

**Cheltenham Borough Council**  
**Audit, Compliance and Governance Committee – 20 April 2022**  
**Review of Draft Accounting Policies 2021/22**

<b>Accountable member</b>	<b>Councillor Peter Jeffries, Cabinet Member for Finance and Assets</b>
<b>Accountable officer</b>	<b>Gemma Bell, Head of Property, Finance and Assets (Deputy s151 Officer)</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	To update Members on the Council’s draft accounting policies which will be included in the 2021/22 Statement of Accounts, providing Members with the opportunity to review these policies before the unaudited accounts are published on 31 July 2022.
<b>Recommendations</b>	<b>The Committee notes the content of these draft accounting policies and make any comments as necessary.</b>

<b>Financial implications</b>	As detailed throughout this report.  <b>Contact officer: Gemma Bell, <a href="mailto:gemma.bell@cheltenham.gov.uk">gemma.bell@cheltenham.gov.uk</a>, 01242 264124</b>
<b>Legal implications</b>	None specific directly arising from the report.  <b>Contact officer: One Legal – <a href="mailto:legalservices@onelegal.org.uk">legalservices@onelegal.org.uk</a> 01684 272012</b>
<b>HR implications (including learning and organisational development)</b>	None arising directly from this report.  <b>Contact officer: Julie McCarthy <a href="mailto:julie.mccarthy@publicagroup.uk">julie.mccarthy@publicagroup.uk</a> Tel no: 01242 264355</b>
<b>Key risks</b>	None
<b>Corporate and community plan Implications</b>	None
<b>Environmental and climate change implications</b>	None.

## 1. Background

- 1.1 The Committee is requested to review the Council's accounting policies, as included in the statement of accounts, on an annual basis. The Council's auditors, Grant Thornton have recommended that this review is done prior to the review and sign-off of the Council's final audited statement of accounts. This is to aid the Committee's understanding of the policies in place and their application in the statement of accounts.
- 1.2 This report therefore includes the draft accounting policies included in the draft statement of accounts. It should be noted that DLUHC have once again extended the deadline for the publishing of the unaudited Statement of Accounts from 31 May 2022 to 31 July 2022. The deadline for publishing final audited accounts is 30 September 2022. The final accounting policies will be reviewed again by the Committee when the audited accounts are presented for approval.

## 2. Accounting Policies

- 2.1 The Statement of Accounts are prepared in accordance with proper accounting practices and regulations by following the CIPFA Code of Practice on Local Government Accounting ('The Code'), supported by International Financial Reporting Standards (IFRS's) and International Accounting Standards (IAS's).
- 2.2 The Council's accounting policies outline the relevant accounting principles and methodologies adopted by the Council, in order to meet these statutory requirements. They can be used to aid understanding of the statements as well as providing a comparison to other organisations. Any changes to accounting policies from previous financial years are disclosed as a separate note to the accounts.
- 2.3 The accounting policies have been reviewed in 2021/22 to ensure they are up to date and relevant to the statements, a copy of which is included as Appendix A to this report.

## 3. Changes to accounting policies in 2021/22

- 3.1 There are no material changes to the accounting policies in 2021/22.
- 3.2 The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified. There is also the requirement for an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The following standards and amendments will be introduced in the 2022/23 Code and apply from 1 April 2022:
  - IFRS 16 Leases
- 3.3 IFRS 16 is not anticipated to have a material effect on the financial statements or balances of the Council since the changes mainly affect the recognition of leases by lessees and the authority does not have any finance lease liabilities or material operating leases (as disclosed in note 23 of the Statement of Accounts on the Council as Lessee).

## 4. Conclusion

- 4.1 It should be noted that the draft accounting policies may be updated as part of the final audited Statement of Accounts. The Committee will have the opportunity to review the final version as part of the approval of the audited Statement of Accounts in September 2022.

<b>Report author</b>	<b>Contact officer: Gemma Bell</b> <b>gemma.bell@cheltenham.gov.uk, 01242 264124</b>
<b>Appendices</b>	Appendix A - Draft Accounting Policies 2021/22
<b>Background information</b>	Code of Practice on Local Authority Accounting in the UK 2021/22 Accounts  Accounts and Audit Regulations 2015

