

<b>REPORT TO:</b>	Audit and Governance Committee
<b>DATE:</b>	15 <sup>th</sup> March 2023
<b>SUBJECT:</b>	Financial Statements 2022/23 – Accounting Policies
<b>PURPOSE:</b>	To review and approve the Accounting Policies for inclusion in the Financial Statements 2022/23
<b>KEY DECISION:</b>	N/A
<b>PORTFOLIO HOLDER:</b>	Councillor Richard Fry
<b>REPORT OF:</b>	Christine Marshall, Deputy Chief Executive Corporate Development
<b>REPORT AUTHOR:</b>	Ellie Stacey, Deputy Chief Finance Officer (Corporate) – PSPS Ltd
<b>WARD(S) AFFECTED:</b>	All
<b>EXEMPT REPORT?</b>	No

#### **SUMMARY**

The accounting policies form Note 1 within the Financial Statements, and are the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting Financial Statements. Application of these accounting policies results in information that is relevant to the decision making needs of the users of the Financial Statements, and reliable in presenting a true and fair view of the financial position of the authority.

#### **RECOMMENDATIONS**

That the Audit and Governance Committee review and approve the Accounting Policies for 2022/23 at Appendix A.

#### **REASONS FOR RECOMMENDATIONS**

It is good practice for the Committee to consider and agree the Accounting Policies in advance of the production and approval of the draft accounts.

## **OTHER OPTIONS CONSIDERED**

That the Audit and Governance Committee review and make changes before agreeing the Accounting Policies for 2022/23 at Appendix A.

### **1. BACKGROUND**

- 1.1 Within the Financial Statements, the Council discloses the accounting policies it has applied to all material balances and transactions. Unless there are major changes to accounting rules and regulations, accounting policies do not change significantly between years, which enables the Financial Statements to be comparable from one year to the next.

This report presents the proposed accounting policies to be adopted for the 2022/23 financial year. The policies are prepared in line with CIPFA's Code of Practice on Local Authority Accounting 2022/23 (the Code).

It is good practice to consider and agree the accounting policies in advance of the production and approval of the draft accounts, so this report forms an annual review by the Audit and Governance Audit Committee.

### **2. REPORT**

- 2.1 There have only been minor areas of change within the Code of Practice in 2022/23, none of which required amendments to be made to accounting policies.
- 2.2 We are currently awaiting the release of the template accounting policies and disclosure notes from our external treasury advisors, Link Asset Services. Once received, these will be reviewed against the draft accounting policies, and any required adjustments will be made.
- 2.3 The 2022/23 unaudited Financial Statements need to be completed by 31 May 2023, (31 July for 2021/22 unaudited Financial Statements) and will be presented to Audit and Governance Committee when complete. The accounting policies will be included within the Statements, and any minor changes made during the Statements production process will be agreed with the S151 Officer and highlighted to the Committee on this date.

### **3. CONCLUSION**

- 3.1 No changes were required to be made to the accounting policies for 2022/23.

### **4. EXPECTED BENEFITS TO THE PARTNERSHIP**

- 4.1 By agreeing these policies early it assists with the early closure timetable that local authorities work to.

### **5. IMPLICATIONS**

#### **5.1 SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP**

- 5.1.1 None.

#### **5.2 CORPORATE PRIORITIES**

- 5.2.1 None.

### **5.3 STAFFING**

5.3.1 None.

### **5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS**

5.4.1 The Accounts and Audit Regulations 2015 were amended by the Accounts and Audit (Coronavirus) Amendments Regulation 2020 (SI 2021/263) to amend the statutory deadline for the publishing of the draft Financial Statements to 31 July 2022, for 2021/22. This has now ceased and the regulations require local authorities to publish their unaudited Financial Statements by 31 May 2023.

### **5.5 DATA PROTECTION**

5.5.1 None.

### **5.6 FINANCIAL**

5.6.1 The policies at Appendix A underpin the Council's Financial Statements in line with the Code.

### **5.7 RISK MANAGEMENT**

5.7.1 None.

### **5.8 STAKEHOLDER / CONSULTATION / TIMESCALES**

5.8.1 No formal consultation has been undertaken, but the Committee has the opportunity to review the accounting policies and propose amendments prior to the publication of the unaudited Financial Statements, in line with 31 May 2023 deadline.

The Committee should also note that a wider consultation regarding the 31 May deadline for the unaudited Finance Statements closed on 2 March 2023 and we are awaiting the outcome of this, which could result in the deadline being extended for a further year.

### **5.9 REPUTATION**

5.9.1 The previous 31 July deadline has now been amended to 31 May, which may or may not be extended as detailed in 5.8.1. Members should be aware of the potential reputational impact, should the revised deadline of 31 May not be met.

### **5.10 CONTRACTS**

5.10.1 None.

### **5.11 CRIME AND DISORDER**

5.11.1 None.

### **5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

5.12.1 None.

### **5.13 HEALTH AND WELL BEING**

5.13.1 None.

### **5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

5.14.1 None.

## 6. ACRONYMS

6.1 CIPFA – Chartered Institute of Public Finance and Accountancy.

### APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Accounting Policies 2022/23
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### BACKGROUND PAPERS

Background papers used in the production of this report are listed below: -

Document title	Where the document can be viewed
CIPFA Accounting Code of Practice 2022/23 and supporting Guidance Notes	CIPFA public guidance document

### CHRONOLOGICAL HISTORY OF THIS REPORT

This report is considered on an annual basis prior to the production of the Financial Statements.

### REPORT APPROVAL

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