



# Northumberland County Council

Audit Committee

Wednesday, 31 January 2024

## **Changes to the Code of Practice for Local Authority Accounting in the UK for 2023-24**

**Report of Councillor(s)** Councillor Richard Wearmouth, Deputy Leader and Cabinet Member for Corporate Resources

**Responsible Officer(s):** Jan Willis, Executive Director for Resources & Transformation (S151)

### **1. Link to Key Priorities of the Corporate Plan**

The Council's budget is aligned to the three priorities outlined in the Corporate Plan 2023-26: Achieving Value for Money; Tackling Inequalities and Driving Economic Growth.

### **2. Purpose of report**

The purpose of this report is to provide the Audit Committee with a summary of the key accounting changes in the latest edition of the Code of Practice for Local Authority Accounting in the UK which will apply to the 2023-24 Statement of Accounts.

### **3. Recommendations**

It is recommended that the Members of the Audit Committee note the changes detailed in the report and in Appendix A which will be taken into account in the preparation of the 2023-24 statement of accounts.

### **4. Forward plan date and reason for urgency if applicable**

Not applicable.

### **5. Background**

- 5.1 In preparing the annual Statement of Accounts we closely follow CIPFA's Code of Practice for Local Authority Accounting in the UK (the Code), which is based on approved accounting standards.

- 5.2 The 2023-24 Statement of Accounts will be prepared in accordance with the Code 2023-24.
- 5.3 The Code is based on International Financial Reporting Standards (IFRS) and has been developed by the joint CIPFA/Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code Board overseen by the Financial Reporting Advisory Board. It is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements.
- 5.4 The Code also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board and the UK Financial Reporting Council where these provide additional guidance. The latest edition of the Code applies to accounting periods commencing on or after 1 April 2023. It supersedes the 2022-23 Code.
- 5.5 In England and Wales, the Code constitutes a ‘proper accounting practice’ under the terms of section 21(2) of the Local Government Act 2003.
- 5.6 The CIPFA/LASAAC Code Board, overseen by the Financial Reporting Advisory Board, is in a position to issue mid-year updates to the Code in exceptional circumstances.
- 5.7 Appendix A provides a summary of the key accounting changes to the Code and their relevance to the Council in preparing its Statement of Accounts for the year ended 31 March 2023.

## 6. Options open to the Council and reasons for the recommendations

- 6.1 It is recommended that the Members of the Audit Committee note the changes detailed in the report and in Appendix A which will be taken into account in the preparation of the 2023-24 statement of accounts.

## 7. Implications

<b>Policy</b>	None
<b>Finance and value for money</b>	The report considers the changes to the Code of Practice for Local Authority Accounting in the UK for the County Council’s Statement of Accounts 2023-24.
<b>Legal</b>	It is a requirement of the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 for the Statement of Accounts to be produced in accordance with proper accounting practices.
<b>Procurement</b>	None
<b>Human resources</b>	None

<b>Property</b>	None
<b>The Equalities Act: is a full impact assessment required and attached?</b>	No - no equalities issues identified N/A
<b>Risk assessment</b>	The risks within the preparation of the Statement of Accounts are well managed through the embedded processes in place.
<b>Crime and disorder</b>	None
<b>Customer considerations</b>	None
<b>Carbon reduction</b>	None
<b>Health and wellbeing</b>	The Council's budget is founded on the principle of promoting inclusivity.
<b>Wards</b>	(All Wards);

## 8. Appendices

8.1 Appendix A – Summary of the key accounting changes in the 2023-24 Code

## 9. Background papers

Not applicable

## 10. Links to other key reports already published

[Northumberland County Council Draft Statement of Accounts 2022-23](#)

## 11. Author and Contact Details

Suzanne Dent,  
 Email: [suzanne.dent@northumberland.gov.uk](mailto:suzanne.dent@northumberland.gov.uk)