

Report to: Audit and Governance Committee



Date of Meeting 20 March 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Statement of Accounts 2024/25 – Review of Accounting Policies

Report summary:

It is good practice for the Audit and Governance Committee to approve the Accounting Policies to be adopted in advance of the preparation of the Statement of Accounts.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

To approve the Accounting Policies for the 2024/25 Statement of Accounts.

Reason for recommendation:

Members of the Audit and Governance Committee have responsibility for the approval of the Annual Statement of Accounts.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Democracy, Transparency and Communications
- ☐ Economy and Assets
- ☒ Finance
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ Better homes and communities for all
- ☒ A greener East Devon

Report in full

1. Background

- 1.1 This report presents the accounting policies to be adopted and to be used in the preparation of the Statement of Accounts for the 2024/25 financial year.
- 1.2 The CIPFA (Chartered Institute of Public Finance and Accountancy) LASAAC (Local Authority (Scotland) Accounts Advisory Committee) Local Authority Accounting Board is a standing committee of CIPFA and LASAAC and is responsible for developing the Code of Practice on Local Authority Accounting in the United Kingdom (“the Code of Practice”)
- 1.3 The Code of Practice prescribes the accounting treatment and disclosures for transactions of the Council. It is updated annually by the CIPFA / LASAAC Local Authority Board.
- 1.4 As specified by regulation 21(2) of the Local Government Act 2003, all Local Authorities in the United Kingdom are required to keep their accounts in accordance with 'proper (accounting) practices'. This is defined, for the purposes of local government legislation, as meaning compliance with the terms of the Code of Practice.
- 1.5 For 2024/25 the accounting policies have been updated to reflect the revised leasing standard, IFRS16, which has been adopted for 2024/25 to comply with the Code of Practice. The new leasing standard brings leased assets onto the balance sheet as ‘Right-of-Use’ assets and recognises future rental payments as lease liabilities.
- 1.6 The accounting treatment for Infrastructure Assets has been clarified by CIPFA (CIPFA Bulletin 12 Accounting - Infrastructure Assets - Temporary Solution). The council continues to apply this guidance by not reporting the values for gross book cost and accumulated depreciation, as these may not be measured accurately due to historical reporting practices.
- 1.7 The proposed accounting policies are presented via the link within the report.

Financial implications:

The policies set out for approval underpin the Council’s reporting on its financial performance and position.

Legal implications:

The legal position is detailed in the report and no further comment is required.