



<b>Report To:</b>	Audit and Governance Committee
<b>Date:</b>	21 <sup>st</sup> April 2026
<b>Subject:</b>	Accounting Policies 2025/26
<b>Purpose:</b>	To review and agree the Accounting Policies for inclusion in the Financial Statements 2025/26
<b>Key Decision:</b>	N/A
<b>Portfolio Holder:</b>	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth
<b>Report Of:</b>	Russell Stone, Director of Finance (S151 Officer)
<b>Report Author:</b>	Ellie Stacey, Head of Finance Delivery - Technical and Corporate (PSPS Ltd)
<b>Ward(s) Affected:</b>	None
<b>Exempt Report:</b>	No

### **Summary**

The Accounting Policies form Note 1 within the Financial Statements, and are the specific principles, bases, conventions, rules, and practices applied by an authority in preparing and presenting Financial Statements. Application of these Accounting Policies results in information that is relevant to the decision making needs of the users of the Financial Statements, and reliable in presenting a true and fair view of the financial position of the authority.

### **Recommendations**

The Audit and Governance Committee consider and agree the Accounting Policies for 2025/26 at appendix 1.

## **Reasons for Recommendations**

It is good practice for the Committee to consider and agree the Accounting Policies in advance of the production and approval of the draft accounts.

## **Other Options Considered**

The Audit and Governance Committee review and make changes before agreeing the Accounting Policies for 2025/26 at appendix 1.

## **1. Background**

- 1.1. Within the Financial Statements, the Council discloses the Accounting Policies it has applied to all material balances and transactions. Unless there are major changes to accounting rules and regulations, Accounting Policies do not change significantly between years, which enables the Financial Statements to be comparable from one year to the next.
- 1.2. This report presents the proposed Accounting Policies to be adopted for the 2025/26 financial year. The policies are prepared in line with CIPFA's Code of Practice on Local Authority Accounting 2025/26 (the Code).
- 1.3. It is good practice to consider and agree the Accounting Policies in advance of the production and approval of the draft accounts, so this report forms an annual review by the Audit and Governance Committee.

## **2. Report**

- 2.1 There has been one substantial change within the Code of Practice in 2025/26, regarding the valuation of property, plant and equipment. Where assets are revalued, the Code no longer permits a full revaluation on an annual basis. The Council has therefore opted to undertake revaluations on a five year rolling programme, with annual indexation applied to assets during the four intervening years. The alternative option permitted is to revalue assets once every five years with annual indexation in the intervening years.
- 2.2 The updated Accounting Policy for property, plant and equipment is included within appendix 1, paragraph 18. All amendments are shown in red text for ease of identification.
- 2.3 We are currently awaiting the release of the template Accounting Policies and disclosure notes from our external treasury advisors. Once received, these will be reviewed against the draft Accounting Policies, and any required adjustments will be made.

2.4 The statutory deadline for completion of the 2025/26 unaudited Financial Statements is 30 June 2026, and they will be presented to the Audit and Governance Committee when complete. The Accounting Policies will be included within the Statements, and any minor changes made during the Statements production process will be agreed with the S151 Officer and highlighted to the Committee.

### **3. Conclusion**

3.1. The Accounting Policies remain unchanged except for the amended requirements for the valuation of property, plant and equipment.

### **Implications**

#### **South and East Lincolnshire Councils Partnership**

By agreeing these policies early it assists with the prompt closure timetable that local authorities work to.

#### **Corporate Priorities**

None.

#### **Staffing**

None.

#### **Workforce Capacity Implications**

None.

#### **Constitutional and Legal Implications**

None.

#### **Data Protection**

None.

#### **Financial**

The Accounting Policies at Appendix 1 underpin the Council's Financial Statements in line with the Code.

#### **Risk Management**

None.

#### **Stakeholder / Consultation / Timescales**

No formal consultation has been undertaken, but the Committee has the opportunity to review the Accounting Policies and propose amendments prior to the publication of the unaudited Financial Statements.

## **Reputation**

None.

## **Contracts**

None.

## **Crime and Disorder**

None.

## **Equality and Diversity / Human Rights / Safeguarding**

None.

## **Health and Wellbeing**

None.

## **Climate Change and Environment Impact Assessment**

None.

## **Acronyms**

CIPFA – Chartered Institute of Public Finance and Accountancy.

## **Appendices**

Appendices are listed below and attached to the back of the report:

Appendix 1                                      Financial Statements 2025/26 – Accounting Policies

## **Background Papers**

Background papers used in the production of this report are listed below: -

<b>Document title</b>	<b>Where the document can be viewed</b>
Appendix 1	Financial Statements 2025/26 – Accounting Policies

## **Chronological History of this Report**

None.

## **Report Approval**

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Signed off by:                                      Russell Stone, Director of Finance (S151 Officer)  
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