



WEST OXFORDSHIRE
DISTRICT COUNCIL

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| Name and date of Committee | AUDIT AND GOVERNANCE COMMITTEE - 25 JUNE 2026 |
| Subject | STATEMENT OF ACCOUNTING POLICIES 2025/26 |
| Wards affected | None |
| Accountable member | Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk |
| Accountable officer | Madhu Richards, Chief Finance Officer and Deputy Chief Executive Email: Madhu.Richards@westoxon.gov.uk |
| Report author | Andrew Moran, Finance Business Partner Email: Andrew.Moran@publicagroup.uk |
| Summary/Purpose | This report presents the accounting policies to be included in the 2025/26 Statement of Accounts. This provides Members with the opportunity to review and approve the policies in advance of the preparation of the Statement of Accounts 2025/26. Approving the accounting policies in advance of the preparation of the accounts represents best practice. |
| Annexes | Annex A – Draft Statement of Accounting Policies – 2025/26 |
| Recommendation(s) | It is recommended that: <ol style="list-style-type: none">1. The Audit and Governance Committee considers and approves the draft accounting policies for 2025/26 included at Annex A;2. Further necessary amendments to the policies set out at Annex A (occurring subsequent to this meeting) are included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to this Committee. |
| Corporate priorities | Working Together for West Oxfordshire |
| Key Decision | NO |
| Exempt | NO |

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| Consultees/ Consultation | None. The draft policies presented in this report have been prepared in accordance with latest CIPFA Code of Practice on Local Authority Accounting. |
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1. EXECUTIVE SUMMARY

- 1.1** This report presents for approval, the draft Statement of Accounting Policies to be applied in closing the Council's accounts for 2025/26. The policies are included at Annex A.
- 1.2** The policies outline the relevant accounting principles, bases, conventions, rules and practices applied by the authority in preparing and presenting its financial statements.
- 1.3** The policies have been reviewed to ensure they align with the latest CIPFA Code of Practice on Local Authority Accounting (The Code) supported by International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

2. BACKGROUND

- 2.1** The Council's External Auditor, Bishop Fleming, recommend that Members formally approve the draft Statement of Accounting Policies to be included in the Statement of Accounts before the closedown process is undertaken.
- 2.2** Such approval demonstrates that those charged with governance have had the opportunity to consider and review the draft policies and are aware of the policies to be applied in closing the Council's accounts for 2025/26 in advance of the process.
- 2.3** The Committee will approve the Statement of Accounts, receive the Audit Findings Report, and sign the letter of Representation as those charged with governance at a future Audit and Governance Committee meeting.

3. MAIN POINTS

- 3.1** The 2025/26 financial year ends on 31 March 2026. Finance colleagues are currently preparing the draft Statement of Accounts, subject to audit for 2025/26. It is considered best practice for those charged with governance to review and approve the accounting policies prior to the meeting at which the Statement of Accounts will be approved.
- 3.2** The draft Statement of Accounting Policies are included at Annex A. They are prepared largely from the CIPFA guidance, adjusted as appropriate to be suitable for the Council. There may be certain matters arising during preparation of the Statement of Accounts which will require the draft accounting policies to be updated. For example, CIPFA may issue updates to the guidance. Further necessary amendments to the policies set out at Annex A (occurring subsequent to this meeting) will be included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to this Committee.
- 3.3** The Council prepares its Statement of Accounts in accordance with proper accounting practices and regulations in accordance with The Code supported by International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).
- 3.4** The Statement of Accounting Policies outlines the relevant accounting principles, bases, conventions, rules and practices applied by the Council in preparing and presenting its financial statements. They aid understanding of the Statements and facilitate comparison with other organisations.

4. Proposed Amendments for 2025/26

4.1 The policies set out in Annex A have been fully reviewed to ensure they align with The Code guidance notes. As a result, the following amendments are proposed for the 2025/26 accounting year.

4.2 The proposed amendments are summarised as follows:

- **Prior period adjustments, changes in accounting policies and estimates and errors (Section iv)** – Updated to clarify that the valuation of non-investment assets will be applied prospectively, with no restatement of prior year figures.
- **Financial Instruments (Section x)** – Includes updated drafting to clarify the accounting arrangements for premiums and discounts arising from the premature repayment of debt. The only material change to these arrangements is the inclusion of an option for the Council to amortise premiums to the General Fund over a shorter period of time should it elect to do so. In addition, the section titled “Financial assets measured at fair value through profit or loss” now states that fair value gains and losses for Pooled Investment Funds made after 1 April 2024 will be charged to the General Fund.
- **Property, plant and equipment (Section xvii)** – Indexation will now be applied to assets annually between revaluations (which typically take place every five years). Where the Council cannot obtain indices without undue cost or effort, it will apply a desktop revaluation in year three. Also, the policies now clarify that no depreciation is provided for during the financial year an asset is acquired. However, a full year’s depreciation is provided for in the financial year of asset disposal.

5. ALTERNATIVE OPTIONS

5.1 The draft policies presented in this report have been prepared in accordance with latest version of The Code. Consequently, no alternative options have been prepared.

6. FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications arising from this report.

7. LEGAL IMPLICATIONS

7.1 There are no direct legal implications arising from this report, except to the extent that compliance with the latest Accounting Code of Practice under which the accounts are prepared is mandatory.

8. RISK ASSESSMENT

8.1 If the Council’s accounting policies are not followed during preparation of the Statement of Accounts, external audit may decide that the Statement of Accounts is misstated. Officer training in advance of preparation of the Statement of Accounts and an associated Annual review of these policies mitigates the risk.

9. EQUALITIES IMPACT

9.1 None.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 None.

11. BACKGROUND PAPERS

11.1 None.