



Report To:	Governance and Audit Committee
Date:	Thursday, 19 March 2026
Subject:	Accounting Policies 2025/26
Purpose:	To review and agree the Accounting Policies for inclusion in the Financial Statements 2025/26
Key Decision:	N/A
Portfolio Holder:	Councillor Paul Redgate, Portfolio Holder for Finance
Report Of:	Russell Stone, Director of Finance (S151)
Report Author:	Ellie Stacey, Head of Finance Delivery - Technical and Corporate (PSPS Ltd)
Ward(s) Affected:	None
Exempt Report:	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 Governance and Audit 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 Governance and Audit 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 Governance and Audit 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. Council dwellings will continue to be revalued on an annual basis, as permitted by the Code.
- 2.2 The updated Accounting Policy for property, plant and equipment is included within appendix 1, paragraph 19. 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 Governance and Audit 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: -

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

Chronological History of this Report

None.

Report Approval

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