

SUBJECT: DRAFT STATEMENT OF ACCOUNTS 2023/24 – MONMOUTHSHIRE COUNTY COUNCIL

MEETING: Governance and Audit Committee

DATE: 31st July 2024

DIVISIONS/WARD AFFECTED: All

1. PURPOSE:

1.1 This report has been prepared to provide Governance and Audit Committee Members with an opportunity to review and provide comment on the draft 2023/24 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 authority

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 2023/24 draft Statement of Accounts and highlight any queries and comments.
- Note that following the completion of the external audit process, the audited Statement of accounts for 2023/24, alongside the outcome of the external audit process, will be presented to this Committee.

3. KEY ISSUES

3.1 Under current legislation for Wales, the draft statement of accounts are to be produced and published by the Authority by the 31st May following the financial year they relate to.

3.2 Welsh Government, in recognising the continued demands and pressure on Local Government resources, continue to allow the Council the flexibility to publish the statement of accounts after the statutory deadline subject to providing a statutory notice as per paragraph 10(4) of the regulations detailing the reasons for not meeting the deadline. This notice was made by the Council on the 31st May 2024.

- 3.3 The draft Statement of Accounts were signed by the Responsible Finance Officer on the 1st July 2024, were subsequently published on the Council's website, and will be subject to external audit and a public inspection period.
- 3.4 The draft accounts for 2023/24 were completed 19 days earlier than for 2022/23, and 40 days earlier than those produced for 2021/22.
- 3.5 The date of completion was in line with the timetable communicated to Audit Wales at the start of the closure process, and therefore allows for the timely commencement of the external audit.
- 3.6 Monmouthshire was the seventh Council in Wales to complete and publish its draft accounts for 2023/24 which is a significant achievement given the additional responsibilities placed upon finance teams during the period in dealing with increased financial reporting requirements for both budget forecasting and treasury management.
- 3.7 The high-level timetable for completion of the final audited accounts is as follows:

Draft accounts published	1st July 2024
Public Inspection period	31st July 2024 to 29th August 2024
External audit process	July to November 2024
Audit Wales certification	30th November 2024

- 3.8 As we look forward to 2024/25 and beyond, there is further significant improvement to be made to move towards meeting the existing statutory deadline of 31st May. This will not only rely upon suitable additional resource being embedded within finance teams as part of the finance restructure, but also critically will require the support of the wider Council services involved in the accounts production such as Estates, HR, Payroll, Democratic services, and Internal Audit.

Statement of accounts

- 3.9 The Statement of Accounts, shown in **Appendix 1**, is a highly technical document and its form and content are heavily regulated. The main regulations come through the:
- Code of Practice on Local Authority Accounting in the United Kingdom;
 - Service Reporting Code of Practice; and
 - Supported by International Financial Reporting Standards (IFRS).
- 3.10 In complying with these Standards, the accounts do not always make easy reading. With this in mind a summary of the main financial statements has been prepared at **Appendix 2** to assist with the scrutiny process of the primary statements.
- 3.11 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.
- 3.12 The formal Statement of Accounts at **Appendix 1** include the following statutory primary statements:
- Movement in Reserves Statement
 - Income & Expenditure Statement
 - Balance Sheet
 - Cashflow Statement
- 3.13 Supporting explanatory notes are also included in sections 10 to 17 which aim to give further information on the amounts included in the primary statements.

3.14 It should be noted that the Council is required to consolidate into its accounts its share of the financial accounts and transactions for the Cardiff Capital Region City Deal (CCRCD). The CCRCD draft accounts for 2023/24 have not yet been completed. The draft Council accounts for 2023/24 therefore continue to reflect its share of 2022/23 CCRCD draft accounts and transactions.

4. REASONS

4.1 To provide Governance and Audit Committee Members with an opportunity to review and provide comment on the draft 2023/24 Statement of Accounts of Monmouthshire County Council.

5. BACKGROUND PAPERS

Appendix 1 - Draft 2023/24 Statement of Accounts – Monmouthshire County Council

Appendix 2 – Summary of 2023/24 primary financial statements

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

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