

**Classification:** Public

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee  
**Date:** 5 March 2024  
**Reporting officer:** Andrew Barnett, Principal Accountant  
**Subject:** Review of Accounting Policies 2023-24

### **Purpose and summary of report:**

To seek endorsement of the Accounting Policies to be used in formulating the Financial Statements for the authority for the financial year 2023-24

### **Recommendations:**

1. Members are asked to endorse the use of the Accounting Policies as outlined at Appendix One to this report, subject to comments from the Council's external auditor.

| <b>Key Implications:</b>           |  |
|------------------------------------|--|
| <b>Item</b>                        | <b>Implications</b>  |
| <b>Legal</b>                       | The Accounts & Audit (England) Regulations 2015 require local authorities to prepare their annual financial statement of accounts in accordance with 'proper accounting practice'. |
| <b>Finance and Value for Money</b> | The potential costs of not updating the accounting policies could include additional audit fees should further testing or extra audit time be required.                            |
| <b>Corporate Plan</b>              | Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks.  |
| <b>Climate Change</b>              | No direct implications.  |

## **1. BACKGROUND**

- 1.1 The Accounts & Audit (England) Regulations 2015 requires local authorities to prepare their annual financial statement of accounts in accordance with 'proper accounting practice'. For local authorities, proper accounting practice is defined as that contained within the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code).
- 1.2 Accounting policies are the principles, bases, conventions, rules and practices applied by an authority that specify how the effects of transactions and other events are to be reflected in its financial statements. This may be through

recognising, selecting measurement bases for, and presenting assets, liabilities, gains, losses and changes in reserves. Except where explicitly specified in The Code, or due to specific legislative requirements, it is for an authority to select the accounting policies that are most appropriate to its particular circumstances.

- 1.3 The Terms of Reference of the Finance & Audit Committee require it to review the annual accounting policies to be used in preparing the annual statement of accounts.

## **2. ACCOUNTING POLICIES FOR 2023-24**

- 2.1 The Code for 2023-24 has been published and a review of the Council's accounting policies has been conducted to ensure that these are in line with the requirements of The Code.
- 2.2 As at the time of writing, there are no major changes to The Code that have been identified that will influence the council's accounting policies for 2023-24. The accounting policies will therefore broadly remain in line with those used to prepare previous accounts, although opportunity has been taken to review the wording of accounting policies and update where necessary to provide greater clarification.
- 2.3 It should also be noted as of writing, that although the audit of the 2019/20 Statement of Accounts is drawing to a close, the Statements of Accounts for 2020/21, 2021/22 and 2022/23 remain outstanding as there have been no agreed / audited opening balances upon which to commence those processes.
- 2.4 Additionally, as the audits of 2020/21, 2021/22 and 2022/23 are thus yet to commence, any auditor amendments to the accounting policies as a result of these processes are yet to be factored into the current version.
- 2.5 Members are therefore requested to endorse any amendments to the accounting policies resulting from the consultation process, with any changes reported in due course to a future committee.

## **3. APPENDICES**

- 3.1 The following documents are to be published with the report:
- 3.2 Appendix One – Accounting Policies 2023/24

**Lead Officer:** Andrew Barnett

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| <b>Secondary Implications</b>                      |  |
|--|--|
| <b>Risk Assessment</b>                             | <p>It is considered that the policies presented to the Finance &amp; Audit Committee within this report are properly in line with the statutory guidance. In conducting the review of the accounting policies, Officers have attended a CIPFA event and a separate Grant Thornton event on applying The Code to the preparation of the 2023-24 accounts.</p> <p>If the accounting policies were not in accordance with statutory guidance and The Code, the accounts for the financial year could receive a qualified opinion from Grant Thornton, the Council's external auditors.</p>  |
| <b>Data Protection Impact Assessment</b>           | <p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>?<br/>A definition of each type of data can be found on the Information Commissioner's Office website via the above links.<br/>No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?<br/>N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.<br/>N/A</p> |
| <b>Equality Impact Assessment</b>                  | <p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.<br/>No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.<br/>N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>   |
| <b>Crime and Disorder</b>                          | No direct implications.  |
| <b>Digital and website implications</b>            | No direct implications.  |
| <b>Safeguarding children and vulnerable adults</b> | No direct implications.  |