



**OPEN REPORT
GOVERNANCE AND RESOURCES COMMITTEE**

Governance and Resources Committee – 21 March 2024

**STATEMENT OF ACCOUNTS 2023/24 – APPROVAL OF ACCOUNTING
POLICIES**

Report of the Director of Resources

Report Author and Contact Details

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Wards Affected

District-wide

Report Summary

To seek approval for the Accounting Policies to be used within Derbyshire Dales District Council's Statement of Accounts 2023/24, highlighting any changes from last year.

Recommendation

That the 2023/24 Accounting Policies be approved for use within the Statement of Accounts.

List of Appendices

Appendix 1 Accounting Policies

Background Papers

None

Consideration of report by Council or other committee

No

Council Approval Required

No

Exempt from Press or Public

No

Statement of Accounts 2023/24 Accounting Policies

1 Background

- 1.1 For the financial year 2023/24 the Council must publish its draft Statement of Accounts by the 31st May. It is best practise for the Audit Committee, or in the case of Derbyshire Dales District Council for the Governance and Resources Committee, to consider the Accounting Policies in advance of the production and publication of the Statement of Accounts.

2. Key Issues

- 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. 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 (IRFS).
- 2.2 This report therefore presents the accounting policies that the Council will apply in the preparation of the Statement of Accounts for 2023/24.
- 2.3 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 2023/24. 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 IFRS requirements.
- 2.4 With specific regard to the accounting policies proposed in respect of 2023/24, these are largely unchanged from previous years. A few small adjustments have been made to ensure the Accounting Policies are clear and accurately reflect the Council's current processes; these were made on the advice of the External Auditor as part of the 2022/23 audit. Accounting Policies for Foreign Currency Translation and Interests in Companies and Other Entities have been removed as they are not currently applicable to the Council and as per the 2023/24 Code of Practice only material accounting policies should be disclosed.
- 2.5 IFRS16 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 01 April 2020 but was delayed due to Covid-19 until 1 April 2022. In response to audit delays, however, the Department for Levelling Up, Housing and Communities (DLUHC) 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 has confirmed that there is a further optional delay for a period of two years until 1 April 2024. The impact of adopting this new standard is being reviewed during 2023/24 and does not affect the 2023/24 Statement of Accounts or Accounting Policies.

- 2.6 As the Statement of Accounts for 2023/24 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 Governance & Resources 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 2023/24 are provided at Appendix 1, with proposed changes shown by red text.

3. Consultation

- 3.1 No consultation is required.

4. Timetable for Implementation

- 4.1 Subject to approval of the report recommendations, the approved accounting policies will be used to produce the draft 2023/24 statement of accounts by the statutory deadline of 31st May.

5. Policy Implications

- 5.1 None.

6. Financial and Resource Implications

- 6.1 Compliance with the CIPFA Code of Practice and IFRS means that the financial risk is assessed as low.

7. Legal Advice and Implications

- 7.1 This report seeks approval for the Accounting Policies to be used within Derbyshire Dales District Council's Statement of Accounts 2023/24, highlighting any changes from last year.

- 7.2 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".

- 7.3 As this report complies with best practice, the legal risk has been assessed as low.

8. Equalities Implications

- 8.1 There are no equality implications for this report.

9. Climate Change Implications

9.1 There are no climate change implications arising from this report.

10. Risk Management

10.1 Financial and legal risks have been assessed above.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	11/03/2024
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	13/03/2024
Monitoring Officer (or Legal Services Manager)	Helen Mitchell	12/3/2024