

Blaby District Council
Audit & Corporate Governance Committee

Date of Meeting 27 April 2026
Title of Report **Accounting Policies 2025/26**
Report Author Finance Group Manager

1. What is this report about?

- 1.1 The report sets out the proposed accounting policies that will be followed by the Council in the preparation of its annual Statement of Accounts for 2025/26.

2. Recommendation(s)

- 2.1 It is recommended that the accounting policies set out in Appendix A are approved.

3. Reason for Decision(s) Recommended

- 3.1 The Council should select appropriate accounting policies to be applied in the preparation and presentation of its annual Statement of Accounts.
- 3.2 It is considered good practice for the Audit and Corporate Governance Committee to review and comment upon the proposed accounting policies to be used in the preparation of the Council's annual accounts.

4. Matters to consider

4.1 Background

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an annual Statement of Accounts in accordance with proper accounting practices. This means that our accounts should comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), and various International Financial Reporting Standards (IFRS).

The Code defines accounting policies as “the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting financial statements”.

Accounting policies represent one of the key notes that support the Financial Statements. It is important that the Council selects appropriate policies for all material transactions and balances. Examples of these include revenue

recognition, non-current assets, and retirement benefits. It is also important that those policies, once developed, are applied in practice.

Policies do not need to be disclosed in respect of immaterial transactions or balances, or where they are not applicable to the Council. They are reviewed and updated annually to reflect changes to the Code, accounting standards, or statutory guidance.

4.2 Changes in Accounting Policies in 2025/26

The 2025/26 Code of Practice introduces the following new accounting standards from 1st April 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)
- IFRS 17 Insurance Contracts
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for property, plant and equipment, requiring indexation for non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy

These new standards, are expected to have little or no impact on the content or substance of the Council's accounts.

4.3 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

5. Environmental impact

5.1 No Net Zero and Climate Impact Assessment (NZCIA) is required for this report.

6. What will it cost and are there opportunities for savings?

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

7. What are the risks and how can they be reduced?

7.1

Current Risk	Actions to reduce the risks
That the accounting policies might not reflect changes to the Code or accounting standards.	Annual review of the existing accounting policies to ensure compliance with the latest Code.
That the accounting policies may not reflect materiality.	The annual review seeks to ensure that policies are in place for all material transactions and balances, and that policies are not included where the transactions and balances related to those policies are not material.

8. Other options considered

8.1 Not to present the accounting policies to Audit and Corporate Governance Committee. However, it is considered good practice to give Members early sight of the policies on which the financial statements will be based. The external auditors will also require evidence that the policies have been considered and approved by those charged with governance.

9. Appendix

9.1 Appendix A – Accounting Policies 2025/26

10. Background paper(s)

10.1 None.

11. Report author's contact details

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