



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE - 26 JUNE 2025
Subject	STATEMENT OF ACCOUNTING POLICIES 2024/25
Wards affected	None
Accountable member	Cllr 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 2024/25 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 2024/25. Approving the accounting policies in advance of the preparation of the accounts represents best practice.
Annexes	Annex A – Draft Statement of Accounting Policies – 2024/25
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none">1. Approve the draft accounting policies for 2024/25 included at Annex A;2. Note 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

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 2024/25. 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 2024/25 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 2024/25 financial year ends on 31 March 2025. Finance colleagues are currently preparing the draft Statement of Accounts, subject to audit for 2024/25. 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 2024/25

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, three amendments are proposed for the 2024/25 accounting year.

4.2 The proposed amendments are summarised as follows:

- **Employee Benefits (Section vii)** – Following the Publica service review and the TUPE transfer of employees to the Council, it will be necessary to make an accrual for the cost of leave entitlement earned by employees but not taken before the year-end. Prior to the transfer of employees, the Council did not calculate and disclose this accrual as it was not a material amount.
- **Financial Instruments (Section x)** – Statutory provisions for mitigating the impact of fair value movements on Pooled Investment Funds have been extended to 31 March 2029 but only in respect of investments made before 1 April 2024. For Pooled Investment Funds made on or after 1 April 2024, fair value movements will be released to the General Fund in 2025/26 along with gains and losses incurred during that year.
- **Leases (Section xvi)** – Where the Council is lessee (i.e. rents land or property from the owner of the asset), the policies have been amended to comply with the requirements of IFRS16. Such leases are now classified based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. Where the Council is lessor (i.e. rents its own land or property to a tenant), the policies remain unchanged.

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.