

<b>Report Title</b>	Accounting Policies
<b>Portfolio Holder</b>	Policy Reform and Resources
<b>Summary of report</b>	Accounting policies to be applied for 2022/23 closure of accounts for consideration.
<b>Is this report exempt?</b>	No
<b>Local Authorities affected</b>	All
<b>Impact and implications of this report</b>	
<b>Financial impact</b>	No
<b>Delegation (s) sought</b>	None
<b>Supporting the Corporate Plan</b>	A Fairer City Region x A Stronger City Region x A Cleaner City Region x A Connected City Region x A Vibrant City Region x
<b>Climate Change Implications</b>	No
<b>Equality and Diversity implications</b>	No
<b>Social Value implications</b>	No
<b>Human Resources implications</b>	No
<b>Physical Assets implications</b>	No
<b>Information Technology implications</b>	No
<b>Legal implications</b>	No
<b>Risk and Mitigation</b>	Yes see paragraph 4.2
<b>Privacy implications</b>	No
<b>Communication and consultation implications</b>	No
<b>Contact Officer(s)</b>	Sarah Johnston, Assistant Director Finance
<b>Appendices</b>	Yes Appendix 1 Accounting Policies 2022/23
<b>Background Documents</b>	No

# LCR AUDIT & GOVERNANCE COMMITTEE

Wednesday, 22 March 2023

## REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES

### ACCOUNTING POLICIES 2022/23

#### 1. PURPOSE OF REPORT

The purpose of this report is to provide the Members of the Committee with details of the accounting policies it is proposed to apply to the closure of the Combined Authority and Merseytravel's annual accounts.

#### 2. RECOMMENDATIONS

It is recommended that the Members of the Audit and Governance Committee:

- (a) note the accounting policies attached as Appendix 1 and provide comments thereon; and
- (b) approve the proposed accounting policies.

#### 3. BACKGROUND

3.1 On an annual basis the Authority is required to review its accounting policies to ensure that those being used are appropriate, accurate and are applicable for all significant transactions.

3.2 The accounting policies have been reviewed by management and a copy of the proposed accounting policies to be applied for 2022/23 is included in Appendix One. The review conducted involved considering the following:

- Whether the existing policies were fit for purpose;
- Whether there has been any change in structure or type of transactions undertaken by the organisation that were not adequately reflected within the existing policies;
- Any areas where understanding could be improved through expanded or simplified working; and
- Consideration of any changes in accounting standards applied within the CIPFA Code.

3.3 For 2022/23 there are no significant changes to accounting standards which have necessitated revisions to accounting policies. The accounting policies have, however been adjusted to take account of the temporary changes to the Code to address the national issue around accounting for infrastructure assets. In very generally terms this has seen the measurement basis for infrastructure assets amended to show net cost only. To allow sign off of the 2021/22 accounts, changes were required to address this issue and the amendment to accounting policies for 2022/23 flows on from this.

## **4. IMPACT AND IMPLICATIONS**

### **4.1. Financial**

None directly.

### **4.2 Risks and Mitigation**

Accounting policies detail the Authority's approach to the accounting treatment they intend to apply to various types of transactions within the statement of accounts. These are based on generally accepted accounting policies and prevailing accounting standards. Failure to review and update these may mean that the Authority applies incorrect accounting treatment. This is mitigated by undertaking an annual review of the accounting policies to ensure that these remain current and reflect the changes to the CIPFA Code.

## **5. CONCLUSION**

The Authority's accounting policies have been subject to review as detailed in the report and it is proposed that the policies applied for the preparation and closure of the 2022/2 accounts remain unchanged from the previous year.

**JOHN FOGARTY**  
Executive Director of Corporate  
Services

**Metro Mayor STEVE ROTHERAM**  
Portfolio Holder for Policy, Resources and  
Reform