

Report to: Audit & Governance Committee Meeting 6 April 2023

Director or Business Manager Lead: Nick Wilson, Business Manager Financial Services

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services, ext 5523

Report Summary	
Report Title	STATEMENT OF ACCOUNTING POLICIES 2022/2023
Purpose of Report	<i>To provide Members with updates made to the Council's accounting policies in relation to the closedown of the 2022/2023 financial year.</i>
Recommendations	<i>Members approve the amended Statement of Accounting Policies for 2022/2023.</i>

1.0 Background

- 1.1 Prior to the completion of the Statement of Accounts for 2022/2023 it is important 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 figures in 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 2023.
- 1.2 The 2022/2023 Statement of Accounts will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (the Code) which is based on International Financial Reporting Standards (IFRS).

2.0 Updates to the Statement of Accounting Policies

- 2.1 The relevant key accounting changes in the 2022/2023 Code include:
 - *Confirmation in Module 1 Appendix B of the New or Amended Standards introduced in the 2022/23 Code.*
 - *Updates to the methodology in Module 2, Section G for calculating year-end apportionment of NDR and council tax surpluses and deficits where an authority declared an exceptional deficit in accordance with SI 2020/1202, the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020.*

- *Augmentations to the Appendix to Module 3, ie the example financial statements and notes to the accounts; these include changes to the accounting policies, critical judgements in accounting policies disclosure and other clarifications to the reserves disclosures.*
- *Explanation of the interaction of the example disclosures and accounting policies in the Appendix to Module 3 with the illustrations in CIPFA Bulletin 12 – Accounting for Infrastructure Assets – Temporary Solution.*
- *Description in Module 4 of the interaction of capital accounting transactions with CIPFA Bulletin 12 – Accounting for Infrastructure Assets – Temporary Solution.*
- *Confirmation in Module 4, Section F of the Code’s provisions to allow authorities to voluntarily adopt the provisions of IFRS 16 Leases in advance of mandatory implementation, in line with requirements set out in Appendix F.*
- *Amendments to Module 8, Section B to clarify the treatment of social benefits under IAS 37/ IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.*

2.2 The relevant key changes listed at 3.1 do not impact on the Councils accounting policies. However, an additional policy has been included this financial year to cover Intangible Assets. A complete set of the Accounting Policies for 2022/2023 are attached at **Appendix A.**

Background Papers and Published Documents

Code of practice on local authority accounting in the United Kingdom – Guidance notes for practitioners 2022/23 accounts