AGENDA ITEM TBC

SUBJECT: DRAFT STATEMENT OF ACCOUNTS 2025/26 – MONMOUTHSHIRE COUNTY COUNCIL
MEETING: GOVERNANCE & AUDIT COMMITTEE
DATE: 23rd July 2026
DIVISIONS/WARD AFFECTED: All

1. PURPOSE:

1.1 This report has been prepared to provide Governance & Audit Committee Members with an opportunity to review and provide comment on the draft 2025/26 Statement of Accounts of Monmouthshire County Council under the following terms of reference of the Committee:

- To review and scrutinise the authority's financial affairs;
- To oversee the authority's internal and external audit arrangements; and
- To review financial statements prepared by the Council.

1.2 Members are asked to note that the figures provided are subject to change during the external audit process and that a final audited statement of accounts will be presented to this committee at a future date.

2. RECOMMENDATIONS:

2.1 That the Governance & Audit Committee:

- Review the 2025/26 draft Statement of Accounts and provide any comments or observations for consideration as part of the external audit process.
- Note that, following completion of the external audit, the audited Statement of Accounts for 2025/26 will be presented to this Committee for consideration and approval, alongside the audit findings.

3. KEY ISSUES

3.1 The draft Statement of Accounts was signed by the Responsible Finance Officer on 26 June 2026 and subsequently published on the Council's website. The accounts will now be subject to external audit and a public inspection period.

3.2 The draft accounts were completed four days earlier than for 2024/25, in line with the timetable agreed with Audit Wales during the pre-closure process. This allows for the timely commencement of the external audit.

3.3 This represents a positive achievement, particularly given the additional responsibilities placed on Finance teams during the accounts closedown period. These included embedding the leasing reporting requirements introduced in 2024/25 and undertaking additional work to reflect indexation of non-current asset values within relevant areas of the accounts.

3.4 The high-level timetable for completion of the final audited accounts is as follows:

Draft accounts published	26 June 2026
Public inspection period	15 July 2026 to 11 August 2026
External audit process	July to September 2026
Governance & Audit Committee approval	September 2026
Audit Wales certification	September 2026

Statement of Accounts

3.5 The Statement of Accounts, shown in ***Appendix 2***, is a highly technical document and its form and content are heavily regulated. The main requirements are set out in the:

- Code of Practice on Local Authority Accounting in the United Kingdom;
- Service Reporting Code of Practice; and
- International Financial Reporting Standards (IFRS), where applicable.

3.6 While compliance with these accounting standards supports consistency and comparability across public bodies, it can make the accounts difficult for non-specialist users to interpret. To help with this, a simplified summary of the main financial statements has been included in ***Appendix 1***. This is intended to support Members' review and understanding of the primary financial statements.

3.7 Alongside this, the guide produced by CIPFA, ***Understanding Local Authority Financial Statements,*** has been provided as a background paper which may assist members of the Governance and Audit Committee and other users to understand the format of the accounts.

3.8 The formal Statement of Accounts at ***Appendix 2*** includes the following statutory primary statements:

- Movement in Reserves Statement
- Comprehensive Income & Expenditure Statement
- Balance Sheet
- Cash Flow Statement

3.9 Supporting explanatory notes aim to give further information on the amounts included in the primary statements.

3.10 The Council is required to incorporate into its single entity accounts its share of the financial results and balances of the South East Wales Corporate Joint Committee (SEWCJC), formerly known as the Cardiff Capital Region City Deal. The draft accounts reflect the Council's share of the SEWCJC accounts and transactions, as outlined in the draft 2025/26 SEWCJC accounts.

4. REASONS

4.1 To provide Governance & Audit Committee Members with an opportunity to review and provide comment on the draft 2025/26 Statement of Accounts of Monmouthshire County Council.

5. BACKGROUND PAPERS

Appendix 1 - Summary of 2025/26 primary financial statements
Appendix 2 - Draft 2025/26 Statement of Accounts – Monmouthshire County Council

Background paper 1 - Understanding Local Authority Financial Statements (CIPFA – 2016)

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