



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Governance and Audit Committee

Wednesday, 18 March 2026

Report of Councillor Ashley Baxter,
Leader of the Council,
Cabinet Member for Finance, HR and
Economic Development

2025/26 Accounting Policies

Report Author

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Purpose of Report

The Council's Accounting Policies are reviewed annually, prior to the preparation of the Statement of Accounts, to ensure they are up to date and in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code).

Recommendations

The Committee is recommended to:

- 1. Approve the Statement of Accounting Policies to be used in the production of the 2025/26 Financial Statements (Appendix A).**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 Prior to the compilation of the Statement of Accounts for 2025/26 it is important that members of Governance and Audit Committee have the opportunity to comment on the accounting policies to be used in the production of the financial statements. These policies, if agreed, will be applied to the treatment of all transactions that make up the figures in the Statement of Accounts.

Completed by: *Richard Wyles, Deputy Chief Executive and s151 Officer*

Legal and Governance

- 1.2 Local authorities are required by the Local Audit and Accountability Act 2014 to prepare a Statement of Accounts in accordance with relevant regulations. The policies referred to are a requirement of the Accounts and Audit (England) Regulations 2015. Any updates and amendments should be reported to Governance and Audit Committee in accordance with its role to approve the Statement of Accounting Policies as per Part 2 (Articles) of the Constitution, paragraph 9.1 xxvii.

Completed by: *James Welborn, Democratic Services Manager*

2. Background to the Report

- 2.1. The Council is required to disclose the accounting policies applied to all material balances and transactions within its Statement of Accounts. These are produced in line with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code).
- 2.2. It is good practice to consider and adopt the accounting policies in advance of the production and approval of draft accounts. Consequently, all accounting policies have been reviewed for the 2025/26 financial year to ensure they comply with the Code.
- 2.3. After reviewing the 2025/26 CIPFA Code, no changes are required to the accounting policies.

- 2.4. Appendix A details the accounting policies to be applied in the preparation of the 2025/26 Statement of Accounts.
- 2.5. During the year-end process, changes may be required to the policies arising from changes in circumstances or updated guidance. These will be agreed with the Section 151 Officer and reported to Governance and Audit Committee alongside the final Statement of Accounts.
- 2.6. The following table details the publication dates for the draft and final audited 2025/26 Statement of Accounts subject to government consultation.

	Publication date of 2025/26 Statement of Accounts
Draft Statement of Accounts	30 June 2026
Audited Statement of Accounts	31 January 2027

3. Key Considerations

- 3.1. The accounting policies have been produced in accordance with the Code with which the Council is required to comply when producing the Statement of Accounts.

4. Other Options Considered

- 4.1 No other options are available as the Council is required to comply with the Code.

5. Reasons for the Recommendations

- 5.1. As part of the Accounts and Audit (England) Regulations 2015, Local Authorities are required to include accounting policies in the Statement of Accounts.

6. Appendices

- 6.1. Appendix A – 2025/26 Statement of Accounting Policies.