

# Cheltenham Borough Council

## Audit, Compliance and Governance Committee

28 May 2025

### Draft Accounting Policies 2024-25

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**Accountable member:**

Councillor Peter Jeffries, Cabinet Member for Finance and Assets

**Accountable officer:**

Paul Jones, Deputy Chief Executive and S151 Officer

**Ward(s) affected:**

All

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**Key Decision:** No

**Executive summary:**

To update Members on the Council's draft accounting policies which will be included in the 2024/25 Statement of Accounts, providing Members with the opportunity to review these policies before the unaudited accounts are published on 30 June 2025.

**Recommendations:**

The Committee notes the content of these draft accounting policies and make any comments as necessary.

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#### 1. Implications

##### 1.1 Financial, Property and Asset implications

The financial implications are contained throughout the report.

**Signed off by:** Jon Whitlock, Chief Accountant, [jon.whitlock@cheltenham.gov.uk](mailto:jon.whitlock@cheltenham.gov.uk)

## 1.2 Legal implications

The Accounts and Audit Regulations 2015 set out the requirements for the production and publication and audit of the annual statement of accounts. This is the first stage in delivering the draft Statement of Accounts for 2024/25.

**Signed off by:** One Legal [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

## 1.3 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Making Cheltenham the Cyber Capital of the UK
- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

**Signed off by:** Ann Wolstencroft, Head of Projects, Programmes and Risk

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## 2 Background

2.1 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 have previously 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.

2.2 This report therefore includes the draft accounting policies included in the draft statement of accounts. It should be noted that the DLUHC timetable for the publication of unaudited Statement of Accounts has been brought back to 31 May for 2023/24.

2.3 The deadline for publishing final audited accounts is currently proposed as 31 May 2024 however this is subject to ongoing consultation. The final accounting policies will be reviewed again by the Committee when the audited accounts are presented for approval. It should be noted that the Council's Statement of Account for 2022/23 has still not been audited and the outcome of the consultation and decisions by Grant Thornton will determine whether this will be the final outcome for the accounting period.

- 2.4 This means additional preparation and audit work will need to be undertaken to assure the prior year balances disclosed in the 2023/24 Statement of Accounts and the final impact on the 2023/24 accounts is still not fully understood.

### **3. Accounting Policies**

- 3.1. 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).
- 3.2. 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.
- 3.3. The accounting policies have been reviewed in 2024/25 to ensure they are up to date and relevant to the statements, a copy of which is included as Appendix 1 to this report.

### **4. Changes to accounting policies for 2024/25**

- 4.1. There are no material changes to the accounting policies in 2024/25.
- 4.2. 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 2024/25 Code and apply from 1 April 2024:

#### IFRS 16 Leases

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 only has a small number of operating leases above threshold. There is also an impact on the consolidation of a small number of operating leases held by Cheltenham Borough Homes in the group accounts but again, these are not expected to have a material impact on the Statement of Accounts.

### **3 Conclusion**

- 3.1 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 for 2024/25.

**Report author:**

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**Appendices:**

- i. Draft Accounting Policies 2024/25

**Background information:**

Code of Practice on Local Authority Accounting in the UK 2024/25