24	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 2024/25 financial statements	
Recommendations	THAT THE COMMITTEE CONSIDERS AND APPROVES THE DRAFT ACCOUNTING POLICIES FOR THE 2024/25 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 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. The accounting policies are published within the Statement of Accounts document in accordance with the Code of Practice on Local

Authority Accounting and incorporate the requirements of International Financial Reporting Standards (IFRS).

- 1.3 This report, therefore, presents the accounting policies that the Council will apply in the preparation of the Statement of Accounts for 2024-25.

2.0 DRAFT ACCOUNTING POLICIES 2024-25

- 2.1 Officers have assessed the accounting policies that are deemed necessary to explain clearly and underpin the accounting treatment of transactions within the Council's Statement of Accounts for 2024-25. In undertaking this assessment, a review of all accounting policies previously agreed has been undertaken to check their relevance, clarity, legislative compliance and that they are in accordance with the latest version of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting and Internal Financial Reporting Standards (IFRS) requirements. The draft accounting policies for 2023/24 are included in Appendix A.

- 2.2 With specific regard to the accounting policies proposed in respect of 2024-25, these are largely unchanged from previous years. However, it is proposed to amend the accounting policies for the following reasons:

- A minor update in order to provide clarity on the General Principles as per the Code of Practice on Local Authority Accounting and IFRS requirements.
- Inclusion of a Going Concern basis of preparation as required by the Code of Practice on Local Authority Accounting.
- The introduction of IFRS16 which sets out the principles for recognition, measurement, presentation and disclosure requirements of Leases by introducing a single lessee accounting model which provides greater transparency of the lessee's financial leverage and capital employed by requiring recognition of right of-use assets and lease liabilities on balance sheet. It was initially due for implementation from 1 April 2020 but was delayed due to Covid-19 until 1 April 2022. In response to audit delays, however, the then Department for Levelling Up, Housing and Communities, now Ministry of Housing, Communities and Local Government (MHCLG) asked CIPFA to consider some time-limited changes to the Code, which would ease these delays. Following consultation and review by the Financial Reporting Advisory Board (FRAB), CIPFA confirmed a further optional delay for a period of two years until 1 April 2024. The impact of adopting this new standard will therefore be reflected for the first time in the 2024-25 Statement of Accounts and Accounting Policies.

- 2.3 As the Statement of Accounts for 2024-25 is prepared, it may be necessary to amend a policy in order to adopt a more appropriate accounting policy. If this occurs, the change and the reason for the change will be reported back to the Audit and Governance Committee at its next available meeting and / or will be highlighted within the report when the Statement of Accounts is presented to Members for approval. Full details of all the proposed accounting policies for 2024-25 are provided at Appendix A.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - A well-run council <p>Production of timely and accurate Statement of Accounts is a statutory requirement. Achievement of this reflects sound financial management supporting all the council priorities.</p>
Policy Considerations:	CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
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:	<p>Regulation 7 of the Accounts and Audit Regulations 2015 requires a local authority to prepare a Statement of Accounts in accordance with “proper practices in relation to accounts”.</p> <p>As this report complies with best practice, the risk has been assessed as low.</p>
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