

Bolsover District Council

Meeting of the Audit Committee on 12th March 2024

ACCOUNTING POLICIES 2023/24

Report of the Director of Finance and Section 151 Officer

Classification	This report is public.
Contact Officer	Director of Finance and Section 151 Officer Theresa Fletcher

PURPOSE / SUMMARY

The Committee is asked to approve the accounting policies at **Appendix 1**. These are for the current financial year and relate to the preparation of the Statement of Accounts for 2023/24.

REPORT DETAILS

1 Background

- 1.1 The accounting policies adopted by the Council determine the accounting treatment that is applied to transactions during the financial year and in the preparation of the Statement of Accounts at the year end. They determine the specific principles, bases, conventions, rules, and practices that will be applied by the Council in preparing and presenting its financial statements. The accounting policies are published within the Statement of Accounts document in accordance with the Code of Practice on Local Authority Accounting and incorporate the requirements of International Financial Reporting Standards (IFRS).
- 1.2 The approval of the accounting policies to be applied by the Council demonstrates that due consideration is being given to which policies to adopt and apply and that those charged with governance are fully informed prior to the commencement of the Statement of Accounts preparation, of the policies that are being adopted.
- 1.3 This report therefore presents the accounting policies that the Council will apply in the preparation of the Statement of Accounts for 2023/24.

2. Accounting Policies

- 2.1 Officers have reviewed and updated where necessary, the existing accounting policies that were agreed for 2022/23. They have been checked for their

relevance, clarity, legislative compliance and that they are in accordance with the latest version of the code of practice and IFRS requirements.

- 2.2 The proposed accounting policies for 2023/24 have been changed to reflect that from 2023/24 we are going to prepare group accounts for the first time, to ensure we account for the Dragonfly companies correctly. However, as the Statement of Accounts for 2023/24 are prepared it may be necessary to make an amendment to a policy in order to adopt a more appropriate accounting policy. Full details of the proposed accounting policies for the current financial year are provided at **Appendix 1**.

3 **Reasons for Recommendation**

- 3.1 This report sets out the accounting policies which are to be applied for the 2023/24 Statement of Accounts for consideration by the Audit Committee. Given that the policies adopted have significant influence upon the accounting statements it is important that these are given appropriate consideration at the outset of the preparation of the Statement of Accounts. This helps ensure that they are applied consistently in the preparation of the accounts. The policies which are recommended are in line with those that were used in the previous financial year (2022/23).

4 **Alternative Options and Reasons for Rejection**

- 4.1 The Council is required to have appropriate accounting policies within its Statement of Accounts. Officers have developed what they consider to be an appropriate set of policies based upon those adopted in previous financial years after taking account of changes as required by current legislation and including implications to enable us to account for Dragonfly for the first time. The preparation and consideration of this report is part of a process intended to ensure that alternative options are given appropriate consideration.

RECOMMENDATIONS

1. That the Audit Committee approve the accounting policies detailed at **Appendix 1** to this report.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS.

Finance and Risk: Yes No

Details: There are no direct financial implications arising from this report. The accounting policies will, however, be used to determine the accounting treatment of the financial transactions of the Council for 2023/24 and will therefore influence the presentation and understanding of the financial position of the Council as at 31 March 2024.

None of the policies outlined in **Appendix 1** are considered to be in conflict with legislative or IFRS requirements therefore the risk of adopting a policy that contravenes good practice is considered minimal. The greater risk is the failure to ensure that the policy and the actual accounting treatment are consistent. To minimise this risk the final accounts timetable for 2023/24 has officer review time built in, to cross check the policies to the actual treatment of items within the accounts.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details: The agreement of appropriate accounting policies is part of the process of ensuring that the Council satisfies its legal obligation to prepare a Statement of Accounts. The accounting policies adopted by the Council must comply with current legislation, the Code of Practice on Local Authority Accounting and IFRS requirements. Officers have given careful consideration to the policies detailed at **Appendix 1** to ensure that they meet all these requirements.

There are no data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report

Staffing: Yes No

Details:

There are no human resource implications arising directly from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies.</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No

District Wards Significantly Affected	None directly
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details: Portfolio Holder for Resources

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	Title
1	Accounting Policies

Background Papers
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i>
None